Communicating Organizational Strategy to Employees Using the Balanced Scorecard (BSC): Case Study of a Malaysian Company

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Abstract

Communicating organizational strategy to employees has been identified as one of the factors that influence success of strategy implementation in an organization. This study presents a case study of the use of BSC as a strategy communication tool in the strategy implementation process of a large Malaysian service provider. Specifically, the study explores how the BSC was used to facilitate strategy communication from the top to the lower management team, the factors affecting its effectiveness and its implication. Data was collected using interviews with 30 managers from various management levels and observations in eighteen meetings and BSC training sessions. Findings of this study show that, if applied properly, the strategy map and scorecard improve strategy communication among the different management levels. It was also found that among the factors that may influence the effectiveness of it usage are the content of the maps and scorecard and the channel of communication used to convey the information. In addition, this paper provides evidence of the application of BSC as a communication tools.

Keywords: Strategy implementation, Balanced Scorecard, strategy communication, performance measures

1.0   Introduction

Since the 1980's, strategy has been recognized as an important element in managing organization's performance. The work by Porter (1980) on generic strategy has received great attention from practitioners and researchers of organizational performance. However, through experience, researchers and practitioners of the various strategic plans and initiatives realize that innovative strategy without proper implementation plans and support systems will remain merely words on paper. There are various factors that lead to failure of strategy implementation. Wery and Waco (2004) identified five factors that lead to strategy failure. They are: lack of strategic focus, inappropriate timing, impatience for result, competencies gap and misaligned operation due to poor

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communication of company's strategy. Hrebiniak (2006) also highlighted poor or inadequate information sharing among individuals or divisions that are responsible for strategy execution as one of the obstacle facing effective strategy implementation.

Thus, strategy communication is important for effective strategy execution process. It has been cited as one of the critical success factor for an effective implementation of a strategic performance management system (PMS) including the Balanced Scorecard (BSC) (see Atkinson, 2006; Kaplan and Norton, 2001, 2006; Beer and Eisenstat, 2000 and Ahn, 2001). Nohria, Joyce and Roberson (2003) emphasized that in the process of establishing, designing and sustaining the existence of an organization, communicating organizational mission, vision and strategies to employees, customers and shareholders are the key to attaining excellence. Employees who are well informed of their company's mission and strategies are expected to be able to set more appropriate goals and performance expectations, provide better feedback and directions and are more accountable for achieving their goals (Michlitsch, 2000).

This paper focuses on the use of the BSC as a strategy communication tool and for managing strategy implementation in an organization. Through its initiatives, the BSC is acknowledged to be an effective tool that facilitates communication of organizational mission, vision and strategy to organizational community by many authors. For instance, Kaplan and Norton (2001), the founder of the BSC, stressed that the BSC provides a framework to describe and communicate strategy in a consistent and insightful way which will leads to alignment of organizational components and its' strategy. Mooraj, Oyon and Hostettler (1999) supported the claim. They mentioned that BSC would help the management to better communicate their strategy, benchmark with other operations, prioritise and motivate their teams to attain common and longer-term goals. Additionally, Atkinson (2006) stressed that, subject to the adoption of suitable processes, the BSC can address the issue of communication associated with strategy implementation.

Despite of its critical role in the BSC application, very limited study has been conducted to investigate the effectiveness of BSC as a tool for strategy communication. Many BSC studies only focused on its implication on organizational financial and non-financial performance. Little has been done to explore the process of communicating strategy using the BSC framework. Thus, this study attempts to fill this gap in the BSC literature by focusing on its contribution as a strategy communication tool. The objectives of this study are twofold: (1) to understand the process of communicating organizational strategy using the BSC framework and; (2) to understand the factors affecting its successfulness as a strategy communication tool. In this study, strategy communication is defined as the process of communicating organizational strategic mission, vision and corporate objectives from the top management to the lower level management team (Kaplan and Norton, 2001, 2006). The next section will discuss the literature relevant to this study, the methodology employed, findings and discussion and finally implications, limitations and suggestion for future research.

2.0   Literature Review

The BSC was first introduced in 1992. Since then, it has received extensive attention from practitioners and researchers around the globe. A study by an independent consultant, Bain and Company (2017) in the US reveals that 29% of their sampled companies, which include companies from US and Canada, Europe, Asia-Pacific, Latin America and other countries, used the BSC. It has been described as a comprehensive performance management tool. Kaplan and Norton (1992, 1996, 2001, 2004 and 2008) highlighted that the BSC would help organizations to improve their performance. The benefits of implementing the BSC, among others are (1) it help managers to clearly identify the measures which could clearly represent organization's long term strategy; (2) provides comprehensive framework for managers to translate companies' mission and vision into a coherent set of performance measures; (3) improve firm ability to align its corporate, business units, support units, external partners and its board with their strategy; (4) its measures can be used as a communication, information and learning system to communicate strategy throughout the organization and (5) it make explicit the link between organizations' financial strategy and its business unit strategy through its' objectives and measures.

According to Kaplan and Norton (2004), to be effective, the BSC must be fully utilized at all levels in the organization, and the BSC must be able to make strategy "everyone's everyday job". This mission can only be achieved through the communication and education process; using the right process of establishing personal and team objectives; and correct linkages between performance, incentives and reward system. Kaplan and Norton (2001) acknowledged the critical role of communication for successful BSC implementation. However, there are very limited studies on the BSC as a communication tool available in the literature (see Malina and Selto, 2001; Craig and Moores, 2005 and the latest study on this issue by Carmona, Iyer and Reckers (2010)). Malina and Selto (2001) assess the effectiveness of the BSC as a control and communication tools. Their findings indicate that the BSC can be an effective tool for controlling corporate strategy, however, as a communication tool, BSC can de-motivate employees if not carefully designed and implemented. They also highlighted the issue of translating and communicating organizations' top level strategy to the lower level divisions and individual managers. Additionally, Craig and Moores (2005) illustrate the application of BSC as a communication framework for a family owned firm while Carmona et al. (2010) focused on the use of strategy map as a strategy communication tool. They found that different formats of strategy maps (visual design) significantly influence the decision makers. In this paper, strategy communication is defined as the process of communicating organizational strategy to employees at all levels and communication strategy refers to the methods used to communicate organizational strategy. Effective strategy communication is affected by the way it is communicated. The next section discusses the role of strategy map as a communication tool in a company that apply the BSC.

2.1   Strategy Map as BSC Strategy Communication Tool

Communicating strategy from the top to the operational level management is vital for successful strategy implementation using the BSC model. Kaplan and Norton (2004) stressed that the strategy map is the crucial element that facilitates the communication process through their 438 pages book discussing specifically on it. Strategy map is a "logical and comprehensive architecture for describing strategy which specifies the critical elements and their linkages for an organizational strategy" (Kaplan and Norton, 2004). Every organization's strategy maps is different, reflecting their different industries and strategies. Strategy map communicates organizational strategy in a one page visual, uniform and consistent format to the managers. It helps them to establish and managed objectives and measures; highlights the missing link between strategy formulation and execution; acts as a checklist for a strategy's components and its interrelationship and it provides a framework to illustrate the link between strategy and its implementation process. However, strategy maps and it applications has received criticisms from researchers. For instances, Marr and Adams (2004) concluded that the strategy map, instead of clarifying company's strategy and its causal relationship among the perspectives, lead to more confusion on the learning and growth perspectives. In contrast, Carmona et al. (2010) indicated that different formats of strategy maps (visual design) significantly influenced the decision makers. Figure 1 is an example of a strategy map.
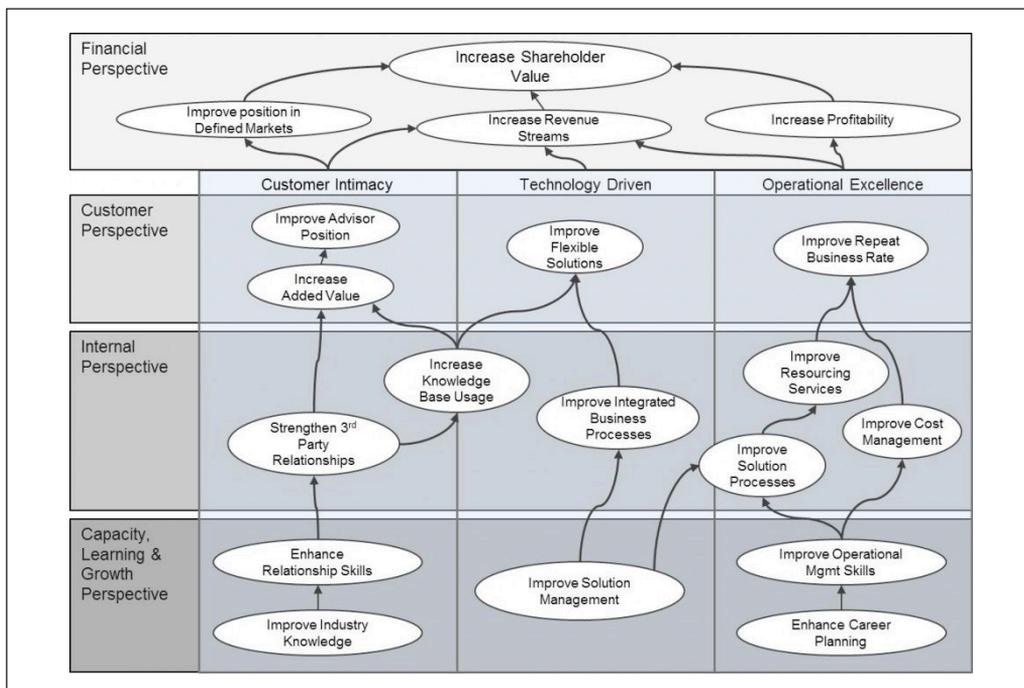

Figure 1. A Strategy map (Kaplan and Norton, 2004)

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2.2   *Strategy Communication and Successful Strategy Implementation*

Implementing strategy successfully is vital for any organization, however, its process can be influenced many factors. Merchant (1987) stressed that communication failure is an important cause of poor strategy implementation. He highlighted that strategy needs to be well communicated to the "dowers" and need to be understood by them. Merchant emphasize on the roles of communication among human actors as the key to successful implementation of strategy. Trahant (2008) found a strong correlation between effective employee communication and superior strategy implementation. They concluded that a high performance organization keep the customer as the front and center in all employees communication programs; design communication program that engaged employees in running the business; continuously enhance effectiveness of communication among managers; leverage internal communicators' talent to manage change; measure the impact of employees communication on key business measures and create employees brand to become company of choice. Additionally, Beer and Eisenstat (2000) also identify poor vertical communication as among the major barriers for effective strategy implementation. Schaap (2012) highlighted the role of strategic consensus in the strategy implementation process and reinforces that frequent top-down and bottom-up communication within the organizational structure enhances strategic consensus by fostering shared attitudes and values. Recent studies by Lim and Greenwood (2017) and Rosalin, Poulston and Goodsir (2016) also emphasize the importance of communicating strategies to employees and stakeholders in the strategy implementation process and the achievement of organizational goals.

With regards to the focus of this paper that is on the role of BSC as a strategy communication tool, Kaplan and Norton (2001) mentioned that communication and education play a major role to ensure success of strategy implementation via the scorecard. They emphasize the need for employees to learn and understand the strategy in order to be able to implement it successfully. Niven (2005) added that in implementing organization's strategy, the BSC helps organizations to align strategies at various levels by being a device that helps to communicate the scorecard objectives and measures to all employees. As one of the most popular strategic management system, the BSC provides a system which enables organizations to effectively communicate organizational strategy throughout the organization via it measures (Kaplan and Norton, 2001, 2004). However, studies on BSC as a communication system are very scarce.

2.3   *Effective Strategy Communication's Criteria*

Ineffective communication or miscommunication may ruin a venture (Houben et al., 2008). Van-Riel, Berens and Dijkstra (2009) share the same argument. Their study reveal that communicating to employees, especially management communication, communication about strategic initiatives and the organization's communication climate are of vital importance to stimulate strategic business alignment in a strategy implementation process. These factors had a strong influence on employee attitudes

and behaviour regarding the company's strategic initiatives. They also argued that information from management, especially direct managers and internal media, is more effective and relevant in creating favorable attitudes among employees towards certain strategic initiatives.

How does an organization ensure effective communication of their top level strategies to the operational level managers? Uwah and Edu (2009) stated that, to be effective, the communication activities "should be able to attract people's attention, the message can be understood, must be influential, and the information can be remembered". Kulvisaechana (2001) added four elements of an effective communication strategy which are: the frequency of communication, formality of communication, content of communication and communication channel. Additionally, Malina and Selto (2001) suggested that to be effective, organizational communication tools should provide valid message, support the organizational culture and promote knowledge sharing while Dawson (1996) identified that accuracy, reliability, validity, adequacy and effectiveness are the factors that impede effectiveness of strategy communication activities.

Another factors that plays a vital role in ensuring effective communication of strategies is the communication channel. A study by Biggiero (2009) concluded that email communication enhances bottom-up and horizontal participation in decision making, especially for computer-oriented managers. Thus, selecting the right information through the right channel is important to ensure effective communication of a company's strategic initiatives.

As such, Pandey (2005) suggested that the BSC adopters should have a sound organizational communication system to communicate the advantages of its implementation to employees. This may be a critical element to gain employees 'buy in' of the system. It is also crucial for the BSC adopters to ensure that they developed a good infrastructure to communicate, track, monitor and adjust their strategy based on BSC performance information. Pandey also suggested that the tracking system used to support BSC should be a simple system. However, to date, very few studies on BSC have delved into the communication issue besides the papers by Malina and Selto (2001) and Carmona et al. (2010).

3.0   Research Approach

As mentioned in Section 1.0 above, this study seeks to understand strategy communication process in a Malaysian company that implemented the BSC. In order to gain understanding of the process and practices, the study utilized the qualitative research approach. The case study approach was used in this study as it is more appropriate to answer the questions of 'how' and 'why' (Creswell, 2007).

Alpha Berhad (the name is disguised) is selected as the case company for several reasons. Firstly, the BSC has been implemented in the company for more than ten years

which indicate a long term use of BSC in the company. Secondly, the BSC is used as its core strategic management tools. It is adopted at every managerial level from the top management to individual managers. Therefore, it may provide broader BSC implementation perspectives with regards to strategy communication issue compared to a company that recently implementing the BSC. For the case study approach, appropriate data collection methods could be focus group interviews, observation and analysis of documents. However, for this study, only interviews and observations were utilized. Thirty (30) interviews with managers who hold different positions such as vice president, general managers, assistant general managers, managers and employees union in the case company were conducted. Some managers are from the operational levels. List of interviewees are as shown in Appendix 1. Data gathered from the interviews were transcribed and transferred into word processing file as the case descriptions. The data were analyzed inductively. Next, the transcript data were categorized according to classified themes which have been defined from the literature.

4.0   Research Findings

4.1   BSC in Alpha Berhad

Alpha Berhad is a large service provider in Malaysia which operates with more than 20,000 staff from various departments and branches. It has been using the BSC for more than ten (10) years. Alpha Berhad has adopted the Kaplan and Norton's (1992) first version of BSC. In its early implementation process, to ensure successful implementation of the BSC in the company, twenty-four (24) managers were sent for BSC training in Kaplan and Norton BScol in the United States of America. These managers became the BSC champions in the company who conducted internal BSC training for other managers. The team were named as the "BSC Resource Team" or the BSR. BSC implementation procedures were designed and communicated to managers at every level by the team. In addition, series of BSC internal trainings were conducted by the BSR to ensure that the initiatives are successfully implemented. Although, the company was among the pioneer in BSC adoption in Malaysia, the implementation took more than 10 years. In its early adoption, the company used the BSC merely as a means to create Key Performance Indicators (KPIs) especially at the divisional levels. In year 2000, the company already has 120 KPIs. However, the KPIs were merely used as a performance dashboard which was not tied to any performance evaluation and reward system. The turning point of BSC adoption in the company were seen when a new Chief Executive Officer (CEO) come into the company in year 2004 when they started to fully implement the BSC as their performance management system.

In Alpha Berhad, the BSC was implemented in six (6) stages which are: (1) the development of the company's vision, mission and strategic direction; (2) developing the company's strategy maps, KPIs and scorecard; (3) communicating and cascading the strategic direction, maps and scorecards to lower level business units and divisions;

(4) performance tracking, monitoring and controlling; (5) reward and recognition and (6) BSC health check and review. The next section delves into the third stage of BSC implementation which focuses on communicating the strategies at different management levels in Alpha Berhad.

4.2   Strategy Communication in Alpha Berhad

As mentioned in the previous section, communicating vision, mission and strategies from the corporate level to the operational level managers is the third stage in BSC implementation process in Alpha Berhad. It is vital to ensure effective cascading of corporate strategies between the various departments and branches and to ensure effective strategy implementation at the shop-floor level. How does Alpha Berhad do this?

In Alpha Berhad, the strategy maps and the scorecard are the main documents used to communicate strategies from the top to the lower level managers. The corporate strategy map and scorecard is available in the company's staff portal. Besides the staff's portal, it is also disseminated to all managers through internal sharing sessions and informal communication, such as the half-yearly teleconferencing session, internal bulletins, emails, memos and sharing sessions. The communication activities were normally done aggressively and frequently between October and February every year in order to ensure that the KPIs for the coming year is ready to be launched and cascaded throughout the organization. At this stage, it is critical for every head of department and his/her team to clearly understand the company's corporate goals and to be able to link them with their functions.

Though it is structured as the third stage in BSC implementation process, strategy communication is a continuous process started since the development stage of the company's vision, mission, strategy map and scorecard. At this stage, the sharing session was frequently used to communicate organizational goals to the divisional heads. However, interview revealed that in many sharing sessions, many divisional heads did not attend. The normal practice was that this session is attended by divisional representatives who are called the BSC resource managers (BSR). The BSR is normally a middle manager who does not have the authority to decide on the divisional KPIs. The BSR will attend the training and sharing session, develop the divisional strategy map and scorecard, discuss it, and seek for approval from the heads of division. A BSR manager mentioned that,

> *"….and then, another thing is when we did our training sometimes…*
> *I'm facing this problem. When we call for training, even the GM…,*
> *the GM doesn't want to attend, they send their representatives. So it*
> *ends up that the representative understands the process better than*
> *the boss. When this happens, when they present the right KPIs to*
> *the boss, the boss says, "no I don't want this and this", and, thus,*

> *the boss gives the wrong direction. But who are we to challenge our*
> *boss? This is one of the things that affects the process and leads to*
> *misalignment."*
>
> *(Respondent 3)*

Communication of strategic information and feedback between the business divisions and support units has been carefully designed in the company organizational and divisional structure. In every business division, there are representatives from each support unit placed as a business partner. The representative becomes the main communication channel for the business divisions. Any demand for services from support unit to the business divisions is communicated to the group level support units by the representative. For example, in the Consumer Division, there are personnel from the Human Resources Department (HR), who are responsible for handling the human resources issues for that division. Certain human resource issues may be handled at the divisional level, and certain issues need to be referred to the Group HR department. Interdivisional direct communication on BSC issues are very rare in the company.

4.3   Factors Affecting Effectiveness of the Use of Strategy Map and BSC as a Communication Tool

The data highlighted two (2) important communication elements that could influence the effectiveness of strategy communication in Alpha Berhad, they are: i) the content of the communication activities (i.e. what is being communicated to the people); and ii) the communication channel (i.e. how information is communicated to the people).

i)   The content of the communication activities

Interviews highlighted that there are three important information that need to be communicated throughout the company in the process of implementing strategies, they are: 1) the organization's strategy and KPIs, 2) the reasons for achievement of the strategy and the KPIs and 3) the current achievement of the strategies.

The first content that needs to be communicated to the employees is the organization's strategy and KPIs. Observations shows that communicating organizational strategy and KPIs is the major content in communication activity in Alpha Berhad. It is clearly articulated that organizational strategic objectives have been rigorously communicated at all levels, and almost every manager knows their corporate strategy. However, this can only be observed among executive level managers, it was still very limited among the non-executive level employees. Interviews reveal that with regards to the strategy and KPIs, only the corporate strategic information is being widely disseminated while other important information which is useful for strategy implementation remains in the respective units or divisions, as mentioned by these AGM.

> *"...Yes (everybody knows the company's KPIs)...because we used*
> *broadcast...every quarter we will have the dialogue with the CEO...I*

will go to level 50 to attend the session. But for the operational level staffs...they will view the session through internet slide.....they can't claim that they don't know…whether they watch or not…that should be another matter….but target, I think everybody well understood the target…all those has been communicated to the staffs…"

(Respondent 13)

The second information that need to be communicated to the employees is the reasons why they need to achieve the KPIs and the strategies. Interview shows that, communicating the reasons for achievements improves managers' motivation to achieve their KPIs. A general manager stated that:

"…we used the BSC to ensure alignment of strategies from top to the floor managers...so at least if I do something, I know, if I don't do it right, it will impact my company from the target setting, mission, vision of the company. But if they cannot see this line of sight, from what they did, to the mission and vision of the company, that's why sometimes when you ask your staff to do something....sometimes they ignore...because they do it without knowing the reason. Another thing is that sometimes, when they cascade down, the things that they normally fail is communication. Communication means that, ok they come out with a measure and scorecard for a particular person, but they do not communicate why they have to achieve let say 8 million. The reasoning why they have to focus for these particular KPIs, for this particular target. This is missing. This is the challenge…to make sure, to educate a person, so that every time you want to cascade your KPIs, you have to communicate this…."

(Respondent 3)

"…Sometimes it is not that they don't have the skill to communicate or do not know the reason they should communicate, but they just don't do it…That why the staff, they don't see the line of sight; they do their work blindly. Just do it....if people ask why do you do this... my boss ask me to do so...so I just do it....without any reason. If they know the reason why they should do certain things, they will appreciate it...they know that if they do not do it right, it will affect their company. This is another challenge. To make sure you get the linkage... the line of sight. So that's why when we develop the BSC, we show...we communicate. So we show our mission, vision to make it clear..."

(Respondent 9)

Thirdly, the need to communicate the current performance achievement of the units, divisions and company to the employees. Although the CEO has introduced an initiative

to communicate company performance via teleconferencing, which is held twice in a year, the effectiveness of this initiative is still disputed.

ii)   The communication channel

Interview shows that in communicating the information using the strategy map and scorecard, two-ways communication channel is vital as mentioned by a General Manager,

> *"In strategies discussion, two way communication is needed. Because for example, when discussing on the measurements, certain measure is applicable for a certain division. Certain KPIs is unique for that division only. Other people do not know what network are doing, so they cannot define. So these are the things that still need involvement from boss and subordinate. Two-way communication (how), otherwise we cannot do it....."*
>
> *(Respondent 5)*

Two-ways communication is found to be vital at various managerial levels:

1)   between the top management and the BSC resources team;

2)   between the BSC resources team and BSC preparers in a particular division or unit;

3)   between the BSC preparer and the BSC owners who are normally the top and middle level managers; and finally;

4)   between the BSC owners and the lower level managers (i.e. the strategy implementers).

Alpha Berhad applies a very limited two-ways communication channel in communicating the content of BSC information that are relevant for strategy implementation. Most of the information is communicated in a one-way mode. Thus, this explains the reasons why many managers, specifically who are not directly involve in the strategy development process have little understanding of the process and the KPIs. Therefore, they may not be able to provide valuable feedback for their divisions or the company in implementing the strategies. As such, miscommunication may occurs which will lead to misalignment of functions, KPIs and floor level activities.

To explain how the BSC works, the commonly used channels are through workshops, meetings and sharing sessions. However, this is only used for a limited number of employees who are involved in the BSC development process.

> *"…no only selected person…maybe they call only the person who is in charge of the BSC. They will call the head…and maybe the people in the finance department…For the units, they will call the support manager in the unit….it does not involve all staff…"*

> *(Respondent 5)*

Interviews also indicated that although it is compulsory for the executive level managers to attend the BSC e-learning modules, which is also a one way learning mode, this strategy only provide a basic understanding of the BSC basic concepts as mentioned by these managers,

> *"this training is up to the AGM level, the executive, manager, AGM, that's it. Ok, so because of that, I think everybody is at least can think, oo ok now I know what BSC is… Then after that we received a lot of responses from the participant that…I mean during the workshop, by the street, at the cafeteria…, they said this is very good one, at least they know because the e-learning…ok now we know why, why we go this way…what is the underlying principles, things like that. Because if in the class, we can teach how many people…15 orang…and then."*
> *(Respondent 2)*

> *"…the training is actually for the assistant manager and above… because we don't go for training in the class or workshops…there are workshops but for selected people only. Like overall executives, last year...two years before in 2007 we have online learning in our MSC about this BSC, but they did teach…but what I see is that…even though they have a test, because we need to take the test in order to past… but most of the executives who take the training…they don't really understand the BSC, they may be answer the questions….there is target passing level, but actually they don't really understand…. they copy among them…because it is online. Because it is, their KPI…they have to complete a certain percentage…."*
> *(Respondent 5)*

Additionally, strategy map and BSC communication the in Alpha Berhad company is very much top down as confirmed by these managers,

> *"…the scorecard is top down…."*
> Respondent 1)

> *"…...why actually in our company and the other GLC in Malaysia have an advantage….it's because of the strategies it is top down…*

the Khazanah….really push on this KPIs things...and it's just happen that we have done it...it is just that when they implement it top-down…we have just to strengthen our process…".

(Respondent 1)

"…yes…just take it…it is normally happen to be like that….but in term of feedback…they do consider….normally they will call for workshop or discussion before they give the KPIs..but the KPIs are from them…from the HQ. But they do look at the situation and the feedback from the state level…but if we want to say that the KPIs are from us…it is not true…it is from the HQ…."

(Respondent 17)

"We just received the KPIs from the top…yes…even the one that come from the top have been translated for us…from the scorecard… so we will get the KPIs...we call it the key performance indicators… what is the things that you have to achieve…in order to achieve our goals that are the company's goals…(top-down)…"

(Respondent 18)

4.4   The Impact of Strategy Maps and Scorecard on Strategy Communication

Developing and communicating organization's strategy to everyone in an organization is a challenging process for a large organization. The aim of getting buy-ins and motivating every staff is even more challenging without a structured communication strategy and tool. This study found that by using the strategy map and scorecard, strategy communication is easier than before. The strategy map and scorecard become the main reference for everyone in the organization at every level. Through the map, everyone acquires the same information and understanding of company and departmental strategies. The process of developing the scorecard itself enables employees to think about the strategy, how to operate, monitor and improve in order to achieve the strategy.

Interviews revealed that by using the BSC, managers assert that they are now having clearer picture of their company's strategic objectives, measures and targets compared to before having it. They can also understand and link their divisional and individual responsibilities and contributions to the company's performance. Some Managers state that:

"…its when you have the BSC.., we have a guideline to do our work…before this its not that we don't have guideline, we do have

our job terms and descriptions…but we don't know what is our achievement…but when we have the scorecard…we can see…every year when we do the appraisal…when you have your KPIs…then we know our targets…how much we have achieved…so the working guideline, everybody knows their own target…how much they have achieved…it becomes more clear.."

(Respondent 5)

"..I think it is more structured…in the sense that the scorecard helps you to see the company's whole picture….one thing about scorecard…when we introduced the scorecard…then everybody gets to see the company's clear targets…right to the top…even though there are some difficulties…but I can see that (company's goals) … and I see what I can do to help….so…even it is not direct… I can see what I can do to help…."

(Respondent 10)

"......yes there are differences...using the BSC, it helps to streamline our objectives compared to before....with the BSC KPIs now we have to link it with the divisional scorecard. We have to fulfil the divisional scorecard...our KPIs must support the divisional scorecard...In a way I can say now we can see the linkages....it is not like previously when in a small unit you can have two sets of different KPIs....not after we used the scorecard extensively......"

(Respondent 18)

"….ok when we have the BSC…what I can say that it is more objective. Compared to the time when we did not have BSC, it is unclear. We don't have clear directions…and the measurement it is something that we can calculate and measure….so I can say that it has an effect….."

(Respondent 24)

Interviews with middle level managers show that the strategic themes were used to convey organizational strategies to the managers is an effective way. Majority of the managers can describe the company's overall strategy as illustrated from the themes, *"….our strategic performance themes is '…ABC…',* and describing the general meaning of 'ABC' is not an issue for those managers. The theme is not disclosed in this paper due to confidentiality of information.

However, the positive impact was found to be more apparent at the top and middle management levels compared to the lower level. Interviews with the operational level managers have these responses:

> *"…I don't really understand how to read the map…but I know my job"*

> (Meeting Observation diary)

> *"…..ok at that time, scorecard at the top level is popular…but at our level (middle and lower) managers, we don't have much information on that….I did not really understand what scorecard is until I joined the performance management group…..reason being is when it involves the financial information, it is from finance division…thus she doesn't get much information on BSC because it is from a different unit until she really joined the BSC unit"*

> *(Respondent 10)*

> *"…actually I don't really know BSC…yes did my own KPIs…but BSC overall no…I just have the basic knowledge from the on-line training…"*

> *(Respondent 16)*

> *"…if you ask me...I would say that I don't know scorecard…what I have is just my KPIs…and the KPIs…most of time I'm focusing on what is related to me…the IBP especially…because the rest are usually shared KPIs which…we share…I don't have any control to that…"*

> *(Respondent 27)*

5.0   Discussion, Limitation and Implication on Future Research

The objectives of this study are to explore and understand the process, factors affecting the process and the impact of communicating organizational strategy from the top to the lower level management using the strategy map, which is one of an important element in a BSC framework. Overall, the study revealed that by using the BSC, the top management are able to communicate organizational strategy to the middle management level more effectively compared to the operational level managers. Although the BSC provides a systematic and objective way of communicating organizational strategy to managers, its process and procedures requires detailed documentations which is time consuming and tedious. This may affect managers' actions in its development and implementation process. For instance, due to the tedious process, managers may not give their full efforts to determine appropriate objectives, measures and targets which will affect quality of performance information captured in the documents. This may lead to ineffective communication of strategies as highlighted by Dawson (1996) who highlighted the need for accurate, reliable, valid and adequacy of information to ensure effective communication activities.

While Dawson's suggestion was not specifically for communication of BSC information, Malina and Selto (2001) studied the BSC itself as a communication tool. They suggested that to be effective, organizational communication tools should provide valid message, support the organizational culture and promote knowledge sharing which is evidence in Alpha Berhad based on findings from this study. However, the need for persistency in its practices is a must. In addition, although the maps and scorecard stated specific, measurable, achievable, reliable and timely indicators, effective communication channel is vital to ensure the message is received and understood as suggested by Merchant (1987), Kulvisaechana (2001) and Aaltonen and Ikavalko (2002). Effective communication is not only about deciding on the content of the strategy but also the process of communicating it to the receivers. Though the strategy map and scorecard can be a good way of presenting organizational strategy to the managers, what is more crucial is the managers' understanding of the information provided and its usage. Alpha Berhad could improve the effectiveness of their communication of strategy by increasing the frequency of communication as suggested by Kulvisaechana (2001) especially to the middle level managers and below as the majority of them are not involved in the development process despite their important role as the strategy implementers.

Another factor that plays a vital role to ensure effective communication of strategies is the communication channel. It is obvious that Alpha Berhad utilized various communication channels such as BSC workshops, internal sharing session, half-yearly teleconferencing session, internal bulletins, emails and memos to ensure information on their strategies is communicated to everyone in the organization. However, effectiveness of each channel also play important role in ensure buy-in to the strategies from managers at all levels. This is in line with suggestion by Biggiero (2009) who concluded that email communication enhances bottom-up and horizontal communication and participation in decision making. Thus, selecting the right process, accurate, clear and valid information through the right channel is important in ensuring effective communication of a company's strategic initiatives.

The findings of this study are limited to the context of the case organization. It may not be generalized to other setting as this is only a single case analysis. Future research may be conducted to include more than one company and in other cultural settings. Studies could also explore the most effective communication channel for strategy communication in future.

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APPENDIX 1

Table 1: List of Interviewees

Job Position

1.   General Manager (GM) Strategy Management Division
2.   Assistant General Manager (AGM) Group Strategy and Regulatory
3.   AGM Group Performance Management Office
4.   AGM SBU1 Business Strategy Division
5.   Assistant Manager Sales Division (Sales State Branch)
6.   AGM Group Performance Management Office (2nd visit)
7.   Manager Group Strategy Development
8.   Group BSC Consultant
9.   GM Group Human Resources
10. Manager PPMO (Informal Conversation)
11. AGM SBU2 Business Strategy Division
12. AGM Business Strategy (SBU1)
13. AGM Group Performance Management Office (Reporting)
14. GM Finance Division (HQ)
15. AGM Group Performance Management Office (3rd visit)
16. Manager SBU3 Business Strategy
17. Manager Human Resources Division SSO
18. Manager Human Resources Division (Kedah Perlis)
19. State AGM SBU3
20. VP Group Finance/SBU1
21. Manager SBU4 Business Strategy
22. AGM HSBB
23. Technician 1
24. Technician 2
25. Manager Group Network Development Division
26. Manager Group IT Division
27. AGM Supplier Management Unit
28. Director of HSBB
29. President Employees Union
30. Vice President of Employees Union