APPLICATION OF BALANCED SCORE CARD AS A STRATEGY MANAGEMENT PROCESS TOOL BY KENYA PETROLEUM REFINERIES LIMITED

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DECLARATION

STUDENT’S DECLARATION

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

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SUPERVISOR’S DECLARATION

This project has been submitted with my approval as the university supervisor.

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I wish to express my sincere appreciation to my family for their understanding and support during the project. I would like to extend my appreciation to my colleagues, friends and all the respondents who contributed tremendously towards the successful completion of this research project.
DEDICATION

I dedicate this research work to my family and to all the stakeholders in the oil industry.
ABSTRACT

The importance of strategy in the current dynamic and turbulent business environment cannot be overemphasized. The world has moved from the stable environments of the mid twentieth century to fast changing and turbulent business environment that needs organizations to have continuous and consistent strategies to survive. Strategy management process comprises strategy formulation, strategy implementation, and its evaluation and control. Various methods have evolved to assist firms in the strategy management process. The Balanced Scorecard method is one such method that has taken root from its early inception by Kaplan and Norton in 1992 to the current third generation that has evolved into a fully dedicated institution worldwide to assist firms in the strategy management process. The Balanced Scorecard consists of four perspectives that is, financial, customer, internal business process and learning and growth. It is a management tool that provides stakeholders with a comprehensive measure of how the organization is progressing towards the achievement of its strategic goals. It has been used as a means to clarify and translate vision and strategy, provide communication and linkage, plan and set targets and provide strategic feedback and learning. Kenya Petroleum Refineries Ltd has been using the BSC since 2007, a tool that has enabled the company to monitor progress in the implementation of its five year business plan. The objectives of this study were to establish how Kenya Petroleum Refineries Ltd has applied the balanced scorecard as a strategy management tool across its business and to establish the factors influencing the application of BSC. To this end, a case study was carried out and management staff interviewed. The findings indicate that the balanced scorecard has enabled the company to link corporate strategy with key performance indicators (KPIs) at the departmental, and employee level, and communicate them across the company and has revolutionized the staff appraisal system. Some challenges have been faced including inadequate training on the BSC, lack of sustained effort to remind employees on its importance.
# TABLE OF CONTENTS

DECLARATION..........................................................................................................................................................ii

ACKNOWLEDGEMENTS ..........................................................................................................................................iii

DEDICATION.............................................................................................................................................................iv

ABSTRACT...............................................................................................................................................................v

ABBREVIATIONS AND ACRONYMS ..........................................................................................................................ix

LIST OF FIGURES...................................................................................................................................................xi

1.0 CHAPTER ONE: INTRODUCTION .......................................................................................................................1

1.1 Background of the Study .................................................................................................................................1

1.1.1 Strategy Management Process..................................................................................................................2

1.1.2 The Balanced Scorecard ..........................................................................................................................2

1.1.3 The Oil Industry in Kenya .......................................................................................................................3

1.1.4 Kenya Petroleum Refineries Ltd ..............................................................................................................4

1.2 Research Problem .............................................................................................................................................6

1.3 Research Objectives .........................................................................................................................................7

1.4 Value of the Study .............................................................................................................................................7

2.0 CHAPTER TWO: LITERATURE REVIEW ..........................................................................................................9

2.1 Introduction....................................................................................................................................................9

2.2 Theoretical Foundation .................................................................................................................................9

2.2.1 The Design School...................................................................................................................................9

2.2.2 The Process School................................................................................................................................10

2.3 Strategy Management Process ...................................................................................................................11
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSC</td>
<td>Balanced Scorecard</td>
</tr>
<tr>
<td>ERC</td>
<td>Energy Regulatory Board</td>
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<tr>
<td>GOK</td>
<td>Government of Kenya</td>
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<td>HSSE</td>
<td>Health Safety Security and Environment</td>
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<td>KEBS</td>
<td>Kenya Bureau of Standards</td>
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<td>KPRL</td>
<td>Kenya Petroleum Refineries Limited.</td>
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<td>KEPSA</td>
<td>Kenya Private Sector Alliance</td>
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<tr>
<td>KPC</td>
<td>Kenya Pipeline Company</td>
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<td>KPI</td>
<td>Key Performance Indicators</td>
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<tr>
<td>MoE</td>
<td>Ministry of Energy</td>
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<tr>
<td>NEMA</td>
<td>National Environmental Management Authority</td>
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<td>NOCK</td>
<td>National Oil Corporation of Kenya Ltd</td>
</tr>
<tr>
<td>OMC</td>
<td>Oil Marketing Companies</td>
</tr>
<tr>
<td>PIEA</td>
<td>Petroleum Institute of East Africa</td>
</tr>
<tr>
<td>ROACE</td>
<td>Return on Average Capital Employed</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strength, Weaknesses, Opportunities and Threats</td>
</tr>
<tr>
<td>ZAC</td>
<td>Zamil Air Conditioners</td>
</tr>
</tbody>
</table>
LIST OF FIGURES

Figure 2-1: Translating Vision and Strategy: Four Perspectives ........................................ 14
Figure 2-2: Managing Strategy: Four Processes ...................................................................... 15
Figure 4-1: KPRL Summarized Balanced Scorecard for the Financial Year 2012-13 ............ 23
1.0 CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The primary components of strategy management process are strategy formulation, strategy implementation, and evaluation and control (Wheelen & Hunger, 2010). It is important to ensure that the right strategies are formulated and these are translated into action. The Balance Scorecard (BSC) is a tool that has been used to facilitate this strategy management process and it describes strategy, breaking it down into its component parts through the objectives and measures. It is created through a shared understanding and translation of the organization’s strategy into objectives, measures, targets, and initiatives in each of the four Scorecard perspectives (Nivens, 2006). So widely accepted and effective has the Scorecard been that the Harvard Business Review hailed it as one of the 75 most influential ideas of the twentieth century (Nivens, 2006).

This study is going to adopt both the design school and the process school approaches to strategy. In the design school of thought, deliberate strategies are defined as intentions based on formal, systematic, rational, strategy planning process (Ansoff, 1991) whereas in the process school model an emergent approach produces evolving strategy patterns despite or in the absence of intentions (Mintzberg and McHugh, 1985). Harrington et al. (2004) also observed that firms’ strategy formulation processes are either deliberate, that is design school or emergent that is, the process school.

The oil industry in Kenya is composed of various stakeholders each with varying competing interests. It is a dynamic and competitive environment where each firm desires to maximize on profits. Kenya Petroleum Refineries Limited (KPRL) is one of the players in this complex oil industry. Over the years, KPRL has strived to remain relevant in the industry despite the many pressures from the market to allow for the 100 percent importation of finished products and which would lead to its closure. KPRL has had to continually craft strategies to survive in this volatile and dynamic environment. One of the tools used in managing its strategy process has been the Balanced Scorecard.
1.1.1 Strategy Management Process

Strategy is the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations (Johnson, Scholes and Whittington, 2008). It has also been described as the set of decisions and actions resulting in the formulation and implementation of strategies designed to achieve the objectives of an organization (Pearce & Robinson, 1997). Harvey (1988) on the other hand identifies it as the process of formulating, implementing and evaluating business strategies to achieve future objectives.

Strategy management involves the formulation and implementation of the major goals and initiatives taken by a company's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environments in which the organization competes (Hambrick, 2007). Strategy management has been defined as those senior level leadership behaviors and activities that transform working plans into concrete reality (Schaap, 2006) or yet still, the total sum of activities and choices required for the execution of strategic plans (Smith and Kofron, 1996).

Strategy management process consists of three stages of formulation, implementation and lastly, evaluation and control. Li, Guohui and Eppler (2008) defines strategy management process as a dynamic, iterative and complex process which is comprised of a series of decisions and activities by managers and employees and which is affected by interrelated and external factors in order to achieve strategy objectives. Faced with the increasingly complex and turbulent business environment, organizations of necessity require a robust link between strategy formulation and effective strategy execution (Heavey and Murphy, 2012).

1.1.2 The Balanced Scorecard

The BSC is similar to a dashboard of a car. As you drive, you can glance at the dashboard and obtain real time information such as how much fuel remains, the speed you are travelling, the distance you have travelled etc. (Pangarkar, 2008). The BSC gives organizations the framework to translate the organization's strategy into organizational forward looking performance metrics that helps organizations to compete (Heavey and Murphy, 2012). It provides a balance between external measures for customers and
shareholders and internal measures of business process innovation and learning and growth. Additionally, it is also a balance between measures of past performance and measures that drive future performance and is also a strategy management system to manage strategy in the long term (Poll, 2001 as cited in Chavan, 2009). Pangarkar (2008) emphasizes that it provides such information to all levels of the organization through performance measures related to the specific business areas. It communicates to managers in clearly defined terms how well the business is meeting its strategies and goals.

Since its adoption in 1992, the BSC has evolved over the years and has transited from the first generation to the third generation (Lawrie and Cobbold, 2004). The study and implementation of BSC is a field that is evolving and BSC as a tool has been widely accepted as a strategy management process tool. A whole new institution, the Balanced Scorecard Institute has grown to advance the benefits of the BSC through training and consultancy services in the strategy management process. This international institute based in Cary, North Carolina, USA has many affiliate companies among them being the BSC East Africa based in Nairobi (Balanced Scorecard Institute (BSI), 2014).

1.1.3 The Oil Industry in Kenya

The oil industry in Kenya is dynamic and is composed of various stakeholders. Among the key stakeholders include the Ministry of Energy (MoE) responsible for formulation and articulation of energy policies through which it provides an enabling environment for all stakeholders. Its tasks include national energy planning, training of manpower and mobilization of financial resources. There is the Energy Regulatory Commission (ERC) established as an energy sector regulator under the Energy Act, 2006, with responsibility for economic and technical regulation of electric power, renewable energy, and downstream petroleum sub-sectors (GOK, 2006). Its functions also include tariff setting, review, licensing, enforcement, dispute settlement and approval of power purchase and network service contracts. There are also the Oil Marketing Companies (OMCs) who are the local and international companies licensed to undertake the importation, storage, wholesale, export and retail of petroleum products. As of June 2012 there were 53 OMCs licensed to import petroleum products and 167 companies licensed to market petroleum products. The market is still largely oligopolistic with 60% being controlled by the big four OMCs.
These are Total Kenya, Kenol Kobil, Vivo Energy Kenya and Oil Libya (PIEA, 2014). Among the OMC’s is the National Oil Corporation of Kenya Limited (NOCK), a wholly owned state corporation mandated to stabilize the petroleum supply market by participating in all aspects of the petroleum industry namely upstream, midstream and downstream activities. The Kenya Pipeline Company Limited (KPC), a State Corporation with 100% Government of Kenya ownership and whose business is mainly storage, transportation and handling of refined petroleum products in the country.

Other key players in the energy sector include National Environmental Management Authority (NEMA), Kenya Ports Authority, and Kenya Bureau of Standards (KEBS). Prior to September, 2013, approximately sixty percent of the petroleum products demand was imported directly by the OMC’s as finished products while the remaining forty percent was imported as crude and refined through the Kenya Petroleum Refineries limited (MoE National Energy Policy, 2013). The importation of crude has since been put in abeyance after the Essar Energy Overseas limited, indicated their intentions to pull out of their 50 percent shareholding.

1.1.4 Kenya Petroleum Refineries Ltd

Kenya Petroleum Refineries Limited (KPRL) is the only refinery in Kenya and the East African region. KPRL is a limited liability company with its main business being processing of crude oil. The Kenya Petroleum Refineries Limited was originally set up by Royal Dutch Shell and the British Petroleum Company BP to serve the East African region in the supply of a wide variety of oil products. The Company was incorporated in 1960, under the name East African Oil Refineries Limited but later changed to Kenya Petroleum Refineries Limited in 1983. The Government has had a 50% shareholding in the company with the remaining 50% being held by other private oil firms. In 2009, Essar Energy Overseas Limited acquired 50% of shares from Shell, BP and Chevron. The company is hence co-owned on a 50-50% shareholding basis by the Government of Kenya and Essar Energy Overseas Limited. Essar Energy Overseas Limited indicated to the government in 2013, its intention to pull out of their 50 percent shareholding. The political and legal process for this pullout has been long and meanwhile the operations at the Refinery have been very minimal.
The refinery has a hydro-skimming configuration i.e. crude oil is distilled into various fractions and the light product streams are hydro-treated. This is a very simple processing scheme with no up-gradation of the bottom of the barrel. As a result, the yield of fuel oil, a low value product is high. This reduces the gross refinery margin of the refinery. The gross refinery margin is the difference between the value of products produced and the cost of crude oil processed. The oil industry was liberalized in 1994 after years of government controls. Up to September 2013, KPRL refined 1.6 million metric tonnes per annum (mmtpa) against a nameplate capacity of 4mmtpa of crude oil. The refinery produced super petrol, regular petrol, diesel, dual purpose kerosene, liquefied petroleum gas, fuel oil, grease and bitumen.

Since the Refinery still produces and markets its diesel (1.0 % Sulphur) on quality waiver, there is continuous threat on the existence of the business until such time as the Refinery can meet the product quality requirements. Operating on such waivers constitute a major threat to the KPRL refining business (KPRL Business Plan 2012-13 FY). The increased demand for energy with the growing economy is one among the many opportunities available to KPRL. According to the government statistics, demand for petroleum products has registered continued growth. The growing economy provides KPRL with growing market for petroleum products. The deliberate move by the government to promote use of LPG in the country to save forests from further destruction creates further opportunities in terms of LPG production and storage services to meet the demand for the product and its storage (KPRL Business Plan 2012-13 FY). On the other hand, the availability of cheaper refined imports poses a serious threat to KPRL’s business. With the growing number of large more modern complex refineries in the Middle East and India, it is becoming easier to import large quantities of refined products into the Kenyan market. Due to the technologies applied and economies of scale, the unit production costs of complex refineries are lower than KPRL’s. The cheaper imports constitute a major threat to the Refinery, and sustain the pressure on KPRL to invest in new processes to improve the processing efficiency.
To survive in the dynamic and volatile environment, KPRL management came up with a five year strategic plan in 2007. The BSC was adopted as the strategy management tool to assist in the formulation, implementation and evaluation of the plan. This BSC is tailored to meet the unique characteristics in the oil refining industry that places a lot of emphasis on Health Safety and Environment.

1.2 Research Problem

Strategy management process is about the formulation and implementation of strategy together with the subsequent evaluation and control. Managers have toyed with many tools and techniques to assist in the strategy management process of their organizations. Examples include Mckinsey 7S Framework, Kaizen, Six Sigma, Total Quality Management and the BSC. The BSC is a tool that not only links strategy with the daily tasks within the company but measures performance. It is balanced in that it takes a holistic view of the company. It has evolved over the years, been adopted in many countries and is deemed to be the most dominant framework for performance management (Heavey and Murphy, 2012).

The Oil Industry in Kenya thrives in a dynamic environment that is ever changing brought about the globalization of the world market and the liberalization of trade in Kenya. Kenya Petroleum Refineries Ltd has used the BSC since 2007 as a strategy management process tool. Since different market situations, product strategies, and competitive environments require different scorecards, organizations therefore devise customized scorecards to fit their mission, strategy, technology, and culture (Kaplan and Norton, 1993). The metrics used in the oil industry are different because they are based on the overall company’s strategies and which places excellent HSSE as a key success factor.

Various studies have been made on the application of BSC on the strategy management process. Mugo (2007) examined the application of the BSC tool in strategy management implementation at Flashcom and concluded that Flashcom primarily made use of the balanced scorecard as a strategy implementation and performance management tool. Momanyi (2012) examined the extent to which Kenya Private Sector Alliance (KEPSA) had employed the Balanced Scorecard in implementation of its strategy and observed that KEPSA does indeed use the four perspectives of BSC in the development of its work plans.
Mghanga (2010) sought to establish the application of the balanced scorecard in strategy implementation by the Kenya Commercial Bank and concluded that Bank had applied the balanced scorecard in strategy implementation and performance management while D’Souza (2007) sought to establish how Barclays Bank had used the balanced scorecard to implement strategy across its business. This study established that Barclays Bank had indeed used the balanced scorecard framework to provide a connection between strategy, business performance, and individual employee performance. In view of the uniqueness of the oil sector with its emphasis on HSSE, a different context altogether and the fact that most of these studies focused on strategy implementation, one of the facets of the strategy management process, a gap does therefore exist to explore the application of the BSC technique in oil industry-based companies such as Kenya Petroleum Refineries Ltd. This study is going to address this knowledge gap by answering the following question, “how is the Balanced Scorecard used as a strategy management process tool at Kenya Petroleum Refineries Ltd?”

1.3 Research Objectives

The objectives of this study are:-

i) To establish how Kenya Petroleum Refineries Ltd has applied the balanced scorecard as a strategy management tool across its business.

ii) To establish the factors influencing the application of BSC as a strategy management process tool at Kenya Petroleum Refineries Ltd.

1.4 Value of the Study

The results of the study are invaluable to researchers and scholars as it forms a basis of further research. The students and academics can use this study as a basis for discussions on the role of the BSC as a strategy management process tool for businesses in Kenya. The study forms reference materials for future researchers as they endeavor to study on BSC application in firms as a strategy management process tool.
This study is important to the policy makers in the oil industry since they can be able to ascertain the role that the BSC plays as a strategy management process tool and how it can be employed by an organization to gain and retain competitive advantage. The results contribute to the better understanding of BSC as a strategy management process tool.

This study is important to Kenya Petroleum Refineries Ltd management since they can be able to ascertain the role that the BSC as a tool plays in strategy management process and offer suggestions on how to meet the challenges in its Implementation.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction
This chapter reviews the theoretical foundation of the study, the strategy management process and the application of BSC as a strategy management tool among others. It also analyses the perspectives of the BSC and touches on the empirical studies that have been done on the subject. Issues discussed in this chapter have been provided to highlight the reviewed literature and the knowledge gap that the study has covered.

2.2 Theoretical Foundation
Strategy approaches can be defined broadly in two schools of thought, the design versus the process approach. Essentially, the question regarding the nature of strategy formulation and implementation in organizations has centered on the so-called “design versus process” debate, which emphasizes the difference between deliberate and emergent strategies (Mintzberg and McHugh, 1985; Mintzberg and Waters, 1985). In the design school, deliberate strategies are defined as intentions based from strategies that are formulated in advance, whereas the process approach produces evolving strategy patterns despite or in the absence of intentions (Mintzberg and McHugh, 1985). One side advocates a formal, systematic, rational, strategy planning process (Ansoff, 1991) while the other supports an emergent process (Mintzberg, 1991; Mintzberg and McHugh, 1985).

2.2.1 The Design School
The Design School processes entail a number of well-defined steps carried out in sequence including data collection and analysis, strategy development, evaluation, selection and implementation. The essence of this approach is that strategy is regarded as finding a match between organization capabilities and opportunities within the competitive environment. The SWOT (strength, weaknesses, opportunities and threats) analysis is employed for this purpose. Contributors to this school of thought include Christiansen, Andrews, Hamermesh, Porter, Ohmae and Johnson and Scholes. The main limitations of the design concept relate to its inability to adjust to fast-changing conditions however, this concept is still widely used and hence forms an important milestone in the area of strategy (Feurer and Chaharbaghi, 1997).
The basic design school model places primary emphasis on the appraisals of the external and internal situations, the former uncovering threats and opportunities in the environment, the latter revealing strengths and weaknesses of the organization. Secondary emphasis is placed on understanding the values of the management, as well as its social responsibilities. The match between these elements leads to the creation of strategies, which are then evaluated, with the chosen one subsequently implemented (Mintzberg, 1990).

### 2.2.2 The Process School

The essence of this approach is that strategy formulation as an emergent process of trial and error that takes place during Implementation (Mintzberg, 1990). Here strategies are not developed by senior managers and then communicated to everyone for Implementation. The approach alludes that it is unrealistic to separate strategy formulation from strategy Implementation. Strategy is constantly adjusted in light of experience. Mintzberg argues that in unpredictable environments it is impossible to formulate an explicit strategy before the trial and experience process has run its course; and that it is not necessary to make strategy explicit in predictable environments. Instead, Mintzberg sees strategy formulation as an emergent process of trial and error that takes place during implementation (Mintzberg, 1990).

Organizations are increasingly having to adjust dynamically their characteristics to the requirements of the environment by constantly changing their strategies and strategy capabilities. In dynamic environments, underlying conditions often change before a strategy can be fully implemented. Strategy formulation and implementation must therefore be regarded as a constant learning process and the quality of strategy directly depends on the quality of the organization’s cognitive and behavioral learning mechanisms. This implies that strategy formulation can no longer be separated from strategy implementation because of the speed which is necessary to exploit opportunities in the competitive environment. Performance measurement systems can provide the necessary feedback loop within this learning process provided that design encompasses all stages of the strategy formulation and implementation process and the organization’s value system (Feurer and Chaharbaghi, 1997).
2.3 Strategy Management Process

The strategy management process consists of three stages. The first is strategy formulation that consists of developing a vision and mission, identifying an organization’s external opportunities and threats, determining internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies, and choosing particular strategies to pursue. After strategy formulation this is followed by strategy implementation. Strategy Implementation requires a firm to establish annual objectives, devise policies, motivate employees, and allocate resources so that formulated strategies can be executed; strategy Implementation includes developing a strategy-supportive culture, creating an effective organizational structure, redirecting marketing efforts, preparing budgets, developing and utilizing information systems, and linking employee compensation to organizational performance (Hopkins and Hopkins, 1997).

Li et al (2008) rightly notes that strategies frequently fail, not because of inadequate strategy formulation but because of insufficient Implementation. Hrebiniak (2006) also concurs that although formulating strategy is difficult, making strategy work i.e. executing and implementing throughout the organization is even more difficult. In as much as strategies could be brilliant, they do not assure effective performance. How the strategies are Implemented matters in determining organizational performance. Strategy Implementation is the process through which a chosen strategy is put into action. It is concerned with the design and management of systems to achieve the best integration of people, structures, processes, and resources, in reaching organizational purposes. It may also be said to consist of securing resources, organizing them and directing their use within and outside the organization. In putting strategy into action, the action must translate into results and results which are acceptable. According to Mankins M. and Steele R. (2005), companies typically realize only about 60% of their strategies’ potential value because of defects and breakdowns in planning and execution. To operationalize Strategy therefore, effective Implementation is facilitated through action planning. An action plan indicates what will be done, by whom, when and with what expected results. The action plan provides a link between strategy formulation and action and double up as a tool for monitoring and evaluation.
To close the loop, there is need for evaluation and control, the process in which corporate activities and performance results are monitored so that actual performance can be compared with desired performance. This is that phase of the strategy management process in which the top managers determine whether their strategy choice as implemented is meeting the objectives of the enterprise. Evaluation emphasizes the measurement of results of a strategy action while control emphasizes on taking necessary actions in the light of gap that exists between intended results and actual results in the strategy action (Wheelen and Hunger, 2010).

Tools that can appropriately be used for strategy management process include the Mckinsey 7S Framework, Kaizen, Six Sigma, Total Quality Management and the BSC. In the Mckinsey 7S Framework model, all the parts in an organization work together in harmony. The model consists of seven interdependent factors which are categorized as either soft or hard elements. Hard elements are easier to define and are easily influenced by management. These include strategy statements, organization charts and reporting lines, formal processes and IT systems. Soft elements are more abstract, difficult to describe, less tangible are culture influenced. However, for a successful organization they are as important as the hard elements (Atkinson H, 2006).

### 2.4 The Balanced Scorecard

The Balanced Scorecard was introduced by Kaplan & Norton in 1992 based on a multi-company research project to study performance measurement in companies whose intangible assets played a central role in value creation. The idea was that if companies were to improve the management of their intangible assets, they had to integrate the measurement of intangible assets into their management systems (Kaplan and Norton, 2000). The study noted that the value from intangible assets is indirect. Assets such as knowledge and technology seldom have a direct impact on revenue and profit. Improvements in intangible assets affect financial outcomes through chains of cause-and-effect relationships involving two or three intermediate stages. Undeniably, investments in employee training lead to improvements in service quality which then leads to higher customer satisfaction that ultimately leads to increased customer loyalty and subsequently generates increased revenues and margins (Kaplan and Norton, 2000).
The study further noted that financial outcomes were generally separated causally and temporally from improving employees’ capabilities. The complex linkages made it difficult if not impossible to place a financial value on an asset such as workforce capabilities or employee morale, much less to measures changes from period to period in such a financial value. Secondly, the value from intangible assets depended on organizational context and strategy. This value could not be separated from the organizational processes that transform intangibles into customer and financial outcomes. Corporate Balance Sheet is a linear, additive model which records each class of asset separately and calculates the total by adding up each asset’s recorded value. The value created from investing in individual intangible assets, however, is neither linear nor additive. The value of an intangible asset depends critically on the context – the organization, the strategy, and other complementary assets – in which the intangible asset is deployed. (Kaplan and Norton, 2001).

Kaplan and Norton introduced the Balanced Scorecard to provide the missing component and bridge among the various apparently conflicting literatures that had been developed in complete isolation from each other: the literature on quality and lean management, which emphasized employees’ continuous improvement activities to reduce waste and increase company responsiveness; the literature on financial economics, which placed heightened emphasis on financial performance measures; and the stakeholder theory where the firm was an intermediary attempting to forge contracts that satisfied all its different constituents. (Kaplan and Norton, 2000).

The BSC evolved as new concept designed as a new framework for measuring organization performance. It was originally proposed to overcome the limitations of managing only with financial measures. Financial measures reported on outcomes, lagging indicators, but did not communicate the drivers of future performance, the indicators of how to create new value through investments in customers, suppliers, employees, technology, and innovation. The BSC provided a framework to look at the strategy used for value creation from four different perspectives, namely Financial, Customer, Internal Business Process and Learning and growth (Kaplan and Norton, 1996).
Translating Vision and Strategy: Four Perspectives

Source: Kaplan, R.S. and Norton, D.P. (2001), “Transforming the balanced scorecard from performance measurement to strategic management

Figure 2-1: Translating Vision and Strategy: Four Perspectives

The Financial perspective deals with the strategy for growth, profitability, and risk viewed from the perspective of the shareholder. The Customer perspective on the other hand is about strategy for creating value and differentiation from the perspective of the customer. The Internal business processes perspective is about the strategy priorities for various business processes, which create customer and shareholder satisfaction. Lastly, the Learning and growth perspective deals with the priorities needed to create a climate that supports organizational change, innovation, and growth. With the Balanced Scorecard, corporate executives can measure how their business units creates value for current and future customers. While retaining an interest in financial performance, the Balanced Scorecard clearly reveals the drivers of superior, long-term value and competitive performance (Kaplan and Norton, 2000).
It makes it clear that measurement has consequences beyond just reporting on the past. Measurement creates focus for the future because the measures chosen by managers communicate to the organization what is important. To take full advantage of this power, measurement should be integrated into a management system. Thus the Balanced Scorecard concept moves beyond a performance measurement system to become the organizing framework for a strategy management system. A strategy scorecard indeed replaces the budget as the center for management processes. In effect, the Balanced Scorecard becomes the operating system for a new strategy management (Kaplan and Norton, 2007).


Figure 2-2: Managing Strategy: Four Processes

The scorecard introduces four new management processes that, separately and in combination, contribute to linking long-term strategy objectives with short-term actions. The first new process, translating the vision, helps to build consensus around the organization’s vision and strategy. The second process, communicating and linking communicates strategy up and down the organization and links it to departmental and individual objectives. The third process, business planning, enables companies to integrate their business and financial plans. Lastly, the fourth process, feedback and learning, gives companies the capacity for
strategy learning. Existing feedback and review processes focus on whether the company, its departments, or its individual employees have met their goals on all the four perspectives of the BSC (Kaplan and Norton, 2007). The Balanced scorecard helps companies to be Strategy - Focused Organizations. It has been used to focus their organizations on strategy by adhering to the five key principles of a Strategy-focused Organization i.e. translating the strategy into operational terms, aligning the organization to the strategy, making strategy everyone’s everyday job, making strategy a continual process and lastly mobilizing change through executive leadership (Kaplan and Norton, 2001).

2.5 Empirical Literature on the Application of BSC

Greatbanks and Tapp (2007) sought to consider the impact of implementing and using the balanced scorecard within a public service city council environment. The study was carried within a longitudinal context and concluded that the use of scorecards within the case organization enables employees to clearly appreciate their role, and focus on delivery of performance-related measures which support organizational strategy. Clarity of role appears to have a positive influence on the achievement of the organization’s business plan and excellence goals regarding the delivery of customer service.

Cobbold and Lawrie (2004) sought to examine the implementation of strategy based on an advanced version of the balanced scorecard framework referred to as third-generation balanced scorecard within Zamil Air Conditioners (ZAC), Saudi Arabia. The study concluded that the BSC offered enhanced utility and practicality over previous designs.

Mugo (2007) sought to examine the application of the BSC tool in strategy management implementation at Flashcom. The study concluded that Flashcom primarily made use of the balanced scorecard as a strategy implementation and performance management tool as part of its strategy management initiatives tool albeit with challenges. These included difficulties in objective setting, abrupt transition from the previous strategy management system to balanced scorecard, resistance to change etc. Nevertheless, the balanced scorecard had an overall positive impact on the performance of Flashcom.
Momanyi (2012) sought to examine the extent to which Kenya Private Sector Alliance (KEPSA) had employed the Balanced Scorecard in implementation of its strategy. The study found out that KEPSA does indeed use the four perspectives of BSC in the development of its work plans. The organization had well defined internal business processes that helped define further the brand of KEPSA and help identify new areas to excel in. Challenges though did exist in its implementation as it had not been made as “everyone’s” job well tied to incentives.

Mghanga (2010) sought to establish the application of the balanced scorecard in strategy implementation by the Kenya Commercial Bank. The study established that the Kenya Commercial Bank had applied the balanced scorecard in strategy implementation and performance management. The BSC helped the organization translate its strategy into action, clarify it in terms of day to day activities for staff to implement and be better able to communicate it. The tool helped align performance to strategy and inculcate a performance driven culture and align the individual goals to the overall organizational goals although with some challenges the main one being resistance to change.

D’Souza (2007) sought to establish how Barclays Bank had used the balanced scorecard to implement strategy across its business. The study established that Barclays Bank had indeed used the balanced scorecard framework to provide a connection between strategy business performance and individual employee performance. The bank had extended the balanced scorecard to reward, recognize individual performance, provide incentive compensation plans and align individual objectives towards a common goal. The BSC was firmly embedded in everyday work making strategy implementation everybody’s business and directing the organization in one direction.

2.6 Literature Review Summary

The theoretical foundation of the study is rooted on the design school and the process schools of thought. The design school being based on deliberate strategies while the process is based on emergent strategies. Strategy management process model consists of the three phases, formulation, implementation and lastly, evaluation and control. The BSC is a tool that has evolved to help in the strategy management process. Indeed, even as
various studies have been made to examine the application of the BSC in organizations it has been clarified that the balanced scorecard is not a template that can be applied to businesses in general or even industry-wide. Different market situations, product strategies, and competitive environments require different scorecards. Business units therefore devise customized scorecards to fit their mission, strategy, technology, and culture (Kaplan and Norton, 1993).

Mghanga (2010) and D’Souza (2007) studies in the banking sector did establish that BSC is used as a strategy implementation tool. Momanyi (2012) study too established that the BSC tool is used in the implementation of strategy management at KEPSA. These studies however focused on just a part of the strategy management process, i.e. strategy implementation. Strategy process includes the formulation and evaluation control aspects. BSC’s application fits best when applied to the whole strategy management process. The change in contextual environment and the basis for its application from being just an implementation tool to applying it to the whole strategy management process therefore necessitates an investigation as to whether such change in industry and application mode influences the role that BSC plays in the strategy management process.
3.0 CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology used to carry out the research. The sequence of the research methodology was as follows; research design, data collection and lastly data analysis. In this chapter is the description of the research methodology adopted in the study on establishing the applications of the BSC as a strategy management process tool at Kenya Petroleum Refineries Ltd.

3.2 Research Design

The research design used in this study was a case study. According to Mugenda & Mugenda (1999), when an in-depth investigation of an individual, group, institution or phenomenon is required a case study is applicable. This research design was appropriate because the objectives of the study required an in-depth understanding of how the balanced scorecard was being applied. Other methods of research such as a survey would not have been appropriate as they tend to generalize the phenomenon being studied and therefore do not provide the required in-depth investigation required in this instance.

3.3 Data Collection

The data collected was qualitative in nature. This implied that the data would be mainly in the form of ideas and themes rather than quantities. The data was collected through interviews of the staff and the management of Kenya Petroleum Refineries Ltd. The four perspectives of the BSC were used as variables. The interview gave more emphasis to questions focusing on the Finance perspective when interviewing the Finance management team and more emphasis on areas dealing with the Internal Business Process was targeted to the Operations management team.

In like manner, queries on customer perspective were more directed to the commercial team while those on learning and growth were targeted more so to the Human Resources team. Finally, the Chief Operations Officer was interviewed enabling the tying in of all the perspectives. An interview guide in addition to tape recording was used to collect data.
3.4 Data Analysis

Since this was a qualitative study, the data analysis was qualitative in nature, making use of content analysis in the identification of key themes, concepts and arguments. Content analysis is an overall approach, a method and an analytic strategy that entails the systematic examination of forms of communication to document patterns objectively.

The main themes put together were the four perspectives of the BSC that is Financials, Customer, Internal processes and Innovation and growth. These helped in establishing how Kenya Petroleum Refineries Ltd has applied the balanced scorecard as a strategy management tool across its business. In addition the content analysis helped in establishing the factors influencing the application of BSC as a strategy management process tool at Kenya Petroleum Refineries Ltd.
4.0 CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and findings of the research. The study targeted and did interview ten number staff of the Kenya Petroleum Refineries Ltd out of which three were senior level managers, four were middle level managers and three were non-management staff.

4.2 Strategy at Kenya Petroleum Refineries Ltd

Over the years, the shareholding of the company has been 50 percent government and the rest by the private sector, i.e. Royal Dutch Shell, BP and Chevron (prior 2009 and after 1997). Even then, the day to day management of KPRL prior to 2009 had been by Royal Dutch Shell. The General Manager of KPRL was seconded from Royal Dutch Shell and they also did provide the Technical backup through the Technical Services Agreement which ensured a continued transfer of knowledge and skills from the parent Royal Dutch Shell to KPRL employees. The Royal Dutch Shell parent company developed the overall strategy for the Royal Dutch Shell group and this was cascaded to the many Royal Dutch Shell run refineries across the globe. This cascaded strategy was then adapted into the annual business plans of KPRL. With regard to strategy monitoring and evaluation, Royal Dutch Shell had developed many KPI’s that were constantly being monitored. The Refinery performance was then benchmarked with similar KPI’s from the other Royal Dutch Shell refineries. Management therefore strived to compete favorably with these other Refineries.

Owing to the many challenges in the Kenyan Oil Industry, the Refinery in 2007 embarked on a five year strategic plan to meet and address these challenges, the key one being the upgrading of the Refinery. Formulation of this strategy was done through brainstorming by Management and Heads of department managed by an external consultant. To formulate, implement and evaluate this strategy, the BSC was picked as the ideal strategy management process tool.
4.3 Balanced Scorecard at Kenya Petroleum Refineries Ltd

The adoption of the BSC in KPRL become necessary during the formulation of the five year (2007-2013) strategic plan in 2007. Management sought a tool to help in the formulation, implementation and evaluation of the five year plan. The BSC was adopted as the implementation tool that would bring together all the facets of the strategic plan under one dashboard. Since the BSC was new to the company, the first step was to seek professional assistance and this came in through the services of the Strategic Leadership Centre based in Nairobi. This was a company that had helped various Kenyan Firms to adopt the BSC system successfully. In the list of these companies were Kenya Commercial Bank, PTA Bank, CFC Stanbic Bank, NIC Bank, UN – World Food Program, Unilever Tea, AAR, Mabati Rolling Mills among others. The Strategic Leadership Centre organized a seminar and took the company’s management and heads of department through the basic requirements of establishing a balanced scorecard system. Management gained insight on the benefits of BSC and how it could be implemented. The implementation by this firm however was more focused on companies such as banks, manufacturing industries.

To align the balanced scorecard to the oil industry, the KPRL then invited a resource person from Shell Global International Solutions to take them through the BSC process as used by Shell International. KPRL did subsequently adopt the template used by Shell international to craft the measurement parameters needed for monitoring the strategy implementation. Initially, the lead department in driving this process was the Finance department. However, the HR department subsequently took over the leadership since the BSC ultimately became the tool for annual staff appraisals. On a high level, the KPRL Balanced Scorecard is divided in two parts, i.e. financial measures and non-financial measures. The non-financial part comprises the customer perspective, the operations perspective, the people perspective and lastly, the Key Milestones perspective. The Financial perspective consists of the Return on Average Capital Employed (ROACE) – adjusted for depreciation and Amortization, the unit Operating cost in US dollars per barrel, and lastly the cash flow from operations.
In the Operations perspective, a large part of the key performance indicators are HSSE based as it takes into consideration of the hazardous nature of the working environment. Any serious incident would have a very high impact on the refining business. Inclusion of the Key Milestones perspective underscored the importance with which KPRL placed on the successful completion of these projects.

The metrics of the yearly scorecard takes into account the key strategies that the company hopes to achieve within the year and the progress monitored quarterly. The score is in a scale of 1 to 5 with the scoring guide being three scores when within plan, one score when below target and five scores when above target. The scores are entered into an excel worksheet that ultimately gives the Business Performance Factor. A typical summarized Balanced Scorecard is as shown below for the year 2011-2012 in figure 4-1.

Source: KPRL LAN, “Summarized Balanced scorecard for the financial year 2012-2013”

Figure 4-1: KPRL Summarized Balanced Scorecard for the Financial Year 2012-13
4.4 The role of balanced scorecard at Kenya Petroleum Refineries Ltd

The main role of the BSC was to help the company to achieve its strategic objectives. The BSC captured the key objectives of the five year strategic plan for KPRL. This long term strategic plan was subsequently broken down into annual plans which were routinely monitored via the BSC to ensure that KPRL was on target. This was done by continually monitoring the strategic plan targets vis-a-viz the actual performance. These annual plans derived from the overall KPRL strategic plan were cascaded to the different departments and eventually to individual tasks and targets. Through this process, the BSC did help in eliminating non-value added efforts and ensured that only the value adding objectives remained.

The BSC in addition enabled the company to link corporate strategy with key performance indicators (KPIs) at the departmental, and employee level, and communicate them across the company. Strategy for HSSE performance, Customer focus, Equipment reliability etc. could now be easily viewed from the perspective of the shareholder. The metrics produced a business Performance factor that give an indication of how well the company was meeting its strategic targets at any one particular time. The BSC has enabled KPRL to view strategy in a holistic manner as it is based on the five perspectives as opposed to looking at it from the functional view.

The BSC did succeed in revolutionizing the staff appraisal process. This process became more objective as the metrics used to monitor the business performance were first agreed upon and the performance measured against set targets. Since the process captured the overall company strategy process, it became more objective and helped the staff to work as a team. Failure by departments or individuals to meet set targets affected the whole team. Conversely, success by departments or individuals resulted in the rewarding of all. The bonus at the end of the year was now pegged to the overall company performance through the Business Performance Factor that was derived from the Balanced Scorecard.
The BSC also helped to put more focus on the company’s customers who had previously been given only a casual attention. An elaborate CSR program was initiated to improve the company’s standing among its stakeholders. In summary then, the BSC enabled the various business processes to be prioritized with an aim of creating both shareholder and customer satisfaction and was ultimately tied to the staff appraisal process.

4.5 Challenges in the use of BSC at Kenya Petroleum Refineries Ltd

The change process in the adoption of BSC at KPRL did not face significant resistance. Unlike many companies faced with similar situations, whereas KPRL employees were concerned with the changes, they welcomed the new method of staff appraisal as they considered it more superior since it took into consideration the overall company performance in addition to individual performances. Although the BSC was disseminated and cascaded to the lower cadre staff, there was no sustained effort to train and remind the employees on a continued basis on the use and importance of BSC. Newer staff that joined after the initial dissemination became aware of the BSC at the end of the year staff appraisals when the Business Performance Factor was reflected in their bonuses.

Most of the lower cadre staff also did not know, share and or own the parameters that were used to measure the Business Performance Factor. Such knowledge and ownership would align the daily tasks of the staff to the company’s strategic objectives. There was therefore a case for assigning a BSC champion in KPRL to follow up the continuous drive to inculcate the company’s mission and strategic objectives to the employees. Every employee of the company should be aware of the company’s mission and key strategic objectives.

Following shortages in the supply and distribution of petroleum products in Kenya during the first half of 2011, a Task Force on the Petroleum Industry of Kenya (the Task Force) was constituted by the Office of the Prime Minister to investigate the shortages and advice on industry changes to improve or enhance the overall sector supply chain. The Task Force proposed among other recommendations that Kenya Petroleum Refineries Ltd be converted into a merchant refinery but with safeguards against open competition from the offshore until after the Upgrade Project was completed. Thus in 2012, the Refinery changed its business model from the Toll mode of refining that had been in operation since its inception,
to a Merchant mode of Refining. This change had not been in KPRL’s five year strategic plan of 2007. The success of this business model relied heavily on government support which was not forthcoming. By the government not enforcing the legal notices, KPRL’s customers, the OMC’s failed to off-take the refined products resulting in diminished cash flows which then greatly reduced the operations of the company and hence the drive to sustain the BSC process. Moreover, Essar Overseas Limited thereafter indicated their intention to pull out their 50 percent shareholding. The disengagement process has been long and has further reduced the operations of the Refinery. The direction the company is to take in the future is yet to be determined and hence the BSC process has been put on hold.

4.6 Discussion

Although on the high level the BSC as adopted by KPRL is divided into two, the financial and the non-financial sections, it still contains the four basic perspectives of the original Kaplan and Norton BSC. i.e. Financial perspective, Customer perspective, Internal processes perspective and lastly the Learning and growth perspective. The non-financial part indeed comprises of the customer, the people, the operations and the key milestones and these are clearly similar to the customer, internal process and learning and growth of the Kaplan and Norton BSC. The actual metrics in these areas however, put more emphasis on HSSE issues and which is informed by the environment that the Refinery operates under, that is, a hydrocarbon environment.

Key Milestones is also another area where emphasis has been placed. This goes to show the importance with which the Refinery placed on the achieving these key milestones. This emphasizes the fact that the BSC is not a template that can be applied to businesses industry-wide since different market situations, product strategies, and competitive environments require different scorecards. The study results indicate that the BSC became the organizing framework for a strategic management system, in effect, becoming the operating system for a new strategic management as observed by Kaplan and Norton (Kaplan and Norton, 2007).
The response from the respondents is generally positive. They view the introduction of the BSC as a positive change within the company. The respondents state that BSC has helped in ensuring that the key strategies are clearly defined from the outset and these are monitored regularly and continuously. Where the feedback indicates that there are deviations from the targets, these are addressed and corrected on time. Thus the general sentiment is that the implementation of the BSC has been good for the company and has only been hampered by the decline in activities following the announcement of Essar from the Refinery.

The study results indicate that the BSC has been an effective basis for strategy formulation and with focus on both managing key objectives as well as long- term value. Mugo (2007) had similar findings and observed that at Flashcom, the company primarily made use of the balanced scorecard as a strategy implementation and performance management tool as part of its strategy management initiatives tool albeit with challenges. The study results as well indicate that the BSC fell short of making strategy as everyone’s every day’s job. This is similar to the findings of Momanyi (2012) whose study concluded that among its challenges were that BSC in its implementation at Kenya Private Sector Alliance (KEPSA) had not been made as “everyone’s” job.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings from chapter four, and also it gives the conclusions and recommendations of the study based on the objectives of the study. The objectives of this study were to establish how Kenya Petroleum Refineries Ltd has applied the balanced scorecard as a strategy management tool across its business and to establish the factors influencing the application of BSC.

5.2 Summary

The study established that the Kenya Petroleum Refineries Limited applied the balanced scorecard as a tool in the strategy management process. The tool was adopted as means to not only align performance to strategy, but also to inculcate a performance driven culture and align the individual goals to the overall organizational goals. It revolutionized the staff appraisal process and was viewed as an objective means of performance appraisal. The employees interviewed stated that the balanced scorecard had been a useful tool for the realization of the organization’s strategy while others affirmed that the measures, targets and objectives relate to their day to day activities. Therefore, it can be said that the balanced scorecard helped the organization to not only formulate its strategy holistically, but to also translate its strategy into action. Due to this, the activities of the employees became more focused on what is important, namely the vision of KPRL and how to implement it.

The BSC helped to redefine the key performance factors, with clear measurement parameters that were monitored to tract progress versus the targets. The BSC helped KPRL focus on its customers an area which had previously been given little attention. The BSC has helped the employees to work more as a team because the success in meeting the targets benefit all while conversely, the failure to meet these targets are detrimental to all. The BSC revolutionized the staff appraisal system since the measurement of the business performance factor is more objective, it is based on key parameters with prior targets that are monitored.
5.3 Conclusion

From the results of the study, it can be concluded that Kenya Petroleum Refineries Limited successfully applied the balanced scorecard as a strategy management process tool. The BSC helped KPRL in identifying the strategic objectives in a holistic manner, i.e. what the company wanted to achieve in the long run. It helped in pinpointing what measures or performance indicators were needed to ascertain that the objectives and the goals were being met. It also did help in ascertaining metrics or scores that were needed to realize the goals and lastly, it helped in identifying the initiatives needed to realize the targets. The major factor that emerged is that the balanced scorecard has been used as a tool to communicate and clarify strategy and directions within the business, gain consensus and therefore rally the organizational members in the same direction.

The BSC implementation had challenges among them being lack of management’s sustained effort to train and remind employees on the importance of the BSC. The change in the business model and the lack of government support that left the company with cash flow problems leading to reduced operations cannot be said to be from failure to implement the BSC. In addition, the lengthy process of disengagement of the current shareholders that has also left the company without a clear direction on its business model hence putting the BSC process on hold is not as a result of failure in the BSC process.

5.4 Recommendations

The study recommends that once Kenya Petroleum Refineries Limited business model is redefined, it uses the BSC to continuously formulate, implement and evaluate its strategies in order to remain relevant not only to its own operations but also to the changing macro-environmental dynamics.

Some of the inadequacies of the technique have been attributed to lack of sufficient training of staff involved and ownership of the metrics used to measure performance. Every employee of the company should be aware of the company’s mission and key strategic objectives and should relate his or her daily activities with the overall company strategic objectives.
5.5 Limitations of the Study

The study was an in-depth study of how balanced scorecard has been applied at Kenya Petroleum Refineries Ltd as a strategy management process tool and therefore the findings cannot be generalized. As such the study’s findings may not apply to other companies whether in the same industry or not. Another limitation is that the case study methodology requires intense exposure to the phenomenon being studied which sometimes can bias the study findings.

5.6 Suggestions for further Study

The study recommends that further research be done to determine whether similar results would be obtained from a similar study in other oil companies and whether the challenges being faced by KPRL are unique or similar to those of the other oil companies within the Kenyan oil Industry.

The study also recommends that further research be done to determine the effectiveness of the BSC as a strategy management process tool in industries other than the Kenyan oil sector.

5.7 Implications of the Study on Policy Theory and Practice

This study gives policy makers an insight on the effectiveness of the BSC as a strategy management process tool. The study findings reinforce the need for policy makers to require the use of BSC as indispensable tool of choice in the strategy management process not only in the oil sector but also in other industries. It is crucial where organizations want to make certain that every employee within the company knows what the company mission and objectives are.

The findings of the study demonstrates that whether it is the formal, systematic, rational strategy planning process of the design school or the evolving strategy patterns of the process school, the BSC as a strategy management tool fits well in both schools of thought and is a key tool that can be used in bringing strategy to fruition.
The study further supports the general practice where BSC is now widely accepted as a strategy management process tool while the study findings help to explain why the BSC has evolved over time into various management institutions designed to help companies in the strategy management process. The study also makes clear that the BSC is not a template that can be applied to businesses in general or even industry-wide since different market situations, product strategies, and competitive environments require different scorecards. Business units therefore will continue to devise customized scorecards to fit their mission, strategy, technology, and culture.
REFERENCES


APPENDICES

APPENDIX I: Letter of introduction

UNIVERSITY OF NAIROBI
MOMBASA CAMPUS

DATE: 11th SEPTEMBER, 2014

TO WHOM IT MAY CONCERN

The bearer of this letter, Martin M Ngari of Registration Number D61/77131/2012 is a Master of Business Administration (MBA) student of the University of Nairobi, Mombasa Campus.

He is required to submit as part of his coursework assessment a research project report. We would like the student to do his project on Application of Balanced Score Card as a Strategy Management Tool by VIVO Energy, Kenya. We would, therefore, appreciate if you assist him by allowing him to collect data within your organization for the research.

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

Thank you.

Joseph Aranga
Assistant Coordinator, School of Business-Mombasa Campus
APPENDIX II: Interview Guide

NB: The information collected will be treated confidentially and will not be used for any other purpose other than for this study.

1. What informed the adoption of the BSC at Kenya Petroleum Refineries Ltd?
2. Were other techniques for managing performance considered?
3. In which way was the concept of the BSC communicated to the entire organization?
4. Prior to the rolling out of the BSC methodology, were any preparations done?
5. Was there a lead person/department in Kenya Petroleum Refineries Ltd’s BSC project, and if so who were they?
6. What have been the benefits of applying the BSC at Kenya Petroleum Refineries Ltd?
7. Are there any challenges that have been encountered in the process? Comment on the success or failure of the BSC application
8. What is the relationship between the Kenya Petroleum Refineries Ltd BSC and the Kenya Petroleum Refineries Ltd corporate strategy?
9. Has the BSC helped in the discharging of your day to day work, and if so, how?
10. What challenges have you been facing in using the BSC?
11. What things would you like done in order for you to be able to use the BSC more effectively?
12. How has the BSC been used to align the organization to the strategy?
13. In which way does the BSC link all the functions together?
14. How has the BSC been used to make strategy everyone’s everyday job?
15. How is the BSC used to educate employees about strategy?
16. In which way are individual objectives aligned to the business strategy?
17. How are incentives/compensation linked to adherence to implementation of business strategy?
18. In which ways has the BSC been used to make strategy a continual process?
19. How has the BSC been used to mobilize change through executive leadership?
20. How is the BSC as management tool sponsored by the CEO?
21. How is the BSC used to measure the success (or to track the progress of the objectives) in relation to Financials?
22. How is the BSC used to link strategy to the budget process?
23. How is the BSC used to measure the success (or to track the progress of the objectives) in relation to Customers?
24. How is the BSC used to measure the success (or to track the progress of the objectives) in relation to innovation and growth?
25. How is the BSC used to develop a process for learning and adapting strategy?
26. How is the BSC used to measure the success (or to track the progress of the objectives) in relation to internal processes?
27. How is the BSC used to describe and communicate strategy in consistent, insightful, operational terms?
28. How does the BSC contribute to the linking of long-term strategy objectives of Kenya Petroleum Refineries Ltd with short-term actions?
29. Comment on whether the BSC has succeeded or failed
30. Is there any other information you would like to share regarding the application of the BSC at Kenya Petroleum Refineries Ltd?