

**APPLICATION OF BALANCE SCORECARD IN STRATEGY
IMPLEMENTATION AT KENYA BUREAU OF STANDARDS**

BY

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DECLARATION

I Josphine Mwakithi, hereby declare that this Research Project entitled Application of Balance Scorecard in Strategy Implementation at Kenya Bureau of Standards is my original work and has not been submitted for examination in any other university.

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MBA PROGRAMME

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DEDICATION

This project is specially dedicated to my parent for their encouragement to pursue my studies further and taught me the values of hardwork. My Husband Mr. Stanley Ratanya for his academic guidance, moral and financial support. Lastly but not least my children Maureen, Dennis, Victor and Ethan for their understanding and patience during my absence when they needed me most as their mother.

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ABBREVIATIONS AND ACRONYMS

BSC	Balance Score Card
HELB	Higher Education Loans Board
KEBS	Kenya Bureau of Standards
PESTEL	Political Economic, Social, Technology, Environment and Legal
RBV	Resource based view
SMCA	Standards, Metrology and Conformity Assessment
SP	Strategic Plan
SWOT	Strength, Weakness, Opportunities and Threats
TQM	Total Quality Management

ABSTRACT

The purpose of this study was to determine how Kenya Bureau of Standards was applying the balanced scorecard in strategy implementation and also challenges faced. The study was guided by Open system theory and Resource Based View theory. The research was mainly qualitative in and adopted a case study research design. Data collection was done by conducting an interview session with Kenya Bureau of Standard employees through an in depth interview session. Majority of the interviewees indicated they learnt of balance scored card through management, balance scorecard champions consultants. The results indicated that the KEBS choose to implement balance score card through aligning all its strategic objectivities to balance score card perspective of financial and non-financial perspectives. The participants indicated that the objectives and targets should be clear at organization and sections level and properly cascaded to individual level. The results further, showed that the application of balanced scorecard during strategy implementation helped KEBS to clearly define its vision, mission, goals, objective and company measures in vital and important areas such as customer satisfaction, internal business process, financial, learning, growth and innovation. The study revealed that in order to achieve effective strategy implementation, KEBS has to address challenges such as inadequate training, lack of clear understanding of BSC in some levels, lack of objectivity when addressing employee performance and rewards, lack uniformity in appraisal, lack of clear evaluation performance policies, resistance to change and lack of adequate managerial support in the implementation of strategic plan. They should also formulate policies to mitigate the challenges. From the findings, it can be concluded that the balance score card has a positive influence on the strategy implementation at Kenya Bureau of Standards. BSC also enables the organization to clearly clarify their strategy strategic objective and translating them into action. It also provides feedback to the organization on the performance of their internal business processes which enables to improve the strategy implementation in their operations. The results also suggest that balance score card should be aligned to the organization strategic goals with those of the employees in order to realize successful strategy implementation.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Strategic management is key to organizational survival in a turbulent business environment. No industry or company seems be able to escape the winds of change. The organization must adopt strategic management approach and align their business to the environment effectively and adapt to changing environments. They must also come up with sustainable competitive strategy to be able to survive in the turbulent environment. Strategy according to Chandler (1998), is the determination of an enterprise long-term objectives, goals, courses of action and the mobilizing resources and competences to achieve the set targets. Organizations gain competitive sustainable advantage through implementing strategies by exploiting their internal resources, responding opportunities to in the environmental by of use their organizational strengthens to eliminating external threats and improving internal processes (Barney, 1989).

There are many management tools and techniques which have been developed by scholars and researchers in strategic management. They are Total Quality Management (TQM), Kaizen philosophy, Balance Scorecard and Six Sigma. Out of all these tools, the balanced scorecard technique seems to gaining popularity worldwide. The Balanced Scorecard is used extensively worldwide in business, industries, government and nonprofit organization as an integrated system of management that can align businesses of their firms with the company mission, objective and the company strategy to a real set of measuring performance to improve

external and internal communications hence being able to monitor organizational progress towards it set strategic targets/goals. The concept Balanced Scorecard (BSC) was developed by Kaplan and Norton (1992) both of Harvard University as a blueprint that could be used in the measurement of the level of performance in the firm.

Strategy implementation requires involving and working with every stakeholder and setting a substantial amount of firms resources. Strategy implementation challenges emanates from a variety of sources with some coming from within the organization while others are as a result of the organization's external environment. Balance score card helps in the strategy implementation process. It provides a road map and action plan which the organization would follow to implement strategy based on financial measures, internal perspective, customer satisfaction, learning and growth. Strategy implementation is an action phase in strategic management process according Pearce and Robinson (2005) which involves translating strategic thought to organizational action. For implementation of a successful strategy, effective as well as creating an organization that is focused strategically, Kaplan & Norton (2001) stated that five key leadership and management process is essential which includes; Mobilizing change through top leadership, translating the strategy, motivating employees, aligning the organization strategy with its vision, making strategy Govern and last not least making strategy a continual process in everyday job and activities.

The study was anchored on the open systems theory and the resource based view theory. Open system theory concept indicates that organizations are largely influenced by the external environment. These include political, economic, social culture, technology, environment and legal aspects(PESTEL).Resource Based-View

of strategy (RBV) is another approach of sustaining and achieving competitive advantage that was used in the 1980 and 1990 (Grant, 1996). It argues that firms should analyze and evaluate company core competences to determine their sources of competitive advantage. According to Barney and Talyer (1991), application of a well thought strategy is an asset which is rare, not substitutable and almost impossible to copy. Pearce and Robinson (2011) stated that Resource based view (RBV) is a means of identifying as well as analyzing a firm strategic competitive advantage based on its intangible and tangible asset. The organization performance will be results of the nature of resources deployed. These theories will assist public sectors to implement strategies successfully and be able to survive in the turbulent environment and growing needs of better services from their customers. Strategies and plans are rarely implemented as intended (Mintzberg, 1994).

Kenya Bureau of Standards is a state corporation tasked with development of Standards, provision of testing services, Metrology, calibration Conformity Assessment (SMCA), services since its inception in 1974. Its mandated to promote trade through fair competition in the market by provision of standard based solution. Provision of services creates confidence within the Kenya population and protect against subjugation of the country economy by other economies. SMCA are crucial to an economy through a number of interdependent ways which promotes economic development by production of competitive products and also promotes the quality of life by the promotion of quality, safety, health and environmental protection.

1.1.1 Concept of balance scorecard

The Balanced Scorecard was developed by Kaplan and Norton in 1992 and it addresses four perspectives namely: customer relations, financial, internal business

process and learning and growth. Balance scorecard is used extensively worldwide across all sectors both private and public as the system of management that aligns the planned strategies and their most activities of business together with its mission as well as vision, objective and organizational strategy to a tangible measures of performance that improve external and internal communications hence being able to monitor organizational progress towards it set strategic targets/goals. Kaplan and Norton (2006) defined Balanced Scorecard (BSC) as a tool to help organization separate between strategy and vision then translating them to real actions. The BSC also put emphasizes on organization continuous improvement and not only achieving set objectives Kaplan and Norton (1992), if it does not improve continually it will in the long run lose to its competitors.

Companies traditionally used to measure their financial performance on the short term basis to gauge the level of their success. Balance scorecard was able to even add the parameters that could be able to monitor the non-financial measure that could affect the performance of the company in a long run. With the aid of a tool for measuring non-financial and financial performance in both short and long term goals firms can now easily evaluate and monitor business strategies and plans implementation resulting to their competitiveness and success. The communication strategy of BSC allows managers to better understand how their actions affects their performance measurement results (Atkinson, 2006; Burney & Widener, 2007). To enhance full implementation of BSC tool, any manager ought to ascertain both weaknesses and strengths of all relationships and be in a position to establish their relativity of importance.

1.1.2 Strategy Implementation

A strategy is the direction of a company and it is concerned with the resources and actions needed to enable it achieve set specific long-term objectives to manage the environment and meeting stakeholder's expectations. Strategy implementation is a difficult task and management should involve all stakeholders during implementation for example: leaders, experts, customers, employees and parent ministry. Leaders should be at the forefront in providing all the required support for successful strategy implementation like resource mobilization, technological changes, culture changes, leadership changes and process changes. If implementation is not efficiently and effectively managed the strategic plan may not be fruitful (Johnson,1987). he further states that culture is a double edge sword which can cause inertia, decline, apathy, change and innovation depending on the belief and values enshrined. According to Aosa (1992), organizations generally achieve less than superior performance when it comes to strategy implementation, regardless of context and industry. Strategy Implementation involves having a visionary leader and assigning individuals tasks and putting timelines which will help the organization achieve its goals.

Implementation of the balanced scorecard in public Institution faces some challenges which including lack of resources, change in technology, managerial style, poor leadership, organizational structures and organization culture. Its due to this challenges the study of strategy implementation at Kenya Bureau of Standards will be addressing in details. To make strategy a success and live in organizations, everyone should be engaged by communicating action plan, strategic intent, setting individual targets, work plans aligned to strategic objectives, constantly measuring progress,

evaluating performance and providing feedback about individual and organization performance

1.1.3 Kenya Bureau of Standards

Kenya Bureau of Standard is a state corporation established in 1974 through the act of parliament, Chapter 496 of the Kenyan laws and Standard Act, (KEBS, 2017). Kebs is the agency of the state that aids in the Standard development, Metrology services as well as Conformity Assessment, this is abbreviated as SMCA. It has its headquarters in Nairobi, as well as countrywide regional offices. It's mandated to promote trade, innovation and to enhance and maintain fair competition in the market place, KEBS measurement, standards and conformity assessment regimes must create confidence within the population and guard against subjugation of the Kenyan economy by other economies. Standards development, testing of products, the continuous assessment and Metrology are very crucial to the economic development through quality service delivery as well as enhancement of quality life by embracing environmental protection, promotion of safety and health.

KEBS has adopted BSC strategy to monitor, measure and evaluate the level of strategy implementation in meeting their strategic objective with aim of improving their financial performance, their internal processes, customer satisfaction level, learning, innovation and growth and to provide environment for motivating employee and enhancing its information system. Every public organization is mandated to sign a performance contract (PC) with the government to improve service delivery to its customer, meets its mandate, laying out strategies for cost reduction in their operations and revenue generation. Kobia & Mohammed (2006) defines Performance

Contract (PC) as a tool used by management to measure and evaluate performance against negotiated and set targets. BSC therefore is the most effective tool for measuring and evaluating the level of its strategic objective because it addresses both financial and non-financial factors in four perspectives of internal, financial, customer, learning and growth Kaplan & Norton (1996). Strategic Plan (SP) defines the strategic objective of an organization which are aligned to mission and vision of the organization and BSC being a strategy planning management tool acts a tool for evaluating its performance to enable the organization survive in turbulent business environment. The BSC is aligned to the organization strategic objective and cascaded from corporate to department level and to individual targets.

1.2 Research Problem

Strategies formulated by organizations more than half of them are never actually implemented Mintzberg (1994). Despite the high seriousness of this management problems associated with its execution, it has however, been substantially ignored by scholars (Atkinson, 2006; Pellegrinelli & Bowman, 1994). Also due to insufficiencies in implementation and planning, it was established that 40-60 % strategic plan is never realized or captured (Franken et al., 2009; Mankins & Steele, 2005). Also Kaplan and Norton (2005) believed that about 95% of employees of a company neither understand or are even aware or their company's strategies. About 66% of corporate strategies according to Johnson (2004) are never executed.

According to Kaplan and Norton (2005), many organizations have ambitious plans for growth but few ever realize them. This is attributable to a gap between strategy formulation and implementation. Aosa (1992), posit that organizations generally achieve less than superior performance when it comes to strategy implementation,

regardless of context and industry. The objective of strategy is to win the competitive game by outwitting an organization's competitors. Realizing strategic objectives implies proper strategy implementation by institutions. Many strategies are not realized in organizations due to poor implementation (Hoque, 2014). Implementing strategy is more challenging than strategy formulation. Most organization strategies do not succeed because plans and strategic objectives are not mostly translated into measures which both senior managers and employees can easily understand and practice in their day to day activities.

In order for KEBS to achieve its vision of being a global leader in standards based solution the management has to monitor how the organization is performing in terms of strategy implementation to achieve its strategic objectives. Also the organization is operating in turbulent business environment and increased demand by customer for quality services. Kenya Bureau of Standards has adopted the application of BSC methodology to implement its strategies, evaluate its performance against set corporate, departmental and individual targets. KEBS objective is to improve its operational efficiency, customer satisfaction, accessibility of KEBS services and aligning its Legal Framework with international best practices (KEBS, 2017).

Quite a number of researches have been conducted concerning the application of balanced scorecard in the implementation of strategies in different sectors. Most agree that BSC is an effective tool for strategic management however point out that that its implementation faces many challenges. The first challenges of using balance scorecard in strategy implementation according to Kaplan and Norton (1996) originate from either design or process failure. BSC does not include all stakeholder

Atkinson et al, (1997), Norreklit, (2000) in particular, public authorities, suppliers and other stakeholder who can influence decision making in many organizations. Lack of understanding by organization what exactly BSC is and how to implement it (Othman, 2008). There is Danger of establishing "narrow goals", Davies (2007) without realizing its important to attain adequate levels of organizational competences and capabilities. Because of problems attributed to strategy implementation it is therefore hard to strike a balance between financial and non-financials measures. There is lack of training on application of Balanced Scorecard Niven (2006) and also lack of proper planning and communication Niven (2005).

Seppälä (2010) conducted a research on the impact of a well-balanced scorecard on strategy participation. This study found that participation in strategy implementation is compared to the organization that has made up its minds to support strategy and its participation, through the maximum use of a balanced scorecard. On studies on strategy implementation and challenges, Aosa (1992), carried out a study on the strategy implementation and formulation structure within a large, private Kenyan manufacturing firms; Awino (2001), carried out a case study on the efficiency and effectiveness of the problem affecting implementation of strategies on financing Kenyan higher education by Higher Education Loans Board (HELB).

Similarly, Alshammari (2011), carried out a research on impact the balanced scorecard on the productivity of medium and small scale enterprises. The findings indicated that both employees and organizations' Performance can be value-added through employing the BSC tool in the organizations. Mucheru (2008), conducted a survey on the balanced scorecard on performance management among commercial banks in Kenya; Karimi. (2010) conducted a research in Safaricom, on scorecard

application strategy development and implementation and Ogendo (2010), carried out a research on the balanced scorecard implementation strategy and development in Unilever Kenya tea limited, Muyeshi (2015) did a study on challenges of BSC implementation at Kenyatta National hospital, Wekesa (2015) carried out a study on evaluation of application of balance scorecard in the Ministry of Foreign Affairs and international trade.

The above studies therefore did not focus on the application of balanced scorecard in strategy implementation at Kenya Bureau of standards. Although balanced scorecard over the years has become popular in both private and public sector as a tool for strategy implementation and performance evaluation, it has various challenges, which this study tries to identify. Due to sectorial, contextual, and managerial differences among different sectors, the application of the balanced scorecard and the challenges faced in application of the same would not be assumed to be same, unless empirical studies demonstrate otherwise. What is the extent of application of balance scorecard in the strategy implementation at the Kenya Bureau of Standards?

1.3 Research Objectives

The objective of the study was to determine how Kenya Bureau of Standards is applying the balanced scorecard in strategy implementation and the challenges faced.

1.4 Value of study

To Policy makers and strategy implementers of balance scored in public sector the findings will serve as a blue print for the implementation of strategy. It has become common for the public sector to craft strategies that look good on paper but are never actualized. This study will help overcome the challenges of using balance sore card in

strategy implementation. It will also assist in resolving challenges of strategy implementation by use balance scorecard because they will be able to align their strategies in the four perspectives hence achieving their goals and objectives. The study will also help also assist policy makers in evaluating the organization performance in as far as strategy implementation is concerned and also be able motivate and reward employees who have surfaced their target.

The study will also help in highlighting the role of various stakeholders during strategy implementation and how different synergies could be brought together to ensure successful strategy implementation in public sectors. It will also assist government and other institution to formulate effective and successful performance policies by use of Balance scorecard as an evaluation performance tool. It will also assist in formulating effective strategies to improve financial and non-financial measures and held organizations to achieve both long terms and short term goals.

To the practitioners the study will add to the current scope of knowledge and theory in strategic management process formulation, implementation and evaluation. Quite a number of research have been carried out the application of BSC as management tools in strategy implementation and therefore this contribute to existing body of knowledge. The study finding of the will be useful to research, scholars in field of strategic management. This study will act as reference point to researcher to further their studies on gaps established.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presents literature review of related studies on application of balance score card in strategy implementation as different kind of scholars, experienced analysts, and researchers. The chapter discussed the theoretical foundation hence underpinning the research.

2.2 Theoretical Foundation

This section examined various theories that were used to anchor the study on concept of application of balance score card in strategy implementation. The study used open systems theory and the resource based view theory. Open system theory concept indicates that organizations are largely influenced by the external environment. These include political, economic, social culture, technology, environment and legal aspects (PESTEL). Resource Based-View of strategy (RBV) is another approach of sustaining and achieving competitive advantage that was used in the 1980 and 1990 (Grant, 1996). It argues that firms should analyze and evaluate company core competences to determine their sources of competitive advantage.

2.2.1 Open Systems Theory

The open system theory according to Bertalanffy (1988), argues that organizations are influenced by the external environment and they also influence the external environment. The influential two-way change is regarded as Change Active Adaptive. The influence from the environment will come from the stakeholders, the human resource, the power, technological changes and raw materials. The balance score card will thus be measured in line with the performance of a company, which is in line

with the open systems theory. The performance of a company will be measured in line with how it has been able to sustain the challenges of external forces that will hinder or enhance the performance. Therefore, when implementing the balance score, there will be need to measure the effects of the external forces. This is because the performance level will be dependent on the kind of impact the different resources or stakeholders have had in an organization. The performance of the organization will be impacted by outside environment will also have impact on its performance.

2.2.2 Resource-based View Theory

Resource based theory according to Wernerfelt (1984), contends that the organization that makes use of the strategic resource is able to use the opportunity to come up with a very strong competitive advantage as compared with their rival firms. The theory argues that the resources in an organization are determinants of the performance. Therefore, performance is dependent on resources that a company has deployed to perform a certain task. It further argues that an organization will be better placed if it focused on the internal resources it can economize on unlike when it focuses on the competitive world around it. On the other hand, the theory argues that it would necessary to focus on the internal skills and opportunities in a bid to become competitive unlike focusing on acquiring new skills. The first set of assets that an organization can economize on include; the tangible assets, which include the capital, land, building and machinery. David (2011) argues that internal resources mainly can be classified into three categories: human resources, physical resources, and organizational resources.

Companies need to invest more on their intangible skills more than their tangible assets. This is because according to the theory, a rival company can easily buy the tangible assets like the machinery. If a rival company gets the same kind of machinery and assets, it would end up having a competitive edge similar to that of the other company. However, the investment on intangible skills and assets is hard for a rival company to adopt (Dimitropoulos, Kosmas & Douvis, 2017). This is because the reputation will be priceless and the branding will be hard to copy. In this case, the performance of an organization will be skyrocketing due to the nature of the work that cannot be copied by other rivals.

2.3 Strategy Implementation

The strategic management is a series of used actions and decisions to be able to articulate and implement all strategies that can offer a superior fit of competition between different firms and its environment so as to be able to achieve company goals. The Strategy is considered to be the direction and scope of the company, Scholes and Whittington (2008), which enable the organization achieve competitive advantage in a dynamic and changing situations through alignment of competences and resources with the major goal of meeting the demand and expectations of the stakeholders. Strategy is formulated through rational analysis of the organization. Strategy is then communicated and implemented throughout the organization, to make strategy to succeed everyone in the organization should be engaged by communicating strategic action plan, intent, setting individual targets, work plans aligned to strategic objectives and constantly measuring progress, evaluating performance and giving performance feedback. Organizations are tasked with responsibilities of carrying out situation analysis of its strengths, weaknesses, opportunities, and threats (SWOT) that can be able to affect their performance.

Strategy implementation is a very important activity in a firm however, it not easy. Strategy as a proves focuses mainly on monitoring the effectiveness of set objectives as well as the functional policies with respect to the mission and functions of the employees of the firm.

Mintzberg (1979) was able to distinguish between the emergent, intended and apprehended strategy. Intended Strategy is strategy as conceived by management Emergent strategy is strategy that becomes apparent through passage of time i.e. after the events it governs -Realized strategy is the strategy that is observed. It is influenced by both intended and emergent strategy. Strategy is a firm's large scale (Pearce and Robinson (2005) it's a future oriented plan for enabling the organization to interact with the environment in order achieve its objectives. Strategy implementation is defined as an action phase for strategy management Pearce and Robinson (2005) and involves translating strategic thought into organizational action. This follows consensus on corporate business strategy and long term objectives of a firm. Strategy implementation implies shift for managers from planning their work to making their plans work. The disconnection between strategy formulation and strategy implementation according to Kaplan and Norton (1996) is caused by erected traditional management systems barriers.

2.4 Balance Scorecard and Strategy implementation

Balanced Scorecard is used widely by different kind of managers to create a system of managing strategy in order to enable them to fully translate the strategy of the organization into implementable objectives that can operate fully. A very well balanced scorecard frame is able to scrutinize strategy using four viewpoints. This includes the internal processes of business, growth and learning, customer and

finance. Therefore, this promotes clarity in the strategy. Furthermore, this ensures effective communication of the strategy to each and every employee in order to facilitate effective implementation process. The measurement of the performance of the organization through the BSC remains the integral part. The update of the strategy can only be done through efficient learning from each and every strategy reviews. The major four crucial steps in designing of the BSC as well as its implementation include: translation of the vision into objectives that are operational, communicating the vision, appropriate linkage to individual performance, strategy planning and adjustments based on the feedback and learning. BSC as stipulated by Kaplan and Norton (1996) is driver of imminent performance and complimented by future performance's drivers.

BSC also according to Pearson and Robinson (2011) is a system of management that enables companies to issue their clarification and strategy translation to be able to arrive in a meaningful feedback. The Balanced Score Card is able to translate the strategy and the vision into an important machine that can communicate the strategic intention effectively as it motivate and continuously track its performance. The BSC is a set of measures according to Niven, (2002) derived from strategy of organization and helps management of the organizations in communicating the performance and outcomes to accomplish its mission, vision and strategic objectives.

Organizations tend to keep reviewing their strategy in order to enhance their weak areas and focus on their strengths (Ashurst & Doherty, 2003). The use of a balance score card comes in handy because it describes the strategy, measure the strategy and track the specific activities that need to be carried out to maximize desired results.

Strategic decisions in an organizations are based on accurate data (Pujas, 2010). The Strategy as stated by Norton and Kapan (2000) is the perfect organization's direction with hope of having a desired but characterized by uncertain future position. Firms can be able to strictly monitor the business plan implementation strategy with the help of performance evaluation measurement tools, hence contributing to their organizational desired success. BSC tool assist employees in understanding the organizations strategies and objectives. It also enhances feedback and assessment in the daily basis (Pandey, 2005). BSC is aimed at addressing manager major concern regarding monitoring and ensuring full implementation of the objectives and goals of the organization's strategy.

The four BSC perspectives includes: financial, customer/stakeholder, internal business processes and learning growth. Financial perspective addresses and evaluates how an organization is performing financial. This perspective is vital to an organization because it give an overview of company performance in terms financial capability and asset. In the long run it will be easier to make value comparison of the organization with similar companies operating in the market (Perkins, Grey & Remmers, 2014). Customer perspective addresses the measures the organization put in place to improve customer satisfaction level and retention. The organization activities will be addressed and evaluated through internal processes through BSC to improve the services they offer to their customers. Lastly but not least the perspective of learning, growth and development identifies urgent need needed to cultivate conducive environment that promotes organizational change, innovation, and staff development and growth that supports strategy implementation in the organization.

This perspective evaluates the capacity of employees and information systems infrastructures supporting accomplishment of organizational goals and objectives.

2.5 Challenges of using Balance score Card in Strategy Implementation

Organizations are faced by various challenges when implementing strategies using balance scorecard: which include design failure, lack of top management support, poor communications, cascading the Implementation, lack of resources, organizational culture and integration.

The first challenges of using balance scorecard in strategy implementation according to Kaplan and Norton (1996) originate from either design or process failure. The process of designing a balance scorecard has emerged as one of the challenges in the implementation stage. This is because companies tend to have either few or too many measures that they fail to realize the expected goal. If the measures included are too few, they will end up not achieving a balanced view of the company. This means some portions or processes within the company will not be analyzed. However, on the other hand, if the measure are too many, they will also attract a challenge during implementation (Tjader, May, Shang, Vargas & Gao, 2014). A report about the performance of the organization in the different aspects of the company should also be tabled in the process of designing the measures to be included in the balance scorecard.

Lack of resources is another challenge. Organization that desires to have a perfect BSC should consider allocating resources in advance (Hansen & Schaltegger, 2016). When the resources are not allocated in advance, there will be delays, which will not be suitable, especially when an organization wants to have a turn around. In the most

cases, an organization should be committed in terms of committing financial resources to see the process of designing and implementation is successful. In other cases, after the design is completed, the implementation does not start.

The third challenge is organization culture. The culture of an organization is strongly embedded into its processes and activities. Therefore, the process of designing and implementing a balance scorecard that conflicts with the status quo will not appear friendly to some people. This means it will be hard to remove some processes and replace them with new ones. The culture will also need to be embraced by the employees for it to start running. For implementation of the BSC change is inevitable. Thompson and Strickland (2003) argued that in all organizations there exists, at all levels a natural resistance to change. The employees feel threatened by fear of unknown and become concerned about loss of status or jobs. They will therefore resist any form of change which they suspect would shake whichever privileges they are currently enjoying. Johnson and Scholes (2002) observed that culture is a strength that can hinder strategy implementation when important shared beliefs and values interfere with the needs of the business, its strategy and its people working on the company's behalf. According to Kaplan & Norton (1993) experiences from companies reveal that the most successful driving process of change is balance scorecard.

Cascading the BSC from the top management with other members of the organization not aware or familiar with the framework will be met with a lot of resistance. Cascading up to the Individual level requires engagement of the hearts and even minds of your united workforce. This therefore involves getting their commitment and agreement to set the targets. If that particular engagement is not achieved well, the

BSC at the Individual Level becomes nothing more than just a documentations exercise at the end of every reporting period. Therefore in order for BSC actions and strategies for supporting the implementation should be shared with every employee of the organization. The process of implementing a balance scorecard will be hinged on the reality of ensuring the process goes to individual people (Dimitropoulos, Kosmas & Douvis, 2017).

Lack of employee's commitment is another challenge. There will be need to ensure the process is going down to individual employees. With the new ways of assessing the performance of the organization, the employees will need to be committed in terms of ensuring they get the necessary in put whenever they are required to. The management should thus work out a strategy of ensuring the employees get committed to the implementation process (Hoang, 2016). During the implementation process, the employees should feel they are out to benefit and they are not just working for the benefit of the organization. Change is inevitable for successful implementation of the BSC (Thompson and Strickland, 2003) argued that there exists resistance to change which is natural in every organization, at all levels.

Lack of proper channels of communication is another problem. During strategy implementation information in the organization flows in all direction, upward, downwards and laterally. According to (Atkinson, 2006; Burney & Widener, 2007), BSC strategy in communication makes managers to be able to understand how their actions impact their results. The BSC can be assumed to be an effective communication means and a method of strategy implementation if the company is able to openly define vision, mission and its organizational strategy.

Lack of top management support is another problem. For the process to be successful it can only be led from the top. The implementation process will also be faced by a challenge of poor leadership (Hoang, 2016). In the midst of confusion of what the new balance scorecard will bring into the organization, there is need for trusted leaders to rise up and lead the others into the change. Therefore, the senior management should be well informed of the kind of risk they run if they do not pose as influential people. Initially, the leader should also be well convinced about the implementation and offer it full support. Lack of visionary leadership also adversely hinders the implementation of the BSC (Kaplan and Norton, 1996). The Chief Executive Officer values and personal goals influence strongly a firm mission and long term objective.

Another challenge is lack of integration of strategy with balance scorecard. The initial barrier occurs according to Kaplan and Norton (1996), when the organization is unable to translate its strategy and vision into the correct terms that can be understood well and be acted upon. Other major issues associated to BSC according to Jie and Parton (2009) are lack of standard procedures in the application of BSC and lack of flexibility compared to other system used in performance measurement s like activity based costing (ABS).

2.6 Empirical Reviews and Research Gaps

This section provides a summary of empirical studies and knowledge gaps as reviewed in the literature review. Nooreklit (2000), through the use of analytical approach, addressed the concepts used in the balance scorecard to increase the level of it clarity and precision in them. Nooreklit made conclusion that BSC is not only a

evaluation system but also an effective control system; however, there are some challenges with some of its relationships and key assumptions. These include: the existence and understanding of cause and effect relationship (instead of logical relationship) and the creditability and effectiveness of the BSC as a management solution.

Wekesa (2015) studied the evaluation of application of balance scorecard in the Ministry of Foreign Affairs and international trade. The study found that there was there were public sectors are not able to transform BSC into actionable police. Ogendo (2010), conducted a research on the balanced scorecard implementation strategy and development at Unilever Kenya tea limited. The study majored only on challenges of implementing balance score hence need for management to study corporate governance to able to understand the process of strategy implementation and strategic actions. The study found that there was need to put up structures which support staff involvement to make BSC a success in strategy implementation.

Muganga (2010) conducted a research on application of BSC in strategy implementation at Kenya commercial banks. The findings were that the study addressed only the financial perspective and recommend further research to determine whether performance management through rewards (bonus payment) can be separated from balanced scorecard to make the process strategy implementation more objective. Omboga (2009) studied the adoption of the BS at the Kenya wildlife service. The study found that the Kenya wildlife service exclusive reliance on financial indicators encouraged short term behavior that sacrificed long term value creation for long term performance. The table below gives a summary of the knowledge Gaps in the previous studies carried on the Balanced Score Card in both Public and Private Sector.

Table 2.1: Summary of Empirical studies and knowledge gaps

STUDY	STUDY FOCUS	METHODOLOY	MAIN FINDING	KNOWLEDGE GAPS
Asaasira (2016)	Balance scorecard as a tool for strategy implementation and performance of tier one commercial banks	Descriptive cross-section survey Data collected using semi-structured questionnaire	Accurate funding and stakeholders involvement results to better strategy implementation	The study did not address the application of BSC in the Strategic Management process
Wekesa (2015)	Evaluation of application of balance scorecard in the Ministry of Foreign Affairs and international trade	Case study Data collected by use of interview guide Data analyzed by use of content analysis	BSC results have not been utilized to design clear roadmap for business re-engineering in the public sector in Kenyan	The study did not address the role of BSC results being transformed into actionable policies in public sector in Kenyan.
Munyesi (2015)	Challenges of balance scorecard at Kenyatta National Hospital	Case study Data collected by use of interview guide Data analyzed by use of content analysis	The Hospital faced challenges during implementation lack of resources, organization structure, organization culture, leadership, lack of functional equipment, , which hindered it to achieve its objects	Effects of BSC implementation and challenges to make it sustainable
Nyaega (2012)	Application Of Balanced Scorecard In Performance Measurement At Essar Telecom Kenya Limited	Case study Data collected by use of interview guide Data analyzed by use of content analysis	Essar Telecom Kenya Ltd successfully implemented BSC in performance management	Study focused only on performance measurement
Muganga (2010)	application of BSC in strategy implementation at Kenya commercial banks	Case study Data collected by use of interview guide Data analyzed by use of content analysis	Application of balanced scorecard in implementing strategy has contributed immensely in turnaround of the Bank from a previously loss making to the largest indigenous bank in Kenya, with subsidiaries in other African countries.	Study did not address the whether performance management of rewards (bonus payment) can eliminated in application of BSC to make strategy implementation more objective.

Source: Researcher (2017)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes in details approach employed by the researcher. It discusses design of this research, process of data collection and analysis and why they are the most preferred for the study.

3.2 Research Designs

Case study research design was adopted for the study. Case studies are analysis of persons, events, designs, period, project, policies and institutions. Research designs is guide for data collection, measurement and analysis of the same according to Cooper and Schindler (2001). According to Malhotra (2004), the design of the research is also an outline or framework for steering the research project and specifics in details the procedures necessary for acquiring the confirmation needed in structuring and solving the research problems. Case study is used when an in-depth investigations regarding groups, phenomenon, individuals or institution is required.

3.3 Data Collection

Both primary and secondary data was used in the study. Interview guide was used in gathering of the primary data. The Secondary data comprised of strategic plans and other publications. Open-ended questions included the interview guide was employed to gather in depth data from various heads of departments. The Interviews usually gives in-depth information about the participants' experiences in a particular topic. In order to provide well rounded information and analysis to academicians, interviews are mostly accompanied with data collection methods Turner, D.W (2010). The study will be based on Kenya Bureau of standards Headquarters.

3.4 Data Analysis

The data collected was mostly qualitative in nature. Data collected was then analyzed using content analysis of the written materials from respondent's personal expressions. Content analysis was the best method for analyzing the open-ended questions because it allows objectivity and its flexible (Cooper and Schindler, 2006). It is flexible due to its breadth and its wide ranging tools that are used as a methodology or even a problem's particular technique. The data collected from the interviews was summarized according to the theme of the study. The data was analyzed to determine its credibility, accuracy, consistency and usefulness.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This section contains analysis and discussion of the results of the findings as per the objective of the study. Data collected was primary and gathered through in-depth interviews from the participants. The study objective was to establish how Kenya Bureau of Standards is applying the balanced scorecard in strategy implementation and the challenges faced. The results and analysis of the findings are presented in clauses, tables and figures as illustrated in this chapter.

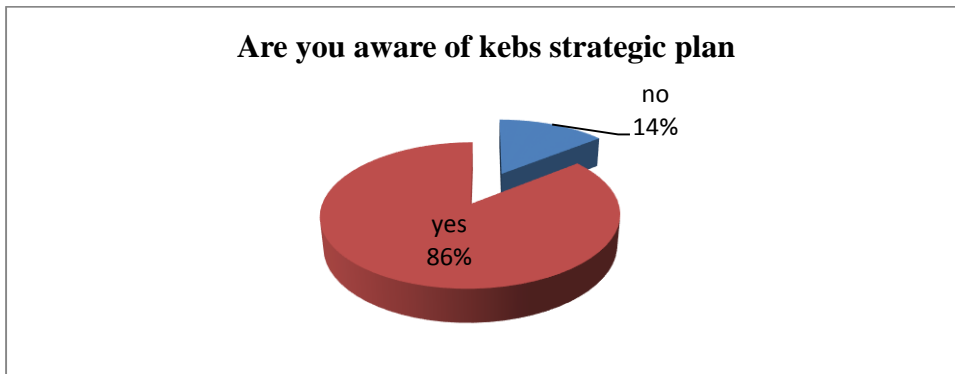
4.2 Response Rate

Out of the total 29 participants targeted twenty one (21) responded were interviewed by use of interview guide in the study. This was a fair representation of 72% response rate which is acceptable return rate. According to Mugenda and Mugenda (1999) over 50 percent reaction rate is satisfactory for analysis and finding, 60% is good and above 70% is excellent response rate. Based on the above affirmation the response rate is excellent

4.3 Information about the interviewee

The participants were asked to indicate their current job title in the organization. Some of the respondents indicated that they were head of departments, senior managers and middle level manager at supervisory level. This indicates that the participants were well informed and understood the application of balance score card in strategy implementation in their respective departments.

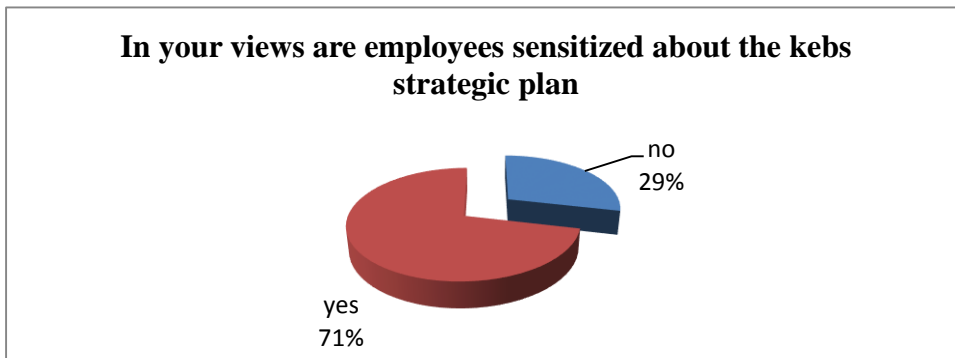
Figure 4.1 Are you aware of KEBS strategic plan



(Source: Field Data 2017)

The participants were asked to show whether they were aware of KEBS strategic plan. Figure 4.1. Presents that 86% of the participants agreed that they were aware of KEBS strategic plan.

Figure 4.2 Are employees sensitized about the KEBS strategic plan



(Source: Field Data 2017)

Further the participants were asked to indicate whether in their views employees have been sensitized about the KEBS strategic plan. Figure 4.2. Presents that 71% indicated that employees have been sensitized about the KEBS strategic plan.

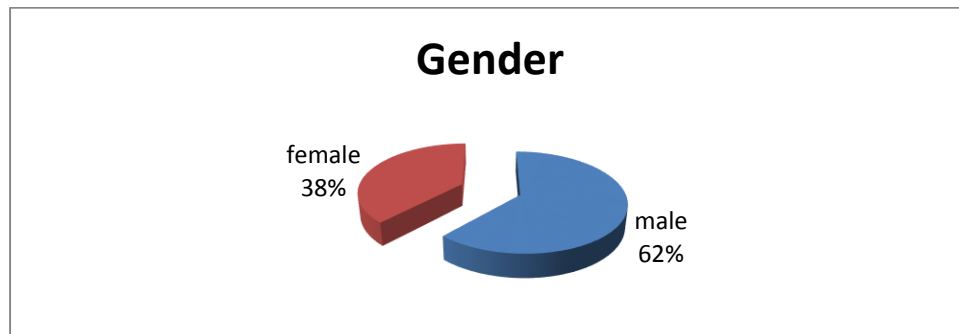
Table 4.1: How long have you worked in this organization

Experience in years	N	Range	Min	Max	Mean	Std. Deviation
How long have you worked in this organization	21	24	2	26	13.05	7.124

(Source: Field Data 2017)

The study sought to establish the period worked in the organization. The participants indicated the period worked in years. Table 4.1. presents that that participants had worked on a accumulative average of 13.05 years.

Figure 4.3 Gender



(Source: Field Data 2017)

The interviewees were asked to state their gender. The results are as presented in Figure 4.3. Gender diversity is a significant aspect of strategy implementation. From the findings 62% of the respondent were male whereas 38% were female. This implies that there are more male employees at the Kenya bureau of standards than their female counterparts. It was necessary to indicate the gender of the respondents so as to establish whether there was any significant relationship between gender respondents and strategy implementation.

Table 4.2: Duration which your organization implemented balance scorecard

Duration	N	Range	Min	Max	Mean	Std. Deviation
What duration has your organization implemented balance scorecard?	21	18	2	20	7.38	3.57

(Source: Field Data 2017)

The study sought to establish the period KEBS had been implementing balance scorecard. The participants indicated the period BSC implemented in years. Table 4.2 presents that KEBS has been practising balance score card for an average of 7.38 years.

4.4 Application of Balance Scorecard in Strategy Implementation

An interview session was conducted. Respondents were asked to show how did Kenya Bureau of Standard learnt of balance score card? Majority of the interviewees indicated they learnt of balance scored card through management, discussion to use balance scorecard as a strategic implementation tool, and through consultants. Further, some interviewees said that learnt of balance score card through strategic planning of human resource department and external provider, benchmarking with other organization and government initiative policies to adopt use of balance score card in strategy implementation.

The interviewees were asked to show what motivated them in the organization to implement balance scored card as a strategy implementation tool. Majority of the interviewees said it was an objectivity and result oriented tool that is able to be aligned to strategic plan. The motivation was initiated with the need to improve employee's individual performance, and the need to perform exceedingly better. They also further indicated that an appraisal tool was needed by the organization, government directive on performance contracting, evaluation of employee

performance, need for applicability and the need to meet goals of strategic plan. The respondents indicated that the previous strategic plan had been poorly implemented and that there was need adopt the use of balance scorecard as the tool for evaluating the effectiveness of strategic plan in order to improve organization performance.

The participants of the interview session were asked to show how balance scorecard is implemented at Kenya Bureau of Standards. They indicated that balance scorecard is implemented based on the government of Kenya new requirements. Target to be achieved are set, implementation plan is established supported by all staff. Further, sensitization training is conducted; reviewing is also done periodically to assess the implementation plan.

4.5 Strategy formulation and implementation

The participants of the interview session were asked to show how are strategies formulated and implemented in the organizations. Majority said that strategies were formulated at the top management, through guided meetings with experts in strategic management, carrying out PESTEL and SWOT analysis in order to develop strategies in line with parent ministry and government, through suggestions and adoption of best practices, setting a strategic plan of five (5) years split into annual goals. The participants also indicated that the organization had a department that dealt with strategy formulation and implementation. Further, participants indicated that strategic plans should be communicated to all employees so that they are aware of the organization's objectives, mission, and purpose. The participants of the study highlighted that balance score card facilitated strategy formulation by enabling KEBS to carefully look at the changing environment and to be prepared for the possible changes that may occur. Through a consultation with the other stakeholders, the participants indicated that a strategic plan also enabled the state organization to

evaluate its resources, allocate budgets, and determine the most effective plan for maximizing service delivery. They argue that an organization which has not developed strategic plan will not be able to provide direction or focus to its employees.

The participants were asked to show whether the strategies implemented in the organization can adequately address the changes in environment operating in both internal and external. The responses varied as others accepted while others denied. Those who accepted they indicated that it is able to address the issue of technology, promote innovation and make the organization competitive by capitalization on their core competences. Others indicated that there are still challenges beyond the organization control.

Further, research participants were asked to indicate who should be involved in strategy implementation. Research participants indicated employees, strategy department, human resources and organization management plays an important role in the effective implementation of strategic plans through application of balance score card. It is important for both organization departments and employees to be enthusiastic about the strategy implementation. Getting people involved and having a motivating reward system will have a positive influence on the implementation of strategy.

Further, through in depth interview with research participants, it was established that KEBS has decided to implement balance score card by aligning all its strategic objectives to balance score card framework and employee objectives. The participants indicated that the objectives and targets should be clear at organization

and sections level and properly cascaded to individual level. Performance appraisal was conducted using the old templates used before the implementation of balance score card. No new template was created that show the different levels of perspectives introduced with the implementation of balance score card. It created conflict between employees and their immediate supervisors as the targets are not agreed upon and employees were not made to adopt the new strategies. At KEBS, research participants indicated that balance score card has been adopted to align, translate and clarify strategic objective, mission, vision, clearly communicate and link objectives strategies and performance measures; plan, set targets, align strategic initiatives, learning and to enhance strategic feedback in the organization. By use BSC employees are able to evaluate where they fit in the overall vision of the organization and their contribution towards realizing the organization strategic objectives, goals and aspirations.

Further, participants outlined the benefits of balance score during strategy implementation. They indicated that Balanced Scorecard is used is a necessity during strategy implementation. Data update, analysis and reporting are performed regularly within the management and reporting processes. From time to time it is also necessary to refine the Balanced Scorecard. The Balanced Scorecard is a standard tool used by the KEBS management when aligning organization goals with those of the employee.

Organizations of all types have found it necessary to embrace balance scorecard in order to achieve their corporate objectives. The research participants highlighted that since environments in which they operate had become too dynamic, complex and hostile, there was need adopt balance score card in managing and implementing the strategies. The Kenya Bureau of Standards was working in a dynamic and turbulent

external environment, there was need to adopt use of balance scored card during strategy implementation. They are therefore environment serving and changes in the environment affect them in very fundamental ways. Strategy implementation, being an externally oriented management philosophy, helps them navigate through the ever-changing environment in order to be efficient and effective in the short and long run.

The application of balanced scorecard during strategy implementation helped KEBS explain its vision, mission, goals, and evaluation of the company's important areas such as customer financial, learning and growth, and internal business process. In change management, the balanced scorecard provides management a progressive approach to formulate and implementing organizational strategies to make interested stakeholders understand what the organization wants to achieve and how the outcome will be measured. By setting targets at the top management level, involving management in the evaluation, communicating the scorecard through champions and individual performance management and using the evaluation feedback. The balanced scorecard gives weight on the importance of analyzing and evaluating level of organizational performance from strategic implementation perspective. According to research participants, when implementing the Balanced Scorecard or any type of strategic plan, the scope of an organization's internal communication strategy can make or break the efforts by building awareness of the Balanced Scorecard, or strategic plan, at all levels of the organization and generating the engagement and commitment of key stakeholders in during strategy implementation.

4.6 Balance Scored as a Staff Evaluation Performance Tool and Employee Satisfaction

Further, appraisal is a procedure to evaluate how individual personnel are performing and how they can improve their performance and contribute to overall organizational performance. Performance appraisal is the systematic evaluation of employees according to their job and potential development. There are a variety of methods for evaluating of employees' performance. Obviously, no method can claim that it has an integrated approach in performance appraisal; however, one of the most important methods for the appraisal of employees' performance is the Balanced Scorecard (BSC). This has been a common method of empowering staff employees at Kenya Bureau of Standards. Balanced Scorecard, in addition to its main objective, providing enterprise view of organization's overall performance by integrating financial measures with other key performance indicators, can also contribute in providing a platform to implement an efficient performance appraisal practice in which employees will be evaluated based on clearly set goals that are linked to the mission and vision of the organization.

Regarding employee objective alignments, the participants interviewed indicated there has been the alignment of organization and individual goals. This has caused a clear link between individual goals and responsibilities and the organization strategy. Further, a culture high performing teams has been created informed by rewards at the end of the year for exceeding the set targets. This has provided platform for identifying and determining how to reward high performers. Balance scorecard is reviewed on a quarterly basis by line managers to determine whether the corporate, department and individuals are achieving their set targets. This provide basis for

corrective action to be taken where there are variance between the realized target and set targets. The balanced scorecard enable strategic objectives to be broken down into measurable activities for employees to implement. This enables employees and management to focus on the vital tasks that are important to their performance towards the execution of the organization's vision.

Regarding the relationship between employee satisfaction and balanced scorecard implementation, the study revealed that majority of the employees were satisfied on how balance sore card was being used as tool to implement a strategy. They indicated that they were committed to seeing that the organizational strategy is effectively implemented. The Organization management consulted all the employees before making decisions as they regarded balance score card as strategy is top management's problem. They were keen and committed to seeing that the strategy is effectively implemented.

4.7 Challenges of adopting Balance Scorecard in Strategy Implementation

During the interview session, research participants were asked to indicate challenges faced when adopting balance scorecard as a tool for strategy implementation at KEBS. Several challenges were faced when the balanced scorecard was introduced. To start with, there was resistance to change, since there had not been an individual performance management tool in the organization before. Some employees viewed the technique with suspicion. This is especially because an individual's performance is used as a basis for remuneration (year-end bonus) and consideration for promotion. The participants also highlighted training on balance score card application during strategy implementation as a major challenge. This has been attributed to insufficient

training. This is because it's the individual staff and the senior managers that are responsible for the direct report's scorecard application. The respondent indicated that at some levels there was lack of clear understanding of BSC, lack of unfairness in appraisal, lack of objectivity and adequate resource allocation. Another issue has been how the organization can attain standardization without replicating the balanced scorecards across the business. This not only affects the quality of the scorecard but also compromises vision attainment because this means that there is duplication of effort. There was also resistance to change by staff and lack sufficient investment by the organization on the balanced score card.

4.8 Top Management Support during Balance Scorecard Implementation

Further, participants were asked to indicate whether the top management provides the required support and resources for successful balance scorecard implementation. Majority of the respondents indicated that resource mobilization was an issue affecting strategy implementation. Limited organizational resources are a major challenge that affects implementation of strategy implementation. These organizational resources ensure that working environment is conducive for the employees work comfortably work and exploit their skills in strategy implementation. The interviewees observed that provision of resources motivates employees to work efficiently to hit their set targets, this is because it enhances their flexibility and speed in execution of their roles, and this saves the organization huge costs of supervision and communication. Resources do not necessarily mean the tangible assets that we see in the organization. However, it is worth to note that human assets are also resources that organization depends on when implementing strategy. It is worth for the organization to invest in employees training and development programs to boost

their skills and expertise in strategy implementation. This will assist them to have an understanding of how to implement strategies and cope up with challenges. According to the interviewee, this will allow the employees to exploit their skills in making important contribution to ensure that implementation of strategy is a success.

4.9 Financial Perspective

The respondents were asked how balance score card has helped in financial management in the organization. Majority of the participants indicated that balanced scorecard help in meeting departmental financial targets, budget monitoring and cost control mechanism. It also complements financial measures of past performance with measures of the drivers of future performance. They indicated that balance score card provides executives with comprehensive framework that translates a company's vision and strategy into a coherent set of performance measures. Many companies have vision statements to communicate the fundamental values and beliefs to all employees. To better gauge an organization performance, one must balance all areas of the business. By focusing not only on financial outcomes but also on the operational, marketing and developmental inputs to these, the balanced scorecard helps provide a more comprehensive view of a business, which in turn helps organizations act in their best long-term interests. To embark on the balanced scorecard path an organization first must know and understand the company's mission statement and strategic plan or vision to implement.

Further, the respondents were requested to indicate how has the adoption of balance score card assisted in reduction on the cost of business operations in your organization. Majority of the respondents indicated that there was less duplication of

activities. The balance scorecard is designed to decipher an organization's mission and strategy into a set of performance that provides the framework for implementing, its strategy. The spotlight of strategic cost management and reduction on the other hand enhances organization's strategic activities, tracks cost to value chain activities, and ensures customer satisfaction, innovation as well as product quality According to the interviewees organizational prosperity can rely significantly on the cost management strategy including both financial and non-financial as a planning and performance evaluation measure.

4.10 Customer Perspective

The research participants were asked to indicate whether the adoption of balance scorecard has been able to improve the customer's satisfaction and retention level. Majority agreed that the adoption of balance scorecard had improved customer satisfaction, reduced lead time in service delivery. There were also reduced customer complaints. Customer satisfaction and being able to identify the needs of customers is key for long-term success of a company and financial goals in the financial perspective of BSC. If customers are not contented, there will be no loyalty and will as well not come back. Because customer satisfaction is very important, customer satisfaction ratings index help the organization to determine the extent to which they are able to meet the needs of their customers.

The benefits derived in using the balanced score include improved business operations, reduced turned cycle time, increased customer satisfaction, business continuity, risk management of customer needs and objectivity in evaluation of both

organizational and employees performance depending on the level of strategy implementation in the organization.

In terms of Customer perspective in the balance score card, the study found out the KEBS identify customer needs as very key. This perspective enables the organization the key activities to address the customer needs and try to meet their satisfaction and improve their service delivery through developing of service charter. The organization of the decisive customer satisfaction indicators lets management form a more coherent strategy concerning the goals of the customer perspective.

The organization measures of customer satisfaction are: loyalty, satisfaction, retention, profitability and acquisition. Through adoption of balance scorecard the organization has been able to develop charter which has increased effectiveness in serve delivery to its customers. In this study customer retention is how long a business is able to keep a customer for the purpose serving the customer with repeated businesses. The interviewee felt that if balanced score card strategy is well implemented business is able to increase the number of customers retention.

4.11 Internal Business Process

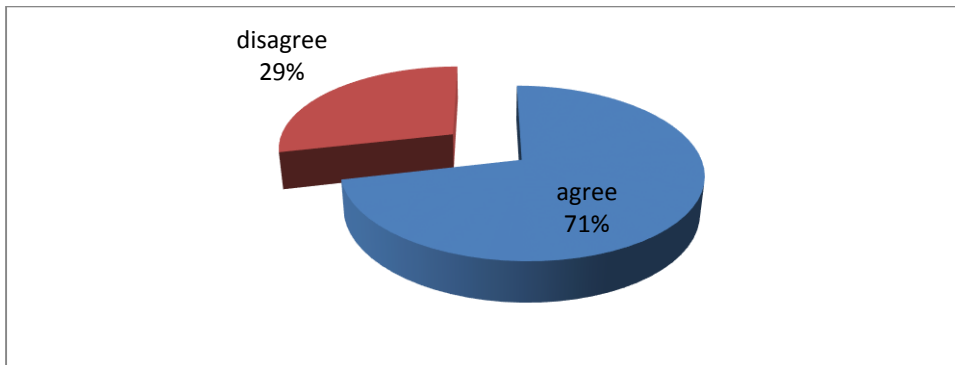
Regarding how the use of balance scorecard addressed the issue of cycle time in your business operations, the respondent indicated that BSC has reduced turnaround time through setting of individual targets and timelines has outlined in the service charter, majority of the participants also indicated time management and meeting targets were some of the indicators. Further balance score card address the growth and

development aspects of employees through identify skill gaps and promotes innovation.

The study established that the organization is able to align its strategic objective within the four perspective of balance score card of financial, customer, internal processes and learning and growth and innovations. According to the participants employees training is the key success factors in strategy implementation through application of balance scorecard implementation because they will be able to understand its concept and what is expected of them. The employees regardless of status in the organization should be sensitized about the vision of the organization. Every employee in organization even the new ones are expected to recite and understand the organization vision. The important factor is to create balanced score champions who keep the momentum going through continuous training, customer focus and innovation. The organization has established training for trainers who retrain the existing staff and the new ones joining the organization. The other success factor is to always be customer oriented.

The scorecard presents managers with four different perspectives from which to choose measures. It complements traditional financial indicators with measures of performance for customers, internal processes, and innovation and improvement activities. However, the study further found that the balanced scorecard is not a template that can be applied to businesses in general or even industry-wide. Different market situations, product strategies, and competitive environments require different scorecards.

Figure 4.4 Does Balance scorecard provide comprehensive information to management



(Source: Field Data 2017)

Further, the participants were asked to indicate whether balance scorecard provide comprehensive information to management about the overall organizations performance in achieving its strategic objectives in line with their vision and mission and its strategic plan. Results are presented in figure 4.4. Majority 71% of the participants agreed that balance scorecard provided comprehensive information to management about the overall organizations performance in achieving its strategic objectives in line with their vision and mission and its strategic plan.

4.12 Staff Development and Innovations

The respondents were asked how balance scorecard has addressed the level of staff growth, development and innovation. They responded that the high performing employees with skill and knowledge to perform their duties are highly rewarded through promotion, payment of increment and bonus. The employees are required to indicate the level of individual development in the scorecard and this motivates staff to improve on their skills and also promotes innovations. The organization is also able to identify the skill gaps in various departments hence promoting development of employees through sponsoring them for short courses to bridge the skill gaps. The

organization is also embraced the technology in order to remain competitive in the market and be able to meet their mission, vision and their strategic objectives.

4.13 Discussion of Results

The study focused on application of balance scorecard at Kenya Bureau of standards. The study found out that strategies are formulated at corporate level by top management and implemented at department level through aligning the organization strategic objective and vision with department objectives. Lack of integration of organization strategy with BSC according to Kaplan and Norton (1996), hinders it from translating strategy and vision into correct terms . The study also found that the organization is able to translate strategies into action by setting departmental and individual targets arising from the organizational objectives. The study concurs with Pearson (2007), that strategy implementation is an action phase managing strategy and involves translating strategic thoughts into action.

The study found that the balance scorecard (BSC) was able to provide the enterprise view of the overall performance by integrating financial measures with other key non-financial measures of customer perspective, business internal process and learning and growth. According to Kaplan (2010) balance scorecard emphasizes on organization continues improvement not only in achieving its set objectives but also to remain competitive.

From the study it was found out that respondent had varied opinion on who should be involved in strategy implementation. For strategy implementation to be a success it is important to involve all employees and other stakeholders from initial stages of strategy formulation to avoid resistance and provide all the required resources and

training for its successful implementation. According to (Hoang, 2016) management should involve all employees in strategy implementation. There also exist natural resistance to change by employees at all level and change is investable for successful BSC implementation (Thompson and Strickland, 2003). This will help in overcoming the challenge of resistance to change when using balance scorecard in strategy implementation

The study further established that use of balance score developed by Kaplan and Norton (1992) it is able to improve customer satisfaction level and retention level. Regarding the internal business process the organization is able to reduce cycle time in service delivery to its customers and the organization is able to achieve its vision, mission and its objective by addressing its stakeholder's needs and expectation.

The study also found that the balance scorecard tool lack objectivity in addressing employees performance and lacks uniformity in setting departmental objectives. The management should therefore address the issue of training the staff on application of balance scorecard in strategy implementation.

From the findings it was established BSC provides management with perspectives from which to evaluate, monitor their performance in ensuring full implementation of the objectives through feedback and assessment (Pandey, 2005). BSC complements earlier traditional financial measures with non-financial performance measures for internal business processes, customers and growth, development and innovation. However, the study further revealed that the balanced scorecard framework is not a template that can be applied to industry-wide and even businesses in general.

Different market sectors and industries, product strategies, and competitive environments require different scorecards.

From the findings through adoption of balance scorecard the organization is able to achieve its competitive advantage by reducing their turn around cycle in their business operations, increased employee satisfaction level. Most business tends to match their expertise, resources and skills into distinctive and core competences which improves their competitiveness. The study established that there were several challenges faced by the organization while trying to implement balance scorecard in strategy implementation which include resistance to change, lack of uniformity during implementation which resulted in replicating balance scorecard which resulted in departments and individual not being able to align their objectives with corporate strategic objective. The balance scorecard was not also well cascaded from the top management with some members not aware or familiar with the framework. The process of implementing a balance scorecard will be hinged on the reality of ensuring the process goes to individual people (Dimitropoulos, Kosmas & Douvis, 2017).

There was also the issue of culture which hinders the strategy implementation. This concurs with Johnson and Scholes (2002) who observed that culture is a strength that can interfere with strategy implementation when valued shared beliefs and value interfere with strategy, needs of the business, and its people working on the company's behalf.

The study further reviewed that there was also lack of top management support by not allocating adequate resources and training staff to fully understand the BSC strategy.

Organization that desires to have a perfect BSC should consider allocating resources in advance (Hansen & Schaltegger, 2016). There also lacked clear channels of communication about the reasons why organization is using balance score card in strategy implementation to evaluate their performance. According to (Atkinson, 2006; Burney & Widener, 2007), BSC strategy in communication makes managers to be able to understand how their actions impact their results.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter addressed the summary of the findings, the conclusions and the recommendations. This was done in line with the objectives of the study.

5.2 Summary of the Study

The study was guided by Open system theory and Resource Based View theory. The research was mainly qualitative in nature. Data collected was done by conducting an interview session with Kenya Bureau of Standard employee. From the findings quite a number of the employees stated that they have worked for the organization for more than thirteen years hence having the knowledge of the business operations of Kenya Bureau of Standards. 75% of the respondent of the employees indicated that they have been sensitized about strategic plan.

An interview session was conducted. Respondents were asked to show how did Kenya Bureau of Standard learnt of balance score card? Majority of the interviewees indicated they learnt of balance scored card through management, discussion to use balance scorecard as a strategic implementation tool, and through consultants.

The interviewees were asked to show what motivated the organization to adopt balance scored card as a strategy implementation evaluation tool. Majority of the respondent said that the motivation was initiated with the need to have an objectivity evaluation to toll to improve organization performance, employee's individual performance. They also further indicated that an appraisal tool was needed by the

organization, government directive on performance contracting, evaluation of employee performance, need for applicability and the need to meet goals of strategic plan.

They indicated that balance scorecard is implemented based on the government of Kenya new requirements. Target to be achieved are set, implementation plan is established supported by all staff. Further, sensitization training is conducted; reviewing is also done periodically to assess the implementation plan. The participants of the interview session were asked to show how are strategies formulated and implemented in the organizations. Majority said that strategies were formulated at the top management, through guided meetings with experts in strategic management, carrying out PESTEL and SWOT analysis in order to develop strategies in line with parent ministry and government, through suggestions and adoption of best practices, setting a strategic plan of 5 years split into annual goals.. The participants also indicated that the organization had a department that dealt with strategy formulation and implementation.

The participants were asked to show whether the strategies implemented in the organization can address the changes in both external and internal environment they are operating in. The responses varied as others accepted while others denied. They indicated that there are still challenges beyond the organization control. They also indicated that there is of association between balance scorecard and desired outcome. The results of the study indicated that employees, human resources and organization management play an important role in the effective implementation of strategic plans

through application of balance score card. It is important for both organization departments and employees to be enthusiastic about the strategy implementation.

Further, through in depth interview with research participants, the KEBS has decided to implement balance score card by aligning all its strategic objectives to balance score card framework and employee objectives. The participants indicated that the objectives and targets should be clear at organization and sections level and properly cascaded to individual level.

The application of balanced scorecard during strategy implementation helped KEBS to define its vision, mission, goals, objectives and performance evaluation of the company important areas such as customer financial, learning and growth, and internal business process. In change management, the balanced scorecard provides management a progressive approach to formulate and implementing organizational strategies to make interested stakeholders understand what the organization want to achieve and how the outcome will be measured. By setting targets at the top management level, involving management in the evaluation, communicating the scorecard through champions and individual performance management and using the evaluation feedback. The balanced scorecard gives weight on the importance of analyzing and evaluating level of organizational performance from strategic implementation perspective. Regarding employee objective alignments, the participants interviewed indicated there has been the alignment of organization and individual goals. This has caused a clear link between individual goals and responsibilities and the organization strategy.

Several challenges were encountered when the balanced scorecard was introduced. At first there was resistance to change, since there was no performance evaluation tool before at the organization at both organizational and individual level. Some employees viewed the technique with suspicion. The participants also highlighted training on balance score card application during strategy implementation as a major challenge. This has been attributed to insufficient training. This is because it's the individual staff and the senior managers that are responsible for the direct report's scorecard application. Another issue has been how the organization can attain standardization without replicating the balanced scorecards across the business. This not only affects the quality of the scorecard but also compromises vision attainment because this means that there is duplication of effort.

5.3 Conclusion of the Study

In order to achieve successful strategy implementation, the study concludes that Kenya Bureau of Standards has to address challenges such as inadequate training hence lack of clear understanding of BSC in some levels, lack of objectivity when addressing employee performance and rewards, lack uniformity in appraisal, lack of clear evaluation performance policies, resistance to change and lack of adequate management support in the implementation of strategic plan. They should also formulate policies to mitigate the challenges.

From the findings, it can be concluded that the balance score card has a positive influence on the strategy implementation at Kenya Bureau of Standards.

Further, it is concluded that balance scorecard enables the organization to align and clarify their strategic objectives with mission and vision and transforming them into action. It also gives feedback to the firm performance on their internal business

processes through evaluation in order to improve on and address concerns in strategic implementation processes. The results also suggest that BSC should be aligned to the organization strategic goals with those of the employees in order to realize successful strategy implementation.

5.4 Recommendations for Study

The following recommendations were made;

During the study the researcher recorded some observations in key areas and therefore recommends that employees should be involved in the application and adoption of balanced scorecard in implementing the organization strategy from the initial stages of BSC development.

There is also need to develop a continuous training on strategy implementation through application of balance score card so that the aforementioned challenges are minimized.

5.5 Limitations of the Study

The researcher had no absolute control over the accuracy of the primary data provided by the respondents in regard to how Kenya Bureau of Standards is applying the balanced scorecard during strategy implementation and the challenges it faces. However, the researcher requested the respondents to verify any unclear issues.

Kenya Bureau of Standards information is confidential and proprietary. Therefore, it was difficult to get the information. However, the organization provided the data on condition of strict confidentiality and that the data should be used only to fulfill academic requirements.

5.6 Areas Suggestion for Further Study

The study recommends further research on the role of application of balance score card in strategy implementation at the institutions of high learning in Kenya. This is because institutions of high learning are actively involved in human development training.

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APPENDICES

APPENDIX I: INTRODUCTION LETTER



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P.O. Box 10117
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DATE 03/10/2017

TO WHOM IT MAY CONCERN

The bearer of this letter is GOSWAMI, MANOJ K

Registration No. A 011 19293 2015

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

he/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.



PATRICK ABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

APPENDIX II: INTERVIEW GUIDE

APPLICATION OF BALANCE SCORE CARD IN STRATEGY XIMPLEMENTATION AT KENYA BUREAU OF STANDARDS (OPEN ENDED QUESTIONS)

This interview guide is for collecting data for purely academic purposes only. All information provided will be treated with strict confidentiality. Do not put your name or any other identification on this guide. *Answer all questions as indicated by either filling in the blank or ticking the option that applies.*

SECTON ONE

This section provides information about the interviewee

1. What is your current job title in this organization?
.....
2. Are you aware of kebs strategic plan? YES NO
3. In your views are employees sensitized about the kebs strategic plan? YES NO
4. How long have you worked in this organization?
5. What is your gender male female

SECTION TWO

This section provides some details about (when,how,why) you preferred use balance scorecard in strategy implementation

1. How did your organization learn about balance scorecard?
.....
2. What duration has your organization implemented balance scorecard?
.....
3. What motivated your organization to implement balance scored card as a strategy implementation tool?
.....

4. How is balance scorecard implemented in your organization?. Are there schedules and deadlines to be met?
.....

SECTION THREE

This section represents your views about application of balance scored in strategy implementation

1. How are strategies formulated and implemented in your organizations?
.....
.....
2. Are strategies implemented in your organization been able to address the changes in both internal and external environment in which its operating? discuss
.....
.....
3. How is the balance scorecard strategy communicated and implemented in your organization?
4. How was implementation of balance scorecard able to transform strategy into actions?
.....
.....
5. Does the top management provide the required support and resources for successful balance scorecard implementation? Explain
.....
.....
6. What competitive advantage has the organization achieved since the introduction of balance scorecard in strategy implementation in your organization?.....

7. Were employees involved in the initial development of balance scorecard and strategy formulation and implementation? discuss
.....
.....

8. How has the use of balance score card help in financial management in your organization?
.....
.....

9. How has the adoption of balance score card assisted in reduction on the cost of business operations in your organization?
.....

10. How has the use of balance scorecard addressed the issue of cycle time in your business operations?
.....

11. To what extent does balance scorecard align organization objectives to strategic plan?discuss
.....

12. How are the employees able to align their individual objective/target with those corporate?.....

13. Has the adoption of balance scorecard as a staff evaluation performance tool been able to address the issue of rewards and motivation of employees satisfactorily in your organization? discuss
.....
.....

14. Do the employees support the balance score card strategy?
.....
.....

15. How does the organization culture affects the application of balance scorecard in strategy implementation
.....
.....

16. Is the organization able to align its strategic objective within the four perspective of BSC i.e financial, customer, internal processes and learning and growth and innovations? Discuss.....
.....
17. Since the adoption of balance scorecard has the organization been able to deliver in their mandate and improve service delivery to its customers
.....
18. Has the adoption of balance scorecard been able to improve the customer's satisfaction and retention level? Discuss.....
19. What extent has balance scorecard been able to address the level of staff growth, development and innovation?
.....
.....
20. How has the use of balance scorecard increased employee's satisfaction and motivation level?
.....
21. How has balance scorecard helped your organization to drive its internal business processes?.....
.....
22. Has the adoption of balance scorecard been able to measure the organization performance in terms strategy implementation?
.....
23. How is the use of balance scorecard assisting the employees/departments in meeting their targets?
.....
24. To what extend has balance score card helped in understanding of the organization goals and objectives and strategies at all level of the organization?
.....

25. Who usually monitors and controls the process of balance scorecard implementation?

26. What are the challenges of adopting balance scorecard in strategy implementation in your organization?

27. How do you rate the level of application of balance scorecard in strategy implementation in your organization?

28. Has the organization been able to meet the stakeholder's expectation through application of balance scorecard?
 Discuss.....
29. What are the benefits of implementing balance scorecard in your organization?

30. Does balance scorecard provide comprehensive information to management about the overall organizations performance in achieving its strategic objectives in line with their vision and mission and its strategic plan?

Agree

Disagree

Discuss.....

END

THANK YOU FOR YOUR PARTICIPATION