THE CHALLENGES OF IMPLEMENTATION OF THE BALANCED SCORECARD STRATEGY AT SAFARICOM KENYA LIMITED

BY

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DECLARATION

I hereby declare that this management research project is my original work and has not been presented to any other university.

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This research project has been submitted for examination with my approval as a university of Nairobi supervisor.

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DEDICATION

I dedicate this research project to my loving family. I dedicate this project to my ever supportive and concerned father Peter Thuo, and to my caring and loving mother, Hannah Wangui. I am also indebted to them for the resources and support they have given me. To my loving siblings, Allan Ndung'u and Lydia Waithira. I cannot also forget all my friends who have always been with me throughout this course.

ABBREVIATIONS AND ACRONYMS

BOD   Board of Directors

BSC   Balanced Scorecard

CCK   Communication Commission of Kenya

CSI   Customer Satisfaction Index

HRM   Human Resource Management

ICT   Information Communication Technology

IT   Information Technology

LTD   Limited

PM   Performance Management

R&D   Research and Development

ROI   Return on Investment

SIM   Stakeholder Issue Management

SMART   Specific, Measurable, Attainable, Realistic, Time bound

SWOT   Strengths, Weaknesses, Opportunities, Threats

USP   Unique Selling Proposition

ABSTRACT

The purpose of this study was to find out the challenges of implementation of the balanced scorecard at Safaricom Kenya limited. The objective of the study was to find out the challenges faced by Safaricom Company in the BSC strategy implementation, how these challenges were overcome and the benefits of the BSC in the organization. To achieve this objective, a case study design was used where qualitative data was collected and analyzed in order to provide useful information as well as recommendations for further studies. In pursuit of its strategic objective, that is, to be a leader in provision of comprehensive range of telecommunication services under one roof: mobile and fixed voice as well as data services on a variety of platforms, Safaricom Company has incorporated the BSC in implementation of its strategies. There were commendable efforts to solve challenges during implementation of the BSC strategy. The findings show there were commendable efforts to solve challenges during implementation of the BSC strategy. The implementation process included all members. Continuous training and development and monitoring of the activities to analyze the progress of the implementation process were also noted. With change comes resistance which can be detrimental if it is not handled properly. Training and development is vital for growth, transition and adaptation of new business processes. The support for innovation also gives a competitive edge. Good leadership also proves an important factor in the success of strategy implementation. It is also important that communication be both from top to bottom and from bottom to top. Communicating the progress of the implementation process ensures that good behavior is encouraged and is consistent with the strategy in pursuit of its strategic objective. Challenges to effective strategy implementation research areas have been widely embraced in the developing countries. Given that this study only covered challenges of the balanced scorecard that affect strategy implementation process at Safaricom, a telecommunication company in the private sector, studies need to be done on challenges of the implementation of the balanced scorecard for organizations in the public sector.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizations do not operate in a vacuum but rather operate in the environment which is dynamic and for their survival they have to be able to anticipate changes and adapt their strategies to them if they are to survive. Organizations try to outwit one another by implementing better strategies and measuring their performance against that of other players in the industry. The success of any organization is reflected upon by its performance which is in turn highly dependent upon its strategies (Abjihit, 2006). Most strategies fail because the tools used for measuring performance do not match with the strategy. The measuring of the effectiveness and efficiency of the chosen strategy, projects, processes and people is becoming an increasingly important factor that determines the success of business organizations (SasaTomiae, and VasoArsenoviae, 2008). Nowadays opportunities for creating value are shifting from managing tangible assets to managing knowledge based strategies that deploy an organization's intangible assets (Maria, 2004). One of the tools that organizations use today to implement their strategies and measure their performance is the Balanced Scorecard.

The balanced scorecard enabled the early-adopting companies to focus and align their executive teams, business units, human resources, IT and financial resources to their organization's strategy, creating breakthrough performance (Maria, 2004). The balanced scorecard allows organizations to implement strategies using four perspectives; customer

perspective, internal perspective, innovation and learning perspective and the financial perspective. Balanced scorecards are used for describing a strategy in modern organizations and for measuring the results of implementing that strategy (Maria, 2004). Today's organizations require a better understanding of their customers, their employees, their internal processes as all these will lead to profitability thus achieving the firm's vision. The balanced scorecard emphasizes the importance of measuring business performance from the perspective of strategic implementation, rather than sorely relying on financial results (Agrawal, 2008).

1.1.1 The Balanced Scorecard Strategy

The balanced scorecard is a management system that enables organizations to clarify their vision and strategy and translate them into action (Swati, 2008). The concept of balanced activities has enabled managers to pay attention to other very important perspectives of business. The balanced scorecard approach facilitates the development of objectives in four key areas; the financial, the customers, the internal business processes and the learning and growth. The approach provides a clear prescription as to what companies should measure in order to 'balance' the financial perspective. It emphasizes other areas that are required to measure in order to balance the financial perspective so as to get a holistic view about organizational performance. Organizations develop objectives in the customer perspective by looking to finding out what their customers' real needs and expectations are and strive to satisfy their customers' needs as well as managing their expectations thus creating value for their organizations by reinforcing customer confidence and building long term relationships.

Organizations also realize that productivity cannot be realized by neglecting their employees. Excellent companies draw on the talent of their employees, seeing them as contributors of ideas, not just as a source of physical labor (Rowe, Mason, Dickel, Mann, and Mockler, 1994). They recognize that the employees also need motivation to encourage their productivity .With rapid change and the need to exploit knowledge, employee motivation is increasingly important to performance (Johnson, Scholes and Whittington 2005). Through Information Technology, the organization develops objectives for the internal business perspective. In many service organizations, routinization has been achieved through Information Systems leading to de-skilling of service delivery and significant reductions in cost (Johnson *et al*, 2005). Objectives should be specific, measurable, achievable, realistic and time-bound (SMART). The Balanced Scorecard provides managers with the instrumentation they need to navigate to future competitive success (Stella, Daniel and Didier, 1999).

1.1.2 Implementation Challenges

Organizations find it difficult to implement well-formulated strategies because as their strategies change the tools for measuring strategies do not change as well. Historically, organizations have measured their performance primarily, if not exclusively, with measures derived from financial data (Zimmerman, 2004). Such actions make it possible for company to succeed in short term period but cause imbalanced scorecard and company's falling to failure in long term period. Good but improperly implemented strategies can lead to poor performance because the objective for which the strategy was intended may not be achieved.

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Organizations are faced with day to day decisions some of them being; developing strategy that can be quickly implemented for example increasing market share, and driving change, meeting short term and long term goals, how to maintain shareholder value, executing strategy in the most effective and efficient manner, ensuring the organization is aligned to support long term strategy, and ensuring investments and initiatives are linked to the strategy. In the course of making and implementing these decisions organizations face challenges. Strategy implementation is a continuous process and not a one-time only project. There is need to continue monitoring the progress of the implementation process.

This is because the external environment is dynamic and keeps on changing thus forcing organizations strategic management tools to change as well. The managers of organizations face implementation challenges because they lack a system of implementing their strategies and the discipline to see the process to the final phase Organizations in which managers do not have experience with measurement programs, or fail to heed the warnings of those who do, typically underestimate the difficulties of implementing a balanced scorecard program (Zimmerman, 2004). The strategy may also stay at the top among the organization's head instead of being shared throughout the organization to all the organization members.

1.1.3 The Telecommunication Industry in Kenya

For several years, people have used telephone to stay in touch with one another. Nowadays a number of fast evolving devices continue to provide people with a more constant access to each other, their customers, their offices etc. like mobile phones, personal digital assistants like the blackberry, the laptop computers are popular. All these are convenient to send and receive emails, to conduct internet searches while travelling. The growing availability of Wi-Fi has enhanced the value of laptop computers because Internet can be accessed even when an electric outlet is not available (Johnson *et al* 2005).

The Mobile Phone industry being technology based is faced with unique challenges that affect its performance. The companies are faced with fast shrinking product cycles, recruiting, retaining and rewarding technology talent, making and communicating critical product decisions, tracking evolution of customer demands and use models, and disruptive, enabling technologies that can invalidate products or entire business models. These companies need strategies in order to cope with the challenges. The companies strategies therefore need to define how they will measure product planning and development success. Company operations under contemporary business conditions demand an effective strategy and its effective implementation, which ensures the realization of the desired level of performance (SasaTomiae *et al* 2008). Since the introduction of telecommunication sector in Kenya in 1999, the growth of both the internet and mobile phone growth has been tremendous.

This is so especially due to the government plans to make Kenya into East Africa's leader in Information, and Communications Technology (ICT). The establishment of Communications Commission of Kenya in February 1978 through the Kenya Communications Act was vital to license and regulate telecommunications, radio communication and Postal Services in Kenya. Due to this rapid growth, new companies are entering the market causing competition.

1.1.4 Safaricom Kenya Limited

Safaricom Ltd is a private company categorized under services cellular telephones and located in Nairobi, Kenya. It was converted into a public company with limited liability on 16th May, 2002. Safaricom, Kenya's leading mobile company has been one of Africa's great success stories. It is the biggest company in east Africa, with an incredible market share. Safaricom's subscriber base has been growing since the year 2000. The organization offers mobile telecommunication services through five product segments; Simu ya jamii, M-PESA, prepaid, postpaid, business and enterprise, international roaming and data and messaging.

Over the years Safaricom has been the market leader in the Kenya's internet and mobile phone market. Safaricom is the leading provider of converged communication solutions in Kenya. It provides a broad range of first-class products and services for Telephony, Broadband Internet and Fax.

Its main competitor was Celtel Company, now Airtel but Airtel has not been able to overthrow Safaricom. Safaricom thus relaxed on its strategies to counter those of Airtel until the entrance of Orange Company in to the market, which is taking up a significant market share and growing at an alarming rate.

1.2 Research Problem

The Performance of an organization depends on whether objectives for measuring its key areas are formulated. Balanced scorecard approach ensures four key perspectives are examined, during the implementation of a strategy, that is, the organization's financial performance is upheld, the customers' expectations are met or exceeded, its internal business processes are as efficient as possible and its employees have the right attitude and are undertaking continuous self-improvement from time to time in order for the organization to be able to keep up with the changes and be competitive. Historically, organizations have measured their performance primarily, if not exclusively, with measures derived from financial data (Zimmerman, 2004). Such actions make it possible for company to succeed in short term period but cause imbalanced scorecard and company's falling to failure in long term period.

Being technology based Safaricom is faced with unique implementation challenges that affect its performance. Implementation strategies are therefore needed in order to cope with the challenges. The strategies therefore need to define how they will measure product planning and development success. Safaricom Limited has been successful but realizes that success is continuous and not a one-time only process, and so to help the

organization on that journey, Safaricom limited has adopted the balanced scorecard approach to prioritize their activities and ensure sustainability of their growth into the future. The leadership team's passion behind their vision statement, throughout the company, is a huge asset that could be leveraged as it deployed its strategy.

In Kenya, several studies on implementation of the balanced scorecard were conducted. Waruiru (2009) studied implementation of the balanced scorecard as a strategic management tool at Insurance Company of East Africa, Karimi (2011) Studied balanced scorecard as a strategy implementation tool at Toyota East Africa Limited, Karinga (2011) researched on the challenges of the balanced scorecard as a strategy implementation tool at Family Bank Limited, Osoro (2010) looked at the challenges of the balanced scorecard in strategy implementation in Ernst and Young Kenya.

Owola (2011) carried studies in the balanced scorecard approach in implementation of corporate strategy at Standard Chartered Bank Kenya Limited, and Amboga (2009) studied adoption of the balanced scorecard in strategy implementation at the Kenya Wildlife Service. While the literature offering general statements about the successful introduction of the Balanced Scorecard is plentiful, few reports of detailed experience are available (Ahn 2001). A knowledge gaps thus exists a knowledge gap on finding out the challenges of Balanced Scorecard strategy implementation at Safaricom Kenya Limited. What are the challenges of implementation of the Balance Scorecard Strategy at Safaricom Kenya Limited?

1.3 Research Objective

The objective of the study was to determine the challenges of implementation of the balanced scorecard strategy at Safaricom Kenya Limited Company.

1.4 Value of the Study

To the researchers and academicians, this study provides an opportunity to look into a method that is gaining popularity as a planning, implementation, and performance measurement tool. It also provides a basis for understanding the implications of implementing the balanced scorecard in strategic decision making. To organizations, this study provides an insight as to the challenges of implementation of the BSC in organizations as well as the effects of the balanced scorecard strategy in decision making and developing strategy based on sound analysis rather than guess work. It also show effects of a balanced, satisfied contribution that management can make change to the organization, the products, customers, employees and other stakeholders. To the government and policy makers, the study informs of the importance of the balanced scorecard in regulation of organizations operations that are of immense importance in reducing bankruptcy scandals thus protecting organization's stakeholders as well.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is organized into four sections; the concept of strategy, the strategy implementation, the balanced scorecard strategy and discusses the various implementation challenges of the Balanced Scorecard in organizations. It draws literature by several scholars on the challenges of the implementation of the BSC across the world.

2.2 The Concept of Strategy

A company strategy is management's action plan for running the business (Thompson, Strickland and Gamble, 2007). Firms exist with various goals in mind, the common ones being for example to maximize their profits, to increase their market share, to be leaders in setting costs for their products and services, and to be the pace setter in the incorporation and the use of technology. In order for these firms to achieve success in the accomplishment of their goals and objectives, they use strategy.

The use of strategy requires the carrying out of a SWOT analysis that involves the analysis of the internal environment, that is, its strengths as well its weaknesses in order to take advantage of opportunities and minimize or completely eliminate threats found in the external environment that surrounds the organization. Strategy applies to all organizations whether big or small (Peng 2009).

It is necessary for organizations to use strategy in order to maintain their competitive position in the market. Having strategies in organizations will help in identifying the organization's strengths as well as its weaknesses. According to Porter (1985) strategists must assess the forces affecting competition in the industry and identify the company's strength and weaknesses. Organizations using strategies have more competitive advantage than those that do not use strategy. Organizations need a language for communicating strategy as well as processes and systems that help them to implement strategy and gain feedback about their strategy. Success comes from having strategy become everyone's everyday job.

2.3 Strategy implementation

By whatever method strategies are selected, there will come a time when every organization will need to put its strategies into practice, i.e. to implement them (Lynch, 2009). Strategies do not happen by themselves. They involve people especially managers who decide to implement them (Johson, Scholes and Whittinton, 2008). As the strategies are then implemented they need to be monitored.

Monitoring and control aspects are an important aspect of implementation as the information can be used to assess resource allocation, monitor implementation process, evaluate performance, monitor environment for any changes that could influence the operations of the organization and provide feedback. In her study, The balanced scorecard in a strategy focused organization, Maria (2004) reported that many portfolio managers reported that the ability to execute strategy is more important than the quality

of the strategy itself and that the managers considered that strategy implementation is the most important factor shaping management and corporate valuations thus the ability to execute strategy can be more important than the strategy itself. Crawford, Blackstone and Cox, (1998) explained that the real value of a strategy surfaced only after the implementation of a decision. A strategy thus has to be adequately implemented in order for it to be termed as successful. Companies need to respond to changing market conditions of the ever changing customers' tastes and preferences that emerging market opportunities and new ideas for improving their strategy, advancing technologies and competitors' new strategies in the process.

2.4 The Balanced Scorecard Strategy

The balanced scorecard approach provides a clear prescription as to what companies should measure in order to 'balance' the financial perspective (Makkar and Kumar, 2006). The balanced scorecard uses strategic and financial measures to assess outcome of a chosen strategy. It acknowledges the different expectations of the various stakeholders and it attempts to use a scorecard based on four prime areas of business activity to measure the results of the selected strategy (Lynch, 2009).

Today it is considered that the balanced scorecard is one of the most important business methodologies for measuring organizational performance and for strategic management (Masic and Masic, 2008). The balanced scorecard has enabled managers to pay attention to other important business perspectives. The balanced scorecard approach includes other perspectives but still considers financial perspectives important in turn bringing long term

success to an organization. Balanced scorecard shows that using performance indicators in all four perspectives helps to better satisfy customer needs, predict environmental changes, oversee effectiveness of resource allocation, and to better coordinate organizations' operations. The balanced scorecard enables organizations to from precise goals. This makes it possible for companies to translate their vision to operational goals (Bateman and Zeithaml 1990).

This is because the employee perspective ensures that the human resource is motivated and equipped with the right skills to serve organization's customers and handle the business processes effectively. In turn the financial goals are reached and the overall vision is realized. The balanced scorecard consists of four perspectives developed by Kaplan and Norton in 1990s. Three of the perspectives are included to the financial measuring perspective in order to balance the four essential measurement objectives of the organization. The basis of the BSC is the idea that it is not enough to use only financial indicators in order to measure organizational performance (Masic and Masic, 2008).

The financial perspective aids the organization to understand how they are viewed from the shareholders point of view and which, financial goals are desired. One of the organization's goals is to increase the shareholders wealth. The shareholders thus look at the organization's growth prospects, their profit generation now and in the future, use of the organization's assets, productivity improvement efforts, cost reduction and the organization's level of investments. BSC acknowledges the different expectations of the various shareholders and it attempts to use a scorecard based on four prime areas of

business activity to measure the results of the selected strategy (Bonoma 1994). These financial measures tell of past events and are inadequate for companies for these companies that must create future value through investment in customers, suppliers, employees, processes, technology, and innovation. The learning and growth perspective focuses on internal skills and capabilities, in order to align them to the strategic goals of the organization (Mooraj, Oyon and Hostetler 1999). It looks at how the firm must learn, develop and improve, to meet its objectives.

It involves developing, equipping, and improving employees' skills and abilities for delivering value to the customer, the system and the organization. It includes employee training on how to handle the organization's customers and systems, developing a sense of organizational culture among the employees through mentors or tutors within the organization. Communication among the employees is also encouraged so as to forge teamwork and get the employees to seek help when they need to. This ensures that the organization's staff is competent, and that there is efficient use of organization's resources. This contributes greatly to the reduction of the problem of resistance to change. Cooke (2000) adds that another significant contributor for failure of strategy implementation program is the organization's inability to obviate resistance to change.

It assures the organization of employee satisfaction and retention encouraging productivity and achieving of the expectations. The Business process perspective entails the internal processes that enable the delivering of value to the organization's customers and also the satisfaction of the stake holders' expectations. The internal-business process

perspective focuses on the internal processes required in order for the company to excel at providing the value expected by the customers both productively and efficiently (Mooraj *et al* 1999). The customer perspective provides insight as to how the firm is viewed by its customers and how well the firm is serving them in order to meet the financial objectives. The customer perspective ensures that the organization is pro-active in anticipating customer needs and expectations and striving to attain satisfaction of the same and surpass the expectations. This perspective captures the ability of the organization to provide quality goods and services, the effectiveness of their delivery, and overall customer service and satisfaction (Hopf, Litman, Pratsch, Ustad, Welch, Tychan and Dennet, 1998). Customers have become informed and are aware of what it is that they want.

Organizations are also aware that that competition has intensified due to new entrants into the industry competing for the same customer's money, providing the customers with a wide variety of choices. The customer is the king in today's business scenario and organization have to ensure customer satisfaction and retention and work even harder to acquire new customers in order to achieve customer profitability and increase their market share.

2.5 Challenges of implementing strategies

Good execution may save a poor strategy, where as poor implementation ensures trouble or failure regardless of how appropriately strategy has been formulated (Bonoma, 1984). Organizations may try to apply all of their measures without selecting those that are linked to the strategy. This results to the strategy not being translated into action. If strategies are unclear it will lead to conflict and adverse results causing the organization not to benefit from a strategy. By translating strategy into measures within the Balanced Scorecard, objectives and targets can be communicated to everyone and organizations can then focus on the critical drivers and align initiatives and actions to the meeting of strategic goals.

Designing and implementing the strategy require the constant support and backing from top management (Aslani, 2009). Managers show no commitment or support that is required to align the organization with its goals, objectives, measures and targets by failing to lead other organization members and encouraging them to participate in the implementation process which may trickle to having dissatisfied customers. Marginson (2002) explains that the challenging aspect when implementing strategy is the top management's commitment to the strategic direction itself.

Managers may also fail to have consensus amongst them. This lack of consensus between managers leads to lack of commitment to the strategy by others and they fail to ensure that strategies are fully deployed. Successful strategic implementation requires a large commitment from executives and senior managers, whether the strategic implementation

is occurring in a department or in a complete organization (Hammer, Champ 2003). A strategy may be kept only at the top and fail to be shared with every organization member. This leads to the strategy becoming ineffective as the goals to be realized are not broken down throughout the organization. Every member should be informed and be made to understand what it is expected of them. Special care should be devoted to overcoming misunderstanding/misinterpretations of vision, mission, value, and strategy (Aslani, 2009).

Unless these are communicated and supported they will not be believed or used by all. Lack of breaking down the goals leads to failure on identifying the processes that need improvement and therefore no corrective action takes place leading to failure in implementation any strategy. Organizations may be faced by the challenge of insufficient funds to implement the strategy. This leads to the slowing down of the project activities involved in the strategy implementation process. Bakerjan (1994) argues the failure of strategic implementation can be caused by a lack of support systems, to facilitate implementation of the strategy.

Introduction of a strategy may require changing existing systems. Organizations may thus need to acquire a new information system in order to collect and analyze data collected from the Strategy management tool. Due to the challenge of a new strategy costly implementation, organizations may encourage objectives that are easy to measure and this results in an organization's process driving its strategy instead of the strategy driving the organization's processes. Strategy implementation is a continuous process. It requires

constant monitoring and improvement which takes a considerable amount of the organization's resources. Sanderlands (1994) argued that people underestimate the commitment, time, emotion, and energy needed to overcome inertia in their organization and translate plans in to action. This is because organizations change in response to the external environmental changes, and so should the organizational strategy as well as the performance measurement tools. Organizations face the challenge of viewing the implementation process as a one-time only process.

Another problem that organizations frequently make is jumping into a measurement program too fast and making the program too complicated. Deriving meaningful measurements, gathering reliable data, developing useful analytical techniques, and educating managers about how to use the data are all difficult steps. Doing all this at one time with a bucket full of 50 different measures is doomed to failure (Zimmerman, 2004). Organizations may also focus on measurement objectives when developing and monitoring their progress of implementation process. They become focused on internal operations and have little consideration for the opportunity and threats that play a very important role in both the development and monitoring the organization's strategy.

A strategy thus may discourage employees from pursuing any new opportunities outside the scope of their performance that may be of benefit to the organization. Companies need to be able to define their business strategy, identify the appropriate measures that support this strategy, and be able to utilize the information provided by these measures to gauge performance and identify areas of improvement (Tucker, 2006).

In addition, the employees may face frustration if the external environment factors beyond their control impact their ability to meet targets. We need to be ready to augment and enhance the organizational frame work whenever we face environmental changes strategic changes or change the assigned weight of one or more goals and objectives (Sidky, 2011). Employees of an organization will resist the introduction of a strategy if they think that it will add on to already existing administrative work.

They may also resist if they think it is unfair if the measures involved are not clear or have not been applied uniformly. All stakeholders need to feel a part of the change process if they are going to accept change and commit to its objectives. Change agents need to encourage employees to take ownership and be autonomous independent thinkers (Oakley and Krug, 1991). Employees may also resist the introduction of the Balanced Scorecard if they do not understand or accept linkages between strategy and objectives. Strategy development and implementation should include all the parties responsible for seeing it through.

The challenge in strategy implementation in today's organizations is that the employees are not included in the decision making process thus they do not show commitment to realizing the strategy. Furthermore, the research has shown little evidence of organizations seeking the opinions and input of employees to the strategy development process (Andersen *et al.* 2001).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter identifies the research design, the target population, the procedures and techniques that were used to generate measure and analyze data. It shows how the study was carried out. It consists of the steps that were followed, the tools that were used in order to generate, collect, measure and analyze data.

3.2 Research Design

A case study approach was used in this research. The unit that was studied was Safaricom Kenya Limited Company. The study focused on the challenges experienced in the implementation of the Balanced Scorecard strategy in the company, what steps were taken to solve these problems and the benefits of using the balanced scorecard in the implementation of its strategies.

This involved carrying out interviews using an interview guide on the department heads of the company namely; the marketing assistant manager, the senior audit manager, the research manager, the business analysis manager and the strategy and new business development manager. The researcher used descriptive design. This was chosen because the researcher wished for a thorough and detailed study of the challenges faced in the implementation of the Balanced Scorecard strategy at Safaricom Kenya Limited.

Conversely, a single case may be selected because it is typical or because it provides you with an opportunity to observe and analyze a phenomenon that few have considered before (Saunders, Lewis, and Thornhill 2007). A case study of Safaricom Kenya Company limited thus gave an in depth understanding of the BSC implementation challenges.

3.3 Data Collection

Both primary and secondary data were used. Primary data was collected through administering interviews with the use of an interview guide. The interview guide consisted of open ended questions that allowed the interviewees to answer in their own words. The interviewees consisted of five departmental heads/managers of the Safaricom Company. The interviews took place at their places of work to ensure minimal interruptions and to collect sufficient information from the target respondents.

Secondary data was collected from reviewing of the company publications like annual reports, and newsletters (Saunders et al). The interview guide consisted of Part A, Part B and Part C. Part A focused on the general awareness of the company. Part B focused on the advantages and benefits of implementing the balanced scorecard and Part C focused on the challenges of implementing the balanced scorecard.

3.4 Data Analysis

Primary data collected that was qualitative in nature during the interviews was analyzed using content analysis and the results were presented in prose form. Content analysis can be defined as a systematic replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding (Berelson 1990).

The interview guides were edited in order to allow for completeness and consistency. There was no quantitative data that was collected during the research and so did not warrant the use of descriptive statistics of frequencies, percentages, mean, modes, variance and standard deviation to analyze and compile the data.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter contains presentation of the results and discussion of the research findings and interpretation of the challenges of the balanced scorecard at Safaricom Company. Findings based on the research objectives. Content analysis was used to analyze the data and answer the research objective.

4.2 Research findings

Data was collected mostly from the department heads of Safaricom Company at their places of work. Most of the department heads have worked at the organization for more than five years. The organization's strategic objective is to be a leader in providing a comprehensive range of telecommunication services under one roof: mobile and fixed voice as well as data services on a variety of platforms.

The organization has three types of customers, that is, corporate customers, retail customers and the government. The According to the respondents Safaricom has of 80% of the retail market share and 40% of the corporate consumers. Safaricom Company thus commanded an estimated total of 50% of the market share of the telecommunications industry in Kenya. Safaricom Company also employs an approximate number of 3000 employees in Kenya.

4.2.1 The benefits of the balance scorecard

The respondents reported that there were benefits since the implementation the balanced scorecard at the organization. All members of the organization were involved since the BSC implementation moved from top to bottom as well as from the bottom to top. The organization thus enabled communication in the organization by all members which led to creativity and new ideas that resulted to the organization leading in technological innovations in the Telecommunications industry in Kenya.

The balanced scorecard enabled the organization to link its strategies to the organization's performance. It provided a well structured direction for the successful implementation of its strategies. The four perspectives of the balanced scorecard enabled the organization to focus on four important aspects of the organization. The four perspectives mention as used in the organization included the financial perspective which concerned the organization's overall performance and profitability and increasing the shareholders' wealth.

The learning and growth perspective which consisted of the employee welfare like their training and development on how to handle the organization's customers as well as the business processes and operations to enable them to be able to compete with other employees of competitors, the business process perspective that concerned the business processes and innovations of the organization to enable it to operate effectively thus bring about efficiency, how to motivate them to enable them to work to the best of their abilities and also how to avoid losing the best talents to other players in the industry.

The last perspective was the customer perspective which concerned the way the organization treated its customers to be able to keep or maintain them and not to lose them to competition by finding out what it was exactly that they needed and not to produce what the thought their customers needed and also offer to them quality products and services in order to satisfy and exceed their expectations, how to listen to the customer's complaints and to solve them The approach also made it possible for the organization to measure the progress of the implementation process of its strategies.

The balanced scorecard strategy ensured that all members were involved in the implementation process of the strategies. The balanced scorecard strategy has made it possible for the organization to align individual objectives with those of the organization. The BSC strategy enabled the organization to understand their goals and objectives and therefore focus on one direction in order to achieve these goals and objectives. Due to the BSC strategy, the organization was able to forge a team spirit and work together helping one another in order to succeed.

The BSC was also able to provide feedback on performance and implementation of strategies thus enabling learning and improvement in the organizational feedback and learning. The BSC strategy has given the organization a competitive edge over its competitors in that is was able to bring about improvement of business processes that resulted to the organization providing better solutions to the problems experienced than their competitors. All these therefore contributed to the growth in the organization's market share which led to the company's overall profitability.

The balanced scorecard strategy has therefore been effective in the implementation of the organization's strategies as well as in the overall performance of the organization. The balanced scorecard helped in the growth of the organization by enabling it to implement growth strategies thus enabling the organization to acquire additional market share and thus increase overall profitability of the organization. The periodic reviews ensured monitoring of implementation of strategies went smoothly. The BSC provided adequate and precise performance measures (PM) that the organization could obtain information for improvement programs.

The performance measures provided a clear prescription as to what the company should measure in order to balance the financial perspective. It helped to reveal the strong areas of the organization that it could capitalize on and also revealed weak areas that the organization needed to focus on improving. Furthermore all the members in the organization and initiatives were continually measured and evaluated in order to look for trends and practices that hinder the organization from achieving its goals and objectives.

This enabled the organization to manage the internal business processes and thus leading the organization to achieve its short as well as its long term objectives. There was also a challenge of the organization being in the telecommunication industry focusing on the external environment for example the competitors, the customers and forgetting the firm's internal environment. The balanced scorecard ensured that the organization was able to balance the external as well as its internal environment by focusing on internal business process as well as the well being of the employees.

4.2.2 The Financial Perspective

There were challenges faced in the equal distribution of resources. Balancing the distribution of the organization's resources equally between the different departments of the organization came up the most common challenge to all the respondents as Safaricom did not pursue the principle of equitable distribution of resources as the case may be in public institutions. Some departments required more resources than other departments and seemed more important than others.

This led to lack of support between the departments as any other independent projects were disregarded. Due to the large size of the organization, it sometimes became difficult to distribute the resources equally thus ignoring the independent projects that came up that were not in line with the four perspectives of the balanced scorecard. This made the balanced scorecard strategy to be received with different attitudes in the organization thus posing a challenge in its implementation.

The organization also faced the challenge of competition from other players in the industry. This posed the stakeholder issue management (SIM). The respondents pointed out that competition was ferocious in the telecommunication sector. In order to return value to the shareholders it also meant fighting to expand and maintain the market share. In an industry that was not only complex but also so volatile, heavy investment in marketing and innovation took a substantial amount of cash that would otherwise have been distributed to shareholders in form of profits.

In the telecommunication industry the firm faced the difficult decision of awarding some departments more of its resources than others. Knowledge of the use of the balanced scorecard in the organization in implementation of the organization's strategies and that the balanced scorecard made the organization's financial goals clear, complete, and explicitly profitable. Therefore to solve the above problems for the organization, every year a budget was to be presented to the finance committee of the Board of Directors (BOD) for approval that would be reviewed and adjusted according to the need of the various units of the organization.

Development of this budget was guided by organizational strategies and areas of priority. The usage of the organization's resources correctly led to competitive advantages which included a good reputation for the company and long-term relationships with its customers. However there were problems that came up as experienced in the creation of value to the organization's shareholders were that focusing on creating wealth for shareholders sometimes was usually at the expense of other stakeholders of the company like the organization's customers, its employees and the general public. The competition also took a significant size of the market share thus it was a challenge to increasing the shareholders wealth.

There were problems with establishing repeat purchase with the customers for failed customer service, and this would result to the organization losing the customers to the competitors due to the organization sometimes getting caught up in increasing its shareholders wealth and this trickled down to poor financial performance.

The employees' welfare that could be made known through communication would also not be paid attention to due to the focus on the increasing of the shareholders' wealth. Lack of good communication with the employees also resulted in loss of them to the competitors as well. The respondents commented that the balanced scorecard helped in the growth of the organization by revealing the areas that needed attention when reviewing the performance of a strategy in achieving its objectives. Successful implementation of strategies was possible because the organization was able to focus on four important perspectives and received feedback on the progress of the strategy implementation process thus it paid attention to the weak areas revealed by using the balanced scorecard.

4.2.3 Learning and growth perspective

Some of the resistance problems mentioned was the additional load of work that would require more effort for the employees due to work overload. Resistance to change was the leading problem that the respondents pointed out. The employees also harbored the fear of change due to the worry of losing their jobs especially their status quo. These challenges were a disadvantage to the organization because ideas could be disregarded thus preventing employee adaptability to embrace new strategies and thus preventing the organization from maintaining their competitive position.

The respondents said that the BSC approach helped the managers in looking at these challenges where these fears were allayed by the managers explaining to the employees of the benefits of a new strategy and by having the employees trained in order to develop skills that are required in order for them to be able to carry out the various tasks that is required of them thus reassuring the employees and ensuring a smooth implementation of strategies. Employee training and development on the skills that the employees needed as depicted from the data on their competences, capabilities and skills was also an important part in the eradication of the fears that they had as they were able to be well equipped with the needed skills form training in order to perform competitively in their areas of interest.

The managers were also used as change agents to help the employees to transition in the implementation of a new strategy to reassure the employees and support organizational learning and adaptation of any new strategies. If all the above measures were not successful then the last result of threatening to fire those employees that continued to resist in the implementation of a new strategies was used. The respondents admitted to the keeping of their employees' data on competencies, capabilities as well as their skills.

The types of training that the organization provided for its employees were on induction training which included learning about the work new employees were going to do, introduction of the new employees to the existing ones, learning the organizational culture, and knowing about the internal business processes and organization's policies, On-the-job training where the new employees receive training at the work place.

On the job training included demonstrations on how to do the job and having old and experienced employees showing a new employee how to do things. For the supervisors and managers off the job training was carried out which involved the managers and supervisors being taken away from their work station to another area to be trained. The trainings took place every quarter of the year on the case by case basis with the coordination of the human resource management (HRM) team.

The benefits of these trainings could be seen in the organization's overall performance where there was no resistance from the employees as they were confident in their work and were also assured of their work security. Due to the growth and development, the employees could accept more challenges confidently and were able to achieve even higher standards. As a result of this the employees had a sense of loyalty and commitment thereby decreasing employee turn over to the organization.

The employees also proved productive in providing quality customer service which led to increased customer satisfaction to the organization's customers and they also proved effective in handling the business processes thus contributing to the overall efficiency which resulted to increase in financial performance and achieving of the organization's objectives. Management training proved effective in sharpening the skills of the managers and supervisors. They were able to build and boost their confidence in their work as they were now able to relate to the employees in a positive way thus encouraging communication. Training also helped create and to maintain the organization's culture and mission, which the managers and the supervisors then imparted to the employees.

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The managers using the skills learnt during training also found that they were able to make the best use of their time. Communication was both from top to bottom as well as from bottom to top. The respondents strongly agreed that performance measures were linked to strategy thus encouraging behavior that is consistent with the organization's strategy. And the linking of the performance measures with the organization strategy encouraged behavior that is consistent with the organization's strategy.

4.2.4 Internal Business Process Perspective

There were challenges that were faced in the organization in the process of coming up with ideas for the company's business. The organization sometimes lacked resources necessary to implement new business process and technologies. The fear of failure of successful implementation of new business processes and technologies was a challenge to the organization. The business processes were in danger of becoming obsolete. The customers' preferences also kept changing and it was hard to keep track of them. Sometimes the employees responsible for innovative ideas went unrewarded and unnoticed thus were lowering their morale to come up with anymore innovative ideas.

There were rapid changes in the technological environment in the telecommunication sector which drove cost of innovation to be very high. The cost of managing the innovations was also high as well as the implementation of the new business processes required a great amount of the organization's resources and energy in order to institute changes. The rate of return on investment (ROI) from innovation was not as quickly as the need to change and before the organization fully recouped its returns on investment from a given innovation, the technology was deemed already redundant.

This was due to confusion brought about by the new business processes. It was sometimes difficult to use and adapt to new technology. The new structures that were required for the successful implementation of a strategy were complex. Other players introduced new business process and technology in to the industry which rendered the organization's business processes and technologies obsolete.

Sometimes some innovations were not seen as important by the managers and therefore it was hard to embrace them also killing the creativity in the organization. Lack of customer survey led to dissatisfied customers and rejection of some of the company products. There was also the danger of not aligning the innovations to the company strategy due to pressure from some managers supporting implementation of ideas that worked to their advantage.

Good ideas may be present but implementation was difficult due to the limited resources of the organization. Faced with the challenges and the danger of the organization's business processes becoming obsolete, there are measures that the BSC approach has enabled the organization to ensure that the organization's business processes continue to add value to the customers and other stakeholders both productively and efficiently. The BSC strategy demonstrated its value in planning and implementation as the managers were able to plan for and distribute and utilize the organization's resources.

The organization started to run a research and development (R&D) function that is fully funded and fully staffed. It selected some of the most talented individuals not only in the technology industry but also in law and business in the industry to run this function. It was from this function that some of their most cutting edge innovations and business processes developed. The BSC strategy also enabled the managers to come to terms as to which ideas were in line with the organization's strategy to achieving its vision.

For the individuals who came up with innovative ideas as to how they could perform at the highest possible levels and overcome the challenges to aid the organization in achieving the company's' objectives were rewarded for their talent. Support from the senior managers for innovative ideas was provided. The organization also carried out continuous improvement of their business process for them to remain up to date, relevant, and efficient to the organization as well as its stakeholders. Periodic reviews of the product brands and services was carried out to find out which of the brands needed changes or which ones needed to be completely faced out.

The organization had to implement and adapt to new technologies in order to benchmark with other world class organization in the quality of their products and services. Training, nurturing and growth of the employees' abilities to use new technology were given. Team building and networking processes were upheld in the organization in order to encourage working together to attaining effectiveness.

The managers also had to be patient and give time to the employees before they could see results. Environmental scanning especially finding out the competitors strategies' and business processes was carried out in order to ensure that the organization is not left behind since it's the leader in technological innovations. The organization also ensured that it is able to adapt very fast to technology and new business processes in order to remain effective and efficient in its business operations.

This is made possible by provision of the needed financial, human and any other kind of resources that may be needed for the implementation process to be successful. Safaricom's strategies are implemented both hierarchically through line management process as well as in a matrix where various functional managers constantly evaluate and propose adjustments as they go along. The firm tended not to use static vertical strategy implementation due to the dynamic nature of the industry they are in. The organization also ensured that all the members were involved in the implementation of its strategies.

This was made possible by training all organization members to ensure they had the right skills and by having targets for the individual departments and in turn every department would give each of its members targets and that way everyone in the organization would be made accountable for their responsibilities. The key performance indicators, (KPIs) were linked to the organization's main objective thereby personal objectives was linked to the organization's overall objectives thus focusing every member on the implementation of the strategies.

The effects of all member involvement were that everyone was committed to see to the successful implementation due to having developed a feeling of participation, thus encouraging cooperation among all the members. The employees were motivated as they saw the managers' support and commitment to the implementation of new strategies which in turn resulted to them being committed and being productive, business processes becoming effective and the organization's customers becoming increasingly satisfied.

Communication in the organization between the managers and the employees was enhanced and better working relationships were developed. This created a forum of sharing ideas thus improving the overall performance of the firm. Communication also ensured that every member of the organization was up to date by receiving timely and relevant information relating to their specific work processes.

4.2.5 The Customer Perspective

When carrying out customer satisfaction surveys, some of the problems that the respondents reported were that the financial resources was sometimes a problem. A small budget was allocated for the operation and this resulted to the organization not carrying customer satisfaction surveys on all customers. Ambiguity in customer feedback continued to be a challenge. The respondents reported that the customers did not give factual information that could be used to find out their needs and expectations. It was also hard to recognize genuine customers from the non-consumers. Using the BSC strategy organization managed customer satisfaction by ensuring that adequate resources were provided for the customers satisfaction survey exercise.

This ensured that not only the service was of high quality, but also the business processes are effective to enable quality products and services production and according to the customers' requirements that resulted to happy, satisfied and loyal customers. This was made possible through the customer satisfaction index (CSI) collected. The organization also targeted only its loyal and genuine customers during this exercise as they wanted to let the customer to let them know what it was that the customers felt exactly as there was a danger in interpreting it for them.

This proved cost cutting thus the organization's resources were not wasted but utilized efficiently. Customer service was also paid careful attention in order to ensure the employees had the right skills need in order to serve the organization's customers. The Safaricom's marketing team also were constantly researching and refining the customer satisfaction survey questionnaire with the help of communication consultants to help in designing, testing, and analyzing the survey tools.

The company reputation was also an important factor that the organization considered as important to uphold in order to attract, maintain and satisfy since the customers deemed it important to work with a reputable institution. It was thus important for the organization to uphold the standard of the quality, and reliability in their products and the competency and efficient services. One of the challenges faced by the organization of managing customers' expectations was that their expectation kept changing rapidly. There was diversity in the customer expectations.

Another problem was that the technology also changed from time to time. The organization also had the challenge of competition from other players in the industry. The organization thus incurred a lot of capital costs in implementing new business process due to new technologies resulting to high costs but the organization faced the challenge of having to offer its products and services at the price that its customers preferred or face the risk of losing them to the competition.

To manage their customers' expectations the organization had to come up with innovative ideas and unique selling propositions (USP) for their products and services to keep their interests for example offering the customers bonga points that customers could earn after utilizing the services. It was mandatory to provide their customers with quality products and services and uphold the same. The organization thus came up with customer branches with easy access telephone lines. The firm ensured all the employees were advised on timely appropriate ways of their roles and duties to the customers.

The organization also had to come up frequently with new products according to their customers' needs. Being open, transparent and honest in their operations and also about the policies on the terms and conditions of the organizations' products and services also helped the organization's customers to know what is expected from the organization. The organization also had to ensure that all the segments of the telecommunications market were well supplied with its existing as well as its new products. In addition, the firm ensures that it reviews regularly their level of resources and dedicated to customer care and that it is adjusted accordingly with the increasing needs of the marketing department.

The organization's value proposition is to provide quality products and services at the least cost. The respondents said that they encountered the problem of offering quality products at the least cost since production of quality products and services was also costly. The competitors also offered the same customers similar products at a lower price. This problem was solved by the organization encouraging innovative ideas to help the organization produce unique products and services. Furthermore the firm having invested a substantial amount of resources to ensure that it maintained its market leadership in providing value to its customers and investors, the regulatory restrictions continued to undermine its efforts.

For instance, the respondents pointed that the organization believed that it could provide cheaper calling rates that its customers would greatly have benefited from which was also likely to drive up sales and their shareholders value as well. This remained a sticky problem with the regulator. To solve this problem the firm continues to negotiate with Communications Commission of Kenya (CCK) and lobby with several other stakeholders in the industry.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section has been divided into five sections. The first section of research provides a summary on the findings of the research. The second section provides conclusion of the study, the third section recommendations for further research, the fourth on limitations and the fifth on the implications of the challenges of the balanced scorecard by the researcher.

5.2 Summary of the Study

The implementation of Safaricom's strategies using the balanced scorecard has helped it to continue achieving its objectives. Communication of the strategy to very member in the organization was of key importance for even with an effective strategic plan that is not communicated to all will have no effect on the operating goals of departments and individuals.

The organization introduced the balanced Scorecard in the year 2007 which has provided a precise way in which the organization can communicate its goals to everyone in the organization, which then enabled all employees to understand their part and how they could contribute in realizing the goal thus the organization was able to achieve its business and its success as a whole.

Competition has intensified in the telecommunication industry. This can be attributed to the entry of new players that come in to the industry bringing along new ways of conducting business in a better way that the already existing firms. This has thus prompted the existing companies including Safaricom Company to search and adopt news strategies that cannot easily or quickly copied to enable them to be able to compete effectively and efficiently.

The radical constant changes in technologies have also forced the company to be alert and fast in adopting new business processes. Safaricom Company in using the balanced scorecard approach in the implementation of their strategies has a competitive edge over that of the other players in the industry. This is because the organization is better able to execute its strategies because it is able to communicate its direction or focus as well as align its investments and actions.

The balanced scorecard approach incorporates in its operation the welfare of its employees who are in turn motivated to effectively make use of the organization's resources and business processes to serve the organization's customers and satisfy their needs and expectations resulting to customer loyalty and profitability and value to the organization.

5.3 Conclusion of the study

Change whether planned or forced on an organization, is to the advantage of the organization to change as well in order to continue surviving. The business process dictates the effectiveness of a product or a service. Innovation in organizations should be encouraged by rewarding those individuals that come up with ideas on how to conduct the organization's operations effectively as well as efficiently.

Therefore reward management, team empowerment, job satisfaction, strategic planning, and participative management are all important ways of satisfying and retaining talent in the organization. The business processes determine the quality of an organization's products and if they are not according to perceived standards of the customers, the organization risks losing its good name in the face of the public. This will and also attracts sanctions and more restricting regulation from the government in protection of its citizens.

The organization's employees must undergo training and development from time to time in order for the firms to solve the problem of employee resistance to change and to enable the organization to be competitive thus helping the firm in the long run by achieving profits. The management, meeting and exceeding customers' expectations as they constantly change is also an important task to the organizations if they are to thrive amongst other players in the industry. Customer satisfaction surveys provide useful ways to discovering the needs of the market and how to better satisfy them.

This is a helpful step as it will be costly to provide what the organization thinks its customers want than to provide what it is that the customers want. Paying attention to the customer complaints goes a long way in ensuring that the same mistakes are not repeated in the future. The customers also feel needed and important and they develop loyalty to the organization. Resources needed in order to effect change and implement new strategies should be planned for and utilized properly to avoid wastage, to solve the problem of resource shortage and to be able to meet the demands of the market now and in the future. However the use of the BSC strategy should not concentrate only on the four perspectives but the firm should pay attention to the independent projects.

5.4 Suggestions for Further Research

Challenges to effective strategy implementation research areas have been widely embraced in the developing countries. This includes Kenya. In Kenya, the balanced scorecard is increasingly gaining popularity and acceptance several organizations. Given that this study only covered challenges of the balanced scorecard that affect strategy implementation process at Safaricom, a telecommunication company in the private sector, studies need to be done on challenges for organizations in the public sector.

Very few studies on the balanced scorecard implementation challenges in the public sector have been conducted. There is therefore room for a similar study to cover the challenges of the balanced scorecard strategy implementation on organization's performance in the in organizations in the public sector in Kenya. This is timely, given the today's rapid technology advances and the increased emerging of competition on organizations in the country.

5.5 Limitations of the study

The research met with various challenges when conducting the research that included the fact that the Safaricom Company ordinarily did not want to give information due to client confidentiality and the risk to the same information landing in their competitors' hands. In addition, some of the interviewees were not found to be the subject to be of interest. Additionally, some respondents would not want to give the information as they considered it of competitive importance.

The respondents being normally very busy people may not have found a lot of time to be interviewed. Since the research was conducted via open-ended interviews using an interview guide, a large amount of time was needed to collect information from the respondents. Due to the time limitation this made it impractical to include more respondents in the study. This study was also limited by other factors in that some respondents may have been biased or dishonest in their answers. More respondents would have been essential to increase the representation of the Safaricom Company in this study and allowed for better check of consistency of the information given. However, the researcher did look for contradictions in the information given and no inconsistency were found.

5.6 Implications on Theory, Policy and Practice

A good strategy does not guarantee the success of a strategy. Strategy implementation has become an important part in determining the success of a strategy as strategy formulation. A clear strategy is simply not enough but rather the ability of the organization to be able translate the strategy into action is essential. Companies should gather the right information to enable them to monitor progress toward their strategic goals. Implementation of a strategy should also be a continuous effort in the organization for the results are not seen immediately but take time before they can manifest. This exercise also helps the organization to adapt to the process of giving feedback on the progress of the implementation process.

The success of the organization is not warranted by the organization getting new business processes but it is guaranteed by how the organization can utilize the business processes better than the other players in the industry who have also got access to the same technology and business processes. Therefore the successful implementation of these technologies and processes is what sets an organization apart from the rest of the players in the telecommunication industry. The balanced scorecard is an implementation tool that focuses the organization's attention on to three other key perspectives apart from the financial perspective. It helps to balance the financial perspective by looking at the customer perspective, the internal business process perspective as well as the learning and growth perspective.

Nowadays a firm's success is not only explained by looking at its financial progress but on other important aspects as well. An organization's competitive advantage may be built from developing relationships with key stakeholders like the customers, employees, suppliers and communities where the business operates. The financial goal may be achieved but only for a short term but if the perception of the success of an organization is balanced using the three other perspective of the balanced scorecard, then the success will be for long term.

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APPENDICES

Appendix 1: Interview Guide

This is an interview guide to collect data on implementation challenges of the Balanced Scorecard strategy at Safaricom Kenya Company Limited.

PART A: General Awareness of the Company

1. Current job title/position

   ....

   How many years have you worked for Safaricom?

   ....

   What are the company's strategic objectives?

   ....

   ....

2. What type of customers does the company have and what is the size of your organization's market share?

   ....

   ....

3. What is the number of staff in the company?

   ....

PART A: Benefits/advantages and other general questions on the BSC

1. What are the benefits of using the Balanced Scorecard in implementation of the organization's strategies?

....

....

2. In what way has the balanced scorecard approach been effective in the implementation of strategies as well as in the overall performance of your organization?

....

....

3. Do the performance measures provide adequate information for improvement programs?

   Yes (   ) No (   ) don't know (   )

4. What are the challenges experienced in balancing between being inwardly focused and scanning the external environment

....

....

PART B: CHALLENGES EXPERIENCED

The Financial Perspective

1. Would say the BSC makes the financial goals of your company, clear, complete, and explicitly profitable?

   Yes (   ) No (   ) don't know (   )

2. What are some of the problems experienced in creating value to your organization's shareholders?

   ....

   ....

3. How has the implementation of the balanced scorecard assisted in finding a solution to the problem?

   ....

   ....

4. How has the use of the BSC helped in the growth of the company?

   ....

   ....

5. Are there challenges faced in ensuring equal distribution of the organization's resources?

   Yes (   ) No (   ) don't know (   )

6. What are the challenges faced in ensuring equal distribution of the organization's resources?

....

....

7. How has the balanced scorecard helped in solving this problem?

....

....

The Learning and Growth Perspective

1. What are some of the resistance problems encountered during training and development?

....

....

2. How has the balanced scorecard aided you in managing the above problems?

....

....

....

3. Does the company keep data of its employees:

a) Competencies? Yes (   )   No ( ) don't know   ( )

b) Capabilities? Yes   (   )   No ( ) don't know ( )

c) Skills?   Yes (   )   No ( ) don't know   ( )

4. What are the major types of training provided to employees?

....

....

....

5. What benefits of training and development to the overall organization's performance have been experienced?

....

....

....

6. Which statement do you agree with?

    Communication is from top to bottom

    Communication is from bottom to top

    Communication is from top to bottom and bottom to top

7. Does your organization encounter resistance problems during training and development?

    Yes ( )   No ( )

The Internal Business Process Perspective

1. What are the challenges faced by the organization in managing innovation?

....

....

2. How do you ensure the organization's business processes do not become obsolete and continue to add value to the customers and other stakeholders both productively and efficiently?

....

....

....

3. Are all members in the organization involved in the implementation of organizational strategies related to the business processes?

Yes (   ) No (   ) don't know (   )

4. How do you ensure that every member is involved in implementation of the strategies?

....

....

5. What were the effects of all member involvement in the implementation of the organisation business?

....

....

The Customer Perspective

1. What are the problems encountered when the organization is carrying out satisfaction surveys of all its customers?

....

....

....

2. How are the problems encountered while carrying out satisfaction surveys solved?

....

....

3. What the problems experienced when managing your customers' expectations?

....

....

....

4. How do you ensure you manage your customers' expectations and maintain their loyalty to your organization?

....

....

5. What is your value proposition in serving your customers?

....

....

6. What are the problems encountered in maintaining focus of your value proposition?

....

....

7. How do you solve the above encountered problems?

....

....

....

Appendix II: List of Telecommunication Companies

Access Kenya Group

Africa Online

Airtel

Inter-connect Ltd

Kenya Data Networks

Kenya Internet Exchange

Kenya Posts and Telecommunications Corporation

Mobitelea Ventures Limited

Orange

Safaricom

Telkom Kenya

YU (Essar Telecom Kenya)

(Source: Wikipedia, 2011)

Appendix III: Letter of Introduction

The Respondent

Safaricom Kenya Company Limited

Nairobi.

Dear Sir/Madam,

As part of the requirement for the degree of master of business administration (MBA) of the school of business, University of Nairobi, I am currently undertaking a research. The aim of the research is to find out "The challenges of balanced scorecard strategy implementation at Safaricom Kenya Company limited". Your firm has been selected to be part of this study. I would therefore like to request for your assistance in responding to a few questions to enable me complete the research. Your cooperation will be highly appreciated. The information you provide will be handled with the highest confidentiality and will be purely for academic purposes. A copy of the research report will be made available at your request.

Thank you in advance.

THUO ESTHER WANJIRU.

Appendix IV: Authority letter to collect data

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone. 020-2059162
Telegrams "Varsity", Nairobi
Telex   22095 Varsity

P.O. B...
Nairob...

DATE: 4TH SEPTEMBER 2012

TO WHOM IT MAY CONCERN

The bearer of this letter   THUO ESTHER   WANJIRU

Registration No.   D61 60 22 1 2011

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

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

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

Thank you.
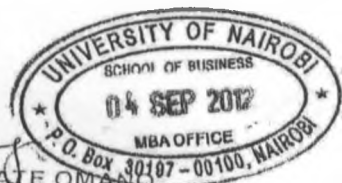
IMMACULATE OMANGO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE

60

AppendixV: Confirmation Letter to Collect Data

12th October 2012

University of Nairobi,

School of Business,

P.O Box 30197- 00100.
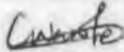
Nairobi.

To whom it may concern,

RE: ESTHER WANJIRU THUO

In reference to the university letter dated 4th September 2010,this is to confirm that the above named was authorized to collect data for her MBA project titled 'The challenges of implementation of the balanced scorecard strategy' at the organization from 11th September to 25th September 2012.

Any assistance accorded to her shall be greatly appreciated.

Yours Faithfully,

For: **SAFARICOM LIMITED**

Caroline Wanyoike

Executive Head- Strategy and New Business Development