AN EVALUATION OF THE EFFECTIVENESS OF THE BALANCED SCORE CARD AS A TOOL FOR PERFORMANCE MANAGEMENT: A CASE STUDY OF THE CO-OPERATIVE BANK OF KENYA

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UNITED STATES INTERNATIONAL UNIVERSITY

FALL, 2015
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Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters of Business Administration.

UNITED STATES INTERNATIONAL UNIVERSITY

FALL 2015
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ___________________________  Date: ___________________________
Phoebe Muriithi (ID No: 630376)

The project report has been submitted for examination with my consent as the appointed supervisor.

Signed: ___________________________  Date: ___________________________
Prof. Lewa Peter

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Dean, Chandaria School of Business
ABSTRACT
The general objective of this study was to determine the effectiveness of the balanced scorecard as a tool of performance management. The objectives below aided in conducting study:

i. To examine the meaning and scope of the balanced scorecard.

ii. To assess the effectiveness of the balanced scorecard as a tool for performance evaluation in Co-operative ban.

iii. To examine the effectiveness of the balanced scorecard for enhancing employee performance at Co-operative bank.

While conducting the study the researcher adopted a descriptive research design so as to attain data that would aid in the collection of the primary data. This was a way of fully exploiting the research objectives of the study. The population under study included employees of Co-operative bank of Kenya.

The study employed the use of simple random sampling to select a total of 80 respondents, representing 10% of the target population. The main data collection tool was structured questions. The study relied on SPSS to come up with descriptive statistics presented in frequency and percentage forms using tables and graphs.

Results from the study showed that the balanced scorecard improves the financial stability of employees. Additionally, it was revealed that most employee at Co-operative bank were satisfied with the financial evaluation process by use of the balanced scorecard, an indication that indeed the evaluation process is well above board. It was also revealed that the balanced scorecard is effective, user friendly, accurate, reliable and flexible to change.

The study further revealed that the BSC guides employees’ actions. This can be explained by the reason why most banks are adopting the balanced scorecard in Kenya. It was also revealed that the BSC encourages coordination & integration of activities among employees from different departments; as well the study established that BSC provides an oversight to employees’ actions. The study established a relationship between balanced score card and employee performance.
Finally the study revealed that the balanced scorecard as a platform has provided a better channel of interaction with customers and has helped banks to deal with customer issues in fast and efficient manner, thus enhancing service delivery. Additionally, it was established that banks are currently seeking to capitalize on this so as to enhance their share in the market and there best way forward is through the balanced scorecard.

The study recommends that it is important for management of any organization to put in place the balanced scorecard tool to be able to monitor the performance of various units in their particular organization. This will go a greater length in ensuring that progress is very well monitored in all aspects so as to be able to build the capabilities while at the same time acquiring the intangible assets which will be very important when it comes to the growth of such companies. In the same regard, it can be recommended that the respective managers can pay great attention to the various complaints made by their respective clients so as to be able to meet the needs of the customers. Finally the study recommends the need for organizations to put into consideration various features that play an important role when it comes to employee performance for instance loyalty, retention, rates which are rated very weakly. This will in the end bring about enhanced performance.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

The Balanced Scorecard (BSC) is a tool in performance management that makes it possible for a company to transform its goals and strategy into actual performance measures. All the same, it holds more significance than just a measuring device. The balanced scorecard offers another perspective of the organization’s general performance by incorporating measures in finance with the main performance indicators around organizational growth and development, customer perception, innovation and learning.

According to Kaplan and Norton (2008), the creation of the BSC can be simply described as that element which contributes largely to the retention of the traditional financial measures that are adopted by a given organization. On the other hand, such financial measures play a significant role when it comes to the history of past events such as the age of corporations for which investments in lasting capabilities as well as consumer relationships that were not considered vital when it comes to the success of such organizations. In this regard therefore the financial measures are considered not to be adequate. However, when it comes to the guidance as well as the evaluation of what has transpired with regards to the information age, it is essential for firms to take into consideration potential value by simply investing in their suppliers, customers, employees, and finally technology, and modernization (Chia, Goh and Hum, 2009).

The Balanced Scorecard heavily bends on the concept of Strategy which was put in place by Kaplan and Norton, (2008). He argues that it is indeed very essential to put into place a competitive strategy as a means through which a company can be able to properly relate with the forces of competition in the industry in which the same company operates in. Such a scorecard is what becomes the objective and strategy of a business entity and is further translated into the company objectives as well as it can help an organization to put into perspective the four different sections: the consumer, finance, internal business process and education point of view (Chia et al, 2009; Hsu and Liu, 2009; Hubbard, 2009).
The financial perspective mainly deals with the various ways in which an organization desires to be seen by its shareholders. On the other hand, a customer’s viewpoint is mainly concerned with the determination of how the company wishes to be seen or rather how the company places itself in the eyes of the customers. Secondly, the internal business process point of view mostly deals with the prescription of processes that the company is particularly skilled in so as to be able to satisfy the needs and wants of its customers and shareholders. Finally, the organizational learning and growth perception is mainly involved with the rapid changes as well as the various improvements which must be implemented if the company is to realized its vision (Hsu and Liu, 2009; Hubbard, 2009; Pochampally, Gupta and Govindan, 2009).

A strategy can be defined as a group of hypotheses on cause and effect. The measurement model should give a clear explanation of the relationship among objectives and measures in the different perspectives, so that they can be controlled and validated. The cause and effect chain must pass through all four perspectives of a scorecard (Chia et al., 2009; Hsu and Liu, 2009; Hubbard, 2009). Therefore, the measures of learning and growth in organizations stimulate the measures of the internal business processes. In turn, the procedures of these processes drive the measures of the customer’s viewpoint, while these procedures are the drivers of the financial measures. A well-balanced scorecard should have the correct mix of results (lagging and leading indicators of the business entity’s strategy) (Hubbard, 2009).

In line with Kaplan and Norton (2008), organization learning and growth involves training employees and hiring experienced consultants so that they can mentor the existing employees. This implies that employee career development elements (including training and education, career guidance interventions such as mentorships and coaching, and employee self-development) are crucial building blocks to the achievement of a balanced scorecard performance. The career development of employees is viewed as the process of having control over life, work and learning over the lifecycle. It consists of the provision of services in various jurisdictions and delivery settings to help individuals acquire knowledge, skills, attitudes and behaviors that assist them in the management of their careers. Career development initiatives allow for a deeper focus on the goals and aspirations of the employees, from identifying the handicaps workers faced in achieving their goals to the solutions in terms of reassignment. The attention acts as the significant
motivation for an employee to shine and surpass the targets. It promotes excellent professional and personal development.

According to the theories in motivation, accomplishment orientation, growth and development are all basic human wants (Armstrong, 2006). Worldwide, the significance and challenges of balanced scorecard implementation has been acknowledged in various studies.

A number of empirical studies done by Evans and Jack (2003), Ittner and Larcker (1996) showed that the proper usage of the scorecard led to better financial performance. Other studies by Marr and Adams (2004) and Forza and Salvador (2008) noted that the use of BSC stimulated other positive effects such as employee satisfaction. Marr and Adams (2004) questioned the key principles behind the balance scorecard. Conversely, empirical investigations by Handfield, Jayaram and Ghosh (1999) and Malina, Nørreklit and Selto (2005) showed no apparent performance improvement.

A number of journal sections and surveys ratify that the BSC is the most common performance measurement models, receiving the least disapproval and widely implemented. The most recent data from Gartner, a research organization based in Connecticut, proposes that well over 70% of large corporations in the United States had adopted the BSC by the end of the year 2004. A survey by Bain and Company on over 708 companies in five different continents showed that 62% of respondent organizations used BSC (Hendricks, Menor and Wiedman, 2012).

The Kenyan Government has introduced the balanced scorecard concept in its effort to boost performance in public entities. In this light, all the KPIs of performance contracts are based on the Balanced score card concept. The Kenyan Government recognizes that its employees are the most critical resource for the attainment of its mission, goals and priorities that are contained in the performance contracts. Furthermore, the Government appreciates that to have competent, well skilled and motivated workforce in the service, this resource must at all times have its potential developed to its maximum through effective career development through training and placement (Raps, 2005).
In order to ensure that it achieves this objective, the Government rolled out employee career development training policy document in the year 2005 to be applied by all its ministries and state corporations.

**Figure 1: Translating Vision and Strategy: Four Perspectives**

![Figure 1](image)

**Figure 1.1 The Balanced Scorecard Structure**

1.2 Statement of the Problem

Most organizations have issues with performance management because their models are composed of little more than a form that a manager uses to perform yearly employee evaluations. This fails to work because performance management should be a continuous conversation between supervisors and workers that back the achievement of strategic goals (Pearce and Robinson, 2009). Instead of considering the process once a year, managers should be utilizing it throughout the year to set clear goals evaluate outcomes and offer frequent feedback to employees about their performances.

Currently in Kenya, both private and state organizations have come up with good strategies with an aim of evaluating their performance. One such strategy is the balanced Score Card (BSC). It offers a structure for an organization to change from wanting to follow their strategy to actually doing it. It defines the strategy by dividing it into small components through the selected measure and objectives. Ideally, the BSC is developed when the various stakeholders share a common understanding and transform the organization’s strategy into goals, measures and targets (Chenhall, 2005).
Despite its benefits, only few organizations are able to implement them successfully. Venkatraman and Gering (2000) assert that there have been as many unsuccessful implementations of the BSC as successful ones. This is partly attributed to the fact that design and implementation of BSC has not yet been extensively utilized and researched in the companies of the developing economies such as Kenya. Most of the studies on BSC are based on firms in the Western Countries like Unites States and Europe (Neely, Adams and Kennerley, 2002; Ittner & Larcker 2003; Speckbacher et al. 2003). Little is known about the use of BSC in Kenya. In addition, there seems to be inconsistencies among different organizations in so far as their understanding of the term, BSC is concerned. This study was therefore motivated by the desire to address the two mentioned issues.

1.3 General Objective of the Study
The main objective of the study was to assess the effectiveness of the BSC as a performance management tool.

1.4 Specific Objectives
1.4.1 To examine the meaning and scope of the Balanced Scorecard (BSC)
1.4.2 To examine the effectiveness of the Balanced Scorecard for enhancing employee performance in Co-operative bank.
1.4.3 To evaluate the efficiency of the BSC as a performance evaluation tool in Co-operative bank.

1.5 Justification and Importance of the Study
1.5.1 Co-operative Bank of Kenya
The study may help in Human Resource Management policies particularly pertaining to employee career development. The findings may help the management understand how well to link its human resources development strategies to performance management. This may create the necessary ground for improvement.

1.5.2 Researchers and Academicians
This research may provide an understanding of the effects of performance management on employee’s performance. This is vital for future reference and contributes to the available body of knowledge.
1.6 Scope of the Study
This research study concentrated on the study on the Co-operative Bank of Kenya. The study was centered on the efficiency of the Balanced Scorecard as a performance management tool. It will involve various cadres of staff. The study was carried out at Cooperative Bank, Zimmerman branch which was a reflection of branches countrywide. The population of the study included all the employees of Cooperative Bank Zimmerman, where 80 respondents were used as the sample. The study was conducted in the period of January 2014, to July 2014.

1.7 Operational Definition of Terms

1.7.1 Strategy
An action plan aimed at achieving an overall or long-term aim. It shows both large-scale and future plans for the realization of an organization’s core objectives (Kaplan & Norton, 2008).

1.7.2 Strategic Management
A set choices and actions that lead to the creation and implementation of plans aimed at achieving a company’s objectives (Smith, 2006).

1.7.3 Strategic Management Tool
This is a measurement parameter that is used to assess the performance of an organization in achieving its objectives (Lumpkin, 2003).

1.7.4 Balanced Scorecard Performance
Balanced scorecard performance gives attention to people, processes and customers as consideration to traditional financial measures alone is inadequate. This is because key performance indicators (KPI) for firms are different across firms, they depend on the type of firm, and they could also be qualitative and/or quantitative Kaplan and Norton (1996).

1.8 Chapter Summary
The introductory chapter looked at the background of the study being investigated, the statement of the problem, purpose along with the specific objectives of the research, the significance derived from the study, scope plus the explanation of terms. The background
of the problem discussed the concept of the Balanced score card performance. It explored why Balanced score card performance is important to organizations. The statement of the problem identified the knowledge gaps that need to be bridged by the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter will seek to establish the use of the BSC, evaluate its use in the enhancement of employee performance and positive development, as well as establish whether its use is unmatched to its predecessor. This chapter will therefore delve deeply in understanding and analyzing other previous research work undertaken which will going forward form a backbone in undertaking this study.

2.2 Meaning and Scope of Balanced Scorecard
Kaplan and Norton (1996) put forward an argument which states that it is important to put in place the scorecard as a system for strategic management. According to them, having this in place is critical when it comes to strategic planning as well as strategy implementation. This is because such a stool is critical when it comes to monitoring the performance of the organization while at the same time aligning business undertakings to the objectives and strategy of the organization, so as to be able to achieve improved performance when it comes to the internal and external affairs of an organization. BSC is also understood as a performance measurement model that can enhance the planned non-financial performance initiatives to the ones that were initially seen to be old-fashioned metrics to give managers and executives a balanced perspective of the company (Kaplan and Norton, 2008). The BSC has also undergone massive adjustments and evolutions as well and has now become a very popular tool when it comes to strategic planning and management system in any particular organization. The newly developed BSC has assisted in transforming the strategic plan of an organization from an eye-catching but dormant paper into the organization’s activities on a daily basis. A BSC therefore goes a long way in facilitating the provision of performance measurements while at the same time helping the people involved in strategic planning to come up with various strategies and means to properly execute their strategies (Kaplan and Norton, 2008).

The new approach to the balanced scorecard has also gone a long way in helping to recognize that indeed there are a number of weaknesses as well as vagueness that are largely associated with the past management approaches(Kaplan and Norton, 2008).This new approach therefore has helped in the provision of a clear prescription as to exactly
what needs to be done when it comes to the issue of how companies need to measure so as to be able to achieve the financial perspective which is very well balanced. The tool is also essential when it comes to the need for organizations to obtain a clear vision and strategy and further convert them when it comes to the particular action. It can be used to monitor the firm’s operations. The feedback can then be used for the continuous improvement of the company’s strategic outcomes and excellent performance.

It therefore implies that in the event that the balanced scorecard is fully deployed, it will without doubt go a long way in transforming the strategic planning from what was initially referred to as an academic exercise, into what is currently considered to be the center of nerves in an enterprise (Kaplan and Norton, 2008).

Kaplan and Norton go ahead to explain the novelty of the BSC in terms of a tool that plays an essential role when it comes to the retention of the traditional financial measures, while on the other hand, these financial measures play an essential role when it comes to telling the story of earlier dealings, a satisfactory story for companies in the industrial age for which investments in lasting competencies as well as customer relations were not vital for success. It follows therefore that such financial measures are considered to be very much inadequate, however, when it comes to guiding as well as assessing the journey that companies need to make to generate forthcoming value via investment when it comes to customers, employees, practices, suppliers, technology, as well as modernization (Kaplan and Norton, 2008).

2.2.1 Learning and Growth Perspective

The learning and growth perspective revolves around training of employees and a company’s corporate attitudes in relation to personal and business self-improvement. In line with Kaplan and Norton (2008), organization learning and growth involves training employees and hiring experienced consultants so that they can mentor the existing employees. This implies that employee career development elements (training and education, career guidance interventions such as mentorships and coaching, and employee self-development) are crucial building blocks to the achievement of a balanced score card performance. The career development of employees is viewed as the process of having control over life, work and learning over the lifecycle. It consists of the provision of
services in various jurisdictions and delivery settings to help individuals acquire knowledge, skills, attitudes and behaviors that assist them in the management of their careers. Career development initiatives allow for a deeper focus on the goals and aspirations of the employees from the identification of the handicaps being faced by the workers in achieving their goals to the solutions in terms of reassignment. This attention acts as the significant motivator for an employee to excel and exceed the targets. It enables an authoritative professional and personal development.

2.2.2 The Business Process Perspective

The business perspective usually relates to the internal operations. The logic behind this is based on the analogy that indeed this perspective helps to enable various managers to have a clear picture of how well their business is performing while also putting into considerations the element of whether its products and services are in line with the customer specifications. Such metrics need to be properly and neatly designed in a manner that allows for effective performance (Sterling, 2013).

The internal business processes are considered to be well correlated to employee performance as well as their commitment to a particular organization. One good example is that of a teller who is supposed to spend a maximum of three minutes serving a customer, and this is a parameter captured in their balanced score card to appraise them. There are however instances where there are referrals for various transactions to a supervisor, who must authorize them before the transaction can be completed. This interferes with three-minute limit, and the system may need to be adjusted in order to cater for this (Schaap, 2006).

2.2.3 The Customer Perspective

According to the recent management philosophy, there has been a growing interest when it comes to the realization of the essence of customer focus as well as customer satisfaction when it comes to any business. This is because such elements are considered to be very key indicators of a business performance in that if customers are happy with the services offered to them by any organization, then it goes without saying that eventually they look for suppliers who can satisfy their needs and wants. This means therefore that poor
performance from this point of view is very largely considered to be one of the major leading indicators when it comes to future decline, even in the event that the current financial picture is likely not to look good. In developing metrics for satisfaction, it is important for customers to be analyzed with particular consideration to the kinds of customers, the kinds of services they need, the kind of service they currently receive as well as what they expect when they come into the bank (Sterling, 2013).

2.2.4 The Monetary Aspect

The Monetary/financial aspect mainly deals with the various ways in which an organization desires to be seen by its shareholders. On the other hand, a customer’s viewpoint is mainly concerned with the determination of how the company wishes to be seen or rather how the company places itself in the eyes of the customers. Secondly, the internal business process point of view mostly deals with the prescription of processes that the company is particularly skilled so as to be able to satisfy the needs and wants of its customers and shareholders. Finally, the organizational learning and growth perception is mainly involved with the rapid changes as well as the various improvements which must be implemented if the company is to realize its vision (Pochampally et al., 2009; Hubbard, 2009; Hsu and Liu, 2009).

According to Murali (2008), benchmarking is a practice used in management and principally strategic management, in which organizations assess a number of aspects of their processes in relation to standard practice, usually within their own area. This in turn permits organizations to come up with plans of adopting the best practice, usually with the intention of increasing some feature of performance. Benchmarking might be a limited edition event, but in most instances, it’s treated as a continuous process in which organizations constantly seek to test their practices. It opens organizations to new techniques, ideologies and tools to improve their efficiency. It assists in cracking through resistance to change by displaying other methods of resolving issues than the one that is currently being used, and showing that they work.

Meena Chavan (2009) ascertains that the BSC approach spreads into connecting employee reward programs to performance in the four sections, with the right increments implemented depending on the relative performance of each section. In other cases,
businesses view the non-financial initiatives as significant due to the set threshold performance level in each of the non-financials. An individual will only meet the requirements for performance related recompenses once they exceed the set threshold levels. This approach demonstrates the importance of the organization’s place on creating the future capability and strategic issues to employees, while recognizing shorter-term financial performance at the same time.

According to McDonnell, (1995) for hotel organizations to be successful, and remain successful for a long time, they must continuously enhance their current services, actions & processes, and developing and introducing new ones. This continuous process of improvement and modernization is the only way to ensure that companies grow.

2.3 Balanced Score Card and Employee Development

According to Kaplan and Norton (1996), the balanced scorecard has been utilized by various organizations in order to enhance employee development. Take for example Mobil Oil, which utilized it in generating scorecards for the eighteen business entities of its Marketing and Retailing division in North America. However, it should be noted; when it comes to the issue of translating this into tangible results, there is need to put careful considerations into certain aspects that drive employee performance such as the rewards, available technology, structure, people skills, as well as organizational culture. These factors are considered to be very critical when it comes to the development of employees and it goes without saying therefore that if an organization capitalizes on these elements, and then it will most probably leverage good performance (Olve et al., 2004).

The Balanced scorecard is considered to be very key when it comes to the issue of enhancing communication at all levels of the organization. This is because this tool not only enhances communication, but also helps in the development of organizational goals while at the same time helping in providing these organizations with relevant training so as to assist in the improvement techniques. This goes a long way in establishing a reward as well as developing a recognition system to bring into play performance improvements, various ways of enhancing break down of organizational barriers, co-ordinate responsibilities notwithstanding the element of integrating the performance measurement system into the organization, while also going a long way in helping an organization to
change the corporate culture thus improving employee productivity as well as enhancing the performance of any organization.

2.3.1 Frequent Mistakes in Organizations

When Kaplan and Norton’s second book, *The Strategy Focused Organization* was published, what was evident from this book was the particular way in which the two put much consideration on management practices and how they are largely influenced by the balanced Scorecard, which was considered to be the most significant contributions to management practices. It needs to be outlined however that even though there was much publicity on this element of study, it still remains to be seen how this translates into success given that most organizations have gone this route are yet to reap from these rewards.

2.3.1.1 Measures that do not Focus on Strategy

Strategy is what is considered to be the heartbeat of every management team. This is because it does not only draw the path which the organization follows but it also characterizes the company by its vision (Collins and Porras, 1996). According to Porter (1998), today’s business cannot be complete in the absence of an organization strategy. For Mintzberg (1987, p.11) a strategy connotes “some kind of consciously planned action, or a guide-line for dealing with a particular situation “. The only difference however is that, he puts much emphasis on the fact that the meaning of strategy comes into being immediately the strategy is in the collective mind of a company. An organization strategy can therefore be regarded to be that essential component of a shared perspective which goes to a huge extent in helping to aid the company to function most effectively. As such, having a formal strategy formulation is suggested to be the main determinant for organizational consistency (Duempelmann, 2009).

2.3.1.2 Failure to Communicate and Educate

A BSC is considered to be very effective when it helps any particular organization to clearly understand itself thoroughly on all levels. This means that there is possibility of new scorecards being created at the executive level, without being successfully communicated or discussed down through the organization’s echelons. This is mainly as a result of poor communication as well as lack of effective trickledown effect of efficient communication throughout the organization; a BSC is not likely to elicit long-term change when it comes to enhancing performance improvement. It also means that when it comes
to strategy communication, employees are obliged to respond to communication from the top management as regarding the strategy. This therefore means that in the event the employees are not well conversant with the organization strategy, they might not be in a position to clearly understand how well to deal with such issues even if the strategy is good enough. A strategy that is carefully conceived and then properly communicated to the stakeholders results to a well-executed strategy (Beer and Eisenstat, 2000).

A study by Kaplan and Norton (2008) argued it is important for any organization to face the strategy execution challenges; this is because of a number of issues that result from the nature of the transactions in which such organizations engages in. It goes without saying that a well communicated strategy for any organization will only bear fruits if it is well conceived by the people in the organization and this is only achievable if the strategy is properly communicated by the top management. A study on strategy implementation issues in organizations in the United States revealed that in the great percentage of evaluated companies; less than 10 percent of workers had a clue about the strategy and vision of their company. Other research studies which have been conducted in this area of study have shown that indeed not more than 5 percent of the employees are in a position to clearly understand the strategy which is adopted by any organization (ibid).

Hrebiniak (2005) for instance was of the opinion that indeed a large number of organizations that have been studied face the challenge of employees not fully understanding their company's strategy. It is therefore clear that if indeed all the employees in the organization are not put in touch with the organization strategy, then it follows without saying that they will not fully understand their roles in their respective organization (Kaplan and Norton, 2008).

In another argument Raps (2005) claimed that one of the main contributors of the challenges faced in the course of the strategy implementation is the lack of clear procedure in the assignment and allocation of duties to the employees in an organization. Michlitsch (2000) goes ahead to state that employees must have an idea of what is expected of them in the strategy implementation if the organization wants to achieve success.
2.3.1.3 Measures tied to Compensation

According to various scholars, it has been argued that, it is indeed a good idea to link compensation to the balanced scorecard. Nonetheless, other scholars have cautioned organizations from rushing into these especially in the initial stages of the development of the scorecard. This can be very detrimental to an organization because it will eventually pose a greater risk if this is not addressed as quickly as possible. Additionally, it also means that in the event that any particular organization links compensation to practices that are not in fact driving the appropriate behavior, it follows that such a powerful motivator has been instituted that will drive an action that would be considered unwise (Barty and Jones, 2012). It has also been seen that in most cases, data seems to be very much incomplete or rather inaccurate, which therefore means that such measures are not likely to be correct. Take for instance, a case where employees’ paychecks are adversely affected, there is a serious likelihood of self-confidence and morale difficulties as well as the annulment of the scorecard inevitably, this may also take a lot of time to be able to correctly determine what is considered to be realistic targets, while at the same time penalizing people who have for one reason or another failed to achieve unreachable target, and as such, this will lead to a undesirable effect on employee’s morale and eventually profits. High visibility and accountability is therefore very much important when it comes to needed to assist in driving change. This means that an owner each measure, data source, objective, and initiative must be present. In the absence of this level of detailed implementation, it goes without saying that such a perfectly assembled BSC is likely not to achieve success, this is for reasons that indeed no individual will be held responsible for performance (Barty and Jones, 2012).

2.3.1.4 Employee Empowerment

In 2004 two scholars Hellriegel and Slocum conducted a study that found out that employee empowerment involved giving authority to the company’s workforce and equipping them with the relevant knowledge and skills, together with the independence when carrying out their tasks. Further, Pearce and Robinson (2009) is of the view that indeed empowerment is simply but that specific act of giving an individual or team the right and flexibility to take part in decision-making while at the same time carrying out means of delivering. According to Brymer (1991) employee empowerment consists of decentralization of the decision-making process in an organization. This means lower ranking employees are given power by their seniors in performing their duties. Also,
Lincoln, Travers, Ackers & Wilkinson (2002) perceive empowerment as the process of using particular schemes to transform those with little or no power into positions with more equitable power. Following this, it can be said that the idea of empowerment involves giving power and authority to workers to make decisions that enhance the strategy implementation without necessarily consulting the top management. Competent employees will only be utilized to their full potential if they are given the empowerment and independence.

Employee empowerment is considered to be having a very strong relationship with the ability of any employee in any particular organization to properly execute the company’s strategy (Walker, Damanpour and Devece, 2011). According to Wharton-Gartner survey (cited in Ndara, 2009, p.59), process of executing decisions in most organizations takes too much time. This clearly shows that inadequate empowerment strategies render the employees powerless when it comes to decision-making and they have to wait upon their managers to make the decisions. It is therefore shows a lack of empowerment as the employees lack the power to make independent decisions and therefore they need to wait until the top management makes them. This empowerment is necessary for strategy implementation because decisions about certain issues are better left to individuals with a better understanding of what is on the ground. A study carried out by Mahlloney and McMillan (1994) that sought to examine the influence of employee empowerment, which was able to show that indeed most employees who have a direct involvement with a process are better placed to enhance it in a positive way. Most of the companies in Kenya have a huge power gap, as Hofstede (2003) identified, and evidently organizations have failed in implementing employee empowerment.

2.3.1.5 Employees’ Competencies
Kaplan and Norton (2008) are of the opinion that indeed there are various ways in which employee competencies can be of essence to any particular organization. This is because the way employees contribute to an organization exemplifies the shift to the information age from the industrial age. A number of organizations show ignorance when it comes to employee competency. In their study Bossidy and Charan (2002), noted that in most of the companies, the managers overlook the critical factors because they preoccupied with other underpinning factors, e.g., how to boost the company’s growth and earnings. Therefore, minimum attention is paid to the competency of the employee.
Competency can be defined further as the quality or standard of the outcome of an employee’s performance. This is in line with Rutherford (2009) who describes standard as the lowest acceptable level of performance. Bossidy and Charan, (2002) claim that competency is made up of more than just knowledge and skills. This is solely due to the act that it consists of the ability to meet the complex demand, through the use of psychosocial resources, which includes attitudes, knowledge and skills, in a particular context (OECD, 2004). If an organization truly wants to achieve success, it must ensure that it has the right individuals for the job. This is because their experience and judgment play a significant role in the performance of the organization (Bossidy and Charan, 2002). A lack of competencies will limit the success of the organization’s strategy even with the finest environmental factors.

2.3.2 The Balanced Scorecard and Employee Performance

The outcome of all the processes involved in the production of a stable value-creation is the intangible assets which define the objectives of growth and learning, the quality of person’s integration, technologies and the other instances related to the organization to back the strategy. According to Enteshari, Abadi, Karbasi and Soltani (2012), performance improvements and learning programs are some of the ways to satisfy clients/customers, company’s processes and financial outcomes.

Human resource management has been considered to be very key when it comes to the performance of the organization (Ahmad and Schroeder, 2003) and can improve competitive advantage (Wright, McMahan and McWilliams, 1994) hence an essential components of the service industry. Some scholars have put forward suggestions of how important human resource management in the organization because it helped to enhance the satisfaction of employees and the rate of staff turnover has an impact on customer satisfaction (Voss, Tsikriktsis, Funk, Yarrow and Owen, 2004) and operation effectiveness (Bourne, Franco and Wilkes, 2003), which in turn affects financial performance and overall corporate performance.

Leadership goes a long way in ensuring that employees are doing all in their powers to improve operationally but also do all that is in their powers to ensure customer satisfaction (Wilson and Collier, 2010). It has been established that leadership plays a very important part in growing organizations where leadership also has a considerable influence on
financial performance. Fotopoulos and Psomas (2010) argue that leadership tends to stimulate others factors needed for quality or good management such as HRM and assessment management as well as strategic planning for good financial results. Human resources experts on their part have mainly focused when it comes to investments that are mainly geared towards the persons and information managers’ stress on information technology. Strategic principles are created in a circle consisting of learning, modernization, information technology, organization planning, and human resource.

2.4. The Balanced Score Card and Performance Evaluation

In performance management systems, the interest among both academics and practitioners is well established in the management literature for delivering strategic objectives. Also, the insufficiencies of only utilizing financial performance are well documented (Black and Porter, 1995).

The performance measurement systems that were used in the past do not provide managers with the needed information in measuring and managing the critical competencies that act as drivers of a company’s competitive advantage. These traditional systems are proving to be of limited or no use to manager who want to control and enhance critical processes in the business. A number of organizations are realizing the need for a change from the traditional financial systems due to their unreliability. Particularly, it focuses too much on pure profit measures and too little on the customer, risk processes, staff and control features of the organization’s undertakings, although these are the main drivers of the financial results (Kaplan and Norton, 2008).

According to Bensoussan, (2009) every leader must subject the upcoming projects of the organization to investment appraisal to ensure that the shareholders money is being invested wisely and not being wasted or being put to projects that will cause the shareholders to lose their money. Excellent performance of leaders will be based on their ability to judge on what to invest in and what not to. There are several investment appraisal techniques which include: Average rate of return which gauges the yearly profitability of an investment as a percentage of the original investment, payback period which measures the length of time for the net annual cash inflows to pay back the initial cost of investment in the project, net present value which measures the present value of the projected cash flows coming from an investment and internal return rate which provides
the rate of discount that brings a net present value of zero, a high internal rate of return will result to a more profitable project (Stimpson and Farquharson, 2010).

2.4.1 Management of Finance
Using performance based targets induces an increase in the consciousness of the cost. The organizations have to come up with cost-accounting schemes and offer annual financial statements (Slater & Olson, 2001). The provided data enhances the organization’s ability to manage the organization’s financial practices. Performance measurement gives a more realistic outlook on improved budget estimates, based on a better understanding of real costs. In some instances, relocations are amended based on the accomplished performance outcomes such that when the performance targets are not met, a decrease in financial transfer in the company is witnessed. Conversely, in case performance results exceed set goals there the company records positive financial returns (Nickols, 2000).

These positive corrections depend on progression of the general budgetary position of the company and for this reason they are limited. The observations weaken the actual effect of the budget as an inducement. Also, it is necessary to improve the performance orientation of the various financial management tools (funds, financial records and audits), the coherency and steadiness of these tools. With more coherence and steadiness the budget accounts and audits are founded on the same output and cost classes. Organizations with such contracts come up with cost and accrual accounting but don’t utilize the subsequent cost data in their budget estimates. It is well documented that the compliance audits will always hold more importance that performance audits (Chimhanzi, 2004).

2.4.2 Assessment of Organization’s Performance
The integration of non-financial initiatives has been a major talking point throughout the 90s. This can be attributed to the fact that non-financial initiatives overshadow the limitations of just utilizing financial performance initiatives. Additionally, in the current global economy total consumer satisfaction is seen by both the academics and industrialists as one of the main pointers of success in a competitive environment (Anderson and Schroeder, 1994). “Soft” matters, “those sections of the subject deemed hard to measure and evaluate” (Black and Porter, 1995), are being extensively documented as affecting the business performance.
Armstrong (2006), states that performance measurement is basically made up of four activities; plan, act, monitor and evaluate. While planning involves what to do and how to do it, he echoed that monitoring is needed when carrying out the work that is necessary for the plan implementation. Monitoring encompasses performing incessant checks on what is going on and measure results in order to review the progress in the plan implementation. Conversely, evaluation considers what has been accomplished and, due to this, realizes what has not been done and what corrective measure should be adopted if the performance is not in line with the plan.

Another study done by Baron in 2006 showed that excellent work by individuals in a company needs to be documented in the evaluation reports and rewards to the best performers should be given through various ways ranging from appreciation through medals and gifts to recognition in the company.

Another scholar, Dessler (2003), further stated that conducting the practices of performance management offers an excellent chance for identification of the needs in development. The process of planning and monitoring of work offers an opportunity to address the performance deficiencies. The regions that need improvement are also noted, and an action in performance can be taken to assist in strategy execution (Dessler, 2003). Whereas monitoring of performance occurs daily, each of employee’s performance records are summarized every year during the performance review and individuals are recognized in the development summary of the company’s performance. It was also noted that it provides a space to plan for training and development undertakings that are not in line with enhancing performance and supporting strategies in career development. Dessler (2003) claims that the provision of training and developmental prospects inspires better performance as well as strengthening job-related abilities and skills. In addition, it assists workers to keep up with the continuous changes at the workplace, such as the introduction of new equipment and machinery. The current study underlines the vital role played by training and growth and therefore seeks to assess how this can be integrated into successful strategy execution.

According to Lingle and Schiemann (1996), companies that are measurement-managed perform better than those that downplay measurement. The study also found out that the key findings on the challenges facing performance management have a relation to the
failure to agree on strategy, poor communication and failure to concentrate on arrangement of efforts and the organizational attitudes. In a study of change management practice, Sumlin (1997) noted that most businesses identified two or more of the seven components as the most challenging in the course of implementing their performance management systems. These are not impassable obstacles, but components that need a great deal of attention and work input. Failure to address them leads to a negative outcome of the performance management system. The challenges faced include: keeping leaders focused, evaluating measurements, matrix management, linking employee’s work to performance management, linking rewards to performance management, and ensuring that the system is functioning. He went on to explain that the best way to address these issues is to meet the head-on.

According to Khalad (2011), Balanced score card was more effective in evaluating performance as opposed to other traditional methods such as debt ratios and others. In the past, managers concentrated only on meeting the financial targets and obligations of the company, but in the modern world they acknowledged that financial performance relies on the satisfaction of the customer. The satisfaction or dissatisfaction also leads to efficiency in return and standards of the business processes and the quality of accomplishment. These processes are also dependent on the individual power quality, motivations, and information systems.

Lately, many businesses have adopted a model for enhancing their responsibility to customers in terms of career enhancement. For example, production in small quantity batches may cause an increase in cost but enriches the management’s effectiveness. Organizations have adopted the BSC to assess their management as part of enhancement in performance.

According to Jacob et al., (2004), there are six quality management factors namely: leadership; customer’s service; evaluation, analysis, strategic planning and management of information which organizations needs to consider. Poon and Canon (2012) associate both HRM and process management positively with customer’s satisfaction. Besides the six key elements, there is also need for firms to factor in the cost of products (Kaplan and Norton, 2008). A company should use the customer’s perspective to gauge the performance of the organization. To implement the BSC, companies must clearly define
their goals for quality, time and performance and then transform them to targets that can be achieved.

Customer-based initiatives are vital, but they are only useful once they are transformed into initiatives of what the company must achieve internally to fulfill the customer’s. All in all, outstanding customer performance originates from decisions, practices and actions that take place all through an organization. Managers must pay attention to the vital internal processes that ensure that they have satisfied the needs of the customer.

2.5 Summary of Literature Review
The researcher was able evaluate and establish the contribution of Balanced score card to the development of employee development viewing several key companies that have successfully implemented this strategic tool to align and chart forward their growth especially in the internal business process such as Mobil limited, National health institute in United Kingdom amongst others.

The following chapter however will seek to establish the required sample population relevant to this study, relevant sampling frame, research methodology that would best enable and assure the relevant stakeholders of this information accuracy, consistency and reliability at the implementation stage. It involves an in depth analysis of the research methodology and design that will be used in this study. Sampling and sampling design, together with data analysis methods shall also be discussed in the next chapter.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
Chapter three is discussed under the research design adopted during the research process. It also gives the description of population and sample design; consecutively the sample sizes of respondents, data collection method used and research procedures were discussed. The final sub section provides the method or procedure used in analyzing the data to a more comprehend able manner.

3.2 Research Design
Burns and Grove (2003) noted that research designates as an outline for performing a research with ultimate control over the factors that may affect the validity of the outcome and findings of the study. In this research, descriptive survey design was used. According to Mugenda and Mugenda (2009), descriptive research is concerned with the relations between variables, the hypothesis tests and the development of generality, ideologies, or theories that have worldwide validity and modern conditions. Descriptive design was used in this study to clearly bring out the factors that determine the efficiency of the BSC as a tool of performance management.

3.3 Population and Sampling Design

3.3.1 Population
Population is referred to as all the inhabitants of a particular place (Oxford, 2012). The study was carried out in the Cooperative bank premises and the target population was the bank employees who are based in the Zimmerman branch. The sample of employees i.e. both male and females interviewed in the research were chosen using the simple random sampling technique, as this method allowed all members of the population equal chances to be selected thus avoidance of biasness and fairness is enhanced.

3.3.2 Sample Design

3.3.2.1 The Sampling Frame
This is termed as a list employed by researcher so as to refer to a population one is interested in. It outlines a set of components from which a researcher can select a sample
of the target population (Mugenda and Mugenda, 2009). The sampling frame of this study was selected using the list of employees who are employed and work at the Cooperative bank, Zimmerman branch.

3.3.2.2 Sampling Technique
The researcher made use of simple random method. This is an unbiased sampling method which accords each individual an equal random chance to participate in the process resulting to fair representation of the targeted population (Yates, Moore and Starnes, 2008). This was justified as the population was known. In addition, this method ensures choice of respondents with the necessary information to handle the specific research questions in so doing improving the reliability of the findings of this study.

3.3.2.3 Sample Size
According to Vogt (2011), samples are set of observations that are collected from a population through a well-defined process. In determining the sample size, the respondents had to come from the bank branch at Zimmerman that included males and females all employees of Cooperative bank Zimmerman branch. Hence, the researcher’s sample size for the study was 80 employees and simple random selection was used to regulate the sample size. Mugenda and Mugenda (2009) assert that a population of 30% is best suitable the study therefore made use of 85 percent of the population.

Table 3.1: Distribution of Sample Size

<table>
<thead>
<tr>
<th>Departments</th>
<th>Composition</th>
<th>Size of the Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. Of Employees</td>
<td>Percent (%)</td>
</tr>
<tr>
<td>Operations</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>Finance</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>Customer Service and Marketing</td>
<td>40</td>
<td>43</td>
</tr>
<tr>
<td>ICT</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>94</td>
<td>100</td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods
Primary data was used because it gave current information and its validity is known hence was facilitated by a self-administered questionnaire as well as guided interview with open and closed questions that were simple and easily understood by the respondents. With the open-ended questions, the respondents were able answer back to the questions.
Secondary data too was used as it was retrieved from documents, journals and written records since these are easy to gather and were easily available to the researcher.

Use of interview guide was justified as it addressed specific questions outlined in chapter one whereas the questionnaire highlighted the general information. The use of questionnaires was reasonable because they provide an effective means of collecting data from a huge sample in a short period of time and at relatively lower cost. The respondents were guided through illustrated answers to ensure that they had a clear understanding of the questions and thus responded appropriately.

3.5 Research Procedures

The Pilot Questionnaire was administered to 10 Cooperative bank employees that work at the Zimmerman branch. Each and every detail of the questionnaire was run through by respondents so as to ensure that they filled in the questionnaire correctly in an efficient, effective manner where all the required data would be captured. Average time spend by the respondents to fill in the questionnaire was 10 minutes.

3.6 Data Analysis Methods

This study made use of well improved and structured questionnaires as the main instrument as well as interviews as methods of data collection, to clearly evaluate the effectiveness of the BSC as a performance management tool. Data collected was analyzed using Microsoft Excel spreadsheets and presented using tabular bar graph sand pie charts.

3.7 Chapter Summary

Conclusively, the chapter looked at the methodology applied while conducting the study plus the descriptive research design employed. Others that were identified in the chapter were; the target population, sample size, the sampling frame, along with sampling technique applied. Data collection methods applied included guide interviews as well as semi-structured questionnaire. Data was analyzed using Microsoft Excel spreadsheets and summarized for presentation in bar graphs and pie charts. The following chapters shall analyze and discuss the results at length, and provide conclusions and recommendations based on the same.
CHAPTER FOUR

4.0 RESEARCH FINDINGS AND ANALYSIS

4.1 Introduction

This chapter presents the outcome of the study on the research objectives based on the information obtained from the respondents. The first part provides the background information with regards to the respondents while the second part shows the meaning and scope of the scorecard. The third part looks at the effectiveness of the balanced scorecard for enhancing employee performance. The last section assesses the effectiveness and efficiency of the balanced scorecard as a tool for performance evaluation. The respondents targeted in the study were eighty. A total of sixty responded which is 75 per cent of the sample size.

4.2 Respondent’s Profiles

The segment below gives a guide on the information involving the respondents; gender, age, position, gender, plus the number of years employed. The variables once assessed give space for the understanding of the responses that have been issued by the respective respondents.

4.2.1 Respondents’ Gender

Table 4.1 summarizes the study results in relation to respondents’ gender.

<table>
<thead>
<tr>
<th>Sex</th>
<th>Number</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>42</td>
<td>70</td>
</tr>
<tr>
<td>Male</td>
<td>18</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Results from Table 4.1 above illustrates that most of the respondents that participated in the study were female; who constituted 70 percent of the respondents while the male respondents accounted for 30 percent. This implies that Co-operative bank is keen on the third gender rule as stipulated in the constitution.
4.2.2 Number of Years in the Banking Sector

Table 4.2 below gives the summary of findings regarding number of years an individual used in the study worked for the Cooperative bank.

Table 4.2: Number of Years in the Banking Sector

<table>
<thead>
<tr>
<th>Number of Years</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 9 Years</td>
<td>6</td>
<td>10.0</td>
</tr>
<tr>
<td>10-19 Years</td>
<td>32</td>
<td>53.3</td>
</tr>
<tr>
<td>20-39 Years</td>
<td>12</td>
<td>20.0</td>
</tr>
<tr>
<td>Over 40 Years</td>
<td>10</td>
<td>16.7</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the table, it is evident that more than a half (53.3%) of the selected sample size has worked in the banking industry for a period of between 10-19 years. About 20.0 percent of the banks have been in the banking sector between 20-39 years, while 16.7 percent of the respondents over 40 years. The table also reveals that 10 percent of the respondents have been in the industry for hardly 9 years. With most of the respondents having operated in the banking sector for more than 10 years, it is expected that they have a good understanding of the Kenyan banking sector.

4.2.3 Years in the Current Organization

Table 4.3, presents a summary of the number of years employees have been employed at Co-operative bank.

Table 4.3: Number of years in the Firm

<table>
<thead>
<tr>
<th>Number of Years</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 Years</td>
<td>42</td>
<td>70.0</td>
</tr>
<tr>
<td>4-7 Years</td>
<td>18</td>
<td>30.0</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100.0</td>
</tr>
</tbody>
</table>

As seen in table 4.3, it can be said that majority of the respondents (70.0, percent) have been working in their current bank between 0-3 years, while 30.0 percent have been
working between 4-7 years. This implies that indeed the majority of the respondents have considerable knowledge of the activities carried out in the bank.

4.2.4 Department

The table 4.4 below gives a summary of the findings on the several departments in which respondents were working.

Table 4.4: Respondents’ Areas of Operations

<table>
<thead>
<tr>
<th>Department in workplace</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operations</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>Human Resources</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Finance and Accounting</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Customer Service</td>
<td>26</td>
<td>43</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Table 4.4 results above show that more of the respondents involved work in the operations department having 43 percent sales while 22 percent are in the marketing department. In addition, 15% of the respondents are in the finance department while the customer service had 43 percent response. This implies that the findings gave a diverse range of opinion from different perspectives as evidenced by the different departments at Co-operative bank.

4.3 Meaning and Scope of the Balanced Scorecard

The initial objective of the study was to establish the meaning and scope of the balanced scorecard. The subsection below has a summary of findings that have an obligation of introducing the meaning plus scope of the balanced scorecard. Respondents were further asked to state if they have ever used the BSC as a performance measurement tool. Figure 4.1 indicates that most of the respondents (87%) have used BSC as a performance measurement tool while the remaining, 13% denied having used it.
Figure 4.1: Percentage Distribution of the use of Balanced Score-card

4.3.1 Balanced Score Card and Financial Stability

Figure 4.2 below shows evidently that the Balanced Scorecard in numerous organizations has been applied to bring forth financial stability. Most of the respondents (52%) were of the opinion that BSC perfectly related to financial stability. Slightly more than a third (33%) rated it as good while 11% fair. However, an equal proportion of respondents of 2% each rated it as bad and pathetic. This implies that the Balanced Scorecard develops financial stability.

Figure 4.2: Balanced Scorecard impact on Financial Stability
4.3.2 Satisfaction with Financial Evaluation Process

Figure 4.3 shows that a huge number of respondents were completely content with regards to the financial evaluation process through applying the balanced scorecard. The figure clearly depicts that about 41% of all the total number of study participants were totally satisfied. On the other hand, 32% of the respondents indicated that they were satisfied, 17% were uncertain. It was further revealed that 4% of study participants were not satisfied but 6% were totally not-satisfied with the role of BSC in financial evaluation processes. This implied that without a doubt the evaluation process is well above board.

![Bar Chart: Satisfaction Rating on the role of BSC](image)

4.3.3 The Customer’s service aspect of Balanced Scorecard

Table 4.5 shows results of respondents with regard to their opinion on the impact of the balanced scorecard on customer service. The table reveals that a vast majority of all the people who participated in the study approved the BSC as an effective tool. In terms of customer service, the BSC is depicted as more user-friendly and favored due to its reliability, accuracy and flexibility.
Table 4.5: Balanced Score Card and Customer Service

<table>
<thead>
<tr>
<th>Statement</th>
<th>Totally Agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Don’t agree</th>
<th>Don’t agree at all</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balanced Scorecard is effective</td>
<td>60.0</td>
<td>30.0</td>
<td>5.0</td>
<td>2.0</td>
<td>3.0</td>
<td>4.11</td>
<td>1.125</td>
</tr>
<tr>
<td>Customer Service perspective of Balanced Scorecard is user friendly</td>
<td>50.0</td>
<td>22.0</td>
<td>20.0</td>
<td>8.0</td>
<td>1</td>
<td>4.09</td>
<td>1.246</td>
</tr>
<tr>
<td>Customer Service perspective of Balanced Scorecard is accurate</td>
<td>45.0</td>
<td>45.0</td>
<td>5.0</td>
<td>5.0</td>
<td>0</td>
<td>4.12</td>
<td>1.187</td>
</tr>
<tr>
<td>Customer Service perspective of Balanced Scorecard is reliable</td>
<td>62.0</td>
<td>25.0</td>
<td>3.0</td>
<td>5.0</td>
<td>5.0</td>
<td>4.13</td>
<td>1.077</td>
</tr>
<tr>
<td>Customer Service perspective of Balanced Scorecard is flexible to change</td>
<td>569.0</td>
<td>44.0</td>
<td>7.0</td>
<td>0</td>
<td>0</td>
<td>4.07</td>
<td>1.110</td>
</tr>
</tbody>
</table>

4.4 Effectiveness of the Balanced Scorecard in Enhancing Employee Performance

The second objective of the study was to explore effectiveness of the balanced scorecard for enhancing employee performance. The following subsection will present an analysis on the basis of the responses given by employees involved in the study.

4.4.1 BSC Guides Employees Actions

Figure 4.4, reveals that 86.7 percent of the respondents agree strongly, while 13.33 agree that BSC guides employees’ actions. This can be explained by the reason why most banks are adopting the balanced scorecard in Kenya.
4.4.2 BSC Encourages Coordination & Integration of Activities

The results of the study as seen in figure 4.5 show that 53.3% of the respondents agree with the above statement, 6.7% of the respondents strongly agree, and 10% of the respondents disagree, 6.7% strongly disagree while 23.3% of the respondents are neutral on how BSC encourages coordination & integration of activities among employees from different departments.

4.4.3 Banks strategic intent & direction is clear to all employees

The results of the study as seen in figure 4.6 show that 33.3% of the respondents agree, 63.3% of the respondents strongly agree, and 3.3% of the respondents are neutral while none of the respondents disagrees on how banks strategic intent & direction is clear to all
employees. This is an indication that indeed the Kenya banking sector is very competitive in nature and as such banks are adopting BSC so as to remain at par with their competitors in order to attain a competitive edge.

**Figure 4.6: Banks strategic intent & direction is clear to all employees**

**4.4.4 BSC provides an oversight to employee’s actions**

As seen in figure 4.7, it is evident that 33.3% of the respondents agree, 63.3% of the respondents strongly agree, and 3.3% of the respondents are neutral while none of the respondents disagrees on how BSC provides an oversight to employees’ actions.

**Figure 4.7: BSC provides an oversight to employee’s actions**

**4.4.5 Relationship between BSC effectiveness and Employee Performance**

Table 4.6 displays that the $R^2$ of the regression to be 0.577 implying that the incorporated explanatory variables explained only 57.77%. As a result the other 42.33% was explained
through supplementary explanatory variables that were not incorporated in the model.

### Table 4.6: Model Summary

<table>
<thead>
<tr>
<th></th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Std. Error of Estimation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.703</td>
<td>.577</td>
<td>.0181</td>
<td>11.5301</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), BSC

As seen in table 4.7, it is evident that the Balanced scorecard enhances employee performance, with a beta of .422 $Y_{\text{(employee performance)}} = 1.884 + 0.422 \text{ Balanced scorecard}$

### Table 4.7: Correlation between BSC and Employee’s Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Un-standardized Coef.</th>
<th>Standardized Coef.</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.976</td>
<td>4.111</td>
<td>22.500</td>
<td>.000</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>.422</td>
<td>.004</td>
<td>.922</td>
<td>4.404</td>
</tr>
</tbody>
</table>

#### 4.5 Effectiveness of the Balanced Scorecard as a Tool for Performance Evaluation

The final objective of this study was to assess the effectiveness of the BSC as a tool for performance evaluation. The subsection below has a detail of the summary of the findings derived from this objective.

#### 4.5.1 BSC helps to provide timely feedback to customers

As seen in figure 4.8, it is evident that majority of the respondents (70.0 percent), strongly agree while 30.0 percent agree that indeed BSC helps to provide timely feedback to customers. These findings imply that indeed the balanced scorecard as a platform has provided a better channel of interaction with customers and has helped banks to deal with customer issues in fast and efficient manner, thus enhancing service delivery.
4.5.2 BSC enhances accuracy in the organization

The findings of the study reveal that majority of the respondents (80.0 percent), strongly agree while 20.0 percent agree that indeed BSC enhances accuracy in the organization. As mentioned above banks are currently seeking to capitalize on this so as to enhance their share in the market and there best way forward is through the balanced scorecard.

4.5.3 BSC enhance accountability and transparency

Figure 4.10, reveals that majority of the respondents (50.0 percent), agree while 20.7 percent strongly agree that BSC enhance accountability and transparency in the
organization. On the other hand 3.3 percent disagree while 26.7 percent remain neutral. This implies that indeed BSC can help banks to remain cost effective without compromising on the quality of the services. Respondents further explained that there were other factors that motivated banks to adopt BSC, among them were to enhance accessibility, efficiency, enhance growth, to effectively communicate with customers.

![Figure 4.10: BSC enhance accountability and transparency](image)

### 4.5.4 BSC is an effective tool for performance evaluation

As seen in table 4.8, it is evident that majority of the respondents (53.3 percent), agree while 40.0 percent strongly agree that the scorecard is an effective tool for performance evaluation. On the other hand 6.7 percent disagree. These findings imply that indeed the scorecard is an efficient performance evaluation tool.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>4</td>
<td>6.7</td>
</tr>
<tr>
<td>Agree</td>
<td>32</td>
<td>53.3</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>24</td>
<td>40.0</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### 4.5.5 BSC enhances availability of appropriate learning materials

Table 4.9 further reveals that majority of the respondents (46.7 percent), agree while 46.7 percent strongly agree that BSC enhances availability of appropriate learning materials. On the other hand 6.7 percent remained neutral on this matter. This finding affirms that indeed BSC enhances availability of appropriate learning materials.
Table 4.9: BSC enhances availability of appropriate learning materials

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
<td>4</td>
<td>6.7</td>
</tr>
<tr>
<td>Agree</td>
<td>28</td>
<td>46.7</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>28</td>
<td>46.7</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.5.6 BSC enhances learning process evaluation

Table 4.10, presents a summary of the findings with regards to how BSC enhances learning process evaluation.

Table 4.10: BSC enhances learning process evaluation

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>2</td>
<td>3.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>2</td>
<td>3.3</td>
</tr>
<tr>
<td>Agree</td>
<td>36</td>
<td>60.0</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>20</td>
<td>33.3</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100.0</td>
</tr>
</tbody>
</table>

As seen in table 4.10, it is evident that that majority of the respondents (60.0 percent), agree while 33.3 percent strongly agree to how BSC enhances learning process evaluation. On the other hand 3.3 percent disagree while 3.3 percent remain neutral. This implies that indeed BSC enhances learning process evaluation.

4.5.7 Relationship between Balanced scorecard and Organization Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Adjusted -R²</th>
<th>Standard Error in the estimation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.487</td>
<td>0.611</td>
<td>0.623</td>
<td>0.843</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M-Banking</td>
<td>3.587</td>
<td>.613</td>
<td>.</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.521</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), adoption of Balanced scorecard

b. Linear regression was conducted to regulate the relationship between Balanced scorecard and organization performance
a. Dependent Variable: Organization Performance

The study revealed that the impact on overall all the variables of Balanced scorecard and organization performance was statistically significant at p<0.001. The overall model explained 61.1 percent of variance in organization performance, which was revealed to be statistically significant. This shows therefore that there is a relationship between adoption of balanced scorecard, (beta .613) and organization performance.

4.7 Chapter Summary

The chapter has presented the main findings in line with the set objectives. The first section provided the background information with regards to the respondents and the second section addressed the meaning and scope of the scorecard. The third section looked at the effectiveness of the balanced scorecard for enhancing employee performance. The last section assessed the effectiveness of the balanced scorecard as a tool for performance evaluation. The chapter five presented the conclusion of the study, discussions of findings plus summary and the recommendations to the various stakeholders.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the findings of the study with reference to specific objectives. It is presents conclusion based on the findings. The chapter also outlines various recommendations for the study and ends by suggesting possible areas for further research.

5.2 Summary

The general goal of this study was to determine the effectiveness of the BSC as a tool of performance management. These are the objectives guiding the research work: to examine the meaning and scope of the Balanced Scorecard, to assess the effectiveness of the balanced scorecard as a tool for performance evaluation in Co-operative bank and, to examine the effectiveness of the balanced scorecard for enhancing employee performance at Co-operative bank.

From the study findings it was evident that balanced scorecard leads to financial stability. Additionally it was revealed that most employee at Co-operative bank were satisfied with the financial evaluation process by use of the Balanced scorecard, an indication that indeed that the evaluation process is well above board. The results showed that the balanced Scorecard is an effective tool. The BCS’ aspect of Customer Service seemed more accurate, consistent, user-friendly, and flexible.

The study further revealed that that BSC guides employees’ actions. This can be explained by the reason why most banks are adopting the balanced scorecard in Kenya. It was also revealed that BSC encourages coordination & integration of activities among employees from different departments; as well the study established that BSC provides an oversight to employees’ actions. The study established a relationship between balanced score card and employee performance.

Finally the study revealed that the balanced scorecard as a platform has provided a better channel of interaction with customers and has helped banks to deal with customer issues in fast and efficient manner, thus enhancing service delivery. Additionally it was established
that banks are currently seeking to capitalize on this so as to enhance their share in the market and there best way forward is through the balanced scorecard.

5.3 Discussion

5.3.1 Meaning and Scope of the Balanced Scorecard
From the study, it was observed that BSC encourages stability in the financial status of the firm. In addition, it was revealed that most employee at Co-operative bank were satisfied with the financial evaluation process by use of the balanced scorecard, an indication that indeed that the evaluation process is well above board. This affirms that indeed worker training and corporate cultural approaches constitute a big part of both individual and company self-enhancement. In particular, knowledge about people takes the centre stage in this setting of a knowledge based worker-organization. Present day business environment that entails rapid technological change is turning out to be a basic requirement for the labor force to exist in a continuous learning mode. Metrics might be used by managers to determine the training needs, and focus on where training can improve. Moreover, learning and growth are the necessary foundation for the success of any knowledge-worker based company (Jones, 2012).

These findings also affirm that indeed the internal business processes have a direct impact on employee performance and the balanced score card. For example, a teller is supposed to spend a maximum of three minutes serving a customer, and this is a parameter captured in their balanced scorecard to appraise them. There are however instances where there are referrals for various transactions to a supervisor, who must authorize them before the transaction can be completed. This interferes with three-minute limit, and the system may need to be adjusted in order to cater for this (Schaap, 2006).

It was also revealed that the balanced Scorecard is effective, user friendly, accurate, reliable and flexible to change. The findings serve as a confirmation that the dissatisfaction of a customer will lead them to other suppliers who can satisfy their needs. Poor performance in this point of view is therefore a leading pointer of a potential decline, even though the present financial image may be appealing. In developing metrics for satisfaction, consumers should be examined in terms of kinds of customers, the forms
of services they need, the form of service they currently receive and what they expect when they come into the bank (Sterling, 2013).

The findings also agree with Murali (2008), who argues that benchmarking is a practice used in strategic management to assess the various aspects of the practices in relation to best process, usually within their own sector. This in turn allows organizations to develop to come up with plans to adopt such best process, usually with the goal of increasing some performance aspect. It might be a one-off event but sometimes benchmarking is treated as continuous process in which companies seek to challenge their practices continuously. It opens companies to new techniques, ideas and tools to enhance their effectiveness. It assists to crack through resistance to change by demonstrating other techniques of resolving issues than the one currently working, and demonstrating that they work.

5.3.2 Effectiveness of the Balanced Scorecard for Enhancing Employee Performance

The study further revealed that that BSC guides employees’ actions. This can be explained by the reason why most banks are adopting the balanced scorecard in Kenya. The balanced scorecard to an extent influences the drivers of workers’ behavior entailing performance measurements and recompenses, individual skills, structure, available technology, along with organizational culture and processes. Olve et al., 2009 argue that a firm can take various steps in supporting efforts aimed at enhanced firm’s performance through the use of BSC

It was also revealed that BSC encourages coordination & integration of activities among employees from different departments. According to Kaplan and Norton (1996) the Balanced scorecard has sought to uphold communication at all levels, improve organizational goals, provide training in improvement practices, create a reward and recognition model to encourage performance improvements, break down barriers in the organization, co-ordinate responsibilities, incorporate the performance measurement system into the organization, alter the corporate culture thus improving employee productivity and performance.
The findings additionally are in agreement with those of the study by Kaplan and Norton (2008) that was on strategy execution issues in firms in the United States. Their findings revealed that a significant part of the surveyed firms had employees who did not understand their company’s strategy with less than 10% reporting to have knowledge of the strategy. Additional studies also showed that less than 5% of employees in organizations were aware of the firm’s strategy (Kaplan and Norton, 2008). Equally, Hrebiniaık (2005) in his study stated that in numerous organizations where he conducted his study, the employees were in most situations not aware of their firm’s strategy. It is clear that if all employees cannot comprehend the strategy and their roles and responsibilities in it, successful strategy execution is highly unlikely (Kaplan and Norton, 2008). The study of Raps (2005) showed that one of the major reasons why strategy implementation developments habitually led to challenging as well as complicated difficulties or fail was the vague form of the assignment of duties as well as responsibilities. According to Michlitsch (2000), he stressed that there is need for individuals to be conversant with what they are supposed to do if the firm is to attain success.

The study established a relationship between balanced scorecard and employee performance. Leadership not only helps a company to develop operationally but also increases customer satisfaction (Wilson and Collier, 2010). It has been realized leadership plays a greater role in growing organization where it has a considerable impact on financial performance. More precisely, leadership encourages quality-growth factors including HRM, process management, strategic planning, measurement and analysis essential for the achievement of good financial performance (Fotopoulos & Psomas, 2010). Enteshari et al., (2012) assert that human resource experts concentrate on investing in the individual’s while information managers place more emphasis on information technology. For the organization’s comprehensive strategic principles, factors such as human-resources, IT, innovations, planning and learning are of great importance.

5.3.3 Effectiveness of the Balanced Scorecard as a Tool for Performance Evaluation

Finally the study revealed that the balanced scorecard as a platform has provided a better channel of interaction with customers and has helped banks to deal with customer issues in fast and efficient manner, thus enhancing service delivery. The use of performance-based goals has prompted an increase in cost consciousness. The companies have to come up with cost-accounting systems and provide annual financial statements (Slater & Olson, 2010).
The provided information enhances the company’s ability to manage the financial practices. With performance measurement, the outlook on improved budget estimates, based on a better understanding of real costs, is realistic. In some instances, transfers are amended on the basis of accomplished performance results such that when the performance targets are not met, a decrease in financial transfer in the company is witnessed. Conversely, in case performance results exceed set goals there is a positive financial return to the company (Nickols, 2000). These positive corrections depend on developments of the general budgetary position of the company are thus limited.

Additionally it was established that banks are currently seeking to capitalize on this so as to enhance their share in the market and there best way forward is through the balanced scorecard. According to Bensoussan, (2009) every leader must subject the upcoming projects of the organization to investment appraisal to ensure that the shareholders money is being invested wisely and not being wasted or being put to projects that will cause the shareholders to lose their money. Excellent performance of leaders will be based on their ability to judge on what to invest in and what not to. There are several investment appraisal techniques which include: Average rate of return which gauges the annual profitability of an investment as compare to the original investment, the period of payback which measures the length of time for the net annual cash inflows to pay back the initial cost of investment in the project, net present value which measures the present value of the projected cash flows coming from an investment and internal return rate which provides the rate of discount that brings a net present value of zero, a high internal rate of return will result to a more profitable project (Stimpson and Farquharson, 2010).

Finally the findings are an affirmation that performance measurement basically consists of four activities; plan, act, monitor and evaluate. While plan involves what to do and how to go about it, he reiterated that monitoring is needed when carrying out the work needed to implement the plan. Monitoring encompasses performing continuous checks on what is being done and measure results in order to review progress in the implementation of the plan. Conversely, evaluation considers what has been accomplished and, in light of this, realizes what has not been done and what corrective measure should be adopted if the performance is consistent with the plan.
5.4 Conclusions

5.4.1 Meaning and Scope of the Balanced Scorecard

Conclusively, it was evident from the findings that balanced scorecard impacts financial stability positively. Additionally it was concluded that most employee at Co-operative bank were satisfied with the financial evaluation process by use of the Balanced scorecard, an indication that indeed that the evaluation process is well above board. It was also concluded that BSC was effective in customer services especially due to its flexibility, reliability/consistency, accuracy and the fact that it was more user-friendly.

5.4.2 Effectiveness of the Balanced Scorecard for Enhancing Employee Performance

The study further concludes that that BSC guides employees’ actions. This can be explained by the reason why most banks are adopting the balanced scorecard in Kenya. It was also concluded that BSC encourages coordination & integration of activities among employees from different departments. The study further concluded that there exists a connection between balanced score card and the performance of the employees.

5.4.3 Effectiveness of the Balanced Scorecard as a Tool for Performance Evaluation

Finally the study concludes that the balanced scorecard as a platform has provided a better channel of interaction with customers and has helped banks to deal with customer issues in fast and efficient manner, thus enhancing service delivery. Additionally it was concluded that banks are currently seeking to capitalize on this so as to enhance their share in the market and there best way forward is through the balanced scorecard.

5.5 Recommendations

5.5.1 Recommendations for Development

5.5.1.1 Definition and Scope of the Balanced Scorecard

The research study proposes that companies must adopt the BSC to enable the tracking of performance while at the same time monitoring the progress through creating the competencies and acquiring the intangible assets that would be needed for future growth and progression. Furthermore, it will ensure the improvement of performance in the different sectors of the economy and gradually promoting the growth of the industry.
5.5.1.2 Effectiveness of the Balanced Scorecard for Enhancing Employee Performance

The Balanced scorecard helps to improve employee performance through communication between the management and customers. This communication will pin point the areas that require improvement in the quality service, which will in turn satisfy their customers’ needs. The top managers must focus on of the complaints received from the customers to ensure that they satisfy their needs. The organizations must concentrate on the components that have an effect on the employee performance for example, allegiance, retention; these are rarely rated as clearly/strongly as the financial targets.

5.5.1.3 Efficiency of the BSC as a Performance Evaluation tool

This study vouches for the conceptualization of the balanced score card, which will allow the managers to acquire skills and knowledge to comprehend at any point in its implementation depending on if the strategy they have developed is currently working, and if it is not functioning, the process will give the reasons why that is happening. All these should be aimed at encouraging good performance.

5.5.2 Areas for Further Research

During the study, the main goal was to ensure that the objectives of the study were achieved. In spite of this determination the researcher came across a number of challenges that limited the scope of study. There were a few instances if travelling constraints because the researcher had to move away from the geographical location of study during the course of the study. Time also featured as a key limitation during research. In addition, the absence of respondents which limited the information that was available. The researcher used a cross-sectional study in data collection at some point. A longitudinal research study can be used in the comparison of different organizations over a long stretch of time.
REFERENCES


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Rutherford, P. (2009). *Competency Based Assessment*, Pitman, Melbourne. 75


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APPENDIX 1: QUESTIONNAIRE

Section 1: General Information

i. Gender  Male  Female

ii. Branch…………………………………………………………………………………………

iii. For how many years have you been working in the Bank?
    (a) Up to 9 Years  [   ]
    (b) 10-19 Years  [   ]
    (c) 20-39 Years  [   ]
    (d) Over 40 Years  [   ]

iv. For how long have you been in the Current organization
    (a) Up to 3 Years  [   ]
    (b) 4-7 Years  [   ]
    (c) Over 8 Years  [   ]

v. Department
   Sales & Marketing  [   ] Finance  [   ] I.T.  [   ] Administration  [   ] Procurement  [   ]
   Human Resource  [   ] Others (specify)  [   ]
Section 2: Meaning and Scope of the Balanced Scorecard

1. Have you in one way or another applied BSC before as a tool for assessing the firm’s performance?
   1. ……………………Yes
   2. ……………………No

If yes, how effective is the BSC?

- Perfect………………………………………………….5 ( )
- Good……………………………………………………4 ( )
- Fair…………………………………………………… 3 ( )
- Bad……………………………………………………2 ( )
- Pathetic……………………………………………1 ( )

2. Explain your answer

.................................................................................................................................
.................................................................................................................................
.................................................................................................................................
.................................................................................................................................

3. What is your level of satisfaction in so far as the use of BSC is concerned?

- Totally satisfied……………………………..1 ( )
- Satisfied……………………………………..2 ( )
- Not sure……………………………………..3 ( )
- Dissatisfied………………………………….4 ( )
- Totally dissatisfied………………………….5 ( )

4. What is your response concerning the following?

<table>
<thead>
<tr>
<th></th>
<th>Totally Agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Don’t agree</th>
<th>Don’t agree at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balanced Scorecard is</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>effective</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Service aspect of</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>BSC is user-friendly</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSC is accurate in terms of</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Customer Service</td>
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<td>3</td>
<td>2</td>
<td>1</td>
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<tr>
<td>of Balanced Scorecard is</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>reliable</td>
<td></td>
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<td>4</td>
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<td>of Balanced Scorecard is</td>
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<td></td>
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<td></td>
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<tr>
<td>flexible to change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

52
5. In your opinion, what is an ideal customer service aspect of BSC?

.................................................................................................................................
.................................................................................................................................
.................................................................................................................................

6. What measures should be put in place within an organization in order to achieve an efficient and effective customer based services?

.................................................................................................................................
.................................................................................................................................
.................................................................................................................................

**Section 3: effectiveness of the BSC for good employees’ performance**

Using a scale 1-5 tick the appropriate answer from the alternatives, 1- Strongly Disagree

2-Dissagree 3-Not Sure 4-Agree 5- Strongly Agree

| (i) The BSC guides employees’ actions. | (1) (2) (3) (4) (5) |
| (ii) There is always agreement on issues at Co-operative Bank | (1) (2) (3) (4) (5) |
| (iii) BSC encourages coordination & integration of activities among employees from different departments. | (1) (2) (3) (4) (5) |
| (iv) The Bank’s strategic intent & direction is clear to all employees | (1) (2) (3) (4) (5) |
| (v) The Bank’s goals and objective are clear to all employees | (1) (2) (3) (4) (5) |
| (vi) The BSC provides an oversight to employees actions | (1) (2) (3) (4) (5) |
| (vii) Is there a relationship between BSC effectiveness and Employee Performance? | (1) (2) (3) (4) (5) |
Section 4: Effectiveness of the BSC as a tool for performance evaluation

Using a scale 1-5 select an appropriate answer from the alternatives, **1- Strongly Disagree**
**2-Dissagree** 3-Uncertain 4-Agree 5- Strongly Agree

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSC facilitates timely feedback to clientele</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BSC encourages accuracy in the organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BSC enhances accountability and transparency in the organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BSC is an effective technique for evaluation organization’s performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BSC enhance frequency of training</td>
<td>1</td>
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<td>3</td>
<td>4</td>
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<tr>
<td>BSC enhances availability of appropriate learning materials</td>
<td>1</td>
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<td>3</td>
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<tr>
<td>BSC enhances accessibility to the information</td>
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<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>BSC enhances learning process evaluation</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BSC is flexible</td>
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<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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</table>
### APPENDIX 2- BUDGET

<table>
<thead>
<tr>
<th></th>
<th>ACTIVITY</th>
<th>COST</th>
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<tbody>
<tr>
<td>A</td>
<td>Proposal development</td>
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</tr>
<tr>
<td></td>
<td>Communication</td>
<td>2,000.00</td>
</tr>
<tr>
<td></td>
<td>Transport</td>
<td>4,000.00</td>
</tr>
<tr>
<td></td>
<td>Miscellaneous</td>
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<td></td>
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<td><strong>9,000.00</strong></td>
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<tr>
<td>B</td>
<td>Implementation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Printing and Stationery</td>
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</tr>
<tr>
<td></td>
<td>Miscellaneous</td>
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<tr>
<td></td>
<td>Data Entry</td>
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<td></td>
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<td>C</td>
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### APPENDIX 3- TIME SCHEDULE

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time Frame</th>
<th>Duration</th>
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<tbody>
<tr>
<td>Proposal development</td>
<td>14th Jan 2014 - 10th March 2014</td>
<td>13 weeks</td>
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<tr>
<td>Data collection</td>
<td>10th March 2014 – 31st March 2014</td>
<td>7 weeks</td>
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<tr>
<td>Data Analysis</td>
<td>31st March 2014 - 1st April 2014</td>
<td>9 weeks</td>
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<tr>
<td>Report writing</td>
<td>1st April 2014 – 31st April 2014</td>
<td>4 weeks</td>
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