AN INVESTIGATION INTO FACTORS AFFECTING IMPLEMENTATION OF THE BALANCED SCORE CARD IN STATE CORPORATIONS IN KENYA:A CASE STUDY OF KENYA BUREAU OF STANDARDS (KEBS)

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A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTER OF HUMAN RESOURCE MANAGEMENT (MHRM) OF THE OPEN UNIVERSITY OF TANZANIA

2013

CERTIFICATION

The undersigned certify that, he has read and hereby recommends for acceptance by the Open University of Tanzania this Dissertation titled "**An Investigation into Factors Affecting Implementation of The Balanced Score Card in State Corporations in Kenya: A Case Study of Kenya Bureau of Standards".** Is my own work to the best of my knowledge and effort, and it has not been submitted for an award in other institution of higher learning.

Signature……………………..……………………

Dr. Tumaini Katunzi

(Supervisor)

Date…………………………………

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DECLARATION

I**, Simon K. Cheruiyot,** do hereby declare to the senate of Open University of Tanzania that this dissertation is my original work and hasn't been or being concurrently submitted for higher degree award in any other institution.

Signature…………………….……………………

Date…………………………………

DEDICATION

First I dedicate this work to my late father Thomas Cheruiyot and mother Lea Milgo, their work in bringing me up to value hard work and achieve the best is a testimony in the journey I have covered. I also dedicate this work my son Dylan Kibet, my daughter Darceycheptoo for their love and support.

ACKNOWLEDGEMENT

Foremost I thank the almighty God for giving me life and good health, granting me the knowledge and ability to undertake this project secondly acknowledge in a special way the Guidance and the discipline of my mentor Dr. Procheas Ngatuni, My supervisor Dr Tumaini Katunzi for their tireless effort it is with pride that i acknowledge my family for the understanding and support thirdly, my colleagues at work and classmates in the Institute of Human resource management for their endless support. I appreciate all their efforts.

ABSTRACT

The study aimed to investigate factors affecting implementation of balanced scorecard in state corporations in Kenya, a case study of Kenya Bureau of Standards (KEBS). The specific objectives were; to assess the mechanisms in place within the organization aimed at having successful implementation of balanced Score card; to determine whether job description, management employees' supervisions and allocation of financial resources affect successive implementation of balanced score card. The study adopted a descriptive research design, the study population comprised of 120 staff working at the Kenya Bureau of Standards (KEBS). The study applied a probability sampling design and stratified random sampling technique to select a sample size of 60 respondents. The data collected through questioning method where questionnaires were used as the main data collection instrument. The study used descriptive and inferential statistics to analyze the gathered data using a Statistical Package for Social Scientists (SPSS). The analyzed findings were finally presented in tables. The study found out that implementation of balanced score card in many Kenyan state corporations was the major problem that also affected the level of state corporations performance in terms of effectiveness and efficiency in service delivery. The study drew conclusion that the key notable factors hindering the success of BSC implementation in includes; poor employees job description, low level of top management support, poor employee supervision and inadequate financial resources. The study recommended that the management should undertake effective job analysis in order to effectively carry out employee's job description. The implementation of a BSC should always be organized as a separate project should follow the nine steps as outlined by Balanced Score Card Institute.

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LIST OF ABBREVIATIONS

BSC	Balanced scorecard
KEBS	Kenya Bureau of Standards
OECD	Organization for Economic Corporation and Development

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the Study

Balanced score card (BSC) was developed in 1992 by Kaplan and David Norton as a new type of performance measurement system. Since then, BSC has been proclaimed to be one of the 75 most influential ideas of the 20th century by Harvard business review (Levi, 2009). Bain & Co.(2005) survey indicated that 57 per cent of business organization use performance management tools approach which is an 18% increase since 1996.

The balanced scorecard (BSC) is a comprehensive management control system that balances traditional financial measures with operational measures relating to a company's critical success factors (Bayer, 2007). According to Murlins (2005) a balanced scorecard contains four major perspectives: financial performance, customer service, internal business processes, and the organization's capacity for learning and growth. Within these four areas, managers identify key performance indicators the organization will track.

The Balanced scorecard helps leaders define the mission, vision, goals, and metrics for a company in key areas such as financial, customer, learning, and business process. In terms of change management, the balanced scorecard provides a sequential approach to developing and implementing company strategies so that stakeholders understand what the company is trying to achieve and how it will be measured. By developing targets at the leadership level, involving managers in the metrics, communicating the scorecard through team and individual performance management and using the resulting feedback, an organization develops cohesive direction that provides competitive advantage (Sims, 2007). The balanced scorecard gives emphasis on the importance of measuring business performance from the perspective of strategic implementation rather than relying solely on financial results (Ghosh, 2007).

Balanced score card approach'' introduces a range of measures for evaluating organizational performance. However, in contrast with most measurement systems, the majority of the performance management tools measures should be 'non financial' as the government and corporate management becomes increasingly complicated. The Balanced score card focuses the organization on the issues which the management decides are the key to it success. It thus allows the company management to extend its business perspective and provides opportunities for effective strategic plan (Kahihu, 2004).

Many non-financial measures are often used to overcome difficulties associated with use of financial performance measures for instance, changes in customer satisfaction and number of warranty claims often lead to future changes in revenue and profits (Debusk, 2004).Using Balanced Score Card (BSC) as an integrated management system, the organization leadership can link its performance measurement to the company strategic planning objectives and values propositions. This is the reason why several Security Companies in Kenya have adopted the balanced score card strategy (ibid).

The balance Score Card falls under a branch of management science referred to as management control system. A BSC tool is a freely negotiated performance agreement between the employer through the immediate supervisor and the employee. It is an agreement between the two parties that Cleary specify their mutual obligation and the organization itself OECD (1999) defines performance management tools as a range of management instruments used to define responsibilities and expectations between parties to achieve mutually agreed results. Several Security Firms in Kenya have introduced performance management tools as a part of its economic ‘recovery strategy’ for wealth and employment (Prajapati&Thredi, 2007).

Balanced Score Card has been used to reform organizations especially where services cannot be contracted out to private enterprises. Since its inception, the BSC has been used in more than 50 countries.In1995, the World Bank found 565 Balanced Score Card being used in 32 developing countries as at June 1994 where they were used by range enterprises and another 123,000 in china where they were used by both private and state owned enterprises (Paul,2011).

China has experimented with balanced scorecard extensively. According to Mookeyee (1997) balanced scorecard has been used as a way to improve central government agencies. It has the highest number of balanced scorecard with over 500 state owned enterprises in mid 1980s.1n 1986, the china government implemented balanced scorecard in large scale and they became the national policy for reforming state owned enterprises from 1987 to 1994.by 1989, China had implemented balanced scorecard in 88% of its state owned enterprises (Jones,2008).

In Africa, some government organizations have been highly successful in implementation of balanced scorecard. These organizations includes; the City of Brisbane, South African National Parks – Home of The Kruger Park, South African National Defense Force, Office of The Prime Minister in Namibia and a National Project for the Government of Botswana (Kirstie,2008). In spite of having some of the organizations in Africa making tremendous improvement in implementation of balanced scorecard, most government organizations in Africa continue to face balanced scorecard implementation challenges. In Uganda, Tanzania and Kenya many government organizations fail to succeed in embracing BSC due to low level of management support and lack of effective employees training programs (Phillip, 2009).

As a result of the deteriorating performance of the Kenyan economy, upon ascending to power in 2002,the Kibakigovernment had to come up with various strategies to revive the economy among which encompassed the use of balanced score card. Back in 1989, this concept had been introduced in the management of State Corporations and in 1991 a state corporation reform strategy paper was approved by the cabinet. The first two parastatals to be put on balanced scorecard were Kenya railways and national cereal and produce board. However, this strategy failed in both parastatals due to Lack of political good will and this was seen as donor driven strategy. The balanced scorecard did not conform to the requirement of the three subsystems of balanced scorecard as they lacked performance incentives (Wanjohi, 2010).

1.2 Statement of the Research Problem

The implementation of Balanced Score Card in many Kenyan state corporations remains as major challenge despite numerous efforts by the government to have BSC adopted as a reform strategy in all government run institutions (Williams,2011). According to Maina (2011) as a result of various setbacks in BSC implementation, in order to strengthen public administration and improve service delivery, the Government of Kenya introduced the performance contracts in October 2004. This started with 16 largely commercial pilot state corporations.

In 2008/2009 financial year a total of 425 agencies (43 ministries and departments, 139 state corporations, 175 local Authorities and 68 Tertiary Institutions) signed and implemented performance contracting. By the financial year 2009/2010 all Government ministries, state corporations, Local Authorities and Tertiary Institutions had fully implemented the performance contracting. 31 Ministries/Departments representing 68% attained “very good” 2 grade. 14 representing 31.1 per cent achieved, “Good” 3 grade. None attained the “fair” 4 grade or the “Poor” 5 grade. Further, out of the 162 state corporations evaluated, 105 representing 64.8 per cent achieved the “very good”. 52 per cent representing 32.1 per cent achieved the “good” grade. 1 state corporation representing 0.6 per cent achieved “Fair” grade and 4 representing 2.5 per cent attained “Poor” grade. Financial year 2009/2010 saw none of the institutions achieving the “excellent: 1 grade (Performance Evaluation Report, 2009-2010).

According to Keivo (2010) many state corporations fails to realize the benefits of BSC due to the nature of the employed employee training programs on BSC applications. For BSC implementation to be successful, employees’ jobs are required to be properly described to create basis for evaluation. However this is given less consideration in many state corporations in Kenya hence hindering the success of BSC. According to Agnes (2011) BSC fails in most state corporations in Kenya due to low level of management support as a large number of top management staff withdraw their commitment during the implementation process. This also affects the supervision of employees and hence crating unfavorable environment for the BSC implementation (Oyugi, 2010).

Johnson (2009) points out that despite the importance of balance score card towards improving organization performance, no major study has been specifically undertaken on BSC implementation challenges in state corporations hence creating a wide knowledge gap on management of BSC challenges. It is therefore against these backdrops, this is study was undertaken to investigate factors affecting implementation of balanced scorecard in state corporations in Kenya with a specific reference to Kenya Bureau of Standards (KEBS).

1.3 Research Objectives

1.3.1 General Research Objective

The study aimed to investigate factors affecting implementation of balanced scorecard in state corporations in Kenya, a case study of Kenya Bureau of Standards (KEBS).

1.3.2 Specific Research Objectives

The specific objectives of the study were;

i. To assessthe mechanisms in place within the organization aimed at having successful implementation of balanced Score cardin state corporations

ii. To determine whether job descriptionaffect successive implementation of balanced Score cardin state corporations

iii. To determine whether the level of management support affect successive implementation of balanced Score cardin state corporations

iv. To determine whether the level of employees supervisions affect successive implementation of balanced Score cardin state corporations

v. To examine the extent to which allocation of financial resources successive implementation of balanced Score cardin state corporations

Comment [K1]: In my opinion the last two are similar to the general objective, you may need to develop one or two specific objectives in order to have a more robust investigation

1.4 Research Questions

1.4.1 General Research Question

What are the factors affecting successive implementation of balanced Score card in state corporations in Kenya and how can state corporation manage these factors to effectively implement balanced score card as a performance management tool.

1.4.2 Specific Research Questions

This study aims to answer the following questions

i. What are the mechanisms in place within the organization aimed at having successful implementation of balanced core card?

ii. How does Job description affectsuccessive implementation of balanced scorecard in state corporations?

iii. How does management support affectsuccessive implementation of balanced scorecard in state corporations?

iv. What is the effect of employees' supervision on thesuccessive implementation of balanced scorecard in state corporations?

v. What is the effect of financial resources onsuccessive implementation of balanced scorecard in state corporations?

Comment [K2]: You cannot have both Research Questions and Hypothesis in one study since they are supported by different research designs, in your case I would suggest research questions since your study is Exploratory in nature.

1.5 Relevance of the Research

Balance Score Card implementation in Kenyan State corporations has been a major problem leading to declined organization performance. Prior to the introduction of Balance Score Card in Kenyan Public Sector organizations, no major study has been undertaken to explore the experienced BSC implementation setbacks and this has denied the management of state corporations a chance to gain an in-depth understanding on BSC implementation challenges. This study will be of great relevance since it will contribute towards equipping the management of state enterprises with effective knowledge and skills on factors affecting the implementation of Balance Score Card in organizations

The study is of relevance to the government since the findings obtained will assist the government in coming up with policies for managing BSC implementation setbacks in various state enterprises and this will influence realization of increased state corporation performance leading to better public services delivery. The study is of relevance to various scholars and researchers since the obtained findings will act as a source of knowledge on factors affecting implementation of balanced scorecard in state corporations in Kenya. This will contribute towards equipping many students with more knowledge and skills on the nature and characteristics of the major BSC implementation setbacks. Future scholars will find the study material important in their studies since they will have a ready source of literature review. The study serves as a platform of knowledge and a deeper understanding of the role played by balance score card in realization of increased organization performance.

1.6 Organization of the Proposal

This chapter introduced the research background and explained the research problem statement that led to formulation of research objectives and research questions. The relevance of the study was also highlighted. The following chapter two covered the theoretical and empirical literature of the study and explains the major research gaps while describing the conceptual and theoretical framework of the study. Chapter three explained the research design and methodology of the research study to highlight the research strategy, population, area of research sampling design and procedures and data collection and analysis.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Overview

This section reviews the relevant literature to form a basis for the study. It evaluates both the theoretical literature and the empirical literature. The section also discuses, theories associated with balanced scorecard, independent variables and the conceptual framework.

2.2 Conceptual Definitions

2.2.1 Balanced Scorecard (BSC)

Balanced scorecard (BSC) is a strategic performance management tool, a semi-standard structured report supported by proven design methods and automation tools that can be used by managers to keep track of the execution of activities by staff within their control and monitor the consequences arising from these actions.Balanced score card (BSC) is performance measurement system that has been adopted by many state corporations in Kenya.The balanced scorecard (BSC) is a comprehensive management control system that balances traditional financial measures with operational measures relating to a company's critical success factors.

The balanced scorecard (BSC) contains four major perspectives notably, financial performance, customer service, internal business processes, and the organization's capacity for learning and growth. These perspectives help state corporations managers to identify and track key performance indicators in the organization. The perspectives also helps the managers in state corporations to define the organization mission, vision, goals, and metrics in key areas such as financial, customer, learning, and business processes.

2.3 Stakeholder

A stakeholder is any group or individual which has an influence on balance score card implementation in the organization. Inthis study stake holder includes the governments, suppliers, customers, stockholders, employees, the media, action groups and communities.

2.4 Job Description

A job description is a list specific employee's position job tasks or functionsand responsibilities.

2.5 Management Support

Management support is the willingness and commitment of top organization management staffon implementation of Balance Score Card.

2.6 Effective Implementation

Effective implementation is the successful implementation and application of Balanced Score Card in the organizations. The effective implementation of BSC is realized in terms of acceptance by staff and improved finance, improved, internal business processes, improved learning and growth and improved customer service and satisfaction.

2.7 Supervision

Supervisionis the process under which employees are watched and guided on how to execute their respective job tasks functions by senior management employees.

2.3 Theoretical Analysis

2.3.1 Kaplan and Norton BSC Theory

The Balanced Scorecard is a theory and management approach first proposed in the Harvard Business Review by Kaplan & Norton (1996). A subsequent book, The Balanced Scorecard, was published in (1996). The most recent refinement of this theory and management approach appeared in Kaplan & Norton’s book, The Strategy-Focused Organization (2001). Balance Score Card provided a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance (Kaplan and Norton, 2002).

According to Kaplan (2002) balanced scorecard transforms an organization’s strategic plan from an attractive but passive document into the "marching orders" for the organization on a daily basis. It provides a framework that not only provides performance measurements, but helps planners identify what should be done and measured. It enables executives to truly execute their strategies. The balanced scorecard approach provides a clear prescription as to what companies should measure in order to 'balance' the financial perspective.

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 (Kaplan and Norton,2002).

According to Kaplan and Norton (2002) effective implementation of balanced score card requires organization management to give much emphasis into four BSC perspectives. These include; the financial perspective, internal business processes, learning and growth perspective and customer perspective. The balanced score-card (BSC) presents a model for strategic performance measurement and management for high performance organizations. According to Kaplan and Norton (2001) the Balanced Scorecard translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system (Kaplan and Norton, 2002). This strategic management system measures organizational performance in four balanced perspectives as presented in the figure 2.1.

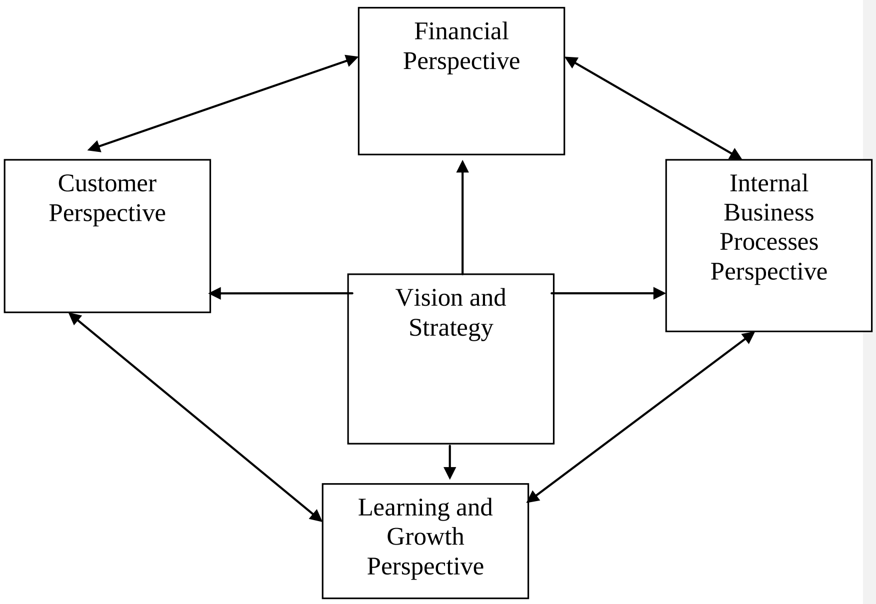


Figure 2.1 Balance Score Card Model

Source: Kaplan and David (2001)

Financial perspective is a financial performance measures that indicate whether the organization's strategy, implementation and execution are contributing to bottom-line improvement. It shows the results of the strategic choices made in the other perspectives. By making fundamental improvements in their operations, the financial numbers take care of themselves (Kaplan and Norton,2001). In public sector organizations 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 should be measured by how effectively and efficiently they meet the needs of their constituencies. Therefore for the government the financial perspective emphasizes cost-efficiency, i.e. ability to deliver maximum value to the customer (Kaplan and Norton, 2001).

Customer perspective captures the ability of the organization to provide quality goods and services, the effectiveness of their delivery, and overall customer service and satisfaction. To this effect, many organizations today have a mission focused on the customer and measuring how an organization is performing from its customers' perspective has become a priority for top management (Kaplan and Norton, 2001). The BSC demands that managers translate their general mission statement on customer service into specific measures that reflect the factors that really matter to customers (Kaplan and Norton, 2001).

Internal business processes perspective is primarily an analysis of the organization's internal processes. Internal business processes are the mechanisms through which organizational performance expectations are achieved. Customer-based measures are important, but they must be translated into measures of what the organization must do internally to meet its customers' expectations. This perspective focuses on the internal business results that lead to financial success and satisfied customers. Therefore, managers need to prioritizeon those critical internal operations that enable them to satisfy customer needs (Kaplan and Norton, 2001).

Organizations should decide at what processes and competencies they must excel and specify measures for each. Key internal processes are monitored to ensure that outcomes will be satisfactory. The measures should also link top management's judgment about key internal processes and competencies to the action taken by individuals that affect overall corporate objectives. This linkage ensures that employees at lower cadres in the organization have clear targets for actions, decisions and improvement activities that will contribute to the organization's overall mission (Kaplan and Norton, 2001).

Learning and growth perspective focuses on continual improvements for the organizations products and processes through employees training and development (Kaplan and Norton, 2001). In this context, learning and growth perspective looks at such issues, which include 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. 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, and learning and growth issues enable the organization to ensure its capacity for meeting customer needs, a pre-requisite for long-term survival (Kaplan and Norton, 2001). The Balance Score Card theory by Kaplan and David (2001) demonstrates that employees job description, better employees supervision and increased level of top management support supports the implementation of the four balanced score card perspective and hence lead to effective implementation of balanced score card in organizations

2.3.2 Management by Objectives Theory

The Balanced Scorecard concept uses a “strategic measurement system” at the root of the theory, one of the most widely used measurement and management practices is Management by Objectives. According to George (2005), Management by Objectives is “a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual’s major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members”.

In this definition, the key is that subordinates participate in the goal setting process. Prior objective based management research and implementation clearly influenced the development of Management by Objectives. George (2005) affirmed that Henri Fayol founded the earliest thinking about the functions of management and founded the fourteen principles of management namely; division of labor, job specialization, authority & responsibility, authority derived from expertise, leadership, skill, and knowledge, unity of command (everyone has one manager and only one manager, line of authority or chain of command, centralization, unity of direction, initiative or causes creativity & innovation, equity (fair treatment for employees, order or efficiency & career opportunity, discipline or enforcement of rules to achieve goals, remuneration of personnel or bonuses and profit sharing, stability & tenure of employees, subordination of individual interests to the common interest. Management by Objectives and The Balanced Scorecard are greatly influenced by Fayol's four functions of management that includes; planning, organizing, leading and controlling (Neely, 2009).

The division of labor, job specialization, authority & responsibility, authority derived from expertise, leadership, skill, and knowledge, unity of command demonstrate that proper job description, better employees supervision and increased level of top management support are required for effective implementation of balanced score card. Management by objectives helps in aligning employees job tasks functions with the aimedbusiness goals and this assists in employee supervision. This supports creation of favorable environment for the implementation of the Balanced scorecard four perspectives namely; financial perspective,customer perspective,internal business processes perspective and learning and growth perspective

2.3.3 Open-Book Management Theory

A major premise that the Balanced Scorecard is constructed upon is that employees need to understand the business strategy, and have information available to them that enables them to execute and adapt their actions to successfully execute the strategy. This idea is clearly influenced by the theory of Open-Book Management. Jack Stack introduced the concept of Open-Book Management, the Great Game of Business (1992). In this book Stack argues that “the best, most efficient, most profitable way to operate a business is to give everybody in the company a voice in saying how the company is run and a stake in the financial outcome, good or bad (Noell,2009).

Open-book management is revolutionary because conventional business operates under two assumptions namely; A job must be defined as narrowly as possible and Workers need close, direct supervision. The key steps to the development of this archaic management paradigm are; the rise of engineering, and of the engineering-inspired movement known as scientific management, the professionalization of management, the creation, in effect, of a separate managerial class and the rise of the adversarial union. According to Case (1995), open-book management is a way of running a company that gets everyone to focus on helping the business make money”. Case further argues that open-book management “takes those trendy new management ideas like empowerment, TQM, teams and so on and gives them business logic. In an open-book company, employees understand why they’re being called upon to solve problems, cut costs, reduce defects, and give the customer better service (Norreklit, 2009).

The open book management was used since, in open-book management, every employee sees and learns to understand the company’s financials, along with all the other numbers that are critical to tracking the business’s performance, employees learn that, whatever else they do, part of their job is to move those numbers in the right direction, and employees have a direct stake in the company’s success. The implementation of the open-book management concept is very similar to the implementation of a Balanced Scorecard strategic management system.

The Balanced Scorecard shares the basic fundamentals of open communication and the engagement of employees through incentive-based pay. The Balanced Scorecard refines this approach by going beyond financial measurements using a balanced four-perspective approach, highlighting the cause-and-effect relationships between business drivers and outcome measures (financial). It also links the business strategy to the strategic measurement and management system. The open book management supports creation of working teams and helps in increasing the level of top management support in balanced scorecard implementation process.

2.3.4 Stakeholders Theory

Ackermann and Eden (2001) urged that allowing stakeholders to take part in strategy development has proven useful in implementation of balanced score card. They found that two assessments of stakeholders were important in the strategy development process. The first assessment centered on identifying key stakeholders and determining the relative power of relevant stakeholders. The second and often neglected assessment aimed at mapping the stakeholders' perception of their power relative to other groups. Both assessments added to a good understanding of the stakeholders negotiating postures and provided a good basis aligning the new strategy with the needs of the key stakeholders.

Stakeholder theory contains a variety of management tools and techniques, particularly developed to assist managers operating in complex settings. Key tenets of the theory include acknowledging that any organization or project is surrounded by a variety of stakeholders and that these stakeholders can affect the organization or project (Amaratunga at el, 2002). It is therefore important to understand the interests of key stakeholders in order to maneuver an organization or a project with a minimum of conflict. Stakeholder analysis is particularly useful in mapping key stakeholders of a project and identifying their respective interests in the project. Management support is greatly determined by the organization stakeholders such as board of directors, shareholders and employees. This is clearly explained by the stakeholder theory which is a theory of organizational management and business ethics that addresses morals and values in managing an organization (Freeman, 2004).

The study used stakeholder’s theory since, stakeholders such as the government, action groups, customers and country citizens determine the type of organization top management staff. Effective monitoring by the stakeholders ensures that stakeholders are accountable on all organization functions and this helps in improving the level of top management support in improvement of organization performance. This therefore makes the stakeholders to influence improvement of the level of top management support in implementation of balanced scorecard.

2.3.5 Fact-Based Management Theory

Modern businesses depend upon measurement and analysis of performance. Measurements must derive from the company's strategy and provide critical data and information about key processes, outputs and results. Data and information needed for performance measurement and improvement are of many types, including: customer, product and service performance, operations, market, competitive comparisons, supplier, employee-related, and cost and financial. Analysis entails using data to determine trends, projections, and cause and effect - that might not be evident without analysis. Data and analysis support a variety of company purposes, such as planning, reviewing company performance, improving operations, and comparing company performance with competitors' or with 'best practices' benchmarks (Douglas,2007).

A major consideration in performance improvement involves the creation and use of performance measures or indicators. Performance measures or indicators are measurable characteristics of products, services, processes, and operations the company uses to track and improve performance. The measures or indicators should be selected to best represent the factors that lead to improved customer, operational, and financial performance. A comprehensive set of measures or indicators tied to customer and/or company performance requirements represents a clear basis for aligning all activities with the company's goals. Through the analysis of data from the tracking processes, the measures or indicators themselves may be evaluated and changed to better support such goals (ibid).

Fact Based theory is used to explain the importance of job description on BSC implementation. According to the theory, employees' job description must be clear to allow measurement of employee's performance tasks. Effective job description leads to collection of actual employees' performance data that guides towards implementation of Balance Score Card.

2.3.6 Agency Theory

Agency Theory is a branch of economics that looks at conflicts of interest between people with different interests in the same assets. This is mostly the conflict between shareholders and managers and secondly between shareholders and bond holders. This theory tries to come up with an arrangement where one party (principal) determines the work which another (the agent) undertakes (Martinez, 2004). The theory averts that under conditions of incomplete information and uncertainty, two problems arise; adverse selection and moral hazard.

Under the first, the principal cannot ascertain if the agent accurately represents his ability to do the work while under moral hazard; the principal cannot be sure whether the agent has put maximal effort. In the current world balanced scorecard are tools being used to allay such fears (Thakkar, 2007).

According to Taticchi et al, (2010), the principal-agent theory, balanced scorecard can be useful in reducing agency problems as long as they can improve incentives. The government can only observe outcomes and cannot measure accurately the efforts expended by the organization management. A negotiated incentive is viewed as a device to reveal information and motivate managers to put more effort. According to Thakkar (2007) balanced scorecard can translate the multiple objectives of the multiple principals who govern state owned firms into clear targets measured by specified criteria and weighted to reflected priorities. Designing and implementing the strategy require the constant support and backing from top management.

The study used agency theory since managers and employees of public sector organizations are the agents employed by the government to run and support the balanced score card implementation process. Appointment of incompetent managers and unskilled employees leads to poor job description, poor supervision and low level of top management support during implementation of balanced score card.

Comment [K3]: Theories have been well described, however an effort is needed to link them with the variables to be worked upon by the current study

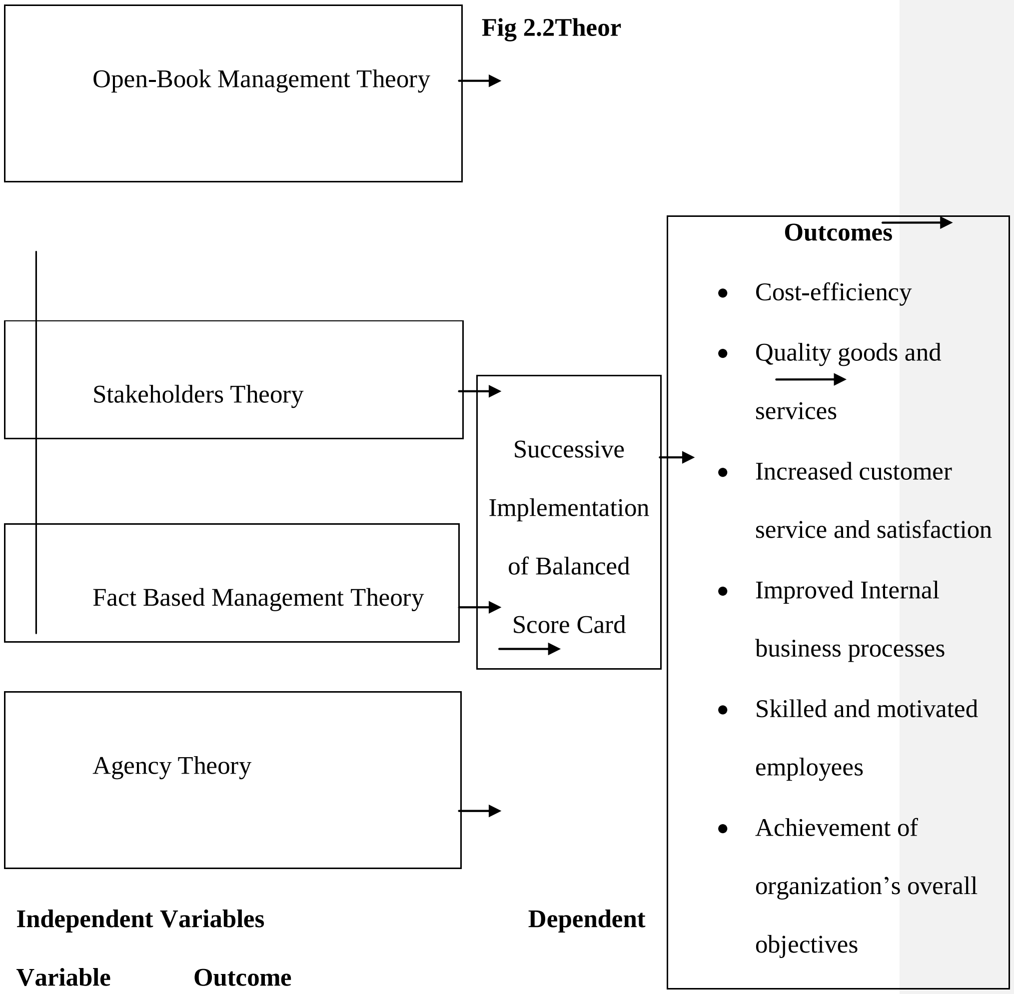


Figure 2.2: Theoretical Frame Work Source; Author (2012)

2.4 Empirical Analysis of Relevant Studies

2.4.1 General Studies

A study by Malmi (2009) using a survey research design found out that lack of proper job description amongst the employees in many organizations is a core factor that greatly hinders effective implementation of Balanced Score Card. He noted that lack of clear job description complicates allocation of employee roles and responsibilities geared towards supporting effective implementation of balanced core card.

A Study by Neely (2009) applied a descriptive research design revealed that low level of top management support is a core challenge that negatively affects effective implementation of balanced score card in many organizations. Neely (2009) identified that in Europe, organizations with low level of top management support find it difficult to successfully implement balanced score card and those organizations with high level of top management support in terms of high level of management commitment successfully implemented the balanced score card without experiencing many setbacks.

A study by Meena (2009) applied an exploratory research design demonstrated that employees' supervision was major factor that greatly affected effective implementation of balanced score card in both public sector and private sector organizations. He noted that achievement of the balanced score card four perspectives namely; financial, internal business processes, customer and learning perspective requires proper coordination of employees roles and responsibilities and this calls for closer employees supervision.

A study by Teemu (2010) using a cross sectional research design recommended nine steps to help in implementing and developing the balanced scorecard in organizations. The first step is to perform an overall assessment of the organization. Next is to identify the strategic themes. Third is to define the perspectives and the organizational strategic objectives. Then, the organization will have to develop a strategy map. Fifth is to have performance metrics. Next is to process and prioritize the initiatives based on the strategies. Seventh is to automate and correspond. Then, there is a need to implement the balanced scorecard not only in a single department of the organization but in the entire company. Lastly, there is a call collecting data, evaluating them and then revise.

A survey covering US and Canadian municipalities, showed that about 40 % of the managers were fairly well acquainted with the BSC but only about 8 % had actually implemented it in their organizations (Yee-Chin, 2009). The most frequently cited factors, necessary for implementation success, include: top management commitment and leadership buy-in; departmental, middle manager and employee participation and buy-in; culture of performance excellence; training and education; keeping it relatively simple, easy to use and understand; clarity of vision, strategy and outcome; link of the BSC to incentives and resources to implement the system. Support from senior management and the importance of a clearly defined organizational strategy was reported to be especially important (ibid).

Maltz (2007) using a survey research design found out that many organizations fails successfully implement the balanced scorecard due to it’s five major limitations.

These includes; it fails to adequately highlight the contributions that employees and suppliers make to help the company achieve its objectives, it does not identify the role of the community in defining the environment within which the company work, it does not identify performance measures to assess stakeholders' contribution ,it fails to account for the importance of "motivated employees", which is particularly critical in the service sector, the distinction between means and ends is not well defined (ibid).

Several organizations have included an additional dimension in their implementation of the BSC to improve the missing people focus. Best Foods added a fifth dimension to their BSC called "People Development". Also, several European organizations (e.g. Nokia) are highlighting the importance of human resource management and are adding similar dimensions as Best Foods (ibid). For public sector in particular, the balanced scorecard can be hard to implement because it is primarily a top-down management tool that tend to hamper bottom-up initiatives, there is a challenge in accounting for the strong experienced and creative forces from the lower levels of the organization (Hoff and Holving, 2009).

2.4.2 General Studies in African Countries

A study by Meena (2009) found out that many state corporations in African countries have not effectively implemented Balanced Score Card and thus rely on poor performance management systems that fail to influence realization of increased organization performance. Meena (2009) identified that poor job description, lack of management support and lack of effective process of supervising employees creates unfavorable environment for the implementation of balanced core card in many state corporations in Africa.

A study by Yee-Chin (2009) noted that lack of sufficient financial resources hinders many state corporations in Kenya to effectively implement Balanced Score Card and this contributes towards realization of declined organizations performance. Yee-Chin (2009) concurred that limited financial resources hinders allocation of sufficient resources for employees training, remuneration and hiring of BSC professionals and this affects the success of the BSC implementation process in many state corporations.

Arising from the poor performance of parastatals that led to public outcry in the 1980s, Swaziland enacted the 'Public Enterprise Act of 1989 (Musa, 2001). The Act sought to establish Control and Monitoring Systems that could stop state agencies from being a financial as well as an administrative burden on the government. This led to introduction of balanced scorecard which did not succeed. This failure was attributed to widespread use of consultants in the formulation of balanced scorecard, including the determination mechanisms for monitoring and evaluation. Public Enterprise management did not develop the necessary sense of ownership and commitment to success of the enterprise contracts (ibid). The moral here is that balanced scorecard should be formulated from within the enterprises if they were to succeed.

In Gambia, the public sector was divided into 3 schedules:-Enterprises in which the government had a minority shareholding, Enterprises in which government is a majority shareholder and Strategic Corporation/departments. Only public enterprises under schedule three were identified as suitable for balanced scorecard. According to Kobia and Nura(2007), from African experience, four lessons can be learnt about balanced scorecard and state enterprise: To institutionalize and create ownership of balanced scorecard, public enterprise managers and citizens should be involved and let them manage the process rather than external parties, Allocate adequate resources to achieve the set targets, Select few realistic target than too many objectives attempted at once and Governments should honor their financial commitments to the enterprise (Morisawa,2002).

Comment [K4]: Use the appropriate style for citing reference

Although performance management is relatively unknown in many African countries, the interest in such an improvement tool is growing among African organizations and in specific African countries. For instance, there seems to be a real need for the BSC in Burkina Faso's state-owned companies. As it will help these companies to improve their performance and then contribute to the country's growth, both management and government want to work diligently on a successful implementation of performance management (Waal and Augustin, 2005).

In Egypt, there is a trend in many manufacturing organizations to combine financial and nonfinancial measures because there is growing awareness that sole reliance on financial data is no longer effective for an organization. Despite this growing awareness, performance management systems are not widespread yet in Egypt, and many Egyptian organizations are still using traditional financial measures like return on investment and return on assets (Abdel Aziz et al., 2005). In Zimbabwe, all government departments, local government institutions, and most private companies are using zero-based budgeting systems. However, since the success of the BSC has been noticed, Zimbabwe is trying its best to catch up with the rest of the world in the area of leading-edge performance management systems. The country has the advantage that it hosts many transnational companies which are already applying the latest performance management systems. These companies can serve as an example for Zimbabwean organizations (Nhemachena, 2004).

In South Africa, the term ‘performance management’ is relatively new in the field of management. However, there are many pressures on South African organizations, enticing them to investigate the concept of strategic performance management. Competition has increased dramatically over the past decade because of many multinational companies investing in South Africa. The battle against nepotism and corruption has intensified. In addition, many South African companies have to take the development of employee skills, knowledge, and experience seriously in order to deal with today’s rapidly changing workplace. However, many companies have difficulty competing well in the current business environment as a result of traditional organizational cultures which are rigid and bureaucratic, and because of the lack of technological resources. To overcome the hurdles, South-African organizations are increasingly turning to strategic performance management (Motswiane, 2004).

In Ethiopia, there are some developments for the benefit of performance management. More and more Ethiopian enterprises are expressing a strong interest in the BSC, their managers are starting to acknowledge the importance of regular formal and informal performance review meetings, communication about results is being improved by applying modern means of communication like the intranet, people are willing to train in the use of performance management, and government is fostering the improvement of performance (Tessema, 2005).

2.4.3 Empirical Studies in Tanzania and Kenya

According to Tanzania Revenue Authority Report (2008), Balanced scorecard (BSC) performance management system was introduced in 2006, aimed at improving effectiveness and efficiency of the performance" at organizational and staff levels. Since then, the organization has witnessed remarkable performance reforms.

A study by Kobia (2007) showed that in Kenya a major challenge of balanced scorecard in the public sector is the ambiguous nature of ownership. Public sector belongs to all and when something belongs to everybody, it ends up belonging to nobody. This renders balanced scorecard in the public sector less effective than in the private sector where ownership is distinct and clear. The balanced scorecard addresses five main common areas:-Improvement of performance to deliver quality services to citizens, Improvement of productivity in order to maximize shareholders wealth, Reduction or elimination of reliance on the exchequer, Instilling a sense of accountability and transparency in service delivery and utilization of resources, Giving autonomy to government agencies without being subjected to bureaucracies and unnecessary procedures (Kobia, 2007).

A study by Macharia (2007) found out that recent efforts to improve service delivery in the Kenyan public sector have been recognized by the United Nations through its

Public Service Excellence Award. To improve, the Public Service must consider new approaches to performance management.

One of the widely acclaimed tools in use today is the Balanced Scorecard, a planning and measurement framework with similar principles as Management by Objectives. It focuses on overall indicators including customer perspectives, learning, growth internal processes and financials to monitor progress toward an organizations strategic goal. Each major unit throughout the organization often establishes its own scorecard which, in turn, is integrated with the scorecards of other units (Macharia, 2007). A number of organizations in the country are implementing the Balanced Scorecard, including CIC Insurance and the Athi Water Services Board. Others expected to implement it include the Kenya Wildlife Service and Kenya Revenue Authority, among others. Strathmore Business School is a leading trainer in the scorecard, a tool relevant to public sector in addressing management issues similar to those seen in commercial entities (ibid).

In Kenya, performance management was traditionally defined as the process of financial control, in which the mission and strategy are translated into budgets, and subsequently results are compared with budgets. However, as many Kenyan companies are trying to qualify for the ISO standard, they are turning more and more to performance management, especially the BSC. Some organizations have already implemented the scorecard, particularly if they are part of a multinational that is using the BSC. Those organizations that have done so show much better performance than their “scorecardless” competitors (Malinga, 2004).

An exploratory study by Macharia (2007) revealed that implementation of Balanced score card in over 50% of state corporation was hampered by lack of top management support and poor employees job description. The study noted that most state corporations could greatly improve on service delivery if top management were fully committed on BSC implementation programs. A descriptive study by Keivo (2010) noted that the process of BSC implementation in many government corporations was hindered by poor employees’ supervision methods and allocation of limited financial resources for procuring BSC consultants. The study identified that the allocated funds were not enough to hire professional consultants and this hence made the organizations to rely on cheap services from consultants who were not qualified.

2.5conceptual Framework

This section entails conceptualization of the major research variables covered by the study. The conceptual framework shows that, job description, management support and supervision are the independent variables and the dependent variable is implementation of Balance Score Card.

Lack of clear job description creates unsuitable environment for crafting performance measurement using the Balance Score Card and this negatively affects effective implementation of BSC in public sector organizations. Absence of effective employees’ supervision strategies leads to failure of BSC implementation since employees are not effectively evaluated on how they execute various job task functions. Top management support determines how the organization managers are committed in developing and implementing balanced scorecard.

2.6conceptual Framework

2.6.1 Job Description

All the measures in the balanced scorecard are crafted form the job description. A job description is a list of the general tasks, or functions, and responsibilities of a position. Typically, it also includes to whom the position reports, specifications such as the qualifications needed by the person in the job, salary range for the position, etc. A job description is usually developed by conducting a job analysis, which includes examining the tasks and sequences of tasks necessary to perform the job. The analysis looks at the areas of knowledge and skills needed by the job. Note that a role is the set of responsibilities or expected results associated with a job. A job usually includes several roles. The job description might be broadened to form a person specification. (Armstrong, 2003).The objective of a job description is to have a clear outline of duties and responsibilities to make the screening process as direct and focused as possible.

Fact Based theory is used to explain the importance of job description on BSC implementation. According to the theory, employees' job description must be clear to allow measurement of employees' performance tasks. Effective job description leads to collection of actual employees performance data that guides towards implementation of Balance Score Card (Douglas, 2007).

2.6.2 Management Support

Management support is the willingness and commitment of top executives on implementation of Balance Score Card. Top management commitment is a key factor that determines the tipping point between potential success and failure when developing and implementing balanced scorecard and other management projects and systems. In almost all of the cases where the balanced scorecard was successfully developed, implemented and validated a business continuity management system, the top most contributor to the success was the keen interest exhibited by top management (Malmi, 2001). Management support is greatly determined by the organization stakeholders such as board of directors, shareholders and employees. This is clearly explained by the stakeholder theory which is a theory of organizational management and business ethics that addresses morals and values in managing an organization (Freeman, 2004).

2.6.4 Supervision

According to Peter (2005) supervision means the act of watching over the work or tasks of another who may lack full knowledge of the concept at hand. Supervision does not mean control of another but guidance in a work, professional or personal context. The signing of balanced scorecard in an organization is fully facilitated by the supervisors, including the functions like evaluation and scoring exercise. In some types of organizations, e.g., a matrix organization; the supervisor attends solely to the responsibilities of the supervisorial role (Malmi,2001).

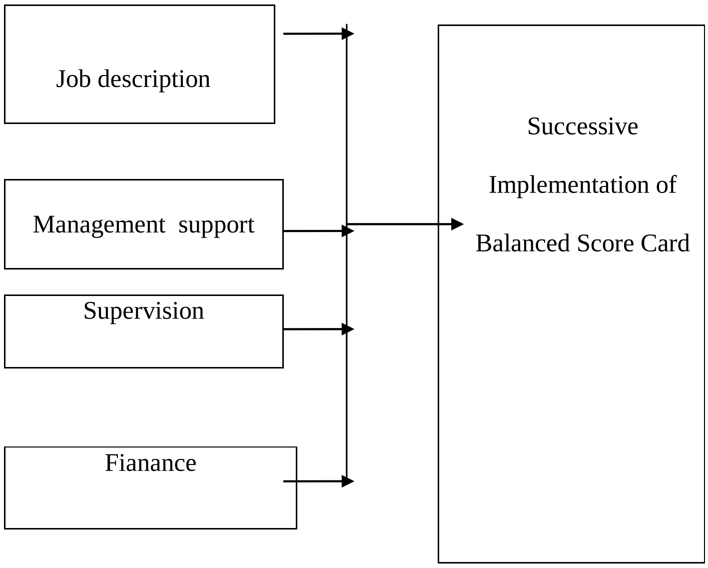
However, in many organizations, the supervisor is responsible not only for supervisorial responsibilities, but also for product-line responsibilities, that is, to get a product or service out the door. Agency theory explains that different interest amongst the organization employees affects application of effective supervision procedures that supports application of Balance Score Card. According to Agency

Theory conflicts of interest between people with different interests in the same assets such as conflict between shareholders and managers and shareholders and bond holders affects effective supervision of organization functions. This theory tries to come up with an arrangement where one party (principal) determines the work which another (the agent) undertakes (Martinez, 2004).

According to Morisawa (2002) supervision often includes conducting basic management skills (decision making, problem solving, planning, delegation and meeting management), organizing teams, noticing the need for and designing new job roles in the group, hiring new employees, training new employees, employee performance management (setting goals, observing and giving feedback, addressing performance issues, firing employees, etc.) and ensuring conformance to personnel policies and other internal regulations.

2.6.5 Financial Resources

Financial resources are the amount of funds required to finance BSC implementation process, a major reason that makes balanced scorecard in the public sector less effective is lack of adequate financial resources. Financial resources in state corporations are hardly enough to achieve the desired targets and in some cases targets are based on the availability of resources. Lack of enough financial resources and poor management of the available fund leads to poor employees’ remunerations and lack of funds for hiring BSC professionals. This negatively affects effective implementation of balance score card (Kobia, 200



Independent Variables Dependent Variable

Figure 2.3 Conceptual Framework

Source: Author (2012)

2.7 Research Gap Identified

Balanced scorecard does not provide a bottom line score or a unified view with clear recommendations: it is simply a list of metrics. These critics usually include in their criticism suggestions about how the 'unanswered' question postulated could be answered. Typically however, the unanswered question relates to things outside the scope of Balanced Scorecard itself such as developing strategies.

There are a few empirical studies linking the use of Balanced Scorecards to better decision making or improved financial performance of companies, but some work has been done in these areas. Past studies by Malmi (2009),Neely (2009),Meena

(2009),Teemu (2010),Kobia (2007) and Macharia (2007) attempted to address the Balanced score implementation process and hence failed to effectively highlight the key balanced score card implementation challenges. It also clear that a broadcast surveys of usage have difficulties in this respect, due to the wide variations in definition of 'what a Balanced Scorecard is. Single organization case studies suffer from the 'lack of a control' issue common to any study of organizational change.

The past studies and the theoretical review hence explained different researchers' opinions on the use of balanced score card but none of the researchers clearly explained how public sector organizations should effectively implement balanced score card, this has therefore left some major gaps that calls for a thorough research study on balanced score card implementation. The major gaps identified by the study include; job description gap, management support gap, supervision gap and finance gap.

Comment [K5]: This should be the last section of your literature review

CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODS

3.1 Overview

This chapter explores the methodological approach for the study and it covers the design, population sample, data analysis and presentation.

3.2 Research Strategies

The study adopted a descriptive research design since the study intended to gather quantitative and qualitative data that describes the nature and characteristics of factors affecting implementation of balanced scorecard in state corporations. According to Sekeran (2003), descriptive research design is type of design used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. Mugenda (1999) describes descriptive research as including surveys and fact- finding enquiries adding that the major purpose of descriptive research is description of the state of affairs as it exists at present. The study considered this design appropriate since it facilitated towards gathering of reliable data describing the true characteristics of factors affecting implementation of balanced scorecard in at Kenya Bureau of Standards (KEBS).

3.2.1 Population

The study population comprised of 120 management staff working at the Kenya Bureau of Standards (KEBS). These included 30 staff in top management, 40 staff in middle level management and 50 staff lower management. The list containing the total number of employees was obtained from the Kenya Bureau of Standards human resource management department.

3.2.2 Area of the Research

The study considered a case study of Kenya Bureau of Standards (KEBS) since its one of the state enterprises that has been experiencing balance score card implementation challenges. The Kenya Bureau of Standards (KEBS)was also if interest to the study since it is a major state enterprise that deals with certification of quality to all goods and services sold in Kenya and thus emphasis on employee's performance are given a high priority.

The organization strategic location in Nairobi and organization structure made it suitable to gather reliable and accurate information that reflected the major factors affecting implementation of balanced scorecard in state enterprises. The study population was hence divided into three categories as shown in Table 3.1

Table 3.1: Study Population

Category	**Target population**	**%(Percentage)**
Top Management staff	50	42
Middle level Management staff	40	33
Lower Management staff	30	25
Total	120	100

Source: KEBS (2012)

3.3 Sampling Design and Procedures

The study applied a probability sampling design and stratified random sampling technique to select a sample size of 60 respondents. According to Dempsey (2003) stratified sampling is considered appropriate since it gives all respondents an equal chance of being selected as a study respondent and thus it has no bias and eases generalization of the obtained findings.Stratified random sampling was used to group respondents into three strata namely, top management, middle level management and lower management.

Simple random sampling was used to select 50% of the population on each stratum. A sample size of 50% was justifiable since according to Orodho (2003) 10%-50% of the sample gives unbiased representation of all respondents' opinions in the target population and this assists in generalization of research findings when the study design is descriptive. The sample selection and size is shown in table 3.2. The list containing the names of the respondents in the respective three population categories was sourced from the Organization Human resource department and was used as the sampling frame for the study. The sample population of the study was 50% of the total target population as shown in table 3.2.

Table 3.2: Sample Size

Category	**Target population**	**Ratio**	**Sample size**
Top Management staff	50	0.5	25
Middle level Management staff	40	0.5	20
Lower Management staff	30	0.5	15
Total	120	0.5	60

Source: KEBS (2012)

3.4 Variables and Measurement Procedures

The study aimed to investigate factors affecting implementation of balanced scorecard in state corporations in Kenya, a case study of Kenya Bureau of Standards (KEBS). Likert scale was used to measure all the variables where respondents were asked questions in a likert scale format. The scale comprised of (1= not at all, 2 = small extent, 3 = moderate extent, 4 = large extent, 5 = very large extent).

3.5 Methods of Data Collection

The studycollected data through questioning method where questionnaires were used as the main data collection instrument. Data collection instrument is a device used to collect data in an objective and a systematic manner for the purpose of the research. Data collection instruments can be questionnaires, interviews, schedules and available records. Questionnaires are a paper and a pencil data collection instruments filled in by respondents for the purpose of the research study (Morris, 2001). In this study the main data collection instruments were the questionnaires containing both open ended and close ended questions.

Questionnaires are preferred because according to Dempsey (2003) they are effective data collection instruments that allow respondents to give much of their opinions pertaining the researched problem. According to Kothari (2003) the information obtained from questionnaires is free from bias and researchers influence and thus accurate and valid data was gathered. The questions addressed by the questionnaires will seek to find out the factors affecting implementation of balanced scorecard in at Kenya Bureau of Standards (KEBS).

Primary data presents the actual information that was obtained for the purpose of the research study. Primary data was gathered through the use of questioning method in form of a semi structured questionnaire (open and close ended questions). The questionnaires were self administered to a total of 60 respondents and later picked for data analysis.

Secondary data is the data that was collected for other purpose but it was still usable in this type of research study, it involved past data that had been previously collected and tabulated through use graphs, charts and reports. This type of data was collected from reference materials, which had key information that was helpful to this research study. Collection of secondary data was obtained through desk research; this was mainly from past published scholarly articles on factors affecting implementation of balanced scorecard.

3.5.1 Reliability and Validity

The study conducted a pilot study to test the reliability of the questionnaires. According to Sekeran (2003), a pilot study is necessary for testing the reliability of data collection instruments. Joppe (2000) explains reliability of research as determining whether the research truly measures that which it was intended to measure or how truthful the research results are. Pilot study is thus conducted to detect weakness in design and instrumentation and to provide accurate data for selection of a sample (Cooper & Schindler, 2003). The pilot test involved selecting 5 respondents from each population category and issuing them with the questionnaires. The data gathered from the pilot study was then be subjected to cronbach's alpha a coefficient of reliability that gives an unbiased estimate of data generalizability.

According to Zinbarg (2005), cronbach's alpha is a coefficient of reliability that gives an unbiased estimate of data generalizability. An alpha coefficient higher than 0.75 indicated that the gathered data had a relatively high internal consistency and could be generalized to reflect opinions of all respondents in the target population. After obtaining an alpha coefficient of higher than 0.75, questionnaires were issued to respondents. Data reliability played an important role towards generalization of the gathered data to reflect the true characteristics of the study proble

3.6 Data Processing and Analysis

The questionnaires were collected from the respondents and checked for completeness. The study only considered the questionnaires that were 80% filled in both open end and closed end questions. The questionnaires were edited, coded and organized as per each reach variable. Descriptive statistics data analysis method was applied to analyze numerical data gathered using closed ended questions. The Statistical Package for Social Sciences (SPSS) computer software was used for analysis to generate data arrays that were used for subsequent analysis of the data. The data was cleaned, coded, categorized per each of the research variables and then analyzed using descriptive analysis such as percentage mean and STD deviation.

Pearson correlation was carried out to establish the relationship between the research variables. The findings were presented using tables, since tables are user friendly and show response frequencies as well as percentages of the respondents' opinions on factors affecting the implementation of balanced scorecard. Qualitative data analyses method was applied to analyze the data gathered using open end questions where the respondents give their personal opinions on factors affecting implementation of balanced scorecard in at Kenya Bureau of Standards (KEBS).

CHAPTER FOUR

4.0 FINDINGS, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter discusses data analysis, presentation and interpretation of the research findings, the chapter elaborates the processes, techniques and procedures applied to analyze, present and interpret the data gathered using the questionnaires. The chapter explains quantitative data analysis, cross tabulation tables and mean scores and regression analysis, summary equations onfactors affecting implementation of balanced scorecard in state corporations in Kenya, a case study of Kenya Bureau of Standards (KEBS).

4.2. Descriptive Statistics

The study used descriptive statistics to carry out quantitative analysis for the numerical data gathered using close ended questions.

4.2.1 Analysis of the Response Rate

To determine the total number of the respondents who participated in the study, the analysis of the response rate was conducted as shown in the Table 4.1.

Table 4.1: Analysis of the Response Rate

Category	Frequency	Percentage
Response	44	73
Non Response	16	27
Total	60	100

Source: Author (2012)

As presented in the table 4.1 the response rate comprised of 44 respondents who were 73% of the total response rate. The none response comprised of 16 respondents who were 27% of the total response rate. The response rate of 73% of the respondents indicates that the gathered data met the generalization standards since according to Cooper & Schindler (2003) a response rate above 30% of the total sample size can be generalized to represent the opinions of the entire population. The gathered data was hence enough to explore the major factors affecting implementation of balanced scorecard in state corporations in Kenya, a case study of Kenya Bureau of Standards (KEBS).

4.2.2 Gender

On gender the analysis was as follows;

Table 4.2: Gender

	Frequency	Percentage
Male	24	54
Female	20	46
Total	44	100

Source: Author (2012)

The study shows in table4.2 that 54% of the respondents who participated in the study were males and 66% were females. This indicates that both genders were almost equally represented in the study and hence there were no cases of data misrepresentationarising from genderparity.

4.2.3 Management Level

Table 4.3: Respondents Management Level

Management Level	Frequency	Percentage
Top management	10	23
Middle level management	14	32
Lower management	20	45
Total	44	100

Source: Author (2010)

Table 4.3 above shows the respondents management levels. The table 4.3 indicates that the response rate was; 23% top managers,2% middle level managers and 4% lower managers.

4.2.4 Years of Service

Table 4.4: Years of Service

Years of service	Frequency	Percentage
5 yrs and below	6	14%
6- 10 yrs	10	22%
11-15yrs	12	27%
16-20 yrs	8	18%
21 -25 yrs	8	18%
Total	44	100%

Source: Author (2012)

The Table 4.4 presents the working experience held by the respondents who participated in the research study. The figure shows that 27% of the respondents had a working experience of 11-15 years, 22% 6-10 years and 18% 16-20 years. This demonstrated that most of the respondents had a long working experience and were likely to have experienced the factors affecting implementation of balanced scorecard in state corporations in Kenya, a case study of Kenya Bureau of Standards (KEBS).

4.2.5 Department

On highest education level the response was as follows.

Table 4.5: Distribution of Respondents by Departments

Department	**Frequency**	**Percentage**
Quality Assurance	11	25%
Human Resources &Adm	16	36%
PR/Marketing	8	18%
Finance	9	21%
Total	44	100%

Source: Author (2012)

The Table 4.5 presents that out of the 44 respondents who participated in the study;25% were in quality assurance department,36% were in human resource and administration department,18% were in PR& marketing department and 21% were in finance department.

4.3 Inferential Statistics

Comment [K6]: This section should be moved between sections 4.2 and 4.3

Inferential statistics was conducted through the use of correlation analysis to determine the relationship between the independent and the dependent variables.

4.3. 1 Correlation Analysis

Table 4.6: Correlation Analysis Results

Variables		BSC	INDV1	INDV2	INDV3	INDV3
BSC	Pearson Correlation	1	.954**	.864**	.821**	.778**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	44	44	44	44	44
Job Description	Pearson Correlation	.954**	1	.906**	.861**	.816**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	44	44	44	44	44
Management	Pearson Correlation	.864**	.906**	1	.950**	.900**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	44	44	44	44	44
Supervision	Pearson Correlation	.821**	.861**	.950**	1	.948**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	44	44	44	44	44
Finance	Pearson Correlation	.778**	.816**	.900**	.948**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	44	44	44	44	44
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: From field researcher, 2012

Pearson correlation was carried out to determine how the research variables related to each over. Pearson's correlation reflects the degree of linear relationship between research variables. It ranges from +1 to -1. A correlation of +1 means that there is a perfect positive linear relationship between variables (Serekan, 2003). As presented in table 4.6 all the independent variables had a strong positive correlation with BSC implementation (p-values < 0.01).

Job description had a strong positive correlation with BSC implementation (r = 0.954). This correlation was found to be statistically significant at 95% significance level (p-value = 0.000). Management support was found to have a statistically significant fairly strong positive correlation with BSC implementation (r=0.864, p-value = 0.000). Supervision had a strong positive correlation with BSC implementation (r=0.821). The relationship was found to be statistically significant at 82% significance level (p-value = 0.000). Finance had a strong positive correlation with BSC implementation (r=0.778). The relationship was found to be statistically significant at 77% significance level (p-value = 0.000).

The table 4.6demonstrates that all the independent variables which were;job description, the level of management support, supervisions and financial resources affected the implementation of balanced core card.

Comment [K7]: So far you have just presented findings you need to discuss your findings and try to relate with findings from previous authors did a similar research in other countries.

4.4Effect of Job Description on the Implementation of Balanced Scorecard

4.4.1 Lack of Effective Job Description

Using 6 - pointlikert scale where 6 was Strongly agree,5-Agree,4-Slightly agree,1 undecided,3- Strongly disagree and 2-Disagree, respondents were asked to express how they agreed on lack of effective job description negatively affects implementation of balanced score card in the organization. The findings were represented on the table 4.7.

Table 4.7: Effects of Job Description on Implementation of Balanced Score Card in the Organization

	Frequency	Percent
Strongly agree	29	65.9
Agree	9	20.5
Slightly agree	3	6.8
Strongly disagree	3	6.8
Disagree	-	-
Undecided	-	-
Total	44	100.0

Source: Author (2012)

The table 4.7above shows that most of the respondents with a highest percentage of 65.9% strongly agreed that lack of effective job description negatively affects implementation of balanced score card in theorganization,20.5% agreed,6.8%slightly agreed and 6.8% strongly disagreed. The respondents explained that clear job description allows measurement of employees' performance and this helps in improvement of the level of employee's performance. These findings supported the Fact Based theory by Douglas (2007) that employees' job description must be clear to allow measurement of employees' performance tasks. Effective job description leads to collection of actual employees' performance data that guides towards implementation of Balance Score Card (Douglas, 2007).

4.4.2Job Description Factors Affecting BSC Implementation

On the extent to which job description factors affected BSC implementation, the five point–Likert method was used where 5 was -to a very large extent, 4-large extent, 3-moderate extent, 2-small extent, 2-no extent at all. The findings were presented as follows.

Table 4.8: Job Description Factors Affecting BSC Implementation; Mean, STD Deviation and Variance Results

Job description Factors affecting BSC implementation	N	Mean	Std. Deviation	Variance
Organization objectives/goals	44	4.5455	.66313	.440
Job analysis	44	4.5227	.66433	.441
Personnel specifications	44	4.3636	.78031	.609
Employees qualifications	44	4.3409	.71343	.509
Employees performance data collection	44	4.3636	.65026	.423
Valid N (listwise)	44			

Source: Author (2012)

The table 4.8 shows that by considering the five point–Likert method and also considering 1 is to no extent at all and 5 is to a very large extent.

As presented in the table 4.8a mean of 4.54 indicates that respondents stated that organization objectives/goals affects implementation of balance score card to a large extent, a mean of 4.52 also indicates that job analysis affects implementation of balance score card to a large extent. Similarly, a mean of 4.36, 4.34 and 4.36

indicates that respondents stated that personnel specification, employees' qualifications and employees performance data collection affects implementation of balanced score card to a large extent. The table 4.8also shows that low STD deviation and a low variance was scored on all the factors and this indicates that the questions were well answered and answers given were accurate and reliable.

4.5 Effect of Management Support on the Implementation of Balanced Scorecard

4.5.1 Lack of Management Support Affect Implementation of Balanced in the Organization

Using 6 - pointlikert scale where 6 was Strongly agree,5-Agree,4-Slightly agree,1 undecided,3- Strongly disagree and 2-Disagree, respondents were asked to express how they agreed on opinion that lack of management support affects implementation of balanced score card in theorganization. The findings were represented on the table 4.

Table 4.9: Lack of Management Support Affect Implementation of Balanced in the Organization

Response	Frequency	Percent
Agree	25	56.8
Slightly agree	9	20.5
Strongly disagree	5	11.4
Disagree	3	6.8
Undecided	2	4.5
Total	44	100.0

Source: Author (2012)

Comment [K8]: Refer to K27, do the same for tables 4.9 and 4.10

The Table 4.9 shows that most of the respondents with a highest percentage of 56.8% strongly agreed that lack of management support affects implementation of balanced score card in theorganization,20.5% agreed,11.4% strongly disagreed, 6.8% disagreed and 4.5% were undecided. The respondents explained that lack of top management support affected the organization management to identify organization goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for implementing the BSC.

These findings supported Management by Objectives Theory by George (2005) that Management by Objectives is "a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members towards implementation of the BSC in the organization.

4.5.2Management Support Factors Affecting BSC Implementation

On the extent to which management supportfactors affected BSC implementation, the five point–Likert method was used where 5 was -to a very large extent, 4-large extent, 3-moderate extent, 2-small extent, 2-no extent at all. The findings were presented as follows in table 4.9.

The table 4.10 demonstrates that stake holders support had a mean score of 4.54 and this is clear indication that respondents indicated that stakeholders support affects implementation of balanced score card to a large extent, a mean of 4.61 on the level of top management support demonstrates that respondents expressed that the level of top management support affected implementation of balanced score card to a large extent, a mean of 4.20 on level of employees commitment indicates that respondents indicated that level of employees commitment affected implementation of balanced score card to a large extent and finally a mean of 4.04 indicates that respondents expressed that organization culture affected implementation of balanced score card to a large extent.

The respondents affirmed that stakeholders support in strategy development was very useful in the implementation of balanced score card and this agreed with stakeholders theory by Eden (2001)allowing stakeholders to take part in strategy development has proven useful in implementation of balanced score card.

Table4.10: Management Support Factors Affecting BSC Implementation; Mean, Standard Deviation and Variance Results

Management support factors affecting BSC implementation	N	Mean	Std. Deviation	Variance
Stake holders support	44	4.5455	.58883	.347
Level of top management support	44	4.6136	.65471	.429
Level of employees commitment	44	4.2045	1.02480	1.050
Organization culture	44	4.0455	1.09872	1.207
Valid N (listwise)	44			

Source: Author (2012)

The table 4.10 further shows that low STD deviation and a low variance was scored on all the factors and this indicates that the questions were well answered and answers given were accurate and reliable. The study hence deduced that stakeholders support, top management support, level of employees' commitment and organization culture influenced management support to affect the implementation of Balanced Score Card in organizations.

4.6 Effect of Supervision on the Implementation of Balanced Scorecard

4.6.1Organization Management Lacks Effective Supervision Strategies

Table 4.11: Organization Management Lacks Effective Supervision Strategies

Response	Frequency	Percent
Agree	21	47.7
Slightly agree	13	29.5
Strongly disagree	4	9.1
Disagree	4	9.1
Undecided	2	4.5
Total	44	100.0

Source: Author (2012)

Using 6 - pointlikert scale where 6 was Strongly agree,5-Agree,4-Slightly agree,1 undecided,3- Strongly disagree and 2-Disagree,respondents were asked to express how they agreed on organization management lacks effective supervision strategies. The findings were represented on the table 4.11.

The table 4.11abovepresents that majority (47.7%) of the respondents agreed that organization management lacks effective supervision strategies, 29.5% of the respondents slightly agreed, 9.1% strongly disagreed, 9.1% also strongly disagreed and 4.5% of the respondents were undecided. The respondents explained that lack of effective employees' supervision method negatively affected implementation of BSC in the organization and this concurred with findings by Meena (2009) that employees' supervision was major factor that greatly affected effective implementation of balanced score card in both public sector and private sector organizations.

4.6.2 Supervision Factors Affecting BSC Implementation Mean, Standard Deviation and Variance Results

Table 4.12: Supervision Factors Affecting BSC Implementation

Supervision factors affecting BSC implementation	N	Mean	Std. Deviation	Variance
Conducting basic management skills	44	4.6818	.60127	.362
Organizing teams	44	4.5455	.72991	.533
Designing new job roles in the group	44	4.5227	.62835	.395
Hiring new employees	44	3.0909	1.09583	1.201
Training new employees	44	3.1818	1.10544	1.222
Employee performance management	44	4.7273	.54404	.296
Valid N (listwise)	44			

Source: Author (2012)

On the extent to which supervisionfactors affected BSC implementation, the five point–Likert method was used where 5 was -to a very large extent, 4-large extent, 3-moderate extent, 2-small extent, 2-no extent at all. The findings were presented as follows in table 4.12

As presented in the table 4.12a mean of 4.68 indicates that conducting basic management skills affected supervision to a large extent, a mean of 4.54 demonstrates that organizing teams affected supervision to a large extent, a mean of 4.52 shows that designing new job roles in the group affected supervision to a large extent, a mean of 3.09 indicates that hiring new employees affected supervision to a moderate extent, a mean of 3.18 indicates that training new employees affected supervision to a large extent and a mean of 4.72 indicates that employees performance management affected supervision to a large extent.

These findings supported findings by Maltz (2007) that conducting basic management skills, organizing teams, designing new job roles in the group, hiring new employees, training new employees and employee performance management affects supervision during implementation of balance score card to a large extent. The table 4.12 furthers shows that low STD deviation and a low variance was scored on all the factors and this indicates that the questions were well answered and answers given were accurate and reliable and hence all the factors influenced supervision to affect implementation of BSC to a large extent.

Using 6 - pointlikert scale where 6 was Strongly agree,5-Agree,4-Slightly agree,1 undecided,3- Strongly disagree and 2-Disagree,respondents were asked to express how they agreed on organization lacks enough funds for financing BSC implementation process. The findings were presented on the table 4.13.

4.7 Effect of Financial Resources

4.7.1 Effects of Lack of Funds on Implementation of BSC

Table 4.13: Organization Lacks Enough Funds for Financing BSC Implementation Process

Response	Frequency	Percent
Agree	16	36.4
Slightly agree	14	31.8
Strongly disagree	9	20.5
Disagree	3	6.8
Undecided	2	4.5
Total	44	100.0

Source: Author (2012)

The table 4.13 shows that most of the respondents with a highest percentage of 36.4% agreed that organization lacks enough funds for financing BSC implementation process, 31.8%slightly agreed, 20.5% strongly disagreed, 6.8% disagreed and 2% were undecided. The respondents explained that lack of sufficient financial resources hinders many state corporations in Kenya to effectively implement Balanced Score Card. This contended with findings by Yee-Chin (2009) that lack of sufficient financial resources hinders many state corporations in Kenya to effectively implement Balanced Score Card and this contributes towards realization of declined organizations performance.

4.7.2 Financial Resources Factors Affecting BSC Implementation Mean, Standard Deviation and Variance Results

On the extent to which financial resources factors affected implementation of balance score card, the five point–Likert method was used where 5 was -to a very large extent, 4-large extent, 3-moderate extent, 2-small extent, 2-no extent at all. The findings were presented as follows.

Table 4.14: Financial Resources Factors Affecting BSC Implementation; Mean, Standard Deviation and Variance Results

Financial resources factors affecting BSC implementation	N	Mean	Std. Deviation	Variance
Inadequate financial resources	44	4.6136	.57933	.336
Incentive-based pay system	44	4.4545	.72991	.533
Employees remuneration	44	4.7273	.54404	.296
Employees Rewards	44	3.9091	.93556	.875
Hire of BSC professionals	44	3.8636	1.04750	1.097
Valid N (listwise)	44			

Source: Author (2012)

The Table 4.14 shows that a mean of 4.61 was a clear indication that respondents stated that inadequate financial resources affected implementation of BSC to a large extent, a mean of 4.45 indicates that incentive based ay system affects implementation of BSC to a large extent, a mean of 4.72 indicated that employees remuneration affected implementation of BSC to a large extent, a mean of 3.90 demonstrates that employees rewards affected implementation of BSC to a large extent and finally a mean of 3.86 indicates that hiring of BSC professionals affected implementation of BSC to a moderate extent. The respondents explained that lack of adequate financial resources hindered allocation of sufficient resources for employees training, remuneration and hiring of BSC professionals and this affected the success of the BSC implementation process in many state corporations.

This supported finings by Yee-Chin (2009) that limited financial resources hinders allocation of sufficient resources for employees training, remuneration and hiring of BSC professionals and this affects the success of the BSC implementation process in many state corporations. The Table 4.14 finally demonstrates that low STD deviation and a low variance was scored on all the financial resources factors and this indicated that the questions were well answered and answers given were accurate and reliable.

4.8 Discussions of Findings

4.8.1 Mechanisms in Place within the Organization Aimed at Having Successful Implementation of Balanced Core Card

The study found out that implementation of balanced score card in many Kenyan state corporations was major problem that also affected the level of state corporations performance in terms of effectiveness and efficiency in service delivery. It was identified that the organization lacked effective mechanisms for facilitating successful implementation of balanced core card and this hindered creation of supportive working environment for the balanced score car implementation.

4.8.2 Factors Affecting Implementation of Balanced Score Card Job description

The study found out that job description was a major factor affecting effective implementation of balanced score card in the origination since job description helped to identify and measure individual employees' performance tasks and this supported effective implementation of balanced score card as clear and accurate employee's performance data was collected. The study noted that lack of proper job analysis and evaluation in the organization hindered effective description of employees' jobs roles and responsibilities and this hindered gathering of accurate employees' performance. It was noted that accurate performance data helped to align the employees' performance levels with organization performance goals.

These findings contended with Armstrong (2003) that all the measures in the balanced scorecard are crafted from the job description since clear job description helps in gathering reliable employees' performance data that guides in implementation of balanced score card by keeping employees performance levels to be in tandem with key performance indicators outlined in the balance score card.The study established that clear job description allowed measurement of employees' performance and influenced improvement of the level of employee's performance.

These findings supported the Fact Based theory by Douglas (2007) that employees' job description must be clear to allow measurement of employees' performance tasks. It was further noted that the organization objectives/goals, job analysis affects, personnel specification, employees' qualifications and employees performance data collection were the major factors influencing job description to affect implementation of balanced score card to a large extent.

4.8.2.1 Management Support

Management support was found to be a major factor that greatly affected effective implementation of balanced score card in Kenyan state corporations. The study noted that the effective implementation of balanced score card required the top management to give much emphasis on BSC four perspectives namely; the financial perspective, internal business processes, learning and growth perspective and customer perspective. This concurred with with Kaplan and Norton theory (2002) that effective implementation of balanced score card requires organization management to give much emphasis into four BSC perspectives and effective implementation of balanced score card requires organization management to give much emphasis into four BSC perspectives.

It was identified that lack of top management support affected the organization management to identify organization goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for implementing the BSC. These findings supported Management by Objectives Theory by George (2005) that Management by Objectives is "a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected, and use these measures as guides for operating the unit and assessing the contribution of each of its members towards implementation of the BSC in the organization. The study further found out that the level of stake holders support, the level of top management support, the level of employees commitment and organization culture affected implementation of balanced score card to a large extent. It was noted that stakeholders support in strategy development greatly influenced implementation of balanced score card and this contended with stakeholders theory by Eden (2001)allowing stakeholders to take part in strategy development has proven useful in implementation of balanced score card.

4.8.2.2 Supervision

Employees' supervision was found to affect effective implementation of balanced score card in Kenya state corporations.Effective employees supervision process supported the implementation of the four balanced score card perspective and hence led to effective implementation of balanced score card in organizations. This concurred with the Balance Score Card theory by Kaplan and David (2001) hat employees job description, better employees supervision and increased level of top management support supports the implementation of the four balanced score card perspective and hence lead to effective implementation of balanced score card in organizations.

The organization was found to lack effective employees' supervision strategies and lack of effective employees' supervision method negatively affected implementation of BSC in the organization. This concurred with findings by Meena (2009) that employees' supervision was major factor that greatly affected effective implementation of balanced score card in both public sector and private sector organizations. The study further noted thatconducting basic management skills, organizing teams, designing new job roles, hiring new employees, training new employees and employees' performance management influenced supervision to affect BSC implementation to a large extent. These findings supported findings by Maltz (2007) that conducting basic management skills, organizing teams, designing new job roles in the group, hiring new employees, training new employees and employee performance management affects supervision during implementation of balance score card to a large extent.

4.8.2.3 Financial Resources

The study found out thatlack of adequate financial resources was a major factor affecting effective implementation of balanced score card in the organization.It was noted thatlack of enough financial resources hindered effective financing of BSC project implementation and this was in agreement with Kobia (2007) that financial resources in public sector organizations and others are hardly enough to achieve the desired targets and in some cases targets are based on the availability of resources. It was revealed that inadequate financial resources, incentive based pay system, poor employees' remuneration lack of employees' rewards and ability to hire BSC professionals affected implementation of BSC to a large extent. The study noted that lack of adequate financial resources hindered allocation of sufficient resources for employees training, remuneration and hiring of BSC professionals and this affected the success of the BSC implementation process in many state corporations. This contended with finings by Yee-Chin (2009) that limited financial resources hinders allocation of sufficient resources for employees training, remuneration and hiring of BSC professionals and this affects the success of the BSC implementation process in many state corporations.

4.8.3 Other Factors Affecting the Effective Implementation of Balanced Core Card

Other factors affecting the effective implementation of balanced core card in Kenyan state corporations includes lack of trained personnel, application of ineffective corporate governance practices in the organization, outsourcing of incompetent consultants to guide on balanced score implementation process.

4.8.4 Other Factors Contributing to the Level of Effectiveness in Implementation of Balanced Core Card

Other factors contributing to the level of effectiveness in implementation of balanced core card includes; continuous employees training, use of effective leadership styles, high level of employees engagement, sourcing of competent BSC consultants, employees motivation, job satisfaction and recruitment of competent and committed staff.

Comment [K9]: Move this and merge with findings

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter discusses conclusions and recommendations of the research study. The summary of findings gives an in-depth explanation of the factors affecting implementation of balanced scorecard in state corporations in Kenya, a case study of Kenya Bureau of Standards (KEBS).The chapter draws the study conclusions and gives suggestions for further studies

5.2Conclusions

The Balanced Scorecard is a management system that enablesorganizations to clarify their vision and strategy and translate them intoaction. When fully deployed, the Balanced Scorecard transforms strategicplanning from an academic exercise into the nerve centre of organizations.In many Kenyan state corporations, effective implementation of balanced score card is major challenge hindering realization of increased state corporations performance in terms of improved quality of service delivery. The key notable factors hindering the success of BSC implementation in Kenyan state corporations includes; poor employees job description, low level of top management support, poor employee supervision and inadequate financial resources.

Many state corporations in Kenya lacks effective mechanisms in place for supporting effective implementation of BSC and this leads to declined level of organization performance. It s is noteworthy to understand that the key notable mechanisms in place within the organization aimed at having successful implementation of balanced core card includes; setting clear organization mission, vision and objectives, documenting core processes for each department, aligning cascading department core processes with corporate objectives, creating score card measures for each department, creating measures to monitor and measure score card achievement for each department and creating score card achievement report for each department and submitting to executive management

Effective job description helps to craft all the measures of balanced score card,a job description is usually developed by conducting a job analysis, which includes examining the tasks and sequences of tasks necessary to perform the job. The objective of a job description is to have a clear outline of duties and responsibilities to make the screening process as direct and focused as possible.Employees' job description must be clear to allow measurement of employees' performance tasks. Effective job description leads to collection of actual employees' performance data that guides towards implementation of Balance Score Card.

Top management commitment is a key factor that determines the tipping point between potential success and failure when developing and implementing balanced scorecard and other management projects and systems. Management support is greatly determined by the organization stakeholders such as board of directors, shareholders and employees. This is clearly explained by the stakeholder theory which is a theory of organizational management and business ethics that addresses morals and values in managing an organization.

Supervision supports effective implementation of balanced scorecard in an organization, supervision often includes conducting basic management skills, organizing teams, noticing the need for and designing new job roles in the group, hiring new employees, training new employees, employee performance management and ensuring conformance to personnel policies and other internal regulations. Financial resources in state corporations are hardly enough to achieve the desired targets and in some cases targets are based on the availability of resources. Lack of enough financial resources and poor management of the available fund leads to poor employees' remunerations and lack of funds for hiring BSC professionals. This negatively affects effective implementation of balance score card.

The study hence deduced that for state corporations in Kenya to effectively implement balanced score card, effective mechanisms for BSC implementation must be put in place, proper employee job description must be conducted, effective employees supervision methods should be employed and adequate financial resources should be allocated for BSC project implementation.

5.3 Recommendations

To effectively implement balanced scorecard in state corporations in Kenya, the study suggested the following recommendations;

A prerequisite for implementing a Balanced Scorecard should be a clearunderstanding of the organizations vision and strategy. The basis for thevision and the strategy should be the holistic view and the information themanagement receives during systematic strategy work.Before an organization can start implementing a Balanced Scorecard it needs a clear understanding of its vision and strategy. It is the management s responsibility to define a vision, formulate a strategy and set strategic goals regardless of a Balanced Scorecard being implemented.

The implementation of a BSC should always be organized as a separateproject. The project is very much a management system developmentproject, rather than an IT project. Before the actual project starts the organization management should determine; the goals of BSC project, problem to be solve by the BSC project, project implementation team, project manager, overall corporate strategy, budget allocation and area for pilot project.

The management of state corporations should undertake effective job analysis in order to effectively carry out employee's job description. Effective employees supervision methods should be used, high level o top management support should be given and adequate financial resources should be allocated or BSC implementation. Effective training programs should also be employed to equip the organization employees with effective skills and competencies for supporting BSC implementation process.

5.4Suggestion for Further Studies

The study aimed to investigate factors affecting implementation of balanced scorecard in state corporations in Kenya with specific reference to Kenya Bureau of Standards (KEBS).The study hence gave emphasis on the key notable factors which were; job description, management support, supervision and financial resources. The study therefore excluded other factors such as training, leadership styles and level of employees' commitment which were also noted to have a significant effect on implementation of BSC. Suggestion for further studies are hence highly recommended to establish other factors that might be affecting BSC implementation in state corporations and also to give appropriate guidance on measure that should be put in place to support continuous application of BSC in state corporation

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Comment [K10]: References marked in red do not appear in the main text, need to be removed.

APPENDICES

Appendix i: Estimated Budget

ACTIVITY	No of days	No of staff	Cost(Kshs)
Preparation, Document review	3	1	3,000
Planning and Logistics	2	1	No financial implications
Training of Data Collectors	2	3	5,000
Tools Pre testing	1	1	4,000
Conducting Surveys	24	3	10,000
Data keying and analysis	10	3	12,000
Data Analysis and Report writing	4	1	15,000
Incorporation of comments and development of final report	3	3	No financial implications
Final report	5	1	6,000
TOTALS	**40**		**46,000**

7. Expected time of Commencing the Study on 15th November 2011

8 Expected time of completing the Study is 20th December 2011

9. Signatures:

Student………………….………………… Date……………………..……

10. Comments of the supervisor

………………………. ……………….. ………………… ………………………….

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……………. ……………. ……………………………………………………........

Supervisor………………………………………………

Date…………………….…………

Appendices ii: Schedule of Research Activities

Comment [K11]: Merge the two pieces of the table

Appendices iii: Introduction Letter

ACTIVITY	**SCHEDULE**					
	Wk1	Wk2	Wk3	Wk24	Wk5	Wk6
✓ Development of Proposal						
✓ Presentation of proposal ✓ Correction ✓ Data correction						
✓ Data Analysis ✓ Report writing						
✓ Writing of the research report ✓ Presentation of the project ✓ Corrections						
✓ Submitting the research project report						

Dear Respondent,

I am a student of Masters of Human Resource Management at Tanzania Open University. This is a questionnaire for my research study on "**FACTORS AFFECTING EFFECTIVE IMPLEMENTATION OF THE BALANCED SCORE CARD IN STATE CORPORATIONS IN KENYA"**

The information obtained will be strictly for academic purposes. It will be treated as strictly confidential. It will not be discussed to any other party.

INSTRUCTIONS

Answer all questions to the best of your ability. There is no right or wrong answer to these questions.

Please indicate with a tick (√) in the space provided for questions with options and give the rest brief answer.

Simon K. Cheruiyot

MHRM Student

Appendix iv: Research Questionnaires

Background information

Instructions-Tick where appropriate

1. Gender ☐ Male ☐ Female	**3. Years of service :** ☐ 5 yrs and below ☐ 6- 10 yrs ☐ 11-15yrs ☐ 16-20 yrs ☐ 21 -25 yrs
2 . Management level ☐ Top management ☐ Middle level management ☐ Lower management	5 .**Department** ☐ Quality Assurance ☐ Human Resources &Adm ☐ PR/Marketing ☐ Finance

SECTION 1

2. JOB DESCRIPTION

(i) Does job description affect the implementation of balanced in the organization?

- ☐ Yes
- ☐ No

If yes, explain?

……………………………..…………………………………………………………...

…………………………………………………………………………………………

…………………………………………………………………………………………

(ii) Lack of effective job description negatively affects implementation of balanced score card in the organization?

- ☐ Strongly agree
- ☐ Agree
- ☐ Slightly agree
- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided

(iii) Please indicate the extent to which the following aspects of job description affects implementation of balance score card. Please record your answer by ticking at the space provided, by the scale indicator.

(1= not at all, 2 = small extent, 3 = moderate extent, 4 = large extent, 5 = very large extent)

Factors affecting job description	Very Large extent	Large extent	Moderate Extent	Small extent	Not at all
Organization objectives/goals					
Job analysis					
Personnel specifications					
Employees qualifications					
Employees performance data collection					

(iv) Please suggest various ways in which the organization management should improve on job description in order to support the implementation of balanced scorecard in state corporations? (Explain)

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SECTION 2

3. MANAGEMENT SUPPORT

(i) Does the management support affect the implementation of balanced scorecard in the organization?

- ☐ Yes
- ☐ No

If yes, explain?

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(ii) Lack of management support affect implementation of balanced in the organization?

Strongly agree

- ☐ Agree
- ☐ Slightly agree
- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided

(iii) Please indicate the extent to which the following aspects of job description affects implementation of balance score card. Please record your answer by ticking at the space provided, by the scale indicator.

(1= not at all, 2 = small extent, 3 = moderate extent, 4 = large extent, 5 = very large extent)

Factors affecting management support	Very Large extent	Large extent	Moderate Extent	Small extent	Not at all
Stake holders support					
Level of top management support					
Level of employees commitment					
Organization culture					

(iv) Please suggest various ways in which the organization management should improve on job description in order to support the implementation of balanced scorecard in state corporations? (Explain)

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SECTION 3

4. SUPERVISION

(i) Does supervision affect the implementation of balanced in the organization?

- ☐ Yes
- ☐ No

If yes, explain?

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…………………………………………………………………………………………………

(ii) The organization management lacks effective supervision strategies?

- ☐ Strongly agree
- ☐ Agree
- ☐ Slightly agree
- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided

(iii) Please indicate the extent to which the following aspects of supervision affect implementation of balance score card. Please record your answer by ticking at the space provided, by the scale indicator.

(1= not at all, 2 = small extent, 3 = moderate extent, 4 = large extent, 5 = very large extent)

Factors affecting supervision	Very Large extent	Large extent	Moderate Extent	Small extent	Not at all

Conducting basic management skills					
Organizing teams					
Designing new job roles in the group					
Hiring new employees					
Training new employees					
Employee performance management					

(iv) Please suggest various ways in which the organization management should improve on supervision in order to support the implementation of balanced scorecard in state corporations? (Explain)

SECTION 4

5. Financial Resources

(i) Is the implementation of balanced score card in the organization hindered by limited financial resource?

- ☐ Yes
- ☐ No

If yes, explain?

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(ii) The organization lacks enough funds for financing BSC implementation process?

- ☐ Strongly agree
- ☐ Agree
- ☐ Slightly agree
- ☐ Strongly disagree
- ☐ Disagree
- ☐ Undecided

(iii) Please indicate the extent to which the following aspects of financial resources affect implementation of balance score card. Please record your answer by ticking at the space provided, by the scale indicator.

(1= not at all, 2 = small extent, 3 = moderate extent, 4 = large extent, 5 = very large extent)

Factors affecting Financial resources	Very Large extent	Large extent	Moderate Extent	Small extent	Not at all
Inadequate financial resources					
Incentive-based pay system					
Employees remuneration					
Employees Rewards					
Hire of BSC professionals					

(iv) Please suggest various ways in which the organization management should improve on supervision in order to support the implementation of balanced scorecard in state corporations? (Explain)

THANK YOU FOR TAKING TIME TO FILL THIS QUESTIONNAIRE

DATE: ______________________________________