

**INFLUENCE OF BALANCED SCORECARD ON PERFORMANCE
OF SAFARICOM KENYA LIMITED**

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DECLARATION

I declare that this project is my original work and has not been submitted for a degree in any other university

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ABBREVIATIONS AND ACRONYMS

| | |
|--------|--|
| 3G | Third Generation |
| 4G | Fourth Generation |
| BSC | Balanced Scorecard |
| CA | Communications Authority of Kenya |
| CEO | Chief Executive Officer |
| EBITDA | Earnings Before Interest Tax and Amortization |
| EXCO | Executive Committee |
| HOD | Head of Department |
| IPO | Initial Public Offering |
| ISP | Internet Service Provider |
| ITIL | Information Technology Infrastructure Language |
| KP&TC | Kenya Post and Telecommunications Corporation |
| MTR | Mobile Termination Rates |
| MVNO | Mobile Virtual Network Operator |
| NPS | Net Promoter Score |
| SMS | Short Messaging Service |

ABSTRACT

Changing business environments and the advent of technology has forced companies in the information age to rethink ways of measuring, managing and continuously improve their performance. Organization performance has become a phenomenon of interest for scholars and practitioners all over the world. This is mainly because organizations exist in competitive environments and only those that perform well are considered successful and will have a competitive advantage over competition. The balanced scorecard is a framework that was put forth by Robert Kaplan and David Norton in their Harvard Business Review article in 1992. It measures performance in four perspectives namely; financial, customer, internal business processes, and learning and growth. These perspectives add to the traditional measures which only focused on the financial measures by including non-financial measures of performance. It has been used to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organizational performance against strategic goals. This study was based on a case study of Safaricom Kenya Limited and was anchored on the Resource Based View and Dynamic Capabilities theories. Safaricom Ltd is a market leader in the Kenyan telecommunications industry. In a study conducted by Karimi (2010), it was noted that Safaricom Ltd used the balanced scorecard for strategy implementation. The objective of the study was to find out the influence the balanced scorecard had on performance at the company. Data for the research was collected using an interview guide and a total of twenty three Heads of Departments were interviewed. Content analysis was used to analyze the data collected. Results from the research confirmed that the balanced scorecard has a positive influence on performance at Safaricom Limited. The Heads of Departments confirmed that the information from the balanced scorecard had helped them to improve the financial and operational performance of the organization. The interviewees also confirmed that the balanced scorecard had been instrumental in communicating the vision, mission and strategy of the company to its employees thereby creating synergy and collective effort towards achieving the overall goals of the company and creating a balance between the short-term and long-term objectives of the company. Results from the research will assist in adding to the theory, practice and policy by providing insights on the influence of the balanced scorecard on performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The advent of technology and changing business environment has forced organizations to rethink ways of measuring and improving their performance on the key competencies that make them competitive. Compared to the industrial age organizations, modern age organizations are faced with different operating environments characterized by informed customers who demand high quality products and services at no added cost, shrinking product life cycles offering no guarantee of product leadership with changing technologies and ever changing perception of the workforce from people who produce goods and services to knowledge workers who now have to provide value through what they know and what information they can provide. Organizations require new capabilities to competitively succeed in the information age.

With increased competition in the market and changes in the environment, companies are forced to look for better ways of managing and measuring their performance over time. The balanced scorecard (BSC) is a performance measurement system and strategic management system that enables organizations to clarify their vision and strategy and translate them into action (Kaplan & Norton, 1992). It is a system of linked objectives, measures, targets and initiatives which collectively describe the strategy of the organization and how the strategy can be achieved (Kaplan & Norton, 1996).

Safaricom Limited is a leading telecommunications company in Kenya that started as a department in the Kenya Post and Telecommunications Corporation (KP&TC) in 1993. In 1997, it was incorporated as a private limited liability company with Vodafone Kenya Limited holding a 40% stake. In 2002 the company became a public listed company through an Initial Public Offering (IPO). Safaricom has introduced many products and services making it a leading player in the telecommunications industry in Kenya.

1.1.1 Concept of Strategy

Organizations fail or succeed due to the choices or decisions they make, or choose not to make. Successful organizations are those that achieve financial performance, sustainability and growth. They must respond rapidly to competitive and market changes and nurture core competencies to stay ahead of rivals. An organization behavior reflects its assumptions about the environment in which it operates.

Top managers in organizations are concerned with the selection of a course of action from among different alternatives in order to meet organization objectives. The process of formulating and achieving objectives is known as strategic management and strategy is the means to achieve objectives. Strategy is therefore a grand plan which an organization chooses in order to act on a set of objectives by using its resources. An organization is considered efficient and operationally effective if there is coordination between its objectives and strategy. Strategy helps organizations to meet its uncertain situations with due diligence therefore without strategy, an organization is like a ship without a rudder, going around in circles (Ross & Kami, 1998)

Strategy is defined in many ways by different scholars in the field of strategic management. Strategy according to Koch (1988) is what a company does and how it actually positions itself commercially and conducts the competitive battle. Strategy is about finding a unique position by combining a unique set of combinations (Porter, 1996). Porter argues that real competitive strategy can only be about being different with deliberately choosing a different way to deliver a mix of values and activities. It is the determination of long-run goals and objectives of an enterprise and the adoption of courses of action and the allocation of resource necessary for carrying out these goals (Chandler, 1963). In his definition, Chandler emphasizes the logical flow from determination of goals and objectives to the allocation of resources required to achieve them.

Strategy in organizations can exist in three main levels namely: corporate-level, business-level, and operational strategies. Corporate-level strategy is concerned with the overall scope of the organization and how value is added to the constituent business of the organization whole. Business-level strategy is about how individual business units should compete in their particular markets. Operational strategies are concerned with how the components of an organization effectively deliver the corporate-level and business-level strategies in terms of processes, resources and people. The link between the corporate, business and operational levels underlines the importance of strategy integration. Each level of strategy must be aligned to the others for the overall organizational objectives and goals to be achieved.

The BSC relies on the concept of strategy developed by Michael Porter (Kaplan & Norton, 1996). According to Porter, the main reason for formulating a competitive strategy lies in the relating a company to the competitive forces in the industry in which it operates. The BSC is primarily a mechanism for strategy implementation, not strategy formulation (Kaplan & Norton, 1996). It accommodates any approach used to formulate strategy by managers in organizations. Whatever the approach used to formulate strategy, the BSC provides an invaluable mechanism for translating the vision and strategy of a business unit into specific objectives and measures in four perspectives: the financial, customer, internal business processes, and learning and growth.

1.1.2 Strategy Implementation

A strategy is an organizations road map for the future direction and scope (Kinyanjui, 2013). The process of coming up with the strategy is known as strategy formulation. Strategy formulation refers to the process of choosing the most appropriate course of action for the realization of organizational goals and objectives and thereby achieving the organizations vision. It involves defining the corporate mission, specifying achievable objectives, developing strategies, and setting policy guidelines (Wheelen & Hunger, 2012). Strategy implementation is usually considered after strategy has been formulated.

Strategy implementation is the process of turning strategies and plans into action in order to accomplish strategic objectives and goals. It is the sum total of the activities and choices required for the execution of a strategic plan (Wheelen & Hunger, 2012). The implementation process involves an integrated set of choices and activities that are used to allocate resources, organize, assign key managers, set policies, and establish

administrative system to reinforce, control, and evaluate strategy. According to Steiner, Miner and Gay (1982), the implementation process covers the entire managerial activities including such matters as motivation, compensation, management appraisal, and control process.

Implementation of strategies is concerned with the design and management of systems to achieve the best integration of people, structures, processes, and resources in reaching organizational purposes (Steiner, Miner & Gay, 1982). According to Rao and Krishna (2003) strategy implementation is a crucial issue because any strategy is as good as the effort behind it to move it forward. Strategy is considered successful when it is fully implemented and working in practice. Successful strategy implementation requires the support, discipline, motivation, and hard work from all managers and employees (Rao & Krishna, 2003). Characteristics of strategy implementation include: putting strategy into action, coordination among all organization units and functions, requires managerial skills and leadership, it is an operational process, involves strategic control, and management of change.

1.1.3 Organizational Performance

Performance can be defined as being about doing the work, as well as being about the results achieved. It can also be defined as the outcomes of work because they provide the strongest linkage to the strategic goals of an organization, customer satisfaction and economic contribution (Salem, 2003). Its importance has made the idea of managing organization performance to be widely accepted and adopted across the world. An organization is considered successful if it accomplishes its goals (effectiveness) using

minimum resources (efficiency). With this in mind, many theories have been put forward supporting the idea of an organization that achieves its objectives based on the constraints imposed by limited resources (Lusthaus & Adrien, 1998). In this context, profit became one of the many indicators of organization performance.

Organizations are heterogeneous in their resources and capabilities and how and where they choose to use them (Barney, 1991). Small and large firms are likely to perform differently due to the different strategies and resources they deploy. According to Malina and Selto (2004), large organizations use both financial and non-financial performance measures, but favor financial measures. Industry and environment contexts frame performance outcomes of organizations, moderating their effects (McGahan & Porter, 1997). Organizational responses to environmental factors also differ (Miles & Snow, 1978). This heterogeneity generates multiple paths to performance that are influenced by a broad variety of factors. Performance is likely to be firm specific since the strategic choices a firm makes dictates which performance measures reflects the latent performance construct (Steers, 1975).

1.1.4 The Telecommunications Industry

Growth in the industry has been exhibited by the continued demand for mobile services. The number of users has increased by 9% each year. In 2009, the mobile penetration was only 69% and by 2013 it had risen to 98% - the increase driven by increase in users in emerging markets due to favorable growth drivers. Another key area for growth in telecommunications is in data which has been spurred by the increase in smartphone and tablet penetration, better mobile networks, and increased internet content and

applications. The telecommunications industry is highly competitive and heavily regulated. There are many alternative providers giving customers a wide choice of supplier. Regulators on the other hand continue to lower Mobile Termination Rates (MTR) and limiting the amount that operators can charge for mobile roaming services. This has led to the reduction of mobile services price

The telecommunication industry in Africa over the last five years has seen dramatic growth, increased investment and rapid technological progress in communication services. This has shown the future potential of the African market given its current growth. Mobile drives the African telecommunication industry since fixed line penetration is low in most markets with no growth or in some cases a decline is recorded. It is also highly competitive with multiple providers including global companies and increasing penetration rates. Industry estimates suggest that the number of mobile subscribers in Africa has exploded from 16 million in 2000 to 246 million in 2008 and more than 1 billion currently. The rapid development of telecommunications in Africa since the year 2000 continues to trigger innovations that help Africa solve some of her problems. Kenya's Safaricom revolutionary mobile money transfer, M-PESA, for example, has forever changed how money is transferred in Africa, and indeed in the whole world.

The Kenyan telecommunication industry is the giant of the East African region. The Kenyan industry has evolved from a monopolistic environment to a highly competitive mobile market currently with three network operators – Safaricom, Airtel and Orange (Telkom Kenya). According to the Communications Authority of Kenya's (CA) quarterly

sector statistics report for the second quarter of the 2014/ 2015 financial year released in October, Kenya had a total of 33.6 million mobile subscribers. Out of these 32.7 million were prepaid while slightly over 814 thousand were postpaid subscribers. Mobile penetration stood at 82.6%. The estimated number of internet users stood at 26.1 million representing 64.3% of the country's population.

The mobile subscriptions market in Kenya experienced major changes with the exit of Essar Telecom after being acquired by Safaricom and Airtel Networks Kenya Limited. The market share subscription apportioned to the operators changed with Safaricom at 67.4%, Airtel 22.6% and orange 10%. The mobile money transfer subscriptions in Kenya according to the CA stood at 26 million. Finserve, a Mobile Virtual Network Operator (MVNO) licensed in 2014 recorded 394,606 subscriptions. Also, the data market in the country has grown significantly with subscriptions increasing over the years. This can be attributed to huge investments by mobile operators and Internet Service Providers (ISP) in infrastructure for connectivity, growth in terrestrial wireless data subscriptions and growth in the fiber optic network in the country.

1.1.5 Safaricom Kenya Limited

Safaricom Limited is a leading telecommunication company in Kenya. It started as a department in the Kenya Post and Telecommunication Corporation (KPTC). In 1997, it was formed as a fully owned subsidiary of Telkom Kenya. Vodafone Group Plc, in 2000, acquired a 40% stake and management responsibility at the company. According to the recently released statistics by the Communications Authority of Kenya (CA), Safaricom Limited enjoys a 67.4% market share compared to Airtel's 22.6% and Telkom Kenya

(Orange) 10.0 %. The company has been performing well in the Kenyan market over the years and recently posted a profit of Ksh. 31.87 billion. The company prides itself as a pioneer in the mobile money transfer through its M-pesa product which has performed quite well. The company recently launched its fourth generation (4G) network in Nairobi and Mombasa to improve the internet experience for its customers in mobile data through faster connectivity and improved browsing speeds as compared to the third generation (3G) network. The company offers many other products including voice, data, fixed data, short messaging service (SMS) and value added services to its customers in the Kenyan Market. Changes in the telecommunications environment, increased competition and regulations from industry regulator the in the Kenyan market has seen the company move out of the regular telecommunication business and delve into pay television business through the recent launch of set top box – “the big box”. The regulator has allowed equity to enter into the telecommunication industry through the MVNO license in 2014 which increases competition in the market.

The company’s vision of transforming lives guides it to achieving its goals and objectives for customers and stakeholders. The company is implementing its vision through three strategy pillars of customer first, operation excellence and delivering relevant products. On the customer first strategy, the company is looking at getting closer to its customers through customer segmentation and customer experience management. The operational excellence strategic pillar focuses on building capabilities and resources through fit for purpose organization, tapping the customer touch points, maturing processes and effective cost management. The company intends to meet customer needs by delivering

relevant products through co-creation and innovation, consumer proposition development, and industry sector proposition.

1.2 Research Problem

Successful strategy implementation is critical to the performance of any organization. The entire implementation process requires a skilled team of professionals, integrated strategy management process, tools, technologies and support (Milne, 2006). Given the importance of strategy and strategy implementation to an organization, there is need to have a managerial system capable of ensuring that strategies are implemented in line with the vision and objectives of the organization.

This study was anchored on the resource based view and dynamic capabilities theories. The resource based theory emphasizes on the use of rare, valuable, non-imitable and non-substitutable resources by organizations to perform well in their environments. While the dynamic capabilities theory focuses on how organizations integrate, build, and reconfigure their resources and competencies to maintain performance in the face of changing business environments. The balanced scorecard is used by organizations to provide an invaluable mechanism for translating the vision and strategy of a business unit into specific objectives and measures in four perspectives: the financial, customer, internal business processes, and learning and growth.

Studies in the effects of BSC usage on performance have been done by many scholars internationally (Hoque & James, 2000; Ittner, Larcker & Randal 2003; Davis & Albright, 2004; Lipe & Salterio, 2002; Olson and Slater, 2002; Malina & Selto, 2001). The

findings in the studies showed positive and negative relationships between BSC use and performance. The inconsistencies in the findings were attributed to the lack of control in the studies for the differences in the implementation and the actual way in which the instrument is used.

Locally, studies have been conducted on BSC and performance (Nyangayo, 2014; Udoto, 2014; Gitonga, 2014). Nyaega (2012) in his study on application of the balanced scorecard in performance measurement at Essar Telecom Kenya found out that the benefits of the BSC outweigh costs if implemented fully while complementing the financial measures of past performance with operational measures that drive future performance and growth. He also recommended that similar studies should be replicated in other companies in the telecommunications industry where BSC has been adopted. A study conducted by Karimi (2010) on the use of the balanced scorecard in strategy development and implementation at Safaricom limited noted that the company was using the BSC for strategy formulation and implementation. This study therefore sought to answer the question, what influence does BSC usage have on performance at Safaricom Ltd?

1.3 Research Objective

The objective of this study was to determine the influence of the balance scorecard on performance at Safaricom Ltd.

1.4 Value of the Study

This study seeks to add to the body of knowledge on the balanced scorecard. Since the introduction of the BSC, many studies have been carried out on its adoption as strategic management system as well as a performance measurement system. The findings of this study add to the knowledge on the effects of BSC usage on performance of organizations.

The study also assisted managers in organizations to understand the relationship between BSC usage and the performance of organizations. This enables managers to make informed decisions on how to better utilize the BSC to improve the future performance of their organizations.

The study also forms a basis of future research on the use of the BSC to improve performance of organizations. The findings of the study will be used to inform other studies in this area in the same industry as well as other industries in Kenya and globally.

1.5 Summary

This chapter focused on the concept and context of the area of study. Companies all over are being forced to rethink ways of measuring and improving their performance due to changes in the business environment and advent of technology. The BSC is a framework that is used for strategy implementation and therefor necessitated the look into the concept of strategy and strategy implementation. The concept of strategy deals with the selection of a course of action from among different alternatives in order to meet organization objectives. The BSC relies on the concept of strategy developed by Michael Porter (Kaplan & Norton, 1996). According to Porter, the main reason for formulating a

competitive strategy lies in the relating a company to the competitive forces in the industry in which it operates. The BSC is primarily a mechanism for strategy implementation, not strategy formulation (Kaplan & Norton, 1996). It provides an invaluable mechanism for translating the vision and strategy of a business unit into specific objectives and measures in four perspectives: the financial, customer, internal business processes, and learning and growth. Strategy implementation on the other hand is the process of turning strategies and plans into action in order to accomplish strategic objectives and goals. It involves an integrated set of choices and activities that are used to allocate resources, organize, assign key managers, set policies, and establish administrative system to reinforce, control, and evaluate strategy.

Organizational responses to environmental factors differ which generate multiple paths to performance that are influenced by a broad variety of factors. Performance is usually firm specific since the strategic choices a firm makes dictates which performance measures reflects the latent performance construct. Safaricom Ltd is guided by its vision of transforming lives to achieve set goals and objectives for customers and stakeholders. The company is implementing its vision through three key strategy pillars of customer first, operation excellence and delivering relevant products. In a study conducted by Karimi (2010) it was found that Safaricom Ltd used the BSC as a strategy implementation tool. The study therefore sought to find out the influence of the BSC on performance of Safaricom Ltd. This therefore adds to the body of knowledge on the BSC and its influence on performance, it will also assist managers in organizations on how to better utilize the BSC to improve the future performance of their organizations and lastly to assist to inform other studies on BSC usage and performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discussed the theory behind the use of the balanced scorecard in performance improvement in organizations. It also delved into the findings of previous studies done in the same area across different contexts.

2.2 Theoretical Foundation

Several attempts can be found in literature that emphasizes the importance of successfully implementing strategy in order to improve performance of the organizations. Some of the appropriate frameworks in the literature include the BSC, Performance Prism and the Performance Pyramid. Among these, the BSC has become the widely used and researched method. This section presented the theories that formed the foundations of this study. The theories included: resource-based view (RBV) theory and dynamic capabilities theory.

2.2.1 Resource-Based Theory

The resource based theory emphasizes the importance of firms' resources as fundamental determinants of competitive advantage and performance. It takes into consideration two assumptions: one, firms within an industry may be heterogeneous with respect to the bundle of resources they control and, two; resource heterogeneity may persist over time because the resources used to implement the firms' strategies are not perfectly mobile

across firms. Resource heterogeneity/ uniqueness is therefore a necessary condition for a resource bundle to contribute to a competitive advantage. The RBV theory is an efficiency-based explanation of performance differences. According to Petraf and Barney (2003), performance differentials are viewed to be derived from rent differentials attributed to resources having different levels of efficiency which enables firms to deliver greater benefits to their customers for a given cost or same benefit levels for a lower cost. In addition, the firm resources must be valuable, rare, and imperfectly imitable and substitutable.

2.2.2 Dynamic Capabilities Theory

The dynamic capabilities theory was brought forth by David Teece and Gary Pisano in 1994. Dynamic capabilities are the capacity of an organization to purposefully create, modify or extend its resource base (Helfat et al, 2007). According to Teece et al (1997), dynamic capabilities enable an organization to integrate, build, and reconfigure their resources and competencies therefore maintaining performance in the face of changing business environments. He also adds that successful companies in the global market are able to demonstrate timely responsiveness to market dynamics and speedy product innovation. Additionally, successful companies are able to effectively coordinate and redeploy internal and external competence. According to Yung-Ching and Tsui-Hsu (2006), Dynamic capabilities are necessary for business transformation and for identifying practices that develop those capabilities. Capability possession, deployment, and upgrading are important for the success of organizations (Luo, 2000)

Many scholars have suggested a differentiation between dynamic and functional/operational dependencies. Collins (1994) distinguishes between lower-order operational capabilities described as the combination of resources that enable the organization to perform functional activities and higher-order dynamic capabilities which deal with change. Zollo and Winter (2002) also distinguish dynamic capabilities from operational or ordinary capabilities. Operational capabilities enable the firm to perform their everyday living while dynamic capabilities are used to maintain the status quo.

2.3 The Balanced Scorecard

Since its inception by Kaplan and Norton (1992), the BSC has enjoyed considerable attention in literature from practitioners and researchers. According to Bain & Co. 50% of the Fortune 1000 companies are using the BSC. The BSC is a way of measuring organizational, business unit or departmental success, balancing long-term and short-term actions, balancing the financial, customer, internal operations, and learning and growth measures of success, tying the firm's strategy to measures of action (Chaudron, 2003). According to Bourne (2002), the success of the scorecard depends on how the measures are agreed, implemented and acted upon.

The Balanced Scorecard (BSC) was first introduced by Kaplan and Norton (1992) in a Harvard Business Review article. The BSC measures performance of an organization from four different perspectives: one financial and three non-financial. The BSC retained measures of financial performance, the lag indicators, and supplemented them with measures on the drivers, the lead indicators, of future financial performance (Kaplan and

Norton, 2001). The BSC aims to clarify strategy and translate it into action. Organizations use it as a tool to manage their companies' organizational performance.

The BSC is a strategic planning and management system used to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organizational performance against strategic goals. Kaplan and Norton (1992) introduced the BSC as a performance measurement framework that included non-financial measures to traditional financial metrics thereby giving managers a balanced view of organizational performance. The BSC has evolved over the years from a simple performance measurement framework to a full strategic planning and management system. This enables the organizations to transform their strategic plans from being a mere document into day-to-day operational activities. It not only provides a framework for performance measurement, but also provides planners with a way of identifying what needs to be done and measured. The BSC suggests that the organization can be viewed, measured and analyzed from four perspectives: learning and growth, internal business processes, customer and financial perspectives.

The financial perspective measures define the long-run objectives of the business unit (Kaplan & Norton, 1992). The financial measure is used by organizations to determine whether strategy implementation and execution are contributing to the improvement of the bottom-line. An organization can enhance its management system using a well-designed financial control system. The financial perspective emphasizes cost efficiency, that is, the ability to deliver maximum value to the customer at minimum cost and sustained stakeholder value (Gekonge, 2005). According to Al-Najjar & Kalaf (2012),

financial measures convey the economic consequences for actions already taken by the organization, and focus on the profitability related measures on which the shareholders verify the profitability of their investment. Kaplan and Norton acknowledge the need for traditional data. The provision of right and timely financial data to the right person in the organization

The learning and growth perspective puts emphasis on the organization self-improvement in the current environment of rapid technological change. The knowledge worker needs to be in continuous learning mode. The learning and growth perspective of the BSC enables the workforce in the organizations to acquire the necessary skills that will drive them to achieve their objectives. The internal business processes perspective of the BSC seeks to answer the question “to satisfy my customers, which processes must I excel in?” the metrics of this perspective to know how well their business is running. The customer perspective is about the customer value proposition. Kaplan and Norton note that the core of any business strategy is the value proposition which describes the unique mix of product, price, service, relationship, and image the company offers. An organization also must identify the customers and the market segment it wishes to compete in. In the customer perspective, an organization seeks to differentiate its value proposition by selecting among operational excellence, customer intimacy and product leadership. The customer perspective also identifies the intended outcomes from delivering a differentiated value proposition (Kaplan & Norton, 2001)

BSC therefore brings out a balance between long term and short term objectives, financial outcomes and performance drivers for the same and introduces a continuous

process of learning and adaption to modified strategies. The strategy is broken down into critical operational strategic objectives considering the customer value proposition (Kaplan & Norton, 1996) and desired financial results. The performance drivers or the lead objectives to these outcome objectives in the financial and customer perspectives are then identified and placed in the internal business processes and learning and growth perspectives forming a causal relationship.

2.4 Performance Measurement and Management

There are very few definitions of performance management. Treasury (2001) defines performance management as managing the performance of an organization or an individual. The definition despite not being precise, demonstrates that performance management is concerned with the management of performance throughout the organization and as a result is a multidisciplinary activity.

Performance management has developed from diverse origins resulting from different measurement and management techniques and approaches being developed independently. Management accounting has been involved with managing the financial performance of organizations, operations have been concerned with floor performance and improving throughput and efficiency from all perspectives, strategy have been concerned with developing plans to deliver future objectives and human resources have been concerned with managing the performance of the people. It is just recently that the performance management of the organization has begun to converge and recognize the need to integrate the various disciplines into a multidisciplinary approach of managing performance. Performance management therefore includes a variety of activities

including the planning and execution of actions required to ensure performance objectives are achieved.

Performance measurement on the other hand is defined as the process of quantifying the efficiency and effectiveness of action (Neely, Gregory & Platts, 1995). Neely (1998) went on further to identify the activities required to measure performance by defining the performance measurement system as consisting of three inter-related elements namely: individual measures that quantify the efficiency and effectiveness of actions, a set of measures combined to assess the performance of an organization as a whole, and a supporting infrastructure that enables data to be acquired, collated, sorted, analyzed, interpreted and disseminated. A performance measure is a critical function that provides strategic, steering and operational management with business intelligence. To make better informed decisions, it helps to identify the impact on strategies, strengths and weaknesses, and the bottleneck to successful strategy formulation and implementation, determine the effectiveness of strategies, and monitoring and evaluating the performance against business strategies and targets.

According to Becker (2011) developing a world class performance measurement system hinges on a clear understanding of the organization strategy, operational goals and the employee competencies and behaviors required to achieve the organization's objectives. Measurement systems can create value only when they are carefully matched with the organization's strategy and operational goals. Performance measures should be related to the strategic goals and measures that are organizationally significant and drive business performance, be relevant to the objectives and accountabilities of the individuals

concerned, focus on measurable outputs, accomplishments and behaviors that are clearly defined and for which evidence can be made available. There must be indication of data that will be made available for measurement which must be verifiable, precise, available and comprehensive, that is, covering all aspects of performance. Effective performance is measured not merely by delivery of results (however outstanding) in one area but by delivering satisfactory performance across all measures (Armstrong and Baron, 1998).

2.5 Key Performance Indicators

Key Performance indicators (KPIs) are a set of metrics that regularly assess the business activity against strategic and operational objectives. According to Paramenter (2010), KPIs represent a set of measures focusing on those aspects of organizational performance that are the most critical for the current and future success of the organization. They help an organization to define and measure progress towards organizational goals.

KPIs are quantifiable measures, agreed to beforehand, that reflect the critical success factors of an organization and may differ depending on the organization. Whatever KPIs are selected, must reflect the goals of the organization, must be key to its success and must be quantifiable (Reh, 2015).

KPIs can be divided into the strategic, tactical and operational levels. Strategic KPIs can be directly translated into tactical KPIs and subsequently into operational KPIs, and are logically tied with each other through a set of cascading dashboards. According to Smith (2008), Dashboards can be configured and personalized to provide strategic, tactical and

operational views of the organization, processes, services and activities in line with each decision making level.

2.6 The Balanced Scorecard and Organizational Performance

The Balanced Scorecard is a management tool that has become synonymous with the evolution of performance management and has the most identifiable literature of performance measurement. The Balanced Scorecard started as an operational tool designed to measure and help improve operational performance in a manufacturing organization. Since its inception by Kaplan and Norton (1992), its scope broadened to the measurement of organizational performance. It has now developed from a measurement tool into a strategic performance management approach of which measurement is but a small part. Balanced Scorecard is a widely used term in the field but it is the most identifiable concept. However in order to study performance management the comprehensiveness of the subject must be reflected, recognizing its vertical and horizontal spread throughout organizations.

Many studies have been conducted to examine performance effects of using the BSC. These have mainly concentrated on the two basic dimensions which are: the level of use and the manner of use. Findings from studies on the levels of use (Hoque & James, 2000; Ittner, Larcker & Randall, 2003; Davis & Albright, 2004) show positive and negative relationships between BSC use and performance. A possible explanation of these inconsistent findings may be the lack of control in the studies for differences in the implementation and the actual way in which the BSC is used. The findings on studies conducted on the manner of BSC use (Lipe & Salterio, 2002; Olson & Slater, 2002;

Malina & Selto, 2001) confirms that there are serious differences in the way the BSC is implemented and used. As a comprehensive measurement system, the BSC affects the quality of information for decision making. When co-aligned carefully to corporate strategy, it helps a company's strategic focus and increases performance. The findings suggest that the intensity or level of use affects the company performance but the quality or manner of BSC use is key (Braam & Nijssen, 2004).

In Kenya, studies have been done on the effects of the BSC use on performance. Ombuna, Omido, Garashi, Odera and Okaka (2012) in their study on impact of the balanced scorecard usage on performance of commercial banks found a positive impact of BSC usage on performance of commercial banks. Majority of the respondents noted that they had achieved considerably through the use of the BSC.

Nyaega (2012) in his study: application of balanced scorecard in performance measurement at Essar telecom Kenya Limited, found out that Essar telecom used the BSC primarily for strategy implementation and performance measurement but due to challenges have been unable to harness the full benefits of the tool. His study further showed the benefits of the BSC outweigh the costs if implemented fully, efficiently and effectively and that it complements the financial measures of past performance with operational measures that drive future performance and growth.

2.7 Summary of Literature Review

This study leveraged on the resource-based view theory and the dynamic capabilities theories to discuss how the company used its resources, capabilities and the balanced scorecard to influence its performance over the years. The resource based theory emphasizes the importance of firms' resources as fundamental determinants of competitive advantage and performance while dynamic capabilities enable an organization to integrate, build, and reconfigure their resources and competencies therefore maintaining performance in the face of changing business environments. The Balanced Scorecard (BSC) was first introduced by Kaplan and Norton (1992) in a Harvard Business Review article. The BSC measures performance of an organization from four different perspectives: one financial and three non-financial. According to Kaplan and Norton (1996), the BSC is a strategic planning and management system used to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organizational performance against strategic goals.

Organizational performance on the other hand is concerned with the measurement and management of Key Performance Indicators (KPIs) that are relevant for the organization. KPIs represent a set of measures focusing on those aspects of organizational performance that are the most critical for the current and future success of the organization. They help an organization to define and measure progress towards organizational goals. Several international and local studies on the influence of the BSC on performance have been highlighted in this chapter. The findings have shown contradicting results with some having a positive impact while others had a negative impact on performance. This has been attributed to lack of control in the studies as well as the different use of the BSC in

the organizations studies. Locally, the studies have shown a positive impact of the BSC on performance in the organizations many of which included banks. A study by Nyaega (2012) on application of balanced scorecard in performance measurement at Essar telecom Kenya Limited, showed the benefits of the BSC outweigh the costs if implemented fully, efficiently and effectively and that it complements the financial measures of past performance with operational measures that drive future performance and growth.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter addressed the methods and procedures that were used to achieve the objectives of the set study. This chapter presents the research design, data collection and data analysis

3.2 Research Design

The researcher used a case study in this research. A case study involves gathering data that describe events and then organizes, tabulates, depicts and describes the data. Descriptive studies portray the variables by answering who, what, and how questions (Babbie, 2002). Gay (1997) defines descriptive research as a process of collecting data in order to test hypotheses or to answer questions concerning the current status of the subjects in the study. A descriptive research determines and reports the way things are. It attempts to describe such things as possible behavior, attitudes, value and characteristics (Mugenda & Mugenda, 1999)

The study was based on a case study of Safaricom Kenya Limited. A case study involves a careful and complete observation of a social unit. It is a method of in-depth study rather than breadth (Kothari, 2004). It is an in-depth investigation of an individual, group, institution or phenomenon (Mugenda & Mugenda, 1999). According to Mugenda (1999),

it seeks to determine factors and relationships among the factors that have resulted in a behavior under study.

3.3 Data Collection

Data collection is an important part of any research study. Inaccurate data collection can lead to invalid results. There are two types of data: primary and secondary data. The commonly used methods of primary data collection are interviews, questionnaires and observation. The primary data collection method is the most suitable for this study and entails the use of questionnaires. This is due to its advantage of allowing the researcher to get firsthand information from the correspondents. This study used primary and secondary data. Primary data was collected through interviews with the respondents. The interview method of collecting data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses (Kothari, 2004).

The respondents in this study included the divisional, functional and sectional managers at Safaricom Limited. They are the ones who have been charged with the strategy implementation and goal settings of the business units that they head in line with the vision, mission and overall corporate strategy of the organization through the use of the BSC. These respondents were therefore well placed to give the required information for the study. In addition to primary data, secondary data was also used from available company documents, audited accounts, newspaper articles, magazine articles, company catalogs and other information pertaining the company.

3.4 Data Analysis

Data obtained from the field in raw form is difficult to interpret. Such data must be cleaned, coded, key punched into a computer and analyzed (Mugenda & Mugenda, 1999). Data from the interview guide and secondary sources were summarized according to study themes of the influence of the balance scorecard on performance at Safaricom Kenya Limited and content analysis was used to analyze the collected data.

Content analysis consists of analyzing the contents of documentary materials and the contents of all other verbal materials which can be either spoken or printed (Kothari, 2004). 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. It is generally applied to narrative texts and seeks to determine, through close examination of the language of those texts, the respondents understanding of the phenomena and terminology, as well as their beliefs.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presented and discussed the analysis of data collected from various respondents in the organization. The data was interpreted according to the research question and objectives. This chapter is organized as follows. The first section presents results of demographic analysis. The second section presents the findings on the influence of the balance scorecard on performance at Safaricom Kenya Limited. The last section is the discussion of research findings.

4.2 Demographic Results

This study targeted to interview twenty six (26) senior level management team members that included divisional directors and heads of departments (HOD). Out of these, twenty three HODs were interviewed which constituted a response rate of 88.46%. The interviewees were asked to state the number of years they had worked in Safaricom. The study found that 38.74% of the respondents had worked between three (3) and five (5) years, 52.17% had worked for six to ten years while 13.04% had worked for more than ten years. From the findings, it shows that the respondents are experienced employees in the organization and have vast information on the activities of the company.

4.3 Awareness and Use of the Balanced Scorecard

The interviewees were asked to state whether they were aware of the balanced scorecard. The results showed that all of were aware of the balanced scorecard. This shows there is a high level of awareness among the senior level management team (SLT) on the balanced scorecard as a strategy implementation tool at Safaricom Kenya Limited. When asked what they used the BSC for in organization and in their respective departments, the interviewees stated that the balanced scorecard is used for strategy management, informing decision making and measuring and tracking of objectives.

The respondents were asked why Safaricom Kenya Limited had adopted the use of the balanced scorecard. From the analysis of the comments by the HODs, Safaricom adopted the BSC to help it to efficiently and effectively use the resources at its disposal to achieve its vision, mission and objectives as a company. They noted that before the adoption of the BSC, there was no clear link between the daily operations of the company with the overall performance strategy and objectives of the organization. They noted that even though there was a strategy formulated by the company, there was no clear guideline for measurement and management of performance which led to disoriented goals and directing of effort in the wrong objectives.

The respondents were asked to state the importance of financial measures and non-financial measures at Safaricom Limited. 86.95% of the interviewees responded that financial measures were very important and 100% responded that non-financial measures were very important for the organization. This is in line with the BSC use which

emphasizes the use of non-financial measures to drive future financial performance of the organization by improving on the lagging financial measures of past performance.

4.4 Balanced Scorecard and Strategy at Safaricom Kenya Limited

The BSC according to Kaplan and Norton (1996) translates the vision, mission and strategy of the organization into measurable objectives based on the four perspectives and arranged in a cause-and-effect relationship in a strategy map. The objectives and different scorecards must be aligned to the corporate strategy for the goals and outcomes of the firm to be successful. The respondents in the study were asked whether there is a relationship between the BSC and the corporate strategy at Safaricom Ltd. All the respondents confirmed that there exists a relationship between the corporate strategy of the company with the BSC. They went further to state that the company uses the BSC as a strategic management tool. It is used to implement the corporate strategy to achieve the overall objectives of the company and in the long run to fulfill its vision of transforming lives.

The respondents were asked to explain how the BSC is used to link the company's mission and strategy with objective measures. Most of the respondents stated that the company's vision, mission and strategy put into consideration by each of the departments when formulating their specific scorecards. This helps the departments to utilize their resources efficiently and effectively in ensuring that the departmental objective measures are aligned to the company's vision, mission and strategy. A comprehensive set of carefully chosen objective measures links the company's strategy and mission. Through

this link, managers are provided with information on how to optimize the company's strategy to improve its competitive position and performance.

The respondents indicated that the use of the BSC without linking the objective measures with the company's strategy will in the long run negatively influence the company's performance. The respondents insisted that the link between the objectives and the corporate strategy is key for the company to achieve positive performance results. The respondents agreed that the benefits of the BSC will outweigh the cost if they are in line with strategy and it is therefore very important to map how the BSC is used and to evaluate whether the BSC facilitates and complements corporate strategy.

4.5 Influence of Balanced Scorecard to the Performance of Safaricom Kenya

Limited

The research sought to establish the influence of BSC use had on the performance of Safaricom Kenya Limited. The interviewees were asked to state whether it is easier to achieve the goals of the company with the BSC. The respondents agreed that with the BSC it is easier to achieve the company goals since all operational efforts are directed in the achievement of the goals set by the company. Some of the respondents noted that the BSC has helped them to clearly communicate the vision, mission and objectives of the organization to the employees and get them to buy in to the departmental objectives and thereby achieving the goals set by the executive committee (EXCO).

The respondents agreed that the organization formally measures the performance in all the perspectives of the BSC namely; customers, internal business processes, innovation

and learning, and financial perspective. By measuring all the four perspectives, the company is able to balance its financial and non-financial performance measures. When asked whether the BSC balanced long-term and short-term goals of the company, the respondents agreed stating that the BSC has helped managers in creating objectives for the short-term and long-term. Through these objectives they are able to measure the performance of the organization in achieving its goals and adjust accordingly where they are falling behind.

The respondents were asked to state and explain which key performance indicators the company uses to evaluate its performance. The respondents gave different key performance indicators which included Average Revenue Per User (ARPU) for all services offered by the company, Churn Rate (CR), Net Promoter Score (NPS) for customers, Net Income, Earnings Before Interest Tax and Amortization (EBITDA), Free Cash Flow and Total Revenue. From the findings, it was noted that KPIs are given according to the roles of the various divisions in the market.

The respondents agreed that the BSC is an effective measurement system since it measures the objectives against the overall organization strategy. However some of the HODs indicated that the objectives must be clearly mapped to the strategy for the metrics being measured to be able to contribute to the performance of the company. The balanced scorecard has helped the management to make informed decisions based on the future performance of the organization based on the measurement of the objectives set. This has been achieved through generation of weekly reports from the different sectional heads that are then sent to the HODs on their cumulative performance on the objectives and

KPIs as the year progressed. With this information the SLT is able to project the company's performance based on the metrics so far.

The respondents agreed that the BSC helps employees to better understand the strategy and vision of the company. From the research findings, the yearly strategies are formulated by the Chief Executive Officer (CEO) together with EXCO based on the vision and mission of the company. Once agreed the strategy is cascaded to the various division who then sit down and come up with the objectives, targets and measures for their divisional scorecard that correlate to the actual activities done in the business unit. Through this communications employees are involved in formulating of their objectives from the beginning to the end and they fully understand how their day to day activities tie to the objectives of the department, division and finally the overall vision and strategy of Safaricom Kenya Limited.

The respondents stated that the BSC helps managers to improve operational performance of Safaricom Limited. It was noted from the research findings that in order to improve operational excellence to its customers, the company had embarked on plans to improve their processes thereby improving service delivery to its customers. The HODs from technology division made all technology staff to undergo training on Information Technology Infrastructure Language (ITIL) which in turn will help in understanding the process of service request fulfillment thereby improving processes and delivering exemplary service to their customers. This has also enabled the company to acquire International Standards Organization (ISO) certifications for some of their processes in service delivery to the customers.

On whether the BSC had helped managers to improve the financial performance of Safaricom Limited, the respondents agreed and noted that the company every year seeks to improve its financial performance through posting of profits exceeding the previous years'. The information from the BSC is used by the SLT to inform the organization on what strategies to implement in order to improve the financial performance of the company throughout the year. Safaricom has been able to post good financial results over the years and this has been attributed to the cause and effect relationships of the BSC perspectives. The respondents were asked if the benefits of the BSC outweigh the costs. The respondents agreed and clearly stated that the benefits of the BSC far outweigh the cost when successfully implemented in the organization and with the full support of the management.

4.6 Discussion of Findings

The Balanced Scorecard translates the vision and strategy of an organization into four perspectives that are both financial and non-financial. The perspectives are broken down into objectives, targets and measures that are mapped in a cause and effect relationship. According to Kaplan & Norton (1996) the large set of measures are designed to capture the organization's business strategy and to include drivers of performance in all areas important to the organization. Use of the BSC should improve managerial decision making by aligning performance measures with the goals and strategies of the firm and the firm's business units.

This study presents an analysis of the influence of the BSC use on performance at Safaricom Limited Company. This study sought to examine how Safaricom Ltd has used

the BSC to positively affect its performance over the years. The use of the BSC by Safaricom Ltd management as a strategy implementation tool has helped to align its performance measures to the goals and strategies of the company thereby improving its performance over time.

The study found that there is awareness on the balanced scorecard among all the respondents in the interview. The respondents agreed that they participated in the setting of objectives and performance measures based on the customer, internal business processes, learning and growth and financial perspectives of the balanced scorecard. The results of the study showed that the information from the BSC helped managers in making informed decisions which lead to improved operational and financial performance of the company. All the interviewees agreed that the objective being measured must be aligned to the strategy and vision of the company in order for it to perform and succeed. The BSC through its strategic mapping has been able to create a cause and effect relationship of the four perspectives being measured which in the long run leads improved financial performance of the company.

4.7 Summary

The results of the research as discussed above are consistent with other findings in previous studies on the influence of the balanced scorecard on performance. The HODs interviewed were all aware of the BSC and its use in strategy management, informing decision making and measuring and tracking of objectives in the company. The interviewees also noted that the objectives being measured in the BSC must be aligned in to the company's vision and strategy for it to positively impact on the performance of the

organization. It is therefore important that the organization aligns its objectives to the vision and strategy of the company for the measures to be relevant to the company. The BSC also assists the managers in balancing the short-term and long-term objectives of the organization. It was also noted that the information from the BSC helps the management to improve the operational and financial performance of the company through informing decision making for the SLT on what strategies to pursue to achieve them.

The BSC proposed by Kaplan and Norton measures objectives in four perspectives namely; customer, financial, internal business processes and learning and growth. These objectives are mapped in a cause-and-effect relationship that leads to organizational performance. From the case of Safaricom Ltd, the management has been able to use the BSC in strategy implementation and performance management in the four perspectives which has in turn positively influenced the financial and operational performance of the company over the years. This is in line with the company's vision of 'transforming lives' achieved through customer first, excellent operations and delivering of relevant products strategies. Through aligning of the objectives being measured to the vision and strategy of the organization, the company has used the BSC to positively influence its performance over the years.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents discussions of the key findings presented in chapter four, conclusions drawn based on the findings and recommendations. This chapter is structured into summary of findings, conclusion, recommendations, limitations of the study and implication on policy, theory and practice.

5.2 Summary of the Findings

The objective of this study was to establish the influence of the balanced scorecard on performance at Safaricom Ltd. From the findings presented in chapter four of this document, it was established that there is a relationship between the use of the balanced scorecard and the performance of Safaricom Ltd. Based on the analysis of responses of the HODs interviewed, they were in agreement that the use of the balanced scorecard has helped them to formulate objectives that are aligned to the vision, strategy and goals of the company, improve internal and external communications and monitoring of organization performance against strategic goals.

The study further found that the strategy and objectives of the company are cascaded through the BSC from CEO to the divisional, departmental, sectional and managerial heads where each creates a scorecard linked to the strategic themes and objectives set for the financial year. This creates a synergy between the corporate strategy, business units

strategy and finally to the individual objectives of the employees in the organization, This ensures that the objectives being measured and monitored are aligned to the company's goals and strategy. According to Kaplan and Norton (1996), the BSC can translate a company's vision and strategy into a coherent and linked set of performance measures; these measures should include both outcome measures and performance drivers of those outcomes. The scorecard should incorporate complex sets of cause-and-effect relationships among the critical variables.

The study found out that the respondents measured performance based on the four perspectives of the BSC. The results showed that the respondents agreed on the importance of both financial and non-financial measures of performance for the company. The further agreed that by using the BSC they have been able to improve the operational and financial performance of the organization through the use of information generated from the BSC to make informed and quality decisions. This finding is consistent with other findings on the influence of the BSC on performance of organizations.

5.3 Conclusion

From the findings, it can be concluded that the BSC has a positive influence on the performance of Safaricom Limited. Most of the respondents confirmed that there exists a relationship between the company performance the BSC. The respondents also confirmed that through the use of the BSC the company has been able to improve its operational and financial performance. The respondents also agreed that both the financial and non-

financial measures are important for the company and that the BSC better evaluates the strategy of Safaricom Ltd.

This indicates that the BSC is a management system that enables the organization to clarify their vision and strategy and translate them into action (Kaplan and Norton, 1996). The BSC provides feedback to the company on the internal processes and outcomes in order to improve the strategic performance and results. The results also suggest that BSC use that is aligned to the company's strategy positively influences the overall company's performance.

5.4 Recommendations

From the results, the BSC use as a strategic management and performance management system in organization has been clearly linked to the management of the organization being able to clarify the vision, mission and strategy through creating of scorecards for the several business units that have objectives aligned to the overall corporate strategy of the company.

The result of the study has indicated that there is a relationship between BSC use and company's performance. However, the researcher also found that the link between the BSC and the company's strategy and vision is also important since it determines whether the company achieves positive or negative results. The researcher recommends that further studies be carried out within the industry on BSC and strategy alignment and its impact on performance.

5.5 Limitation of the Study

The researcher encountered two limitations throughout the course of this study. The first limitation was the short time given to collect and analyze the data. The one month period during which the data was to be collected was insufficient to be able to reach all the respondents. Second was the interviewees busy job schedules that caused a challenge during data collection since the interviews had to be rescheduled severally to suit the available time slots for the interviewees. Some of the interviews failed to happen because of the busy schedules.

5.6 Implication on Policy, Theory and Practice

This study contributes to the understanding of the influence of the BSC on performance. Managers and practitioners should however be aware that the BSC use does not automatically improve performance. There are very many interpretations of the BSC and some of them may be detrimental to the firm's performance. The results suggests that only BSC use aligned to the corporate strategy positively influences the performance of the company. The managers should ensure that the BSC complements and aligns to the company's vision, mission and strategy for it to have a positive impact of its performance.

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APPENDICES

APPENDIX I: INTERVIEW SCHEDULE

Introduction

- Researcher to greet the interviewee and do the introduction
- Researcher to explain the purpose of the interview

Interview guide

1. What is your role in the organization?
2. How Many years have you worked at Safaricom?
3. Are you aware of the Balanced Scorecard?
4. Why did Safaricom Ltd adopt the use of the BSC?
5. How is BSC used in the organization/ within your department?
6. Please indicate how important each of the following types of performance measures are to Safaricom Ltd.

| | Very Important (1) | Fairly Important (2) | Not Sure (3) | Not Important (4) | Not Very Important (5) |
|------------------------|-----------------------|-------------------------|-----------------|----------------------|---------------------------|
| Financial measures | [] | [] | [] | [] | [] |
| Non-financial measures | [] | [] | [] | [] | [] |

7. Does the Balanced Scorecard (BSC) complement the financial measures of past performance with operational measures that drive future performance and growth?

8. Does Safaricom formally measure performance in the following business areas?

| | Yes | No |
|-----------------------------|-----|-----|
| Customers perspective | [] | [] |
| Internal business processes | [] | [] |
| Innovation and learning | [] | [] |
| Financial | [] | [] |
| Other. Please specify | | |

9. With BSC is it easier to achieve the goals of the company? Please explain?

10. Is the BSC is an effective performance measurement system?

11. Which key performance indicators, (if any), does your company use to evaluate its performance?
12. Does the BSC balance the long-term goals and short-term goals of the business?
13. Does the BSC help employees understand better the strategy and the vision of the business?
14. Does information from BSC help managers to improve operational performance of the organization?
15. Does information from BSC can help managers to improve financial performance of the organization?
16. Does BSC better evaluate the strategy of the company?
17. Is there any relationship between the BSC and the corporate strategy?
18. Does the Balanced Scorecard (BSC) link Safaricom Limited's mission and strategy with objective measures?
19. The benefits will outweigh the costs if Balanced Scorecard (BSC) were implemented successfully.

**APPENDIX II: LIST OF COMPANIES IN THE
TELECOMMUNICATIONS INDUSTRY**

1. Safaricom Kenya Limited
2. Airtel Networks Kenya
3. Telkom Kenya (Orange)