

**BALANCED SCORECARD AS A TOOL FOR STRATEGY  
IMPLEMENTATION AT THE KENYA PRIVATE SECTOR  
ALLIANCE**

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## DECLARATION

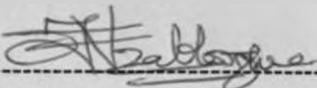
This research project is my original work and has not been presented for a degree in any other university.

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## **DEDICATION**

I dedicate this work to my parents and elder sisters who always encouraged me towards aspiring for a life guided by knowledge.

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I thank the almighty God for the strength and good health and guidance throughout. I also thank my supervisor for always being there for consultation, his constructive criticism and patience throughout the research. I thank the librarians at the UON main campus library who always gave correct directions on the locations of the appropriate materials to refer to during the research.

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## ABSTRACT

Strategic management has become a key function in all organizations, they operate in unpredictable environments hence making them to develop strategies that are to help them curb the economic and environmental changes in order to gain competitive advantage in the market. Good strategies that have been well implemented have always been known to boost overall profitability of organizations. The study covered the use of the balanced scorecard at KEPSA as a tool for strategy implementation. Interviews were conducted on the lead officers in the various functional units. Information was also obtained from the organizational work plans and the strategic plan for the current and previous periods. In depth data analysis was done on the data collected and results drawn. The organization extensively incorporates the perspectives of the BSC in its strategy implementation process and also in development of its work plans. The financial perspective assists in recasting the financial position of the organization. Through this, the organization is able to know whether it will be able to implement the strategies developed. The internal business process defines the relationship of activities between the departments the organization has well defined policies and procedures defining activities of each functional unit. The customer perspective defines the relationship of the organization and its customers and what the organization should do to gain competitive advantage in the market. KEPSA has employed a fulltime research analyst who monitors the market changes and advises on any changes in the market appropriately. The learning and growth perspective helps identify the knowledge gap and ways of filling the gap this helps foster creativity and innovativeness. KEPSA as an organization has adopted the BSC in carrying out its activities. The perspectives of the study have assisted in developing work plans for the organization and also assisted in tracking the strategy implementation process. The organization is able to link the various issues it is dealing with and track thematic issues to ensure that they are fully resolved. There is room for researchers to research further on the benefits and challenges of using the BSC in the organization. Other scholars can also research on corporate governance and strategic management in KEPSA.

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## ACRONYMS AND ABBREVIATIONS

<b>BSC</b>	:	Balanced Score Card
<b>EAC</b>	:	East African Community
<b>ICT</b>	:	Information & Communication Technology
<b>KEPSA:</b>		Kenya Private Sector Alliance
<b>NGO</b>	:	Non-governmental Organizations
<b>NSE</b>	:	Nairobi Stock Exchange



# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

All organizations operate under a turbulent environment where by there are so many unpredictable changes therefore organizations are supposed to adopt strategic management to enable them survive in the market. Organizations that use strategic management have reported high performance as reported by Gluck et al (1982). The most fundamental in strategy are why do firms succeed or fail, and why do firms have varying levels of performance? These questions have influenced what strategic management researchers have studied over the years organizations of all types and sizes continually face changing situations. These changes may be minor or significant, but there is still need to cope with them. Being able to cope effectively with these uncertainties in the external and internal environments and achieve expected levels of performance is a real challenge as it has been pointed out by (Gluck, et al,1982).

Gluck et al (1992) defines Strategic management as an ongoing process that evaluates and controls the business and the industries in which the company is involved, assesses its competitors and sets goals and strategies to meet all existing and potential competitors and then reassesses each strategy to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment, or a new social, financial, or political environment. Strategic management involves analyzing the situation and proceeding from there to develop and implement appropriate strategies (Gluck, etal 1982)

The deliberate structure of the strategic management process forces organizational employees to examine relevant variables in deciding what to do and how to do it. Some recent studies of the strategy decision process suggest that the way strategy is developing can make a difference in performance, one study of strategic decision makers found out that those who collected information and used analytical techniques made more effective strategic decisions than those who did not according to Glucket al (1982). The Balance score card is a tool that is used to ensure that the strategic plan has been implemented as outlined to ensure that the overall objectives of the organization are met. For effective strategy implementation organizations have adopted various tools for strategy implementation and the BSC is one of the tools.

KEPSA has various strategies designed and recorded in is strategic plan together with an implementation matrix and also detailed work plans on how to implement the strategies by each department. For effective implementation of the strategies it needs an efficient tool to facilitate implementation of the strategies in order to improve its overall productivity. They have adopted the BSC as a tool for implementing the strategies.

### **1.1.1 The Concept of Strategy Implementation**

Strategy implementation is a component of the strategic processes. Johnson and Whittington (2011) define strategy as the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations.

Strategy implementation involves putting the suggested strategies into action. Successful implementation requires operationalization that is developing operational plans and tactics through which strategy can be implemented and also institutionalization which involves matching strategy to the institutions of the organization. Every organization has a unique culture, strategy implementation involves whole organization (Thompson and Strickland, 2001).

Strategy Implementation includes institutionalization and operationalization of Strategy. Institutionalization of strategy involves engaging staff in the implementation formulation and implementation, the strategy is well defined and the strategy framer acts as its promoter and defender. It is the role of the strategist to present the strategy to the members of the organization in a way that appeals to them and brings their support. This will put people to feel that it is their own strategy rather than the strategy imposed on them. Bracht(1990) defines Institutionalization as the active process of establishing an initiative program, by developing relationships, practices, and procedures that become a lasting part of the organization. Operationalization of strategy occurs when the strategy is incorporated in the various operational programs in an organization. Operating plans are the action plans. If the action plans are made to reflect desired strategic results, they contribute to the achievement, of organizational objectives by focusing attention on those factors, which are important. The organization structure should be designed according to the needs of the strategy. The relationship between strategy and structure can be thought of in terms of utilizing structure for strategy implementation because structure is a means to an end to provide facilities for implementing strategy.

The implementation process identifies what tasks need to be completed and when. Strategy implementation is action based and uses a variety of tools to keep the project team on track. Work breakdown structures identify all the steps that need to be taken to get from one implementation phase to the next, it helps determine implementation schedule which also forms a basis for cost allocation and also lays basis for establishing the evaluation methodology. For effective strategy implementation to take place an effective implementation tool has to be involved. A successful strategy is as a result of careful translation of strategy into actions (Pearce and Robinson, 2005)

Lack of compatibility of the strategy to the organization culture can lead to high resistance to the new strategy and demotivation which in turn can frustrate the entire process (Aosa, 1992). Employees should be involved in all levels and given other things like incentives and rewards on good performance to motivate them to effectively participate in the process. Having a strong management team with correct skills in key positions is a major step to success in strategy implementation (Thompson and Strickland, 1989).

### **1.1.2 The Balanced Scorecard**

The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It originated by Kaplan and Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to

give managers and executives a more balanced view of organizational performance (Kaplan and, Norton 1993). Sheerer (2002) Defines BSC as a methodology used for measuring success from financial operations point of view.

The balanced scorecard is an approach for driving organizational improvement towards pre-selected goals which keeps track of progress through carefully selected measures. It is also an integrated management system consisting of strategic management systems, communication tool and measurement system. It results in a carefully selected set of measures derived from and linked to the organization's core strategies. The measures selected for the scorecard represent a tool for leaders to use in communicating to employees and external stakeholders the outcome and performance drivers by which the organization will achieve its mission and strategic objectives (Niven, 2002).

The scorecard is not a stand-alone process. It feeds into and is driven by strategy. Kaplan and Norton (2004) observed that organization's strategy changes to a degree each year and so should each element of the scorecard. The BSC is a measurement system that provides a comprehensive framework that translates a company's strategic objectives into a coherent set of performance measures that motivate breakthrough improvements. It is a general measurement system to incorporate non-financial measures with traditional financial ones, as well as a central management system to motivate breakthrough competitive performance in implementing a company's strategy, a process of developing interrelated measures that uniquely depicts a firm's strategy in attempting to create competitive advantage by translating business strategy into a linked set of measures that define both the long-term strategic objectives, as well as the mechanisms for achieving

and obtaining feedback on those objectives. It focuses on the attention on measures that are critical for the firm's success and also clarify simply and operationalize the mission and vision of the organization (Harvard Business Review, 1996). According to Norton and Kaplan (1996) the BSC allows managers to introduce the four management processes that link the overall strategic plan of an organization with short term and long-term objectives. It translates the vision and strategy against the overall objectives of the organization (Harvard Business Review, 1996).

### **1.1.3 The NGO sector in Kenya**

According to Dorothea, (2003) a non-governmental organization (NGO) is any non-profit, voluntary citizens' group which is organized on a local, national or international level. Task-oriented and driven by people with a common interest, NGOs perform a variety of service and humanitarian functions, bring citizen concerns to Governments, advocate and monitor policies and encourage political participation through provision of information. Some are organized around specific issues, such as human rights, environment or health. They provide analysis and expertise, serve as early warning mechanisms and help monitor and implement international agreements. Willets (2012) argue that the definition of NGOs can be interpreted differently by various organizations and depending on a situation's context. He defines an NGO as an independent voluntary association of people acting together on a continuous basis for some common purpose other than achieving government office making money or illegal activities (Willets, 2012)

NGOs in Kenya are registered by the National NGO Council of Kenya and regulated by the NGO Co-ordination, ACT 1990. NGOs in Kenya are grouped as religion based, Pan-African, National Local and International (NGO Directory, 2005). The NGOs in Kenya are also classified on the basis of different factors like orientation or level of cooperation. Those classified by orientation are grouped into charitable orientation, service orientation, participatory orientation, and empowering orientation. By level of cooperation are grouped into community, city wide organization, national and international NGOs. By level of co-operation are grouped into community based organization, city wide organization and national NGOs. The Non-governmental organizations forms a heterogeneous group and it has a long list of organization working in different areas with varied scope of work. The alternative terms used in addition to NGO include private voluntary organizations, civil society, independent sector, self-help organizations, grassroots organizations, volunteer sector, transnational social movement organizations, and non-state actors (Sushant, 2010).

NGOs in Kenya cover various areas of businesses and can be classified according to focus, humanitarian NGOs mainly concerned with the life and welfare of displaced persons and with the delivery of social services including food delivery, health and mental care, nutrition, and education and training. Human rights NGOs devote their resources to the promotion and protection of universal human rights (Wiseberg, 1991). Educational NGOs are civil society actors. They have a specific agenda for the improvement of society, and act on the desire to advance and improve the human condition (Gallin, 2000). Environmental NGOs are transnational actors in civil society, these environmental NGOs seek to directly impact and influence environmental issues on

the international, national, and local levels. Women's, children's, youth's NGOs that deal with women affairs children and youth affairs and peace and conflict resolution NGOs that work in areas relating to the reduction and elimination of destructive conflict or promote peace, reconciliation, and coexistence.

The strategic management gives NGO leaders the tools, perspectives, and frameworks needed to strengthen leadership of their organizations, engage constituent communities, and cultivate long-term partnerships. It shows how NGO leaders should develop and implement strategies to increase value to their community and constituents. NGOs exist for a variety of reasons usually to further the political or social goals of their members or funders this includes improving the state of the natural environment, encouraging the observance of human rights, improving the welfare of the disadvantaged, or representing a corporate agenda. However, there are a huge number of such organizations and their goals cover a broad range of political and philosophical positions.

#### **1.1.4 Kenya Private Sector Alliance**

KEPSA is a national Apex body of the private sector in Kenya. It was incorporated in Kenya in 2003 as a company limited by guarantee under the company's Act CAP 486 of the laws of Kenya. KEPSA's membership is in excess of 80 000 corporate organisations through their business associations in the following sectors: agriculture, energy, environment and forestry and wildlife, finance and planning, fisheries, gender, children and social development, governance and ethics, health, ICT, lands, livestock, micro enterprises, physical infrastructure, Security, tourism, heritage and culture, trade & industrialization and EAC, transport, water and irrigation, youth affairs & sports.



KEPSA provides a unified voice for the private sector to engage and influence policy formulation and implementation through the public private partnership model (KEPSA 2011)

KEPSA's core business is advocacy through strategic interventions that promote economic growth and development. It is a unified and pro-active partner with the government and other stakeholders, in building a prosperous private sector, to strengthen the role of private sector as the pillar and engine of economic growth, employment and wealth creation, to ensure the formulation and implementation of pro-growth policies that promote Kenya's competitiveness, encourage domestic and foreign investment, pursue regional, continental and international economic opportunities, promote values of good business ethics and practices and facilitate harmonized private sector approaches on cross-sectorial issues.

According to KEPSA's strategic plan (2011) objectives include strengthening the role of the private sector as the pillar and engine of economic growth employment and wealth creation. To oversee pro-growth policies that promote Kenya's competitiveness encourage domestic and foreign investment and pursue economic opportunities locally and globally and also promote good business ethics and practices, innovation, hard work good will and collective responsibility, promote action based best practise and promote, coordinate and monitor and evaluate private sector activities to facilitate a harmonised private sector approaches on cross-sectional issues. To achieve these KEPSA came up with a strategic plan and needed a tool for implementation of the strategies they came up

with hence settled on the balanced scorecard. Currently KEPSA has adopted the BSC fully and uses it in implementing its strategy.

## **1.2 The Research Problem**

Strategic management is concerned with determining the future direction of a company and creating plans to achieve companywide goals. It emphasizes identifying new opportunities and maximizing on them. Pearce Robinson (2005) defines a BSC as a measure that is directly linked to the company's strategy. The BSC enables an organization to link its long-term strategy to the set objectives and also enable organizations to clarify their strategies and translate them to actions and provide feedback on the processes and interpret results. BSC in strategy implementation translates the mission and vision of an organization across and up down the organization linking it to the overall objectives. KEPSA handles issues from all the sectors of economy hence needs a tool that will help coordinate the activities well in keeping track of thematic issues and implementation of suggested policies to ensure the private sector has a voice with the government.

Other scholars have studied the balance scorecard in various context, Kabiru (2011) conducted a case study on the BSC as a strategic management tool at Gateway ltd. Karinga (2011) conducted a research on challenges of the BSC as a strategy implementation tool at the Family Bank Kenya Ltd. Karimi (2011) also conducted a study on BSC as a strategy implementation tool by Unilever Tea Kenya Ltd, Amboga(2009) studied the adoption of BSC in Strategy Implementation at Kenya Wild

Life service. Njiru(2007) also studied the use of the BSC in strategy implementation Quoted companies in the NSE.

All these studies have covered the use of BSC in other sectors other than the NGO sector, the application of the BSC and challenges of strategy implementation cannot be assumed to be the same across all sectors, this study will cover the application of BSC as a tool for strategy implementation in an advocacy NGO. The uniqueness of the study will be the NGO sector and the study will focus on BSC in relation to strategy implementation at KEPSA. How has KEPSA applied the BSC as a tool for strategy implementation?

### **1.3 Research Objectives**

The study was to find out the extent which Kenya Private Sector Alliance has employed the Balanced Scorecard in implementation of its strategy.

### **1.4 Value of the Study**

This study has assisted the organisation to rethink on the best policies having implemented the strategy successfully that will lead to improved performance. will help the organisation and similar organisations to use the same policies to help them plan better for the future. The study has identified probable areas of further study including corporate governance in KEPSA, strategy implementation in KEPSA, The challenges and benefits of using the BSC as a tool of strategy implementation in KEPSA and any researcher or academician interested in this area can go ahead and research.



KEPSA is increasingly becoming the one stop shop for dissemination of information and communication mainly from the government to the private sector, while extending to other stakeholders. The organisation seeks to enhance its knowledge development and documentation to support its activities while contributing to the knowledge base of the private sector this research has contributed to the knowledge base. KEPSA management have been able to efficiently and effectively manage the tasks highlighted in the BSC within the set time. This will help enable the organisation to be more competitive. The information obtained will also assist in enhancing efficiency in future planning for the organisation.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Introduction

This chapter reviews the BSC and strategy implementation, it discusses the concept of strategy and strategy implementation process and analyzes the BSC as a tool for strategy implementation and other tools that have been used for strategy implementation and also analyses the perspectives of the BSC. Issues discussed in this chapter have been provided to highlight the reviewed literature and the knowledge gap that the study has covered.

### 2.2 The Concept of Strategy

Markides(1999) points out that strategy is concerned with a long range planning, a hierarchically structured system of objectives and goals and a selected way of creating a fit between external environment internal resources and capabilities. The fact is behind every successful company there is a superior strategy. Strategic management is a continuous process that appraises the business and industries in which the organization is involved, appraises its competitors, and fixes goals to meet the entire present and future competitor's and then reassesses each strategy. It involves the following processes; environmental scanning that is concerned with analyzing the internal and external factors influencing an organization, strategy formulation where the best course of action for accomplishing organizational objectives and achieving organizational purpose are determined, strategy Implementation that includes designing the organizational structure,

distributing resources, developing decision making process and managing human resource.

A strategy is necessary for every institution that wishes to achieve its goals, or for successfully completing a specific project. Strategies can be used to increase the probability of a project's success and to overcome resistance to change. A strategy defines the long-term lines of action that the institution will take to achieve its goals. It is built on two different elements the vision and mission. The vision is the desired future of the institution, integrating the needs of both staff and users whereas the mission justifies the existence of the institution in the eyes of the users. The mission explains the scope and goals of the institution's services to its users. Strategies must be designed in such a way that it systematizes the various steps to achieve the mission and reach the vision, taking into account the forces that promote and impede reaching the goal. These strategies should be fine-tuned by analyzing their technical, economic, and political viability.

The BSC is now accepted by many organizations as a tool that has reinvented the way that information is gathered, decisions are made and strategy is implemented. It has acted as a catalyst to assist staff at all levels in organizations to see their jobs and the outside world from a totally new and more dynamic perspective. The BSC concept provides an excellent foundation for organizations to design their management information systems as explained by(Dinesh and Palmer, 1998). The BSC has helped organizations understand, develop and apply strategy within their business units. This gives staff the freedom to develop their own objectives and measures in addition to centrally defined

objectives and measures. The BSC is the performance management and monitoring system, integrating typically a range of various systems, measures and monitoring approaches(Radnor and Lovell, 2003). Each organization's scorecard will be different. the key differences include industry, strategy and organizational structure (Dinesh and Palmer, 1998)

Strategic management allows organization to be more proactive than reactive in shaping its own future, it allows an organization to initiate and influence activities thus to exert control over its own destiny. Small business owners, chief executive officers, presidents and managers of many for-profit and non-profit organizations have recognized and realized the benefits of strategic management. Historically, the principle benefit of strategic management has been to help organizations formulate better strategies through the use of the more systematic, logical and rational approach to strategic choice(Dinesh and Palmer, 1998).

### **2.3 Strategy Implementation**

Implementing and executing strategy is primarily an operation driven activity driven revolving around management of people and business processes (Thompson et al 2007). Strategy implementation is the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives. It is the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance. Implementation of strategy is the process through which a chosen strategy is put into action. It involves the design and management of systems to achieve the best integration

of people, structure, processes and resources in achieving organizational objectives. Successful strategy implementation revolves around six key factors, action planning, organizational structure, human resources, the annual business plan, monitoring and control (Birnbaum, 2009). The financial needs are identified and involved in the action plans. Strategy evaluation is essential to determine whether the organization is on track or not.

Strategy implementation involves Institutionalization and operationalization of strategy. Institutionalization of strategy involves setting proper organizational climate. Organizational climate refers to the characteristics of internal environment that conditions the co-operation, the development of the individuals, the extent of commitment and dedication of people in the organization, and the efficiency with which the purpose is translated into results. Organizations whose strategy is implemented with conducive climate are more effective. People are the instruments in implementing a particular strategy and organizational climate should be people-oriented. According to Birnbaum (2009) managers way ahead should be able to know the impact of new strategy on their staff and determine relevant ways of curbing any resistance through training, allow time to grow on experience or employ new staff. Kiptotich (2008) points out that competitive advantage of a firm is based on its internal resources and competence.

Operationalization of strategy involves operating plans. Operating plans are the action plans, operational program and decisions that take place in various parts of the organization. If they are made to reflect desired strategic results, they contribute to the achievement, of organizational objectives by focusing attention on those factors, which



are important. This also looks into the organizational structure, Organization structure is the pattern in which the various parts of the organization are interrelated or interconnected. It prescribes relationships among various positions and activities. For implementing strategy, the organization structure should be designed according to the needs of the strategy. The relationship between strategy and structure can be thought of in terms of utilizing structure for strategy implementation because structure is a means to an end, that is, to provide facilities for implementing strategy. Therefore, both should be integrated. Action plans are drawn on how the strategy will be implemented and responsibility is allocated to an individual with timeline stipulated, the strategy is then broken down in various assignments in relation to the organization structure. Kiprotich (2008) indicates that changes in strategies bring about internal problems that may require changes in structure. Structures help identify organization's key activities and manner in which they will be coordinated to achieve a firm's strategic response.

Strategy implementation process can fail due to, poor strategy due to a number of reasons, managers may have selected an inappropriate strategy. Implementing such a strategy can become a futile exercise. Poor implementation, while the strategy selected may be sound, implementation procedures can be flawed, efforts to execute strategy are impaired. Failure to couple strategy development and implementation, strategy development and implementation should be thought through together; persons who will implement the strategic plan should be involved in its development. Successful strategy implementation can be through successful linkages horizontally and vertically. The vertical linkage establishes coordination and support in departments while horizontal cut across departments (Birnbaum, 2009)

## **2.4 Tools for Strategy Implementation**

Strategy implementation tools include the McKinsey 7S Framework and the BSC. The McKinsey 7S Framework states that all parts in an organization work together in harmony. The McKinsey 7S model involves seven interdependent factors which are categorized as either hard or soft elements. Hard elements are easier to define or identify and management can directly influence them. These are; strategy statements, organization charts and reporting lines, formal processes and IT systems. Soft elements on the other hand can be more difficult to describe and are less tangible and more influenced by culture. However, these soft elements are as important as the hard elements if the organization is going to be successful. The 7S include; Strategy, the plan devised to maintain and build competitive advantage over the competition. Structure, the way the organization is structured and who reports to whom. Systems, the daily activities and procedures that staff members engage in to get the job done. Shared values, these are the core values of the company that are evidenced in the corporate culture and the general work ethic. Style, the style of leadership adopted. Staff, the employees and their general capabilities. Skills, the actual skills and competencies of the employees working for the company.

## **2.5 The Balanced Scorecard**

The BSC is a management system that enables organizations to clarify their vision and strategy and translate them into action. When fully deployed, the BSC transforms strategic planning from an academic exercise into a nerve center of an enterprise. A prerequisite for implementing a BSC is a clear understanding of the organization's vision

and strategy. The basis for the vision and the strategy should be the holistic view and the information the management receives during systematic strategy work (Virtanen, 2009)

The BSC is a strategic management tool a semi standard structured report, supported by proven design methods and automation tools that can be used by managers to keep track of the execution of activities by the staff within their control and to monitor the consequences arising from these actions. The BSC is ultimately about choosing measures and targets. The various design methods proposed are intended to help in the identification of these measures and targets, usually by a process of abstraction that narrows the search space for a measure <http://web.mit.edu/cpsproject/strategy>.

When it was first launched at the beginning of the 1990s, the BSC was promoted as a concept that addresses the performance measurement and management needs of the private organizations by Kaplan and Norton, (1992). Few years later, in 1996, the migration of the BSC concept to the nonprofit organizations was still in the incipient stages Kaplan and Norton, (2001). In the last decade, the increased competition encountered from other agencies and organizations, all competing for scarce donor and governmental funding has elevated the need of the nonprofit organizations for measuring and managing organizational performance as said by Kaplan,(2001)

Many nonprofit organizations had difficulties with the original architecture of the BSC which places the financial perspectives at the top, followed by the customer, internal process and innovation and learning dimensions as shown by Kaplan and Norton, (2001). This is due to the fact that achieving financial success is not the primary objective for these organizations. Instead, nonprofit organizations should be primarily concerned with

how efficiently and effectively they meet the needs of their constituencies (Kaplan and Norton, 2001).

The United Way of Southeastern Company in new England was among the first NGOs to adopt the BSC. During the BSC design stages, though, debates were sparked, round the subject whether additional perspective should be added to reflect the importance of the volunteers or the agencies contribution, the final BSC kept the traditional perspectives.

The success of the BSC implementation as outlined by Kaplan, (2001) came from the positive reactions of the majority of employees who considered that it gave more clarity and outlined everyone's contribution to the organization's final mission.

The nonprofit organization, based in Massachusetts, is among the US largest providers of behavioral health care, education and rehabilitation programs for children and adults. Its balanced Scorecard, built around the four traditional perspectives; financial, customer, internal processes and learning and growth offers a unique framework. The organization placed at the top of its BSC the customer perspectives for which five critical categories were identified. Patient and families, funders, academic community, media and legislators. Beneath the customer perspective was the learning and growth perspective Kaplan and Norton (2001). This was due to the fact that the organization's leaders felt that the staff had the greatest impact on helping the nonprofit to achieve its customer objectives. The internal processes and the financial perspective promoting the viability of the organization came next. Overall, as acknowledged by Kaplan and Norton (2001) the BSC helped personnel to understand the importance of the business aspects especially in terms of budgets and marketing initiatives.

Some of the benefits of implementing the BSC by nonprofit organizations as identified by Kaplan(2001) include enabling the nonprofit organization to bridge the gap between strategy and day to day operational actions. It provides the nonprofit organization with a strategic focus, aligning resources, initiatives and financial support to the organizational objectives, the measurement system shifts the organization's focus from programs and initiatives to the outcomes they are supposed to accomplish. It provides with alignment between different initiatives, departments and individuals.

According to Kaplan and Norton(1992), the BSC operates on four perspectives; financial perspective that encourages the identification of a few relevant high-level financial measures, it is concerned on how the company looks at investors and measures that indicate whether the company's strategy, implementation, and execution are contributing to bottom line improvement. Cash flow, Sales growth, Market share, ROE. Customer perspective; that encourages the identification of measures that answer the question how do customers see us? Internal business processes; that encourages the identification measures that answer the question what must we excel at? What competencies are needed to maintain market leadership? Learning and growth that encourages the identification of measures that answer the question How can we continue to improve and create value ability to innovate, improve, and learn ties directly to company's value, launches new products, more value for customers and penetration of new market

Implementers of the score card have identified the following as reasons for failure of BSC failure to act, the organization must act when the scorecard shows either positive or

negative deviations from objectives ignoring local performance. Good scorecards should encourage business areas to develop their own initiatives and measures.

## **2.6 The BSC as a tool for strategy implementation**

The scorecard functions as the cornerstone of a company's current and future success. Traditional financial measures fail to capture the true picture of a firm's value propositions because they focus on the past. They tell the story of what has happened to the organization. They explain the results of past transactions and disregard what the future benefits could be. Traditional financial measures are only part of the information that managers need to successfully guide their organizations through highly competitive marketplaces. The BSC incorporates all this and the gaps identified in the traditional methods

The Balanced Scorecard looks at the important issues of alignment, coordination, and effective implementation. Most business thinkers like to start with the big picture, and end there. As a result, most ideas for going in a new direction are quickly diluted by misunderstanding, falling back on old habits, and lethargy. Since Peter Drucker first popularized the idea of business strategy, there have been vastly more strategies conceived than there have been strategies successfully implemented as a result. Much attention has been paid to devising better strategies in the last four decades, and little to implementing strategies. The big pay-off is in the implementation, and The Balanced Scorecard is an important and valuable guidance to explain what needs to be done to successfully execute strategy.

At first glance, the logic in a Balanced Scorecard seems self-evident it really is a process model that looks at an entire enterprise, and attempts to illustrate a strategic or forward looking managerial hypothesis. The difficulties that organizations experience included in implementing the scorecard include; swimming in a sea of data, with no site of the shore. Organizations have great difficulty in pulling information together into a Balanced Scorecard format that will demonstrate the strength or weakness of many of the cause-and-effect relationships proposed in such a managerial hypothesis; Leaving it to the measurement experts, The scorecard system needs to be owned and understood by those responsible for strategy implementation. More than just a measurement system, it is a management system that tells the story of your strategy; Too many measures. Kaplan and Norton,( 2002) suggest that successful scorecard implementations tend to have around 20-21 measures, with the majority concentrating on the Internal Process perspective, even this many measures can be overwhelming; Over reliance on software solutions. There are over thirty commercial balanced scorecard software packages on the market. While software can help ease the number crunching and communications tasks, it is no substitute for the hard work of convincing people that strategy development and implementation is necessarily messy; Culture shock. Shifting to a Balanced Scorecard approach very often requires a dramatic shift in attitude and behaviors.

The perspectives of the BSC fall well into the operationalization or institutionalisation of strategy. The internal business processes perspective is concerned what organizations need to do to gain an upper hand in the market and this will include procedures and some planning and the financial perspectives are concerned with the financial position of the organization it helps predict whether the organization is likely to survive in the future or

not and this entails coming up with sustainability plans for the future and also clear plans on the spending of the organization this two perspectives enhance the operationalization of strategies in the organization.

The customer perspective is concerned with measures that needs to be put in place by staff to attract and maintain customers it takes into consideration in most cases the behavior of the behavior of staff and the existing environment whether it is conducive for business. The learning and growth perspective is concerned with what needs to be done to improve on efficiency and effectiveness of the organization, increase value and creativity and innovativeness this two perspectives well assist in the instutionalization of strategies.



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter discusses the methodology that has been used in conducting the study including the research design, the population and sampling design, data collection methods, research procedures and instruments, and data analysis methods.

### **3.2 Research Design**

A case study is an in depth study of a particular situation. Baxter (2008) defines a case study as a method used to narrow down a very broad field of research into one easily researchable topic. Patton (1980) defines the same as an empirical inquiry that investigates a contemporary phenomenon within its real life context when the boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used.

The research design appropriate for this particular study was case study. The activities of KEPSA as an organization were looked at into details. The procedures of the organization and how they inter relate between the departments and also development of the work plans, more information was gathered from the KEPSA website on the partners and current projects running in the organization and strategic plans for the previous periods and the current period. An extensive analysis was done on activities and their relationships the key findings were outlined, conclusions drawn and recommendations given based on the findings.

Qualitative case study methodology provides tools for researchers to study complex phenomena within their contexts. It helps develop theory, evaluate programs, and develop interventions. Case study research excels at bringing one to understanding of a complex issue or object and can extend experience or add strength to what is already known through previous research (Patton, 1980)

### **3.3 Data Collection**

Both primary and secondary methods of data collection were used. Kothari (2009) defines primary data as data which is collected afresh and for the first time and thus happen to be original in character. This can be obtained through observation or direct communication with respondents in one form or another or through personal interview. A secondary source is a source that has known someone who has seen the event happening and has told about it.

Interviews can be structured or unstructured Ngau and Kimu, (2004) established that personal interviews are structured and conducted face to face. Mbwesa(2006) points out that unstructured interviews refer to informal or non-directive conversations, interviewers in this case do not have listed questions but ask open minded questions. Unstructured interviews are useful for preliminary information gathering so that researchers can formulate a good idea on what variables need to be investigated further (Ogendo, 2011).

Direct structured interviews were conducted with the head of departments for all the functional units in the organization, open ended questions were used giving way for probing where necessary, more information was gathered from the internet, the strategic plans for the previous and current periods and departmental work plans.

### 3.4 Data Analysis

Berelson (1952) has defined content analysis as a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules. Holsti (1969) defines content analysis as any technique for making inferences by objectively and systematically identifying specified characteristics of messages. Content analysis is a widely used qualitative research technique. Rather than being a single method, current applications of content analysis show three distinct approaches; conventional, directed, or summative. All three approaches can be used to interpret meaning from the content of text data and hence adhere to the naturalistic paradigm (Hsiu-Fang et al, 2005). Content analysis can also be used with qualitative data in an inductive or deductive way (Elo and Kyngas, 2008)

The inductive analysis processes was used and in three phases. The first phase was the preparation phase, the structured interview questions were all listed together with the feedback from the interviewees. The organizing phase, the structured interview questions were regrouped according to the content together with the feedback from the respondents. The reporting phase, the key findings were then analyzed and reported.

Kothari (2009) points out that analysis of data is a central activity whenever one is concerned with the study of the nature of verbal materials. Content analysis enables researchers to sift through large volumes of data with relative ease in a systematic fashion. It can be a useful technique for allowing one to discover and describe the focus of individual, group, institutional, or social attention Weber(1990). It also allows inferences to be made which can then be corroborated using other methods of data collection

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter analyses the key findings of the research. The first part discusses the strategy implementation at Kenya Private Sector Alliance the other parts discuss the perspectives of the BSC and how they have been incorporated in strategy implementation and the operationalization and institutionalization of strategy in KEPSA.

### **4.2 Strategy Implementation in KEPSA**

The KEPSA strategic plan gives broad strategic objectives that the organization will pursue over the period that it covers. It forms basis upon which specific operational plans are developed by the management. The overall ownership of the strategic plan will be with the governing council who delegates responsibility for implementation to the executive board and then subsequently to the chief executive officer (strategic plan, 2010)

Successful strategy implementation depends on maintenance of adequate competencies at all levels, the board therefore ensures that a process is put in place for the analysis of the core competencies needed at each level in the organization to be able to respond to the dynamic and ever changing environment in which it operates and also attract, motivate and retain staff that will bring into the organization skills and competencies relevant to KEPSA' s identified key competencies ( strategic plan, 2010).

Coordination, through effective coordination KEPSA has responded to emerging situations and effective coordination remains key and overarching approach in all aspects of its work, KEPSA's performance is pegged on the outcomes of its work and what the members see as value added (strategic plan, 2010).

Mobilization of adequate resources, the development of the resource mobilization strategy is the first step towards the recognition of the need to build on a stable and sustainable resource base. KEPSA has adopted innovative approaches in widening and diversifying its resource base (strategic plan, 2010)

There is ongoing reviews and analysis of achievements against the objectives in the plan by using the BSC, Lessons are drawn and best practices shared, providing an opportunity for learning and communicates value added from its work to stakeholders. Pre scheduled periodic status reports targeted at the board are prepared by management, the reports inform the board the state of affairs of the organization in terms of operations and resources and strategy implementation. The organization enhances information sharing. Lessons learnt are documented and shared internally and with other stakeholders (strategic plan, 2010).

According to the CEO KEPSA, the management is involved with strategy formulation. Departmental heads seek input from the rest of the staff to ensure that they are conversant with the strategies before they are endorsed by the management strategic planning committee. The strategies are then fitted into the BSC for implementation. As per the project manager the work plans give the implementation period of the strategies by the management and the scorecard is then monitored from the functional levels to track

issues in the various thematic areas. He further says that KEPSA handles issues from all the sectors of economy and the BSC helps coordinate the activities well and implementing planned strategies in order to keep track on the different thematic issues and to ensure that the private sector has a voice with the government.

All the heads of departments agreed that in KEPSA strategic management is a management task. The head of departments are tasked with formulating all the strategies and involve staff from their departments. The formulated strategies are further analyzed with the strategic planning management team and their relevance is determined. Then based on the planned strategies the HODs are further tasked to oversee the implementation process of the strategies in their departments. Strategy formulation at times borrows from past experiences hence making the implementation process easier.

According to the human resources and administration manager, the organization has a well-known organization culture that is well defined at the time when employees enter the organization. The strategies are formulated based on the culture to avoid resistance during implementation. The organization values, norms and core values are also considered when designing the mission and vision of the company. The strategy recognizes KEPSA's stakeholders and the roles they play in promoting organizational mandate.

The human resources and administration manager further says that through the organizational norms, core values and shared values there exists a shared responsibility by different people in the strategy implementation process. The management before recruiting staff places adverts with professional qualifications and skills required for

particular jobs. The organization also has on job training policy for staff incorporated in the human resources manual, the head of departments are also supposed to identify talents in their departments and nurture them towards creativity and innovativeness. KEPSA in most cases is funded by donors for their activities however they have a sustainability programme just in case the projects come to an end or the donors withdraw.

All the departmental heads agree that when developing the work plans all the perspectives of the BSC are put into practice. The financial perspective of the BSC oversees that there is enough resources to cover the activities planned for in the work plan. The internal business processes ensure that the activities planned for are aligned to the business processes and hence can be accommodated in the organization. The growth perspective paves way for continues review of the work plans to ensure that the activities are well implemented the customer perspective ensures that the activities planned are tailored towards meeting the customer's need

### **4.3 The BSC and operationalization of strategy**

Operationalization of strategy is concerned with preparation of action plans that are used in strategy implementation. In KEPSA the BSC is used in development of work plans this is in agreement with all the departmental heads. Development of work plans is guided by the availability of resources, strategic plans for the organization for the period and previous period, previous achievements of activities, new and emerging needs in the market, availability of funding, project implementation plans from donors and availability of qualified and skilled staff to perform the activities.

According to the CEO, the BSC in KEPSA has indeed given measurable milestones in development of the work plans. Through BSC the organization is able to determine performance gaps and critical areas of remedial action that lead to the development of rolling work plans. He further concludes that KEPSA is mission of creating an enabling business environment is well achieved through implementation of the rich work plans, this has helped in achieving the overall goal of being the leading advocacy organization.

KEPSA has internal business processes that give clear definitions of the procedures for all the activities in the functional units and how they relate across the board. The financial position of the organization can well be identified from the previous and current financial reports, the reports show that KEPSA is a financially stable organization.

#### **4.4 BSC and Institutionalisation of Strategy**

All the head of departments agree that they are tasked with the responsibility of guiding their strategic teams in their departments in formulating relevant strategies, this are then shared with the management strategic team for review and accept the strategies for implementation. Each department has specific strategies the strategies are well shared within the departments the implementation process is as per department.

According to the monitoring and evaluation officer, strategy implementation is per department feedback is done centrally to the strategic management team, the team also does review of the process to ensure that the implementation process does not deviate from the overall objective of the organization. For proper implementation the organization also involves its staff in strategy formulation through the head of departments this helps reduce resistance during the implementation process since the staff



owns the strategy. The team leaders also explain the strategies to key implementers of the process to ensure familiarity. There is continuous feedback given to the strategic management planning team that paves way for reviews ensuring that the implementing process is on track.

As per the human resources and administration manager, KEPSA operates in an almost flat organizational structure this in a great deal has been a factor to its success in operational activities. The learning management systems have also enabled employees continuously to sharpen their skills. Employees personal development plans are based on agreed annual work plans designed and aligned to the BSC by the functional unit leaders and then forwarded to the human resources department for implementation. Thompson et al (2007) points out that for an organization to be successful strategically, it has to depend on its innovation. This can only occur if an organization is able to generate and integrate knowledge from both inside and around the organization, innovation will also be influenced by how people are managed and how they interact.

The monitoring and evaluation exercise is centrally done by the functional heads, as per the monitoring and evaluation officer. The monitoring and evaluation officer is engaged by the organization on full time basis and is concerned with making follow-ups on the monitoring and evaluation reviews and reports the same to the CEO who subsequently reports to the board. Review of the strategies is also centrally done by the strategic management team and recommendations made to the leaders of the functional units for implementation of the recommended changes. Strategy implementation is purely done at functional level of all the units, individual performance is linked to the business strategy and rewarding systems, the functional heads forward the names of the staff to be

rewarded to the human resources department to effect the awards. The BSC has been linked to the annual work plans and therefore to each employee targets and work plans. this makes it easier to achieve the given targets, higher performers are rewarded through the employee rewarding system, this further motivates the employees hence improving overall performance since all will be striving to be the best.

Birbaum(2009) has provided guidelines that would be followed to ensure appropriate strategy implementation, from this KEPSA has detailed action plans which add to the strategies, they should set responsibilities and give datelines for accomplishing the responsibilities to accomplish each of the action steps. Management should always ensure that the strategies fit the existing structures. Those charged with the action plans should fully understand the activities that they are supposed to perform in the process of strategy implementation.

## CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

### 5.1 Introduction

This chapter gives the findings of the study in summary, conclusions and recommendations. It analyses the extent in which KEPSA has applied the BSC in its strategy implementation process. The chapter draws conclusions from the key findings and gives recommendations based on the key findings.

### 5.2 Summary of the findings

KEPSA undertook a review of its institutional framework (Abbot Review 2008) that made it to be more focused and adopted a learner structure. Analysis of the competencies to drive its strategies in the future requires to be followed through systematically. The continuing challenge to KEPSA is to maintain highly skilled and motivated staff as well as a staple and sustainable financial base (strategic plan, 2010).

A review of the institutional growth and development curves indicates that KEPSA has been performing as expected it has been able to respond to the forming and norming continuum, it is entering its consolidation phase and needs to enter with open and strategic focus to further strengthen its capacities in governance, management and program competency base (strategic plan, 2010).

KEPSA revisits the Memorandum and Articles to take account of changes and developments that have occurred and have the potential to contribute to its growth. Based on this plans, for developing capacities, competencies and other elements such as total



quality management standards, succession plans and compensation schemes will be established (strategic plan, 2010).

KEPSA has developed separate draft communication and resource mobilization strategies. The resource mobilization strategy has instigated initiatives for new revenue sources. While refining and strengthening its strategies KEPSA is looking at new innovations in resource mobilization and value adding options contributing to its financial stability and sustainability (strategic plan, 2010).

According to the study the BSC has been used in implementation of the strategies in KEPSA. The Head of departments are charged with the responsibility of leading their departments in strategic planning. They involve all staff in the department in formulating the strategies that are further discussed in the strategic planning management team meeting; they then share back to the team and advice on probable ways of implementing the strategies. Every department has specific strategies. Most departments carry out monitoring and evaluation on implemented strategies to ensure smooth that strategies have been implemented as formulated. Involving staff in the strategy formulation stage helps the organization have the strategies implemented with less resistance and effectively.

The perspectives of the BSC are considered when developing work plans as per the study. In some cases previous activities and past experiences are used when developing work plans. KEPSA's strategy is based on the available structure, the strategies are also designed in a way that they fit into the structure. KEPSA has various stakeholders whose roles are well defined and involved in the strategy implementation process. Most of the

activities in the organization are donor funded even though they get some income from member's subscriptions. The organization is viewed as a stable organization, a small organization handling much more than its capacity as described by the project manager.

According to the study, KEPSA has employed a full time research analyst who is charged with the duties of updating on market changes and advising well in advance on ways of implementing the strategies in order to gain competitive advantage in the market. They also have a donor funded project for staff capacity building this helps foster creativity and innovativeness. Some projects support members capacity building this also helps increase the skills of its members enhancing the strategy implementation process. Besides use of learning management systems KEPSA has an in-house training on BSC by Gaia Soft international training on effective use of the BSC.

According to the finance manager, KEPSA is a financially stable organization, it has enough support from development partners but should look further on sustainability plan beyond membership fee just in case the development partners withdraw or the projects come to an end. He further points out that the BSC has been effective in implementing strategy in most leadership areas in KEPSA. The format is well structured and simple and hence easy to share with the whole organization. It enables employees to focus in one direction as a result of its balanced nature all employees appreciate the roles they play in the process of strategy implementation. Due to the structure of the BSC it is easier to formulate the action plans that contribute significantly to the strategy implementation process and also creates focus on key deliverables

According to the study, all staff are involved in the strategy formulation stage hence less resistance in the strategy implementation process. The financial perspective of the BSC helps identify availability of enough resources to be used in the strategy implementation process. This perspective also evaluates the organization to find out the financial status and stability of the organization through the profitability ratios.

The growth perspective ensures proper staffing in all the departments. it ensures that the departments have staff with the correct qualifications and skills and ensures that in case of requirement for in-house training it is facilitated. This ensures that there is always the right staff for strategy implementation. Internal business processes perspective helps identify the flow of activities and procedures in the organization. It defines the flow of the strategy implementation process towards achieving the overall objectives of the organization. The customer's perspective encourages the organization to know their customers and more especially the needs of their customers. It then works towards meeting the needs of its customers.

### **5.3 Conclusion**

KEPSA will need an appropriate research, knowledge development and institutional learning by developing relevant policies and strategies that will make it give it a cutting edge and embrace the state of the art approaches to the use of up to date knowledge in all its work. This will add to all its policies and strategies. KEPSA promotes values ethics and good business practices. innovation, hard work, good will and collective responsibility among its members, it also influences action based best practices, corporate

social responsibility, conservation, protection and prudent use of Kenya's natural resources for prosperity.

KEPSA uses the BSC in the development of its work plans. The perspectives of the BSC are considered when developing the work plans. The BSC is used as a tool for strategy implementation. The perspectives are of aid during the strategy implementation exercise. The organization has well defines internal business processes that help define further the brand of KEPSA and help identify new areas to excel in. The financial perspective of the BSC has assisted KEPSA to open an eye to a sustainability programme that will ensure that the organization continues even when the donors withdraw or projects come to an end. The customer perspective has always helped the organization to evaluate itself in the eyes of the customers. This has helped the organization to come up with strategies that enable them to meet the needs of the customers. The learning and growth perspective has assisted the organization to identify its knowledge gaps and improve on its creativity and innovativeness.

The organizational structure, the skills, people, culture and resources all align to the existing strategies of the organization. KEPSA relies on donor funding projects for most of its activities it is viewed as a stable organization able to meet the needs of its customers and give its members value for their money.

#### **5.4 Recommendations for Policy and Practice**

Learning and Growth, more time should be allowed for meetings and trainings some staff have an idea on what the BSC is but are not well conversant with it. Some might fail to

support the strategy for they do not fully understand it. strategies should be allowed time to mature so that their real benefits can be seen. Too many strategies being implemented at the same time create traffic in the implementation process monitoring and evaluating such strategies might not be easier. A reward system for ideas that work can be implemented, the management should have, Smarter, Attainable, Measurable, Timely and realistic strategies to enhance commitment.

Financial stability, the organization to a large extent depends on money from donors to carry out its activities; its administration is also supported by membership subscriptions. The organization should engage more on its sustainability programme to come up with ways of fundraising to cover the budget deficits and also help the organization to run when the management partners withdraw or projects come to an end. The study indicated that some staff interviewed were not aware of how the work plans linked with the BSC, the mapping of the strategy to the perspectives of the BSC did not well come out clearly with some staff. The strategic planning management team should create more time with the key strategy implementing staff in the organization to explain them the links between the strategies and the BSC perspectives.

The KEPSA management should ensure that the organizational structure fits the elements of the BSC. departments should work together where necessary and develop workable action plans that support all the activities as per the BSC. There should be continuous monitoring and evaluation to facilitate continuous review of strategies being implemented to avoid any delays that may be encountered in the implementation process.



The management should ensure that all staff involved in the strategy implementation process are well conversant with the strategic mapping of the organization's overall objective to the BSC. This will enable the management to carry on their duties efficiently and effectively. In case of strategic drift the use of varied strategic lenses by management is recommended, they should view the strategy in design experience and ideas. The KEPSA BSC server is based in Gaia soft Head office in the UK. They should train an IT specialist locally to be monitoring the server locally and have it transferred to the organization, this will help reduce on the response turnaround time and improve productivity on the long run.

### **5.5 Limitations of the Study**

The study was centered on the application of the BSC as a tool for strategy implementation it did not give way for the analysis of the challenges and benefits of using the BSC in strategy implementation. The study would have obtained diverse information from KEPSA on issues regarding strategic management, this information would have assisted the management in decision making with regard to the strategic management in all functions in the organization.

The study was only limited to KEPSA. There are other similar NGOs who are using the BSC but the study did not give way for research from such organizations. This should have helped learn new techniques from the other organization and make the implementation process more productive. The other organizations would have also benefited from the same.

Some interviewees were too busy to respond to the questions in depth and therefore were not able to give detailed response. For any study to be successful and organization to benefit from the study the participants need to be committed in order to give adequate information for decision making.

There were new managers who were not able to respond into detail and as a result and this were. Absence of key interviewees may hamper the quality of information required. It would be appropriate to interview the expected respondents since their input to the study would add value to the expected results. Although the substitute might be of value to the study since assistants to the leaders are expected to have all the information for the study.

Some of the interviewees were afraid to respond to the interview, they requested for approval of the research from the authority concerned. In cases where respondents are fearful in responding to the interview assurance of confidentiality should be emphasized this will give them confidence in giving the information required and make the research a success.

### **5.6 Recommendations for Further Research**

A further study on strategic planning in KEPSA or on benefits and drawbacks of using the BSC as a tool for strategy implementation in KEPSA is recommended. Another probable study is corporate governance in KEPSA, this will enable the management learn the principles of corporate governance and advice on recommended practices, and also carry its duties in line with the required practices eventually improving the productivity of the organization in the long run.

The study on a learning organization in KEPSA can also be done. The managements will learn the learning themes and how they would promote the understanding of individuals in the organization the study will advise on other avenues of learning besides the KEPSA learning management systems. Diverse learning will increase creativity and innovativeness in the organization and hence overall productivity in the long run.

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## **APPENDICES**

### **Appendix I**

#### **Interview Guide**

1. What role do you play in the KEPSA strategic plan?
2. Does your department have specific strategies?
3. How do you ensure that strategies are well implemented?
4. What guides you in the development of the annual work plans?
5. How has the financial perspective of the BSC guided strategy implementation in KEPSA?
6. How has the growth perspective of the BSC guided strategy implementation in KEPSA?
7. How has the internal business processes perspective of BSC guided strategy implementation in KEPSA?
8. How has the customer perspective of the BSC guided strategy implementation in KEPSA?
9. How has the BSC been involved in the development of work plans?
10. How does the KEPSA strategy align with its structure?

11. How does the KEPSA strategy align with its culture?
12. How does the KEPSA strategy align with its people?
13. How does the KEPSA strategy align with its skills?
14. How does the KEPSA strategy align with its resources?
15. How do the outsiders both those dealing with KEPSA directly and directly view KEPSA.
16. What is KEPSA doing to excel in the market?
17. How does KEPSA improve on value and innovativeness in employees?
18. How can you describe KEPSA in terms of financial performance?

**Appendix II**  
**INTRODUCTORY LETTER**

Lydia Momanyi

P.O Box 5798

Nairobi – 00200

24<sup>th</sup> sept 2012

The Human Resources & Administration Manager

KEPSA

Dear Madam

RE: Data collection

I am a MBA student at The University of Nairobi Student Reg No. D61/8498/2006 doing a research project on Balance Scorecard as a tool for strategy implementation at KEPSA and requesting for authority on the same to collect data from your organization. Please find attached a letter from the university on the same.

Kind regards



Lydia Momanyi

D61/8498/2006

## **Appendix III**

### **STRATEGY IMPLEMENTATION MATRIX**

KEPSA undertook a strategic review in November 2008 and has used the outcome to re-define its strategic focus for the period 2010 to 2012. Consolidating and building on past experience, KEPSA will amplify its mandated engagement with government and other stakeholders. KEPSA has drawn from lessons learnt from its past achievements and these have inspired its strategic focus and will continue to be integrated in its future initiatives. KEPSA came up with the attached strategy implementation matrix to ensure efficient and implementation of its strategies.

To consolidate and elevate the voice of the private sector as the pillar and engine of economic growth in its engagement with government and other key the creation of an enabling business environment in Kenya. *This is a very simplified matrix and is not presented in the conventional format; that no carries all relevant aspects of a strategic plan summary.*

KEY RESULT AREA	ACTIVITIES	EXPECTED OUTCOMES	INDICATORS
<b>1.0 High Level Advocacy and Lobbying</b>			
(a) Undertake a comprehensive assessment of the gains since the launch of the NBA & PSDS, and use outcome to integrate them to MTP and set priorities.	<ul style="list-style-type: none"> <li>• Development of specific assessment plans with clear factors on achievements against NBA and PSDS in relation to MTP.</li> <li>• Development of terms of reference and criteria and qualifications for the identification of most suited person(s) to undertake assessment.</li> <li>• Select internal assessment team and core respondents among private sector members and stakeholders</li> <li>• Coordination of assessment at all levels, adopt and publish report.</li> <li>• Launch and disseminate report.</li> </ul>	<ul style="list-style-type: none"> <li>• Documented profile of KEPSA achievements depicting changes and transformation towards creation of enabling economic environment for the private sector.</li> <li>• Demonstrated clarity and linkage of achievements to NBA, PSDS with MTP.</li> <li>• Informed membership and stakeholders on gains of KEPSA.</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of assessment plans with TOR</li> <li>• List of names of the internal assessment team</li> <li>• Copy of publication on KEPSA Achievements</li> <li>• Copy of the launch programme</li> <li>• Knowledge of key achievements among KEPSA staff</li> <li>• Copy of monthly reports</li> </ul> <ul style="list-style-type: none"> <li>• Willingness participate a</li> </ul>
(b) MTP Sectors and SWGs influenced to integrate NBA issues and other identified sector specific priorities contributing to the creation of an enabling business environment in Kenya by 2012.	<ul style="list-style-type: none"> <li>• Design and develop dissemination plans at sector level to inculcate NBA issues in a simplified version.</li> <li>• Develop an abridged NBA version to disseminate.</li> <li>• Design and implement system to monitor the NBA integration process.</li> <li>• Implement dissemination plans complete with monitoring plan of factors, indicators and method of monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>• Key NBA issues and sector specific issues inculcated and in use by MTP Sectors and SWGs.</li> <li>• Updated monitoring report annually indicating extent to which NBA is integrated in MTP Sectors and SWGs.</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of sector level plans for dissemination of NBA issues</li> <li>• Profile of targeted audience for dissemination and monitoring NBA integration</li> <li>• Factors indicating change in business environment</li> <li>• Change of decision making on NBA issues</li> </ul> <ul style="list-style-type: none"> <li>• Continued g effective ex sustained.</li> </ul>
(c) Enhance and fast track the engagement of the private sector with the appropriate government structures and public sector reform programs.	<ul style="list-style-type: none"> <li>• Design and develop fast tracking sustainable mechanisms for engagement.</li> <li>• Facilitate regular monitoring and enhanced dialogue among private sector entities to better understand and use content of PPSWF, PMRT, MSFs, SRT and public sector reform programmes such as PSDS, GJLOS, SRA and PFRM</li> </ul>	<ul style="list-style-type: none"> <li>• Dynamic engagement mechanisms that work effectively with government structures.</li> <li>• Enabling business environment for private stakeholders.</li> <li>• Published concrete benchmarks and indicators of change in business environment.</li> </ul>	<ul style="list-style-type: none"> <li>• List of mechanisms for sustainable engagement</li> <li>• Copy of monitoring framework</li> <li>• Copy of monitoring report</li> <li>• Profile of benchmarks and indicators.</li> </ul> <ul style="list-style-type: none"> <li>• Willingness internal dial engagement</li> <li>• Existing env sustains.</li> </ul>

KEY RESULT AREA	ACTIVITIES	EXPECTED OUTCOMES	INDICATORS	ASSUMPTIONS
<p>(d) Develop monitoring and tracking systems and mechanisms that facilitate development of annual Country Progress Reports on the Government and private sector delivery against MTP.</p>	<ul style="list-style-type: none"> <li>• Design a systematic monitoring and tracking system focusing key performance factors by government and private sector on MTP.</li> <li>• Engage key stakeholders to participate in the design and relevant monitoring processes</li> <li>• Undertake and produce annual MTP monitoring reports.</li> <li>• Facilitate sharing and exchange of outputs from monitoring process among stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Country Progress Reports depicting performance and progress based on agreed key performance factors set benchmarks and quality standards on delivery against MTP.</li> <li>• Advocacy issues identified and taken up for engagement with government.</li> <li>• Feedback actions from sharing and exchange forums.</li> <li>• Informed partnership between government and private sector.</li> </ul>	<ul style="list-style-type: none"> <li>• Copies of Annual Country Progress Reports</li> <li>• List of current advocacy issues by private sector</li> <li>• List of issues raised by feedback interaction forums</li> </ul>	<ul style="list-style-type: none"> <li>• Goodwill by the government monitoring process.</li> </ul>
<b>2.0 Research, Documentation and Knowledge Development</b>				
<p>(a) Develop mechanisms for knowledge development and institutional learning in KEPSA.</p>	<ul style="list-style-type: none"> <li>• Identify scope, focus, methodology and plans for design and development of knowledge development mechanisms.</li> <li>• Development of terms of reference; criteria and qualifications for the identification of the most competent person(s) to undertake development of knowledge development framework and mechanism.</li> <li>• Identify internal team to spearhead and coordinate the creation of the framework for knowledge development mechanisms and provide terms of reference to guide the consultants/resources.</li> <li>• Adopt and disseminate the framework and mechanisms for knowledge development.</li> </ul>	<ul style="list-style-type: none"> <li>• Publication of the knowledge development framework and mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>• Profile of KEPSA scope and focus of knowledge development</li> <li>• Copy and reference source to KEPSA website of knowledge resources available</li> </ul>	<ul style="list-style-type: none"> <li>• KEPSA commitment to instigating applied learning development and research resources.</li> </ul>

KEY RESULT AREA	ACTIVITIES
<p>(b) Undertake action-research, continually analysing best practices, lessons learnt and added value, to engage government in advocacy and lobbying.</p>	<ul style="list-style-type: none"> <li>• Development of hypotheses, scope, methodology and plans for research studies.</li> <li>• Development of terms of reference; criteria and qualifications for the identification of the most competent person(s) to undertake research studies.</li> <li>• Identify internal team to coordinate research and provide terms of reference to guide the research consultants/resources.</li> <li>• Coordination of research, and interpretation of findings.</li> <li>• Adopt and disseminate findings.</li> </ul>
<p>(c) Undertake research to support new initiatives and the development of engagement processes in KEPSA.</p>	<ul style="list-style-type: none"> <li>• Development of hypotheses, scope, methodology and plans for research on new initiatives.</li> <li>• Development of terms of reference; criteria and qualifications for the identification of the most competent person(s) to undertake research and studies.</li> <li>• Identify internal team to coordinate research and provide terms of reference to guide the research consultants/resources.</li> <li>• Coordination of research, and interpretation of findings and recommendations on new initiatives.</li> <li>• Incorporate and integrate findings into on-going work as appropriate.</li> </ul>

EXPECTED OUTCOMES	INDICATORS	ASSUMPTIONS
<ul style="list-style-type: none"> <li>• Publication of best practices, lessons learnt, added value elements based on advocacy, lobbying and engagement between government and the private being sector shared.</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of overall research plans indicating focus, targeted issues and</li> <li>• Copy of terms of reference and criteria for research</li> <li>• Copy of research reports</li> <li>• Profile of best practise, value adding factors and elements for private sector advocacy and lobbying</li> </ul>	<ul style="list-style-type: none"> <li>• Willingness of partners to provide additional resources for research</li> </ul>
<ul style="list-style-type: none"> <li>• Up-to-date data and statistical information on trends informs issues affecting the private sector.</li> <li>• Existence of state-of-the-art resource centre in KEPSA.</li> <li>• KEPSA able to provide an up-to-date information service for those interested (for a fee).</li> </ul>	<ul style="list-style-type: none"> <li>• Profile of identified research: priorities</li> <li>• Copy of research reports</li> <li>• List of up-to-date research outcomes at KEPSA resource centre</li> </ul>	<ul style="list-style-type: none"> <li>• Environment for operation free from adverse changes.</li> </ul>



KEY RESULT AREA	ACTIVITIES
<p>(d) Develop and produce annual updates, periodic position papers and facilitate interaction forums on areas of common interest in the state of the private sector in Kenya.</p>	<ul style="list-style-type: none"> <li>• Conduct pre-requisite research to reconfirm scope and level of need; readership audience; and circulation to determine primary approach, communication medium and dissemination channels.</li> <li>• Plan format, themes, depth of coverage, range of information and data needed, in the updates, position papers.</li> <li>• Update, document and disseminate information in relevant formats and appropriate forums.</li> </ul>
<p>(e) Develop an all inclusive strategy for communication and information dissemination internally and externally.</p>	<ul style="list-style-type: none"> <li>• Develop marketing and communication strategy (2010-2012).</li> <li>• Develop mechanisms for internal and external communication.</li> <li>• Put in place appropriately improved channels and tools for information sharing and exchange within KEPSA.</li> <li>• Implement, monitor and report on marketing and communication strategy achievements against objectives of the strategy and plans.</li> </ul>

**EXPECTED OUTCOMES**

**INDICATORS**

**ASSUMPTIONS**

<ul style="list-style-type: none"> <li>• Thematic up-to-date publications available to members, partners, stakeholders and other interested parties on the state of the private sector in Kenya in appropriate formats, e.g. reports, position papers, website etc.</li> <li>• Access to periodically updated data, information, thematic publications; at stakeholder forums, on website and other forms of media.</li> <li>• Informed membership, stakeholders and others.</li> <li>• Updated resource centre at KEPSA</li> </ul>	<ul style="list-style-type: none"> <li>• Copies of position papers, annual updates and periodicals</li> <li>• Copy of thematic sharing and exchange forums</li> <li>• List of key points of consensus for follow up and further action</li> <li>• Copy of catalogue of KEPSA Resource Centre</li> </ul>	<ul style="list-style-type: none"> <li>• Annual updates and periodic value to KEPSA service</li> <li>• Willingness among KE partners and networks Annual reporting process</li> </ul>
<ul style="list-style-type: none"> <li>• Informed and engaged membership and stakeholders.</li> <li>• Improved visibility of KEPSA externally to its publics nationally, regionally and internationally.</li> <li>• Up-to-date resource centre on matters relating to private and public sector engagement.</li> <li>• Available and accessible up-to-date website.</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of Communicational and marketing strategies</li> <li>• Copy of monitoring report</li> <li>• Profile of achievements from marketing and communication effort among members</li> </ul>	<ul style="list-style-type: none"> <li>• Willingness and openness of stakeholders to set with all communication</li> <li>• Willingness and openness of researchers to take from KEPSA's experience knowledge development</li> </ul>

<p>(a) Facilitate the conducting of self-analysis among BMOs to establish their capacity status, depicting inherent factors underpinning interests and motivation for membership in KEPSA including the critical BMO needs to inform required capacity building support.</p>	<ul style="list-style-type: none"> <li>• Development of specific analysis tools and plans with concrete factors and indicators of capacity among BMOs.</li> <li>• Develop terms of reference for person(s) to undertake capacity analysis.</li> <li>• Select participatory assessment team and core respondents among selected BMO members and stakeholders.</li> <li>• Facilitate and coordinate BMO self-analysis at all level and publish report.</li> <li>• Facilitate the development of annual plans for capacity building among relevant BMOs.</li> <li>• Facilitate capacity building initiatives among BMOs</li> </ul>
<p>(b) Facilitate the strengthening of BMOs (Associations or Federations) in critical sectors that have no BMOs.</p>	<ul style="list-style-type: none"> <li>• Develop framework and criteria to guide KEPSA identify three priority sectors including Women Business Associations for the establishment and strengthening of BMOs (Associations or Federations) based on the most suitable capacity building approaches methods and mechanisms.</li> <li>• Facilitate the design and implementation of participatory capacity strengthening plans with selected BMOs.</li> </ul>

<ul style="list-style-type: none"> <li>• One stop profile of crucial capacity needs and priority capacity gaps among BMOs.</li> <li>• Improved BMO capacity by sector.</li> <li>• Improved BMO networking.</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of support and development plans and TOR for use by BMOs</li> <li>• List of tools available for self-analysis</li> <li>• Copies of self-analysis reports</li> <li>• Copies of relevant capacity building plans for respective BMOs</li> </ul>	<ul style="list-style-type: none"> <li>• BMO openness to share information</li> <li>• That Better understand capacity needs drives E development</li> </ul>
<ul style="list-style-type: none"> <li>• Improved capacity and quality of government engagement by targeted BMOs.</li> <li>• Enhanced role of BMOs in creating enabling business environment.</li> <li>• Improved visibility and participation of Women Business Associations in engaging government at relevant levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Profile of priority sectors with no BMOs targeted by KEPSA</li> <li>• Copy of criteria in use to identify targeted sectors KEPSA is targeting</li> <li>• List of selected sectors for which KEPSA is developing BMOs</li> <li>• Copies of respective capacity building plans</li> </ul>	<ul style="list-style-type: none"> <li>• BMOs' willingness to engage on issues of creating an environment.</li> <li>• Willingness among Women Business Associations to proactively seek opportunities and raise issues</li> </ul>

KEY RESULT AREA	ACTIVITIES
<p>(c) Develop guidelines and frameworks that guide BMOs on operations, quality advocacy issue development and engagement with government and other stakeholders.</p>	<ul style="list-style-type: none"> <li>• Identify and prioritize thematic areas and levels for which guidelines and frameworks are needed and agree on standards, and benchmarks for use in qualitative issue development and engagement</li> <li>• Design and formulate guidelines, frameworks on operations, quality issue development and engagement; including relevant monitoring mechanisms and tools.</li> <li>• Pre-test guidelines, frameworks and monitoring mechanisms and tools at BMO level then revise appropriately.</li> <li>• Publish, disseminate and train users on how guidelines, frameworks monitoring mechanisms and tools are to be used.</li> <li>• Follow-up and evaluate use of guidelines, frameworks monitoring mechanisms and tools.</li> </ul>
<p>(d) Facilitate the development of database for referral on including, competencies, strengths, value adding factors for use in sharing, exchange and learning forums and link to updates on MTP, position papers, state of private sector in Kenya and other emerging issues.</p>	<ul style="list-style-type: none"> <li>• Continuously identify, monitor and document key trends, emerging issues, analyzing and interpreting them to note their effects and implications to the business environment and private sector.</li> <li>• Proactively identify and document data specific on Women Business Associations and aggregate issues, needs and priorities specific to their capacities and involvement in enterprise development.</li> <li>• Design relevant sharing and exchange forums for selected key updates.</li> </ul>

**EXPECTED OUTCOMES****INDICATORS****ASSUMPTIONS**

<b>EXPECTED OUTCOMES</b>	<b>INDICATORS</b>	<b>ASSUMPTIONS</b>
<ul style="list-style-type: none"> <li>• Proactive more independent BMOs engaging on issues of creating enabling business environment.</li> <li>• Stable and sustainable approaches and methods to BMO support and development realized.</li> </ul>	<ul style="list-style-type: none"> <li>-List of identified and prioritized thematic areas needing guidelines, frameworks and standards</li> <li>-Copies of guidelines and frameworks in use for quality development of advocacy issue</li> <li>-Profile of standards of quality</li> <li>-Copy of monitoring framework</li> <li>List of trained users and resource persons</li> <li>-Copy of monitoring and evaluation reports</li> </ul>	<ul style="list-style-type: none"> <li>• BMOs are willing to learn new ways of issues development engagement with public</li> </ul>
<ul style="list-style-type: none"> <li>• Informed and updated membership, stakeholders.</li> <li>• Proactive engagement on issues that create enabling business environment.</li> <li>• KEPSA remains on the cutting edge of developing an enabling business environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Profile of referral database indicating, competencies, strengths, value adding factors</li> <li>• Copy of planned sharing and exchange forum calendar</li> <li>• Profile of trends and emerging issues affective private sector</li> </ul>	<ul style="list-style-type: none"> <li>• Willingness of KEPSA stakeholders to actively emerging issues and share and effects these have on environment on continuous</li> </ul>

<p>(a) Develop and appropriately use mechanisms for high quality engagement with key forums and processes that drive/influence private sector interests (economic blocks, economic pacts, economic forums etc).</p>	<ul style="list-style-type: none"> <li>• Review existing performance processes, standards, approaches, methods and mechanisms to identify gaps and weaknesses and respond to them.</li> <li>• Draw in applicable lessons from best practice locally and from like minded entities.</li> <li>• Set up dynamic and systematic plan for instituting up-to-date mechanisms processes, approaches, methods and practices for use in key forums that influence private sector interests in KEPSA.</li> </ul>
<p>(b) Identify opportunities for KEPSA to work with other entities nationally, regionally and internationally for the greater benefit of the private sector.</p>	<ul style="list-style-type: none"> <li>• Proactively monitor trends and current issues, update KEPSA on issues affecting and influencing private sector locally, regionally and globally.</li> <li>• Proactively monitor and identify and select appropriate opportunities and forums to engage.</li> <li>• Plan and liaise with relevant points of contact and influence for terms of engagement.</li> <li>• Implement, monitor then evaluate and share findings.</li> </ul>
<p>(c) Facilitate active engagement in Public-Private Sector Partnerships.</p>	<ul style="list-style-type: none"> <li>• Set up criteria for identifying, selecting and take advantage of opportunities for engagement.</li> <li>• Develop monitoring, reporting and evaluation plans.</li> <li>• Implement, monitor, report and evaluate to draw lessons and elements of good practice.</li> <li>• Share lessons with BMO and stakeholders.</li> </ul>

<ul style="list-style-type: none"> <li>Systematic processes and mechanisms influencing engagement at key forums realized.</li> <li>Established standards on how to conduct quality engagement with public and private sector</li> </ul>	<ul style="list-style-type: none"> <li>Profile of priority private sector interests for partnering, networking and collaboration</li> <li>Copy of framework and standards for partnering and networking</li> <li>Copy of plans in place for partnering, networking, and collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Key forums influence business macro and micro environment &amp; engaging contributes to greater good.</li> <li>Key forums add value to KEPSA's role and man</li> </ul>
<ul style="list-style-type: none"> <li>Wider platform for engagement and influencing public policy realized</li> </ul>	<ul style="list-style-type: none"> <li>Profile of national, regional, international value adding entities KEPSA plans to engage with</li> <li>Schedule of points of engagement</li> <li>Copies of monitoring and evaluation reports on engagement of KEPSA nationally, regionally and internationally indicating key value adding factors</li> </ul>	<ul style="list-style-type: none"> <li>Openness and willingness of others to work with KEPSA and private sector</li> <li>Alternative platforms contribute to the mandate KEPSA.</li> </ul>
<ul style="list-style-type: none"> <li>Alternative engagement options</li> <li>KEPSA contributing to greater good for all</li> </ul>	<ul style="list-style-type: none"> <li>Copy of criteria in use for identifying appropriate private sector engagement</li> <li>Copy of planned and implemented plans for private sector engagement involving KEPSA</li> <li>Copies of reports for each engagement process</li> </ul>	<ul style="list-style-type: none"> <li>Alternative engagement options offer value and contribute to mandate KEPSA</li> </ul>



<p>(a) Develop and appropriately use mechanisms for high quality engagement with key forums and processes that drive/influence private sector interests (economic blocks, economic pacts, economic forums etc).</p>	<ul style="list-style-type: none"> <li>Review existing performance processes, standards, approaches, methods and mechanisms to identify gaps and weaknesses and respond to them.</li> <li>Draw in applicable lessons from best practice locally and from like minded entities.</li> <li>Set up dynamic and systematic plan for instituting up-to-date mechanisms processes, approaches, methods and practices for use in key forums that influence private sector interests in KEPSA.</li> </ul>	<ul style="list-style-type: none"> <li>Systematic processes and mechanisms influencing engagement at key forums realized.</li> <li>Established standards on how to conduct quality engagement with public and private sector</li> </ul>	<ul style="list-style-type: none"> <li>Profile of priority private sector interests for partnering, networking and collaboration</li> <li>Copy of framework and standards for partnering and networking</li> <li>Copy of plans in place for partnering, networking, and collaboration</li> </ul>	<ul style="list-style-type: none"> <li>business macro and micro environment &amp; engaging contributes to greater good.</li> <li>Key forums add value &amp; KEPSA's role and mandate</li> </ul>
<p>(b) Identify opportunities for KEPSA to work with other entities nationally, regionally and internationally for the greater benefit of the private sector.</p>	<ul style="list-style-type: none"> <li>Proactively monitor trends and current issues, update KEPSA on issues affecting and influencing private sector locally, regionally and globally.</li> <li>Proactively monitor and identify and select appropriate opportunities and forums to engage.</li> <li>Plan and liaise with relevant points of contact and influence for terms of engagement.</li> <li>Implement, monitor then evaluate and share findings.</li> </ul>	<ul style="list-style-type: none"> <li>Wider platform for engagement and influencing public policy realized</li> </ul>	<ul style="list-style-type: none"> <li>Profile of national, regional, international value adding entities KEPSA plans to engage with</li> <li>Schedule of points of engagement</li> <li>Copies of monitoring and evaluation reports on engagement of KEPSA nationally, regionally and internationally indicating key value adding factors</li> </ul>	<ul style="list-style-type: none"> <li>Openness and willingness of others to work with KEPSA and private sector</li> <li>Alternative platforms contribute to the mandate KEPSA.</li> </ul>
<p>(c) Facilitate active engagement in Public-Private Sector Partnerships.</p>	<ul style="list-style-type: none"> <li>Set up criteria for identifying, selecting and take advantage of opportunities for engagement.</li> <li>Develop monitoring, reporting and evaluation plans.</li> <li>Implement, monitor, report and evaluate to draw lessons and elements of good practice.</li> <li>Share lessons with BMO and stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Alternative engagement options</li> <li>KEPSA contributing to greater good for all</li> </ul>	<ul style="list-style-type: none"> <li>Copy of criteria in use for identifying appropriate private sector engagement</li> <li>Copy of planned and implemented plans for private sector engagement involving KEPSA</li> <li>Copies of reports for each engagement process</li> </ul>	<ul style="list-style-type: none"> <li>Alternative engagement options offer value and contribute to mandate KEPSA</li> </ul>

KEY RESULT AREA	ACTIVITIES	EXPECTED OUTCOMES	INDICATORS	ASSUMPTIONS
(d) Develop and appropriately use mechanisms for networking and building alliances for engagement on key issues that affect the private sector and the wider public.	<ul style="list-style-type: none"> <li>Develop and use capacities for networking and alliance building.</li> <li>Identify potential BMOs, other entities for alliance building and plan for appropriately relevant shared actions.</li> <li>Implement plans then monitor, report, evaluate and share findings.</li> </ul>	<ul style="list-style-type: none"> <li>Viable networks and alliances for engaging public sector and influencing policy established.</li> </ul>	<ul style="list-style-type: none"> <li>Copy of mechanisms and plans in use for networking alliance building</li> <li>Profile of key issues under each alliance and network for engagement</li> <li>Reports on outcomes and value added by networking and alliance engagement</li> </ul>	<ul style="list-style-type: none"> <li>Openers of private sector network and use value a linkages forenamed engagement</li> <li>Context and content of networking and collaboration in line with KEPSA's mandate brings value elements to its work.</li> </ul>
(e) Facilitate interactive forums with partners and key stakeholders that contribute to the creation of an enabling business environment and national development.	<ul style="list-style-type: none"> <li>Creatively identify and plan appropriate opportunities and forums for meeting with partners and stakeholders for updates and mutual sharing engagements.</li> <li>Design relevant sharing and exchange forums for partners and stakeholders for updates and mutual engagement.</li> </ul>	<ul style="list-style-type: none"> <li>Actively engaged, informed and updated partners and stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Copy of schedule of forums and themes they focus</li> </ul>	<ul style="list-style-type: none"> <li>Donor forums mutually value to KEPSA donor stakeholders.</li> </ul>
<b>5.0 Institutional Strengthening</b>				
(a) Revamp KEPSA's identity and strengthen its capacity to effectively meet its mandate.	<ul style="list-style-type: none"> <li>Continually revisit and appropriately respond to elements of KEPSA's identity, where there are gaps (i.e. identity, mandate, vision, mission, core values, goals and logo).</li> <li>Review relevant inputs and technically address gaps to maintain relevance.</li> <li>Set up timing for re-launch of reviewed outputs.</li> <li>Develop mechanisms that will help KEPSA promote environmental conservation and protection by the private sector.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced visibility and ease of communicating KEPSA Brand</li> <li>Demonstrated response by the private sector on environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>Copy of plans for disseminate the identity, mandate, vision mission, core values and strategy of KEPSA</li> <li>Copies of public relations material for profiling KEPSA</li> <li>Copies of KEPSA PR reports</li> </ul>	<ul style="list-style-type: none"> <li>Openness to continually revisit tenets of its brand with relevant response gaps.</li> <li>Willingness by private to address consequential environmental issues that affect the economy.</li> </ul>

KEY RESULT AREA	ACTIVITIES
<p>(b) Establish organizational and functional competencies at governance, management, program and individual levels that will benchmark quality in KEPSA focusing best practices performance standards globally.</p>	<ul style="list-style-type: none"> <li>• Continually revisit restructuring process and realign it to needs and priorities in KEPSA for its institutional growth needs.</li> <li>• Implement and document systematic competencies review and link it to key performance plans.</li> <li>• Design quality standards to guide performance management and set up quality management plan.</li> <li>• Continually revisit terms of reference, job descriptions appropriately to link with competency analysis output and quality management standards.</li> <li>• Revisit human resource policy and revise aspects of recruitment, planning, training and development, succession planning and compensation.</li> </ul>
<p>(c) Develop KEPSA towards building a strong, stable and sustainable resource base in areas of finance, human resource and program delivery infrastructure etc.</p>	<ul style="list-style-type: none"> <li>• Refine finance and resource development and mobilization policy.</li> <li>• Develop human resource strategy incorporating findings of the strategic plan process.</li> <li>• Review resource mobilization strategy to identify gaps based on the overall strategic plan document.</li> <li>• Link resource mobilization strategy to resource development policy.</li> <li>• Disseminate revised documents at the appropriate levels in KEPSA.</li> </ul>

EXPECTED OUTCOMES	INDICATORS	ASSUMPTIONS
<ul style="list-style-type: none"> <li>• Clarity on functions, roles, responsibilities, competencies and basis for institutional growth and development</li> <li>• Relevant, revamped and streamlined governance, management program, finance, administrative, human resource structures in place.</li> <li>• Quantifiable parameters and quality standards in place.</li> <li>• Enhanced quality in performance.</li> <li>• Clarity on competencies that drive quality in KEPSA</li> <li>• Refined operational policies aligned to overall strategy in KEPSA.</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of competency assessment plans</li> <li>• Copy of competency assessment report</li> <li>• Profile of quality standards set up to guide quality in KEPSA</li> </ul>	<ul style="list-style-type: none"> <li>• Willingness to invest time resources to systematically and technically develop credible foundation for performance.</li> </ul>
<ul style="list-style-type: none"> <li>• Updated finance and resource development/mobilization policy in use.</li> <li>• Human resource strategy guiding all aspects in competency and structure issues.</li> </ul>	<ul style="list-style-type: none"> <li>• Copy of KEPSA's resource development and mobilization policy and strategy</li> <li>• Copy of resource development and mobilization plans</li> <li>• KEPSA reports on resource development and mobilization.</li> </ul>	<ul style="list-style-type: none"> <li>• Willingness to invest time resources in relevant technical processes for refining resource development/mobilization policy and strategy in KEPSA</li> </ul>

## Appendix IV: ORGANIZATIONAL STRUCTURE

