INFLUENCE OF BALANCED SCORECARD ON EMPLOYEE JOB SATISFACTION: A SURVEY OF CO-OPERATIVE BANK OF KENYA LTD

BY

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DECLARATION

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

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This project has been submitted for examination with my approval as University supervisor.

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DEDICATION

This piece of research work is dedicated to my late father who from childhood believed in me and what am able to do.

ABSTRACT

This research was conducted to assess the application of balanced scorecard on co-operative bank employee job satisfaction. This was done with the view that people are an important factor for any organization to accomplish its mission. The study adopted a survey design and primary data was collected using questionnaires. For this study, a descriptive analysis was used to describe the application of balanced scorecard on employee job satisfaction. These were appropriate because of the qualitative nature of the data.

The study found that balance scorecard use in the bank was straight forward and user friendly and that balance scorecard reflects a good measure for measuring performance based on the four pillars as entrenched in the strategic plan of the bank. Operational management and Monitoring and evaluation were the most highly uses of balances scorecard in the bank. While Job content (interest, prestige, and independence), Pay and Interpersonal relationships were the most motivators at work place

Secondly, the study found that statements describing the employees feeling about the jobs to a large extent were; the relationships you have with other people at work, the actual job itself, the degree to which you feel 'motivated' by your job, the style of supervision that your superiors use, the extent to which you may identify with the public image or goals of your organization, current career opportunities, the feeling you have about the way you and your efforts are valued, the kind of work or tasks that you are required to

perform and the degree to which you feel that you can personally develop or grow in your job.

From the findings of the study, it can be concluded that cooperative bank employees have not fully embraced balance scorecard as performance measurement tool.

The study also found that operational management and Monitoring and evaluation were the most highly uses of balances scorecard in the bank. Applications like strategic management and personal goal management are only used to a moderate extent yet they are responsible for job satisfaction in the organization.

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CHAPTER ONE: INTRODUCTION

1.1 Background.

Early Metric-Driven Incentives - MDIs - were generally focused on the financial aspects of an organization by either claiming to increase profit margins or reduce costs. They were not always successful, for instance driving down costs could sometimes be at the expense of quality, staff (lost expertise) or even losing some of your customer base. Today organisations have embarked on a performance management process by which they involve their employees, individuals and members of groups, in improving organizational effectiveness in the accomplishment of their mission and goals. According to Dessler (2003), performance management is a means through which managers ensure that employee's activities and outputs are in line with the organizations goals.

There is no one right way in managing performance. Thomason (1988); Nohria, Joyce and Robertson (2003) points out that different approaches have been used in different organizations to manage performance-Total Quality Management (TQM), Kaizer, Management By Objectives (MBO), 360° feedback, and the Balanced Scorecard method (BSC). Many organizations have implemented the BSC method as a move to performance management system in that BSC serves as an intermediary tool between operational management and strategic goals.

1.1.1 Balanced Scorecard

According to Kaplan and Norton (1996), 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 was originated by Drs. Robert Kaplan (Harvard Business School,1990) and David 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.

The balanced scorecard has evolved from its early use as a simple performance measurement framework to a full strategic planning and management system. Holbeche (2002), Recognizes some of the weaknesses and vagueness of previous management approaches. the balanced scorecard approach provides a clear prescription as to what companies should measure in order to 'balance' the financial perspective. The balanced scorecard is a management system (not only a measurement system) that enables organizations to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results.

To embark on the Balanced Scorecard path an organization first must know and understand the the company's mission statement and strategic plan or vision (Armstrong & Baron 2004). They should then look at the financial status of the organization. how the organization is currently structured and operating, the level of expertise of their employees and customer satisfaction level for improvement. The balanced Scorecard approach measures organizational performance across four balanced perspectives. the financial. customers. internal business process. and learning and growth. The BSC enables companies to track financial results while simultaneously monitoring progress in building the capabilities and acquiring the intangible assets they need for future growth.

The goal of a scorecard project is not to develop a new set of measures Holbeche (2002). Organizations launch scorecard programs for a variety of reasons. Some launch it to obtain clarity and consensus about strategy, achieve focus, leadership development. strategic interventions, educating the organization. to set strategic targets, align programs and investments. and to build a feedback system. None of the reasons relate solely to improving the measurement system. Each reason is part of a broad, overarching goal of mobilizing the organization to new strategic directions.

1.1.2 Job Satisfaction

Armstrong (2006): Gruneberg (1976) define job satisfaction as the favorableness with which employees view their work. attitudes and feelings. It expresses the amount of agreement between ones expectations of the job and the rewards that the job provides. Thus. since job satisfaction involves expectations. it relates to equity theory. psychological contract and motivation. Near et al., (1978) states that the nature of one's environment off- the job does affect ones feelings on the job. Similarly. since a job is an important part of life. job satisfaction influences ones general life satisfaction.

Predictors of job satisfaction have been said to include the environment (or working atmosphere), morale. sense of community and relationships with colleagues (Lacy & Sheehan. 1997). Herzberg (1966) posited that not to have job satisfaction does not imply dissatisfaction. but rather no satisfaction. whereas the absence of job dissatisfaction does not imply satisfaction with job. but only no dissatisfaction. It can therefore be stated that the opposite of job satisfaction is no satisfaction rather than dissatisfaction and the opposite of job dissatisfaction is no job dissatisfaction rather than satisfaction. According to Herzberg (1959). intrinsic elements of the job, which relate to the actual content of the work itself. such as recognition. achievement and responsibility - referred to as motivational factors - are significant elements in job satisfaction. On the other hand. extrinsic elements are related to the work environment such as working conditions. salary. class size. staff assessment and supervisory practices and benefits are referred to as context or hygiene factors related to job dissatisfaction. As a result. he argued that motivational factors can cause satisfaction or no satisfaction. while hygiene factors cause dissatisfaction when absent and no dissatisfaction when present.

Job satisfaction is key to improving productivity and organizational functioning as well as the quality of work experiences of employees (Kallerberg. 1977). It has been viewed as necessary to achieve a high level of motivation and performance (Brennan and James,1989). Although it has also been argued that it is high performance that produces job satisfaction. people are motivated to achieve certain goals and may be even more satisfied if they are then rewarded by extrinsic recognition or an intrinsic sense of achievement (Armstrong and Boron , 1998).

A person's job attitudes are influenced by a broad range of organizational characteristics and social relationships which constitute the individual's work environment. Organizational climate represents the worker's perception of the objective work situation. Perceptions of organizational climate may not always be consistent with objective reality, and changes made by management in supervisory style may not always produce corresponding changes in workers' perceptions of the organization's climate (Churchill, Ford and Walker, 1976). The organizational climate can also either cause or moderate the worker's effective evaluations and attitudes concerning job and work environment (i.e. job satisfaction) included.

1.1.3 Background of the organization

The co-operative bank of Kenya was formed and opened its doors for business on 10th January 1968 licensed as a commercial bank but registered as a co-operative. Its main objective was to provide banking services to the co-operative movements. The Co-operative Bank of Kenya ('the Bank') was until recently incorporated in Kenya under the Co-operative Societies Act, and also licensed to do the business of banking under the Banking Act. Today it is a private company registered under the Companies Act and owned by the co-operative societies, and now sells shares to the public in the Nairobi Stock Exchange (NSE).

The Bank runs two wholly-owned subsidiary companies which are Co-op Trust Investment Services Limited, which is licensed as a Fund Manager by the Retirement Benefits Authority and as an Investment Advisor by the Capital Markets Authority; and Co-operative Consultancy Services (K) Limited, the corporate finance, merchant and investment banking subsidiary, which specializes in providing subsidized consultancy to the Co-operative Movement.

The Co-operative Bank is 100% privately owned by two key shareholder groups who include Co-op holdings Co-operative Society Limited representing 3,085 Co-operative

Societies and Unions which owns 77%. and another 51.000 individual shareholders who own the remaining 23%.

Today co-operative bank of Kenya has a staff complement of over 2.600 employees. For the management to ensure that all employee's activities and outputs are in line with the organizations goals they had to embrace the balanced scorecard system as a performance management tool to review its employees performance which then determines the growth of employees. reward. planning. training and development. This was first introduced in the year 2006 to the management staff and later rolled out to the unionizable staff in the year 2008(Co-operative Bank Human Resources Division. January 2008). The main reason for this introduction was to move away from the traditional appraisal systems that were not only subjective but were not clearly linked to organizational strategy. It was a move to a Performance Management system with the BSC as the tool (framework).

1.2 Statement of the Problem

Traditional management systems have been built around a financial framework. usually the return on investment model. The financial framework worked well as long as financial measures could capture the great majority of value creating or value destroying activities that occurred during quarterly and annual periods. This framework became less valuable as more and more of an organizations activities involved investments in relationships. technologies. and capabilities that could not be valued in the historical cost financial model (Kaplan &Norton 1992). Organizations adopt the balanced score card because it retains a focus on short term financial results. but also recognizes the value of building intangible assets and competitive capabilities.
In the present world characterized by scarce resources and global competition. Kiragu (2003) points out that companies should continuously look for factors that significantly contribute towards retaining market share through growth in business as well as ensure customer satisfaction.

In the move to adapt to the changing environment co-operative bank like other organizations had to adopt the BSC in the year 2006 as both a management and measurement tool. This was to move away from the traditional appraisal systems. With the stiff competition in the banking sector, co-operative bank has set targets for all its staff under four pillars namely the peoples pillar, customers pillar, financial pillar and the risk pillar. All the employees of the bank are therefore required to meet the set targets with some targets being measured same across the network. To ensure that all employees meet the said targets, the human resource has the responsibility to follow up on all employee performances per quarter and issuing rewards or warnings. The uniformity of targets has posed many questions on the BSC among the employees and a question remains to be answered if they are satisfied with its application.

Various studies have been focused on the balanced scorecard as a performance management tool. Mugo (2007) in a study of how balance scorecard has been applied in strategic management of Flashcom Ltd revealed that the company primarily uses BSC as a strategy implementation and performance management tool as part of its strategic management initiative. Macharia (2008) in a study of challenges faced by the Co-operative bank of Kenya in integrating balanced scorecard in performance management process revealed that there are challenges in choosing the right strategic measures that each business unit can use in the balanced scorecard and ensuring that the balanced scorecard measures are reviewed whenever the organization experiences fundamental changes. Kiragu (2003) found out that most companies are aware that financial measures alone cannot be depended upon to capture the performance measures for such variables as efficiency innovation and customer satisfaction. The people factor is thus important in ensuring that such factors are met by organisations. From the above studies there is no evidence of the organisations looking into its applications on the employee therefore leaving a gap. It is in this picture that this study intends to find out if the application of the BSC meets employee job satisfaction in the Co-operative bank of Kenya.

1.3 Objectives of the Study

To assess the application of balanced scorecard on co-operative bank employee job satisfaction.

1.4 Importance of the Study

The results of this study would be of value to Co-operative Bank and other organizations using the BSC by clearly showing the effects it has on employees. The study would also highlight areas that the entity had not been taking into consideration when measuring performance using the BSC and improvement on the same.

The scholars in the area of management would find this study a useful source of reference for purposes of discussion and further research on the areas. The contributions made by this study would help shape more studies in the future on how the application of balanced scorecard in both private and public sectors imply on employees job satisfaction.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter makes a presentation of the available literature concerning the subject matter. It explains the concept, procedures, of performance management and balanced scorecard. It goes on to explain the theoretical Framework and empirical review and the relationship existing between the balanced scorecard and job satisfaction.

2.1 Performance Management

Kaplan and Norton (1996) describe performance management as the use of performance measurement information to effect positive change in organizational culture, systems and processes. This is by helping to set agreed-upon performance goals, allocating and prioritizing resources, informing managers to either confirm or change current policy or program directions to meet those goals, and sharing results of performance in pursuing those goals. On the other hand performance measurement (Dessler 2003), is a process of assessing progress toward achieving predetermined goals, including information on the efficiency with which resources are transformed into goods and services (outputs), the quality of those outputs (how well they are delivered to clients and the extent to which clients are satisfied) and outcomes (the results of a program activity compared to its intended purpose), and the effectiveness of organisations operations in terms of their specific contributions to program objectives.

There is no one right way in managing performance. According to Nohria, Joyce and Robertson (2003), there is no one right way in managing performance. Different approaches have been used by different organisations like Total Quality Management (TQM), Kaizer, Management By Objectives (MBO), and Balanced Scorecard method (BSC). Armstrong (2006) points out that many organisations are now using balanced scorecard for both performance management and measurement.

2.2 The Balanced Scorecard

The balanced scorecard retains traditional financial measures. But financial measures tell the story of past events where investments in long term capabilities and customer relationships were not critical to success (Kaplan & Norton,1996). For guiding and evaluating the journey that information age companies need to create future value through investment in customers, suppliers, employees, processes, technology and innovation, the financial measures are inadequate. The BSC complements financial measures of past performance with measures of the drivers of future performance. It provides executives with comprehensive framework that translates a company's vision and strategy into a coherent set of performance measures. Many companies have vision statements to communicate the fundamental values and beliefs to all employees. The mission statement as discussed by Simons, (1995), addresses core beliefs and identifies target markets and core products.

"To be the most successful company in the airline business", for an airline company, and "To offer value-added financial services to our chosen market segments with special emphasis on the co-operative movement through a highly effective network of service points, excellent customer service and a highly motivated team of qualified personnel for the case of Co-operative bank. Mission statement should be inspirational. They should supply energy and motivation to the organization. But they are not sufficient. As Peter Senge, (1990) observed:" Many leaders have personal visions that never get translated into shared visions that galvanize the organization. What has been lacking is discipline for translating individual vision into shared vision."

The BSC translates mission and strategy into objectives and measures, organized into four different perspectives which are financial, customer, internal business process, and learning and growth. The scorecard provides a framework, a language, to communicate mission and strategy. It uses measurement to inform employees about the drivers of current and future success. By articulating the outcomes the organizations desires and the drivers of those outcomes, senior executives hope to channel the energies, the abilities, and the specific knowledge of people throughout the organization towards achieving the long -term goals.

2.2.1 The Four Perspectives of the Balanced Scorecard

In the industrial age, Lessner (1989) points out that most of the assets of a firm were in property, plant, and equipment and the financial accounting system performed an adequate job of valuing those assets. In the information age, much of the value of the firm is embedded in innovative processes, customer relationships, and human resources. The financial accounting system is not so good at valuing such assets.

The Balanced Scorecard goes beyond standard financial measures to include the customer perspective, the internal process perspective, and the learning and growth perspective. These four realms are not simply a collection of independent perspectives. Rather, there is a logical connection between them - learning and growth lead to better business processes, which in turn lead to increased value to the customer, which finally leads to improved financial performance.

Financial perspective in the traditional private sector differs from the government sector. As Cushway (2003) discuss, private sector financial objectives generally represent clear long-range targets for profit-seeking organizations, operating in a purely commercial environment. Financial considerations for public organizations, have an enabling or a constraining role, but will rarely be the primary objective for business systems. Hartle (1995) further points out that success for such organizations should be measured by how effectively and efficiently these organizations meet the needs of their constituencies. Kaplan and Norton (1996) points out that there is a need for financial data that is timely and accurate. But the point is that the current emphasis on financials leads to the "unbalanced" situation with regard to other perspectives. There is perhaps a need to include additional financial-related data, such as risk assessment and cost-benefit data, in this category.

Recent management philosophy has shown an increasing realization of the importance of customer focus and customer satisfaction in any business (Simons. 1995). These are leading indicators: if customers are not satisfied. they will eventually find other suppliers that will meet their needs. Poor performance from this perspective is thus a leading indicator of future decline. even though the current financial picture may look good (Jones & Sasser.1995).

In developing metrics for satisfaction. Heskett et. al.(1994) recommends that customers should be analyzed in terms of kinds of customers and the kinds of processes for which we are providing a product or service to those customer groups. This perspective captures the ability of the organization to provide quality goods and services. effective delivery. and overall customer satisfaction. For purposes of this model. both the recipient of goods and services (the internal customer) and the sponsor are regarded as customers of the business processes.

Internal business perspective provides data regarding the internal business results against measures that lead to financial success and satisfied customers. To meet the organizational objectives and customers' expectations. organizations must identify the key business processes at which they must excel. Key processes are monitored to ensure that outcomes are satisfactory. Metrics based on this perspective as seen by Lessner (1989) allow the managers to know how well their business is running. and whether its products and services conform to customer requirements (the mission). These metrics have to be carefully designed by those who know these processes most intimately: with our unique missions these are not something that can be developed by outside consultants. Internal business processes are the mechanisms through which performance expectations are achieved.

In Armstrong and Boron (2004) Learning and growth perspective captures the ability of employees. information systems. and organizational alignment to manage the business and adapt to change. Processes will only succeed if adequately skilled and motivated employees. supplied with accurate and timely information. are driving them. In a knowledge-worker organization. people -- the only repository of knowledge -- are the main resource. In the current climate of rapid technological change, it is becoming necessary for knowledge workers to be in a continuous learning mode. Metrics can be put into place to guide managers in focusing training funds where they can help the most. Kaplan and Norton (1992) emphasize that 'learning' is more than 'training'; it also includes things like mentors and tutors, ease of communication and technological tools.

Each perspective of the Balanced Scorecard includes objectives, measures of those objectives, target values of those measures, and initiatives (Torrington and Hall, 2008). Objectives refer to the major objectives to be achieved, for example, profitable growth. Measures are the observable parameters that will be used to measure progress toward reaching the objective. For example, the objective of profitable growth might be measured by growth in net margin. Targets are the specific target values for the measures, for example, +2% growth in net margin and lastly initiatives are the action programs to be initiated in order to meet the objective (Kaplan and Norton 1996).

2.2.2 Guidelines for Balanced Scorecard Application.

The guidelines of BSC as a tool for performance management are simple but the practice is often difficult. Part of the reason why it is difficult to improve performance management is that, while the BSC system is the tool, it is the people who really drive improvement Armstrong and Boron (2004). To ensure Performance management improves your services and change people's lives for the better, there is need for effective leadership in that the leaders must set the tone in the organization and show that performance and performance management matters.

There has to be effective organization and people management by staff and managers. This will ensure that Performance management is working in a robust way and is being used to make day to day decisions. Users have to be at the core of the application. After all, the organization through Performance management is improving services so that they can change people's lives for the better. There has to be respect for individuals. People should be treated as 'ends in themselves' and not merely as 'means to other ends'. There got to be mutual respect among the parties involved. Procedural Fairness should also be observed in the scorecard to limit the adverse effects on individuals. Transparency must be seen in that the people affected by decisions emerging from the balanced scorecard should have the opportunity to scrutinize the basis upon which decisions were made.

2.2.3 Balanced Scorecard Process of performance management

The balanced scorecard derives is continuous and cyclic (Armstrong, 2004; Kaplan and Norton 1992, 1996). It takes place throughout the organization. A key focus of the process is the aspect of continuous improvement. It ensures that employees do better today than they did yesterday. The process ensures that employees are rewarded for good performance and taking risks as they aim for higher goals. The first process is role definition which involves co-operation and consensus between the manager and employees. It is here that objectives, performance targets are set. It involves developing an implementation schedule, identifying the necessary resources, agreeing on management and leadership support, identifying training and development requirement and developing training program.

Once the performance targets have been arrived at the employee then enters into an agreement with the organization to deliver certain outputs according to defined standards. Incentive systems are also agreed upon at this stage and also an agreement on the implementation of training programs. The employee then completes a personal development plan (PDP) which highlights their desire for professional development. The PDP focuses on employee career development needs and management development needs for the organization. Training and development activities will be undertaken to support career management and management development.

The most critical aspect is managing of performance throughout the year. This is the implementation process where objectives are turned into action plans and later in tasks. Training is at its peak during this time. The training activities will relate to the transfer of the appropriate knowledge, skills, and abilities relevant to the achievement of key results of the core functions. At this stage the objectives and targets agreed upon are constantly reviewed and updated according to the demands arising. The reviews are done using informal appraisal on a daily or weekly basis. Coaching and mentoring activities will be undertaken by the managers to develop further the potential of the workers.

The final part of the process is the performance review. It is the formal evaluation of performance by managers using performance appraisal. This is a planned activity with the primary objective of enhancing performance improvement. A review of the training program is undertaken at this time. Performance review discussions enable a perspective to be obtained on past performance as a basis for making plans for the future. An overall view is taken of the progress made. Performance and development reviews provide those involved with the opportunity to reflect on past performance as a basis for making development and improvement plans.

2.3 Job Satisfaction

According to Werther and Davis (1996) Job satisfaction is favorableness or un-favorableness with which employees view their work. As with motivation, it is affected by the environment. A basic issue is whether satisfaction leads to better performance or whether better performance leads to satisfaction. The reason for the uncertain relationship between performance and satisfaction is that rewards intervene. Whether satisfaction is going to be improved depends on whether the rewards match the expectations, needs, and desires of the employees. If better performance leads to high rewards and if those rewards are seen as fair and equitable. Conversely, inadequate rewards can lead to dissatisfaction. In either case satisfaction becomes feedback that affects one's self-image and motivation to perform.
Many theories have been developed to explain the drivers of Job satisfaction. One of the oldest and most famous theories developed on job satisfaction was by Abraham Maslow in the 1940's. It consists of classification of needs and how these classifications are related to each other in a hierarchy way. The various needs start from physiological to safety to belongingness to esteem and lastly self actualization. According to Maslow, employees work their way up the hierarchy but each level remains dependent on the previous level. The theory in relation to performance management is not appealing in that

employers should find out the level each employee is and develop a reward strategy accordingly.

However, Arnold et al., (1998) revealed a number of significant flaws in that the needs do not always group together in the way suggested. The theories are unable to predict when a particular need will manifest because there is no clear relationship between needs and behavior. The theory also ignores the capacity of people and those around them to construct their own perception as needs and how they can be met.

A major revision on the Needs theory on job satisfaction was the Hawthorne studies undertaken in the USA. These were conducted at the Hawthorne plant of Western Electric Company popularized by Professor Elton Mayo (1933). The main conclusions from these studies were that individual workers cannot be treated in isolation but have to be seen as members of a group, group membership and the status that goes with it is more important to individuals than monetary incentives or good physical working conditions, informal or unofficial groups in the workplace exercise a strong influence over employee behavior and lastly supervisors and managers need to be aware of these social needs if they are to obtain commitment to organizational goals.

Hawthorne studies stand as the first major attempt to undertake genuine social research and they redirected the attention of industrial psychology away from studies of fatigue and the effects of physical working conditions to a consideration of the human factors operating in the workplace.

Scientific management, also known as Taylorism, had a significant impact on the study of job satisfaction. Frederick Winslow Taylor (1865-1917) argued that there was a single best way to perform any given work task. McConkey (1985) notes that it is a stage which relied heavily on a more impersonal approach to managing people, and was characterized by emphasis on standard work measurement and methods improvement. This contributed to a change in industrial production philosophies, causing a shift from skilled labor and piecework towards the more modern approach of assembly lines and hourly wages. Taylor believed that the use of money as a motivator linked to various objectives would offer the best motivation for performance. In Taylors commentary, (Beardwell et al 2004) money was the primary motivator. The initial use of scientific management by industries greatly increased productivity because workers were forced to work at a faster pace. However, workers became exhausted and dissatisfied, thus leaving researchers with new questions to answer regarding job satisfaction.

Locke (1976) presented the Range of Affect Theory in the year 1976, which is arguably the most famous job satisfaction model. The main premise of this theory is that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job. Further, the theory states that how much one values a given facet of work, for example the degree of autonomy in a position, moderates how satisfied or dissatisfied one becomes when expectations are, or are not met. When a person values a particular facet of a job, his satisfaction is more greatly impacted both positively, meaning when expectations are met, and negatively, meaning when expectations are not met, compared to one who does not value that facet.

Another well-known job satisfaction theory is the Dispositional Theory. It is a very general theory that suggests that people have innate dispositions that cause them to have tendencies toward a certain level of satisfaction, regardless of one's job. This approach became a notable explanation of job satisfaction in light of evidence that job satisfaction tends to be stable over time and across careers and jobs. Research also indicates that identical twins have similar levels of job satisfaction.

A significant model that narrowed the scope of the Dispositional Theory was the Core Self-evaluations Model, proposed by Timothy A. Judge in 1998. Judge argued that there are four Core Self-evaluations that determine one's disposition towards job satisfaction: self-esteem, general self-efficacy, locus of control, and neuroticism. This model states that higher levels of self-esteem, which is the value one places on himself, and general self-efficacy, that is the belief in one's own competence, lead to higher work satisfaction. Having an internal locus of control, that is believing one has control over her or his own life, as opposed to outside forces having control, leads to higher job satisfaction. Finally, lower levels of neuroticism lead to higher job satisfaction.

Frederick Herzberg (Bartol and Martin (1966); Herzberg (1966)), presented the Two factor theory, which is also known as Motivator Hygiene Theory, in an attempt to explain satisfaction and motivation in the workplace. This theory states that satisfaction and dissatisfaction are driven by different factors, that is motivation and hygiene factors, respectively. Motivating factors are those are aspects of the job that make people want to perform, and provide people with satisfaction like a sense of achievement, an opportunity for personal growth, achieving recognition to work. These hygiene factors are considered to be intrinsic to the job, or the work carried out, and includes aspects of the working environment such as pay, company policies, supervisory practices, and other working conditions.

Motivators and hygiene factors are qualitatively different and have different effects. If the objective is to remove dissatisfaction, the organization will need to improve the hygiene factors. However improving them beyond the level at which dissatisfaction disappears will not result in an increase in satisfaction. Satisfaction can only be increased by giving more of the motivators. Giving more of motivators may not by itself remove dissatisfaction thus the opposite of satisfaction is not dissatisfaction but no satisfaction and also the opposite of dissatisfaction is not satisfaction but simply no dissatisfaction.

While Hertzberg's model has stimulated much research, researchers have been unable to reliably empirically prove the model, with Hackman & Oldham suggesting that Hertzberg's original formulation of the model may have been a methodological artifact. Furthermore, the theory does not consider individual differences, conversely predicting all employees will react in an identical manner to changes in motivating or hygiene factors. Finally, the model has been criticized in that it does not specify how motivating or hygiene factors are to be measured. Hackman and Oldham (1980) set out the first structure of jobs characteristics model which is the basis of job design approach to motivation. The job characteristic approach is based on the idea that individual differences are important moderators in the way employees respond to the nature and design of work irrespective of the performance/reward element.

Working from Herzberg 's idea that work itself and the way it is organized are important motivators, they, Hackman and Oldham (1980), argue that there are five core job dimensions: there is skill variety-concerned with the number and type of different activities the job involves, task identity-the extent to which the employee has some responsibility for the whole job, task significance-essentially how meaningful the job is considered to be by others, autonomy-the freedom the employee has to determine how to undertake the work, and feedback which is the level of information the employee receives about the work and their performance. These five core job dimensions create three psychological states founded upon the meaningfulness of work, the extent to which the employee experience responsibility for the outcome of their work and the knowledge of the results of the actual effort. Where these three 'psychological states' are actually experienced, they are more likely to experience high work motivation and general work satisfaction.

2.4 Empirical study

Macharia (2008) did a study on the challenges faced by the Co-operative bank of Kenya in integrating balanced scorecard in performance management process. This study affirms that it is important that management should take sufficient time to integrate the balanced scorecard to its performance management process. The study also revealed that there are challenges in choosing the right strategic measures that each business unit can use in the balanced scorecard and ensuring that the balanced scorecard measures are reviewed whenever the organization experiences fundamental changes. This is because the banking sector operates in a turbulent environment and therefore the balanced scorecard should be dynamic and continually reviewed to reflect the competitive environment.

Kiragu (2003) did a survey on the adaptation of the balanced scorecard by selected companies in Kenya. From this study it was evident that 69% of companies use financial and non-financial measures of performance in measuring performance. Many companies do not call their performance measurement tool by the name balanced scorecard but their practices do model those of the balanced scorecard. He also found out that most companies are aware that financial measures alone cannot be depended upon to capture the variables as efficiency, innovation and customer satisfaction. This is due to the fact that the present world is characterized by scarce resources, global competition and so companies should continuously look for factors that significantly contribute towards retaining market share through growth in business as well as ensure customer satisfaction.

Mugo (2007) in a study of how balance scorecard has been applied in strategic management of Flashcom Ltd revealed that the company primarily uses BSC as a strategy implementation and performance management tool as part of its strategic management initiative. More so a study by D'souza (2007) on application of balanced scorecard in strategy implementation at Barclays bank of Kenya ltd indicates that management understand the strategy more than other levels of employees. This is because they are the ones entrusted with the role of its implementation. The balanced scorecard sees to improve the understanding of the strategy as it provides substantial guideline for action.

Wood and Tandon (1994) Examined the role of product managers of consumer goods in this new environment, within the context of a conceptual model developed to understand better the dynamics underlying their job performance and satisfaction. The model highlights the interactions among boundary spanning, information power and inter-functional coordination, and incorporates the concepts of strategic orientation, role conflict and role ambiguity. In all, 17 propositions are advanced for future empirical testing. According to Wood and Tandon (1994), empirical work presented in a selling context provided evidence that job performance is positively related to job satisfaction. In other words, performance may be a source of satisfaction. Based on those results, the following proposition was advanced: The higher the level of product managers' performance, the higher their personal job satisfaction.

Crow and Hartman (1995) present a theory that suggests organizations may find their interests are better served – and employees feel more satisfied – when the workplace is busy and productive. Employers should focus on effective performance and expect high job satisfaction in return rather than the other way around. The suggestion is that when employees produce and meet expectations, they tend to be more satisfied than are employees who do not achieve their goals. Here, working effectively is a source of job satisfaction – not the other way around. But this is just a theory and the authors state that there is not yet a precise method for creating job satisfaction: in the meantime, all that management can do is to focus on some of the tangible aspects of work that create frustration and distract employees from the tasks at hand.

Moshavi and Terborg (2002) did study in the United States of America, investigating the role that human capital plays in explaining the job satisfaction and performance of contingent and regular customer service representatives. Consistent with the expectations, contingent customer service representatives had less human capital but higher job satisfaction than regular workers. In addition, it was found that human capital mediated the relationship between work status and job satisfaction. Contrary to expectations, no performance differences were found between contingent and regular customer service representatives.

Lam (1995) Reports on the results of a survey of 220 front-line supervisors in Hong Kong using the job descriptive index to investigate the perceived impact of total quality management programmes on job satisfaction. He shows that the respondents were much less satisfied with the work dimension than with other job descriptive index dimensions such as supervision and co-workers. Total quality management programmes seemed to have no impact on pay and promotion. The respondents perceived that the total quality management programmes had led to a variety of changes which made their jobs more demanding, requiring greater individual skill and accuracy, but did not make their jobs more interesting and important. He discusses the significance of these findings in the context of the need to provide employee satisfaction in total quality management.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter described the proposed research design, research population, sample, data collection and the techniques for data analysis that were used.

3.1 Research Design

This was a survey design study.The study sort to assess the application of balanced scorecard on employee job satisfaction at the co-operative bank of Kenya. This design was appropriate because of the large number of respondents involved and the comparative nature of the analysis to be undertaken for this study.

3.2 Research Population

A population is that entire group of items or cases from which the researcher will want to gather data. In this case the population consists of 1,947(Co-operative Bank Human Resources Division, January 2008) unionisable and management employees of the Co-operative Bank. For this study the respondents were drawn from all the employees working in both 16 branches and 10 departments at the head office.

3.3 Sample Design

A sampling design is used when it is not possible to study an entire population. A combination of both stratified and simple random sampling was used to select employees from chief managers, managers, supervisors, section heads and the clerks. Stratified sampling was used to sample departments at the head office and branches to ensure equal representation. (Refer to appendix 3). Simple random sampling was used for each cluster of respondents. Based on the sampling process above, 30% of the population were sampled and considered large enough to provide a good basis for valid and reliable conclusions as shown in the table below.

Table 3.1: Sample size

	Chief Manager	Manager	Supervisor	Section Head	Clerk	**Total**
Department	5	12	14	9	16	**56**
Branch	-	5	11	23	85	**124**
Total	**5**	**17**	**25**	**32**	**101**	**180**

Source: Research data

3.4 Data Collection

This research relied on primary data. Primary data is qualitative in nature and were collected from the employees of Co-operative Bank. Data was collected using semi structured questionnaire which consisted of both open and closed ended questions divided into three sections which covered the background information, the balanced scorecard and job satisfaction (See Appendix 2). Questionnaires were self administered/e-mailed to the respondents.

3.5 Data Analysis

For this study, a descriptive analysis (graphical analysis of percentages, proportions and mean) were used to describe the findings. These were appropriate because of the qualitative nature of the data. Completed questionnaires were edited for completeness and consistency. The data was coded and checked for any errors and omissions. Content analysis technique was used in making inferences because it measures the what aspect of the data. Similar studies have also used content analysis successfully to analyse data like Mugo (2007), Macharia (2008), and D'souza (2007).

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1: Introduction

The research objective was to assess the application of balanced scorecard on co-operative bank employee job satisfaction. This chapter presents the analysis and findings with regard to the objective and discussion of the same. The findings are presented in percentages and frequency distributions, mean and standard deviations.

4.2 General Information

A total of 138 completed and useable interview guides were obtained from the respondents. The general information considered in this study were: response rate, age bracket, length of service at the bank, work station, academic entry level, any additional academic qualification and recognition of additional qualification in growth

4.2.1: Response rate

A total of 180 questionnaires were issued out. The completed questionnaires were edited for completeness and consistency. Of the 180 questionnaires used in the sample, 138 were returned. The remaining 42 were not returned. The returned questionnaires' represented a response rate of 76.7%, which the study considered adequate for analysis.

4.2.2 Age of respondents

The respondents were asked to state their age. The results are given in table 4.1.

Table 4.1: Age of the respondents

Age bracket	Frequency	Percent	Cumulative Percent
24-30yrs	72	52.2	52.2
31-35yrs	18	13.0	65.2
36-40yrs	21	15.2	80.4
41-45yrs	27	19.6	100.0
Total	138	100.0	

Source: Research data

4.2.3: Length of service by employees

Length of service in the organization determined the rate at which staff changes jobs as well as the reliability of the information given by the respondents. The respondents were asked to state the length of service in their organization. The results are given in table 4.2

Table 4.2: Length of service by employees

Number of service years	Frequency	Percent	Cumulative Percent
1-5	72	52.2	52.2
6-10	33	23.9	76.1
11-15	24	17.4	93.5
16-20	9	6.5	100.0
Total	138	100.0	

Source: Research data

The results presented in table 4.2, shows that majority (76.1%) of the employees have been in the bank for less than 10 years (52.2% having stayed for 1-5years and 23.9% for 6-10 years). notable was that fewer staff have stayed for a period of 16-20 years. this is an indication of high staff turn over in the bank.

4.2.4: Place of work

The respondents were asked to indicate their work station at the bank. The findings are as shown in table 4.3

Table 4.3: Place of work

Work station	Frequency	Percent	Cumulative Percent
Branch	93	67.4	67.4
Department	45	32.6	100.0
Total	138	100.0	

Source: Research data

As shown in table 4.3, majority of the respondents (67.4%) works at branches while only 32.6% are at departments. This is inline with the bulk of work (core business of the bank) being handled at branches.

4.2.5: Is this the first job

The respondents were to state whether the current job was their first job. The findings are as shown in table 4.4

Table 4.4: First job

Response	Frequency	Percent	Cumulative Percent
Yes	48	34.8	34.8
No	90	65.2	100.0
Total	138	100.0	

Source: Research data

The result in table 4.4 shows that majority of the respondents had worked some where else before joining cooperative bank while 34.8% had cooperative bank as their first place of work.

4.2.6 Level of education of the respondents

The respondents were asked to state their highest level of education. The results are given in table 4.5.

Table 4.5: Level of education of the respondents

Education levels	Frequency	Percent	Cumulative Percent
Certificate	18	13.0	13.0
Diploma	6	4.3	17.4
Degree	114	82.6	100.0
Total	138	100.0	

Source: Research data

As shown in table 4.5. 82.6% of the respondents had first degree at the time of joining the bank. 13% had certificates and only 4.3% had diploma. This may mean that cooperative bank do employ most of her staff as graduate trainees.

4.2.7: Additional academic qualification

The respondents were state whether they had added any academic qualifications since they joined the bank. The findings are as shown in table 4.6

Table 4.6: Additional academic qualification

Response	Frequency	Percent	Cumulative Percent
Yes	93	67.4	67.4
No	45	32.6	100.0
Total	138	100.0	

Source: Research data

It was found that majority of the respondents (67.4%) had added more qualifications since they joined the bank. on the other hand 32.6% had not added any qualification.

4.2.7: Additional academic qualification and recognition in growth

The respondents were state whether additional qualification has had any recognition in growth. The findings are as shown in table 4.7

Table 4.7: Additional academic qualification and recognition in growth

<table>
<tr><td colspan="2" rowspan="2">Have you had any additional academic qualification?</td><td colspan="2">If yes, has it had any recognition in growth?</td><td>Total</td></tr>
<tr><td>Yes</td><td>No</td><td></td></tr>
<tr><td rowspan="2">Yes</td><td>Count</td><td>39</td><td>54</td><td>93</td></tr>
<tr><td>%</td><td>41.9%</td><td>58.1%</td><td>100.0%</td></tr>
<tr><td rowspan="2">Total</td><td>Count</td><td>39</td><td>54</td><td>93</td></tr>
<tr><td>%</td><td>41.9%</td><td>58.1%</td><td>100.0%</td></tr>
</table>

Source: Research data

It was apparent that most of additional qualifications have had no recognition in growth while only 41.9% of those who achieved this additional qualification have had their qualification recognized in growth.

4.3: Balanced Scorecard Analysis

This section covers questions posed to the respondent on balance scorecard analysis. Frequency, percent. mean and standard deviations were used for the analysis.

4.3.1: Frequency of use of the balanced scorecard

The respondents were asked to state how frequently the use balance scorecard. It was apparent all the respondents (100%) unanimously agreed that balance scorecard is used in the bank on quarterly basis. This is in line with the analysis of the banks performances on the key pillars of the balance scorecard on quarterly reports released by the bank.

4.3.2: Acceptance of balance scorecard by the staff of co-operative bank

The respondents were to state whether staff of cooperative bank had accepted balance scorecard. The findings are as shown in table 4.8

Table 4.8: Acceptance of balance scorecard by the staff of co-operative bank

Response	Frequency	Percent	Cumulative Percent
Agree	84	60.9	60.9
Disagree	54	39.1	100.0
Total	138	100.0	

Source: Research data

As shown in table 4.8, 60.9% of the respondents were of the opinion that cooperative bank staff had accepted the use of balance scorecard in the bank while significant 39.1% were of the opinion that balance scorecard has not been accepted in the bank. There is need to access this significant disagreement rate.

4.3.3: Is the balanced scorecard used in co-operative bank straight forward and user friendly?

When asked to state whether balance scorecard use in the bank was straight forward and user friendly. 60.9% were of the opinion that balance scorecard use in the bank was straight forward and user friendly while 39.1 were of the opposing opinion, that is, the balance scorecard is not straight forward and user friendly.

Table 4.9: Is the balanced scorecard used in co-operative bank straight forward and user friendly?

Response	Frequency	Percent	Cumulative Percent
Yes	84	60.9	60.9
No	54	39.1	100.0
Total	138	100.0	

Source: Research data

4.3.4: Balance scorecard reflects a good measure for measuring performance based on the four pillars

The respondents were asked to state whether balance scorecard reflects a good measure for measuring performance based on the four pillars. The findings are as shown in table 4.10

Table 4.10: Balance scorecard reflects a good measure for measuring performance based on the four pillars

Response	Frequency	Percent	Cumulative Percent
Yes	96	69.6	69.6
No	42	30.4	100.0
Total	138	100.0	

Source: Research data

As indicated in table 4.10, 69.6% of the respondents were of the opinion that balance scorecard reflects a good measure for measuring performance based on the four pillars. On the other hand a notable 30.4% of the respondents felt that the four pillars are not adequately measured by the balance scorecard.

4.3.5: Comparing to the traditional performance management system used before and the balanced scorecard a better measurement

When asked to compare the traditional performance management system used before and the balanced scorecard as a measurement tool. 78.3% of the respondents said that balance scorecard was better measurement tool as compared to the traditional performance management system

Table 4.11: Comparing to the traditional performance management system used before and the balanced scorecard a better measurement

Response	Frequency	Percent	Cumulative Percent
Yes	108	78.3	78.3
No	30	21.7	100.0
Total	138	100.0	

Source: Research data

4.3.6: Rating of the uses of balanced scorecard in co-operative bank.

The respondents were asked to rate the uses of balanced scorecard according to how they are applied in co-operative bank in a five point Likert scale. The range was 'to a very most used (5)' to 'less used' (1). The scores of 'less used' have been taken to present a variable which had an impact to a small extent (S.E) (equivalent to mean score of 0 to 2.5 on the continuous Likert scale ;(0≤ S.E <2.4). The scores of 'to a moderate extent' have been taken to represent a variable that had an impact to a moderate extent (M.E.) (equivalent to a mean score of 2.5 to 3.4 on the continuous Likert scale: 2.5≤M.E. <3.4). The score of 'most used' have been taken to represent a variable which had an impact to a large extent (L.E.) (equivalent to a mean score of 3.5 to 5.0 on a continuous Likert scale; 3.5≤ L.E. <5.0). A standard deviation of >1.5 implies a significant difference on the impact of the variable among respondents.

Table 4.12: Rating the uses of balanced scorecard according to how they are applied in co-operative bank

Uses	Mean	Std. Deviation
Strategic management	3.1087	.75962
Monitoring and evaluation	3.5348	.92939
Operational management	3.6957	.87072
Personal goal management	3.0870	.50657

Source: Research data

The study found that the following were used to a large extent (high mean values): operational management (mean of 3.6957) and Monitoring and evaluation (mean of 3.5348). There is low variation in the opinion of the respondents as shown by the low values of the standard deviations

The study also found that some of the applications are only used to a moderate extent for instance Strategic management (mean of 3.1087) and Personal goal management (mean of 3.0870)

4.3.7 Rating the extent to which the following potential internal business outputs has been realized by co-operative bank since the introduction of the balanced scorecard

The respondents were asked to Rate the extent to which the following potential internal business outputs has been realized by co-operative bank since the introduction of the balanced scorecard in a five point Likert scale. The range was 'to a very high (5)' to 'very low used' (1). The scores of 'very low and low' have been taken to present a variable which had an impact to a small extent (S.E) (equivalent to mean score of 0 to 2.5 on the continuous Likert scale ;($0 \leq$ S.E <2.4). The scores of 'average' have been taken to represent a variable that had an impact to a moderate extent (M.E.) (equivalent to a mean score of 2.5 to 3.4 on the continuous Likert scale: $2.5 \leq$M.E. <3.4). The score of 'high and very high' have been taken to represent a variable which had an impact to a large extent (L.E.) (equivalent to a mean score of 3.5 to 5.0 on a continuous Likert scale: 3.5≤ L.E. <5.0). A standard deviation of >1.5 implies a significant difference on the impact of the variable among respondents.

Table 4.13: Rating the extent to which the following potential internal business outputs has been realized by co-operative bank since the introduction of the balanced scorecard

Potential internal business outputs	Mean	Std. Deviation
Efficiency	3.6304	.67355
Profitability	2.8913	.73181
Employee turnover	2.5682	.78335
Customer service	3.7174	.74471
Employee growth	2.4783	.97575

Source: Research data

From the findings to a great extent; Customer service (mean of 3.7174) and efficiency (mean of 3.6304). On the other hand to moderate extent; Profitability (mean of 2.8913), Employee turnover (mean of 2.5682) and Employee growth (mean of 2.4783).

4.4 Job Satisfaction Analysis

4.4.1 Rewards frequently used

The respondents were asked to rate the rewards frequently used at cooperative a scale of 0 to 1.5 represented rewards rarely used while a scale of 1.5 to 2 represented frequently used rewards. The findings are as shown in table 4.14

Table 4.14 Rewards frequently used

Ways of rewards	Mean	Std. Deviation
Employee growth	2.0000	.97575
Promotion	1.7174	.68337
Bonus	1.7826	.41397
Leave	1.0000	.91220
Recognition Certificate	1.1957	.87844
Verbal praise	1.5652	1.17738

Source: Research data

As shown in table 4.13, Employee growth (mean of 2.000), bonus (mean of 1.7826), promotion (mean of 1.7174) and verbal praise (mean of 1.5652) were the frequently used rewards in cooperative bank.

The study also found that recognition certificate (mean of 1.1957) and leave (mean of 1.0000) were rarely used as a way of rewarding employees, this is in line with a significant promotion of employees who had additional certificates after joining the bank yet they have not been recognized in growth.

4.4.2: Most motivator at work place

The respondents were asked to state what motivate them most at work place. On a scale of 1 to 5 where wherel is lowest motivator and 5 is the highest motivator, the findings are as shown in table 4.15

Table 4.15: Most motivator at work place

Ways of motivations	Mean	Std. Dev
Pay	3.6043	1.35414
Hours of work	2.8913	1.52682
Future prospects (promotion & job security)	3.1957	1.53242
How hard or difficult the job is	3.1522	1.55156
Job content: interest, prestige, and independence and	3.9130	1.40114
Interpersonal relationships	3.5435	1.43022

Source: Research data

From the findings the respondents identified the following as the most motivators at work place; Job content: interest. prestige. and independence (mean of 3.9130). Pay (mean of 3.6043) and Interpersonal relationships (mean of 3.5435).

On a moderate extent the following were the motivators: Future prospects. that is. promotion & job security, (mean of 3.1957), How hard or difficult the job is (mean of 3.1522) and Hours of work (mean of 2.8913).

4.4.3: Employees feeling about their jobs

The respondents were asked to Rate how they feel about their jobs at cooperative bank in a six point Likert scale. The range was 'to a very much satisfaction (6)' to 'very much dissatisfaction' (1). The scores of 'Very much dissatisfaction and Much dissatisfaction' have been taken to present a variable which had an impact to a small extent (S.E) (equivalent to mean score of 0 to 2.0 on the continuous Likert scale ;($0 \leq$ S.E <2.0). The scores of 'Some dissatisfaction and some satisfaction' have been taken to represent a variable that had an impact to a moderate extent (M.E.) (equivalent to a mean score of 2.1 to 4.0 on the continuous Likert scale: $2.1 \leq$ M.E. <4.0). The score of 'Much satisfaction and Very much satisfaction' have been taken to represent a variable which had an impact to a large extent (L.E.) (equivalent to a mean score of 4.1 to 6.0 on a continuous Likert scale: $4.1 \leq$ L.E. <6.0). A standard deviation of >1.5 implies a significant difference on the impact of the variable among respondents.

Table 4.16: Ranking of employee feeling about their jobs

Employees feelings	Mean	Std. Dev
Communication and the way information flows around the organization	3.9783	1.41146
The relationships you have with other people at work.	4.9130	.83253
The feeling you have about the way you and your efforts are valued.	4.0870	1.35344
The actual job itself.	4.5217	1.06173
The degree to which you feel 'motivated' by your job.	4.3261	1.14728
Current career opportunities.	4.1522	1.41886
The level of job security in your present job	3.2391	1.76567
The extent to which you may identify with the public image or goals of your organization.	4.1957	1.15802
The style of supervision that your superiors use.	4.2391	1.16866
The way changes and innovations are implemented.	3.8261	1.22572
The kind of work or tasks that you are required to perform.	4.0652	1.33020
The degree to which you feel that you can personally develop or grow in your job.	4.0217	1.57289
The way in which conflicts are resolved in your company.	2.0870	1.71076
The scope of your job provides to help you achieve your aspirations and ambitions.	3.5435	1.43022
The amount of participation which you are given in an important decision making.	3.4348	1.50404
The degree to which your job taps the range of skills which you feel you possess.	3.7609	1.45268
The amount of flexibility and freedom that you have in your job.	3.6957	1.53599
The psychological 'feel' or climate that dominates your organization	3.8043	1.33378
Your level of salary relative to your experience.	2.1522	1.56910
The design or shape of your organization's structure.	3.6304	1.42489
The amount of work you are given to do, whether too much or too little.	3.6087	1.42673

Source: Research data

The study found that the following statements described the employees feeling about the jobs to a large extent (high mean values); the relationships you have with other people at work (mean of 4.913), the actual job itself. (mean of 4.5217). The degree to which you feel 'motivated' by your job (mean of 4.3261). The style of supervision that your superiors use (mean of 4.2391), The extent to which you may identify with the public image or goals of your organization (mean of 4.1957). Current career opportunities (mean of 4.1522). The feeling you have about the way you and your efforts are valued (mean of 4.0870). The kind of work or tasks that you are required to perform (mean of 4.0652) and The degree to which you feel that you can personally develop or grow in your job (mean of 4.0217).

The study also found that some of the statements only express their feeling about their jobs to a small extent for instance. that is. Your level of salary relative to your experience (mean of 2.1522) and the way in which conflicts are resolved in your company (mean of 2.0870).

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The objective of the study was to assess the application of balanced scorecard on co-operative bank employee job satisfaction.

Foremost. the study found that balance scorecard use in the bank was straight forward and user friendly and that balance scorecard reflects a good measure for measuring performance based on the four pillars as entrenched in the strategic plan of the bank. It was apparent that operational management and Monitoring and evaluation were the most highly uses of balances scorecard in the bank. While Job content (interest, prestige, and independence). Pay and Interpersonal relationships were the most motivators at work place

Secondly. the study found that statements describing the employees feeling about the jobs to a large extent were: the relationships you have with other people at work. the actual job itself. the degree to which you feel 'motivated' by your job. the style of supervision that your superiors use. the extent to which you may identify with the public image or goals of your organization. current career opportunities. the feeling you have about the way you and your efforts are valued. the kind of work or tasks that you are required to perform and the degree to which you feel that you can personally develop or grow in your job.

5.2 Conclusion

From the findings of the study, it can be concluded that cooperative bank employees have not fully embraced balance scorecard as performance measurement tool. This is supported by the respondent's significant rating (no) that balance scorecard use in the bank was straight forward and user friendly

The study also found that operational management and Monitoring and evaluation were the most highly uses of balances scorecard in the bank as such there is need to look at other aspects such as Strategic management Personal goal management as gain made on this two aspects may be short lived.

5.3 Recommendations

5.3.1: Recommendation with policy implications.

Based on the study findings, it is recommended that employees should be involved in the whole process of implementation and evaluation of the balance scorecard. A training season should be organized for staff so that they learn more about the concept and fully buy in for the bank to achieve the full benefits of the balance scorecard.

5.3.2: Recommendation for Further Research

This study focused on the assessment of the application of balanced scorecard on co-operative bank employee job satisfaction, it is therefore recommended that similar research should be replicated in other commercials banks who have implemented balance scorecard and the results be compared so as to establish whether there is consistency among the commercial banks.

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APPENDICES

APPENDIX 1: INTRODUCTION LETTER

TO RESPONDENT

University of Nairobi

School of Business

P.O.Box 30197

Nairobi.

Dear Sir/ Madam.

RE: APPLICATION OF BALANCED SCORECARD ON EMPLOYEE JOB SATISFACTION A SURVEY OF THE CO-OPERATIVE BANK OF KENYA LTD

I am a student at the University of Nairobi pursuing a Master of Business Administration (M.B.A.) degree. This research is part of the requirement of the course. You have been carefully selected to form part of this study. It is my humble request that you kindly spare some time to fill the attached questionnaire as accurately as possible. The information you give will be used purely for academic purposes and all responses will be treated with confidentiality. A copy of the research report will be availed to you on request.

Yours faithfully,

Ruth Opiyo

M.B.A. Student.

APPENDIX 2: QUESTIONNAIRE

Please tick the appropriate response

A. EMPLOYEE BACKGROUND

1. What is your age bracket?

24-30 [ ]

31-35 [ ]

36-40 [ ]

41-45 [ ]

46 and above[ ]

2. How long have you been with co-op bank?

1-5 [ ]

6-10 [ ]

11-15 [ ]

16 -20 [ ]

21 and above [ ]

3. Do you work in a branch or department?

Branch [ ]

Department [ ]

4. Is this your first job?

Yes [ ]

No [ ]

5. What was your academic entry level?

Certificate [ ]

Diploma [ ]

Degree [ ]

Masters [ ]

6. Have you had any additional academic qualification?

Yes [ ]

No [ ]

7. If yes, has it had any recognition in growth?

Yes [ ]

No [ ]

B. BALANCED SCORECARD ANNALYSIS

1. What frequency do you use the balanced scorecard.

Monthly [ ]

Quarterly [ ]

Half yearly [ ]

Annually [ ]

2. The balanced scorecard has been accepted by the staff of co-operative bank?

Agree [ ]

Disagree [ ]

3. Is the balanced scorecard used in co-operative bank straight forward and user friendly?

Yes [ ]

No [ ]

4. Does the balanced scorecard reflect a good measure for measuring performance based on the four pillars?

Yes [ ]

Reason

No [ ]

Reason

5. Comparing to the traditional performance management system used before, is the balanced scorecard a better measurement?

Yes [ ]

No [ ]

6. Rate the following uses of balanced scorecard according to how they are applied in co-operative bank. Use the scale of 1-5 where 1-less used and 5-most used.

Strategic management [ ]

Monitoring and evaluation [ ]

Operational management [ ]

Personal goal management [ ]

7. Rate the extent to which the following potential internal business outputs has been realized by co-operative bank since the introduction of the balanced scorecard.

	Low	average	great	Very high
Efficiency				
Profitability				
Employee turnover				
Customer service				
Employee growth				

C. JOB SATISFACTION ANNALYSIS

1. Rate each of the following rewards according to the frequency used. where 0 is never used :1 –rarely used 2 frequently used.

Promotion [ ]

Bonus [ ]

Leave [ ]

Recognition Certificate [ ]

Verbal praise [ ]

2. What motivates you most at your work place? On a scale of 1-5.tick the level of motivation where1 is lowest motivator and 5 is the highest motivator.

Pay [ ]

Hours of work [ ]

Future prospects (promotion & job security) [ ]

How hard or difficult the job is [ ]

Job content: interest, prestige, and independence and [ ]

Interpersonal relationships [ ]

3. How do you feel about your job? Rate each statement from 1-6. Where:

Very much satisfaction ---6

Much satisfaction ---5

Some satisfaction ---4

Some dissatisfaction ---3

Much dissatisfaction ---2

Very much dissatisfaction ---1

□ Communication and the way information flows around the organisation. [ ]

□ The relationships you have with other people at work. [ ]

□ The feeling you have about the way you and your efforts are valued. [ ]

□ The actual job itself. [ ]

□ The degree to which you feel 'motivated' by your job. [ ]

□ Current career opportunities. [ ]

□ The level of job security in your present job. [ ]

□ The extent to which you may identify with the public image or goals of your organisation. [ ]

□ The style of supervision that your superiors use. [ ]

□ The way changes and innovations are implemented. [ ]

□ The kind of work or tasks that you are required to perform. [ ]

□ The degree to which you feel that you can personally develop or grow in your job.[ ]

□ The way in which conflicts are resolved in your company. [ ]

□ The scope of your job provides to help you achieve your aspirations and ambitions.[ ]

- The amount of participation which you are given in an important decision making.[ ]
- The degree to which your job taps the range of skills which you feel you possess. [ ]
- The amount of flexibility and freedom that you have in your job. [ ]
- The psychological 'feel' or climate that dominates your organisation. [ ]
- Your level of salary relative to your experience. [ ]
- The design or shape of your organisation's structure. [ ]
- The amount of work you are given to do, whether too much or too little. [ ]

THANK YOU FOR TAKING YOUR TIME TO FILL THE QUESTIONNAIRE

APPENDIX 3: **TOTAL NUMBER OF EMPLOYEES IN SAMPLED DEPARTMENTS AND BRANCHES**

		GRADES					
	DEPATMENT	CHIEF MANAGER	MANAGER	SUPERVISOR	SECTION HEAD	CLERK	TOTAL
1	HUMAN RESOURCE	1	7	4	3	7	**22**
2	CENTRAL OPERATIONS		1	4	7	21	**33**
3	MARKETING	1	2	3			**6**
4	TREASURY	1	5	3	1		**10**
5	LEGAL		3	6	3	3	**15**
6	SECURITY		2	3	4		**9**
7	COMPLIANCE		4	5			**9**
8	CORPORATE &TRADE FINANCE	1	10	7	3	3	**24**
9	PERSONAL &BUSINESS BANKING	1	5	9	7	12	**34**
10	CUSTOMER SERVICE		2	4	3	8	**17**
		5	**41**	**48**	**31**	**54**	**179**

	BRANCH	CHIEF MANAGER	MANAGER	SUPERVISOR	SECTION HEAD	CLERK	TOTAL
1	CO-OPERATIVE HOUSE		1	6	15	63	**85**
2	GIKOMBA		1	1	4	10	**16**
3	NGONG RD		2	3	5	24	**34**
4	DANDORA		1	2	1	11	**15**
5	GITHURAI		1	2	5	17	**25**
6	WAKULIMA		1	4	4	8	**17**
7	UNIVERSITY WAY		1	2	4	18	**25**
8	KANGEMI		1	2	5	7	**15**
9	AGAKHAN WALK		1	1	4	9	**15**
10	MOI AVENUE		1	2	6	21	**30**
11	EMBAKASI		1	1	4	9	**15**
12	KAWANGWARE		1	5	1	14	**21**
13	KIMATHI		1	2	5	17	**25**
14	KARIOBANGI		1	1	6	22	**30**
15	CITY HALL		1	3	4	20	**28**
16	UKULIMA		1	1	6	17	**25**
			17	**38**	**79**	**287**	**421**