

**THE INFLUENCE OF BALANCED SCORECARD
PERFORMANCE MANAGEMENT SYSTEM ON
EMPLOYEE JOB SATISFACTION AT NATIONAL
HOSPITAL INSURANCE FUND, KENYA**

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DECLARATION

This research project is my original work and has not been presented for examination or any other award in any other University.

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This research project has been submitted for examination with my approval as the University Supervisor

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DEDICATION

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ABSTRACT

Balanced Scorecard is a management system that is intended to improve efficiency and effectiveness of the delivery of organization's output. In the balanced scorecard approach, employees are the target and medium of change. This means that the system must inculcate appropriate work attitudes and behaviors in the employees who are, in turn, expected to drive the process to its logical end. Yet to the knowledge of the researcher, no study has been done to establish whether balanced scorecard influences employees' behaviors and attitudes such as job satisfaction. The objective of this study was, therefore, to determine the influence of balanced scorecard system on employees' job satisfaction at the National Hospital Insurance Fund, Kenya. The study was conducted through a descriptive survey. The population of the study consisted of 2880 the staff at NHIF, Kenya. A sample of 288 was selected but only 133 employees filled and returned the questionnaires, which translated to 46.2% response rate. Data analysis involved use of descriptive statistics such as frequency distributions, means, standard deviations and percentages. Regression analysis was used to test for the influence of balanced scorecard on job satisfaction. The study found that the respondents had a positive and clear understanding of what the balanced scorecard sought to achieve. They felt that the Fund's past performance rating awards were not satisfactory and that the balanced scorecard was better than the traditional forms of Measurement. The study also found that learning and growth perspective, business process perspective, customer perspective, financial perspective influenced employees' job satisfaction at the National Hospital Insurance Fund, Kenya ($R^2= 0.639$, $F=6.01$, $P<.01$). It is concluded that the framework used for the study exhibited moderate explanatory power and therefore the findings can be relied upon by the NHIF management

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

An important section in accrediting management assessing performance and in spite of financial measures dominating the scorecard of performance commercially there has been a notable growth in use of non-financial measures such as customer satisfaction etc. to evaluate the performance of various firms. Measuring of performance is trying to evaluate the efficiency and effectiveness of an action whereas a performance measurement system gives the company a platform to make effective decisions after performance has been measured through acquiring, sorting, and analyzing data that seem appropriate.

Through the years, the Balanced Scorecard (BSC) has evolved, from the performance measurement tool originally introduced by Kaplan and Norton (1992), to a tool for implementing strategies (Kaplan and Norton, 1996) and a framework for determining the alignment of organization's human, information and organization capital with its strategy (Kaplan and Norton, 2004).

The balanced scorecard has transformed from its initial usage as a simple performance measurement framework to an entire strategic planning and system of management. Holbeche (2002), who points out some of the weaknesses as well as shortcomings of approaches to previous management, posits that the balanced scorecard approach offers a clear prescription as to what organizations should establish in order to 'balance' the financial view. The balanced scorecard is a system of management as well as a system of measurement which enables institutions and organizations to state with clarity their vision and strategy and put them into action. The balanced scorecard provides feedback on both the inside business processes and outside results in order to

improve strategic performance and results in a continuous manner. BSC essentially tries bringing about a strategy in a vivid way and is formed to amount how a company succeeds the long term and short term aims of a company and how they help in steering success as well as the company's HR systems it also tries to show how strategy are merged with measured actions.

In spite of various methods that have been set up to measure the company's intangible characteristics, there has been doubt as to whether these strategies help in steering performance of a company. However there have been studies on how BSC influences effective management. For instance, Mc Devitt, (2008), stressed that BSC adoption in academic sectors and various faculties regenerated these divisions. Another study by Narett (2008), showed how BSC helped U.S.A's biggest electric and natural gas firm come up with effective measures of innovation which in turn enhanced the performance of the firm.

The theory established by Weiss and Cropanzano to clarify how emotions affect job satisfaction; it shows that an employee's mental states and emotions and how they react to various situations influences how their performance, commitment. In addition there is a theory by stakeholders which tries to show that managers affect the relationship they form with the stakeholders and how they want it to be in delivering their purpose. Job satisfaction is one of the main aims companies are setting up to improve their performance and productivity. In understanding the company comes up with strategies that will motivate and satisfy and also be balanced mentally which will result the productivity. For instance, an employee that is satisfied with the surrounding of the company will tend to improve his capabilities in the firm.

There have been various studies on how BSC affects healthcare institutions though they have not been conclusive. For instance, Kaplan and Norton from Peel Memorial Hospital, Ontario, Canada which stated that BSC offered a review for management of performance and how it is reviewed and also helped in breaking down the company's aims into understandable measures and also the state of accountability of a company is looked into in depth. The National Hospital Insurance Fund (NHIF) is a Kenya government state corporation with a mandate to provide health insurance to Kenyans over the age of 18 (www.nhif.or.ke). The NHIF is one of the institutions in the healthcare sector in Kenya that has adapted the BSC. The core business and mandate for NHIF is to provide accessible, affordable, sustainable and quality health insurance for all Kenyan citizens who have attained the age of 18yrs and a monthly income of KES 1,000 and above (www.nhif.or.ke). The National Hospital Insurance Fund (NHIF) published new NHIF rates (www.nhif.or.ke) which take effect on April 1, 2015.

1.1.1 Balanced Scorecard Performance Management System

This is a measure formed by a firm that divides the performance strategies categorized into four groups financial, learning, growth and the clients. It relates the company's affairs to vision and objectives of the company; it also leads to enhanced communication and also monitoring the company's performance to its aims. Dr. Kaplan and Norton formed this notion to try showing that that non-financial measures affect the overall performance of the company. They devised it when they ventured into studying the performance measurement of 12 companies and they understood that as the business landscape changed from agricultural to industrial to informational; performance measures must adapt as well. The information age is characterized by the conversion of intangible (employee skills, customer satisfaction, and information

technology) rather than intangible assets (property, plant, and inventory) into competitive advantage (Kaplan and Norton, 2000). BSC includes financial measures that tell the effects of actions already taken. And it complements the financial measures with operational measures on customer satisfaction, internal processes, and the organization's innovation and enhancement activities- operational measures that are the drivers of future financial performance (Kaplan and Norton, 1992).

BSC has four approaches the first is the financial approach which substitutes the long-term goal of the company to offer returns built on what has been set aside in a certain part and it looks into the company's profits, sales etc. and it strongly affects a company's success. The second is the customer approach which according to BSC is based on the customer's needs and wants and the extent at which a firm provides to them and it aims to target customers which will the steer the firm to come up with strategies will attract its desired customers. The third one is the internal business method approach which includes the methods and strategies companies come up with to enhance to improve the general condition of the firm they include manufacturing, processing and delivery etc. and it mainly focuses with how the customer react to them and their satisfaction and they therefore improve their strategies to be at par with the general state of globalization. The fourth one is the learning approach which Kaplan and Norton state is the pillar to a good scorecard since it improves the employees' services and it entails the rate of employees' experience with the jobs, the number of employees' wants adopted by the firm etc. It is adopted to increase employees' motivation and commitment Niven (2002).

BSC aligns the past achievements of the company with their future goals and it helps transforming a company's objective into a concise measure. According to Kiragu (2005), have visions that help link beliefs and values to employees. The declaration states the company's main goals and beliefs and the main products they offer. Nowadays a firm is not judged with its past enactment in spite of it showing the future enactment but it looks into all sectors of the company like the marketing, how it operates etc. BSC offers an understandable way which helps in making a firm give its best in the future. But implementing a BSC requires a firm to recognize its mission statement and objectives. (Armstrong & Baron 2005).

BSC helps in viewing the company as a whole from the employees' view and the company's overall enactment and what a firm needs to do to improve its overall performance and it is used as a way in which a firm's stakeholders looks at the overall progress of a company. It has been successfully adopted worldwide by many successful industries. However most of these sectors do not implement it in the intended way. For instance, a study by Hepworth (1998), showed that in the UK most firms implemented BSC to gain a competitive advantage. Some German firms adopted BSC without including the learning and growth approach and more than two thirds of the companies joined their compensation and motivation system to BSC. Aside from that BSC generally viewed it as a notion that enhanced stakeholder's value administered.

BSC which entails mission statement, vision statement, planning, bench marking and customer satisfaction are vastly used worldwide and most companies as shown by a mean of 3.76 were content with how they are used. A study by Silk (1998) showed that 60% of U.S.A companies used the BSC, Smith (1998) showed that 88% had implanted the BSC and concluded that tjese firms were contended moderately. Malmi

(200) conducted a research in Finnish firms and identified that BSC was very well welcomed.

1.1.2 Job Satisfaction

This can refer to why customers choose to remain in a firm or leave a firm. It is usually considered as the last reaction a company has after doing a certain job. Khainga, (2006); refers it to how a person satisfies his main needs and is steady with his expectations and values. It can also refer to a customer's overall attitude towards his job or the contentment or non contentment an employee feels over his job. Motivation on the other hand is usually affected by the surrounding. A basic issue is whether satisfaction leads to better performance or whether better performance leads to satisfaction. This is because for satisfaction to improve then the rewards have to be at par and vice versa. In addition, job satisfaction highly affects one's motivation. Securing the job has to be considered so as to enhance job satisfaction and is usually more valued among them as compared to compensating or payment. This makes employers improve their organizational culture which should be based upon trust and compensation. Of course, communication between employees and senior management and the relationships built with supervisors also represent key aspects in building and enhancing job satisfaction.

Job satisfaction forms a very vital base of the company's overall performance and the company's general relations. Job satisfaction somehow affected by work behaviour like absenteeism, efficiency etc. Some researchers have been trying to identify how work behavior and job satisfaction are related but it has not been definite. Studies also identified that united employees were mostly satisfied unlike the ones without unity in their firms. Generally job satisfaction being less among employees would make them leave their jobs as compared to those satisfied.

1.1.3 National Hospital Insurance Fund (NHIF)

NHIF beneficiaries can access health services through a wide network of accredited health facilities both in Kenya and Tanzania. The Fund's accredited health facilities among others include public health facilities, private health facilities and Faith Based Organization (FBO's) which are geographically scattered all over the country. The fund accredits all levels of health facilities which include: National Referral and equivalent hospitals; Zonal referral and equivalent hospitals; Regional referral Hospitals; District/Designated/Council Designated Hospitals; Health Centers; Dispensaries; Specialized Clinics; Diagnostics Centers (Imaging and Laboratories); Pharmacies, and Accredited Drugs Dispensing Outlets (ADDOs) (www.nhif.or.ke).

Furthermore, in order to complement and guarantee improved accessibility to quality health care services for NHIF beneficiaries, the fund has introduced the NHIF outreach programme which is conducted on quarterly basis by involving medical specialists of different disciplines. The objective of the programme is to ensure that vulnerable communities in underserved areas can access specialized quality healthcare services. By the end of June, 2015, the position of NHIF accredited health facilities countrywide stood at 6,185 equivalents to 55% of all registered members (www.nhif.or.ke). NHIF registers all eligible members from both the formal and informal sector. For those in the formal sector, it is compulsory to be a member. For those in the informal sector and retirees, membership is open and voluntary (www.nhif.or.ke).

1.2 Research Problem

BSC can generally enable companies be effective and efficient in all their aspects. (Kaplan and Norton, 1996). Job satisfaction as stated by Hoppock (1935) shows that when employees are contended as a whole then will it generally entail job satisfaction. Job satisfaction is very much different with motivation or attitude but are related to some extent. The strategies adopted by a company generally improves job satisfaction and performance and these strategies entail expanding the job, redesigning the job etc. The extent to which one is satisfied with his job leads to job satisfaction or dissatisfaction (Schermerhorn, 1997)

The balanced scorecard was introduced at National Hospital Insurance Fund in the year 2006 to the management staff and later rolled out to the unionizable staff in the year 2008; National Hospital Insurance Fund Human Resources Division (2008), as a new performance management tool with the intention of not only focusing on financial outcomes but also the operational, marketing and developmental inputs. This would help provide a more comprehensive view of business, with the aim of acting in their best long term interests. Performance management appraisal systems focusing only on the financial aspects could no longer provide adequate barometer for gauging business performances because the NHIF faces a more challenging business environment from its competition. Qualitative aspects like employee motivation and satisfaction, customer satisfaction, social responsibility, competition are now taking center stage and the effects of these factors in business performance must be recognized. It is therefore evident that introducing a multiple performance measure such as balanced scorecard was necessary.

According to Armstrong and Baron (1998) the major clearing NHIFs in The United Kingdom (BBK, Lloyds, Midland and National Westminster), were the first large organizations to adopt balanced scorecard. Several studies have been done on balanced scorecard in Kenya; A study by Odadi (2002) on how BSC was adopted and its effects after being implemented in NHIF, Kenya. He found out that due to the rapid change in the business environment, organizations require a performance management system that will encompass both the financial and non-financial factors, highly recommending the balanced scorecard. Kiragu (2005) carried out a survey on the adoption of the balanced scorecard by selected companies in Kenya. The findings indicated that approximately sixty nine percent of companies use financial and non-financial performance measures and have a link between the two. However most companies do not call these performance management systems balanced scorecard, though their practices model those of the balanced scorecard. Njiru (2007) studied the use of balanced scorecard in strategy implementation by quoted companies in the NSE. The findings indicated that thirty five percent of the companies quoted in the NSE are currently using the balanced scorecard model, showing that the model is gaining popularity. Sang (2007) carried out a research on BSC adoption at UNDP-Somalia. He found out that the benefits reaped through the implementation of balanced scorecard in UNDP Somalia, the system is an excellent tool in translating strategy to day to day operations.

The context in which these studies have been done varies from implementation of the balanced scorecard system, the adoption of the system in various companies to challenges encountered in the implementation process. Despite the above literature, no study to the knowledge of the researcher has been specifically done on the effects balanced scorecard has on employee job satisfaction even though the two seem to

complement one another. It is therefore evident that there is need to study the effects of balanced scorecard performance management system on employee job satisfaction at National Hospital Insurance Fund of Kenya as there seems to exist a knowledge gap in this area. The case study would address the following research question: What are the perceived influences of balanced scorecard performance management system on employee job satisfaction at national hospital insurance fund?

1.3 Research Objective

Identifying how balanced scorecard affects employees' being content with their jobs at national hospital insurance fund (NHIF).

1.4 Value of the Study

The findings of this study would assist the management of National Hospital Insurance Fund exercise organizational control by diagnosing the training and development needs of the future. It would also provide information to assist in the human resource decisions such as promotions and transfers. Performance management would help to strengthen the relationship and communication between management and subordinates. Other organizations especially those in the public sector would be able to understand the effects of balanced scorecard on their respective organizations and the industry as a whole and therefore would prompt them to seek ways through appropriate and proactive policies and regulations to enhance the adoption and implementation of the balanced scorecard methodology in their organizations and in the industry.

Employees of National Hospital Insurance Fund would benefit from the findings of this study as performance appraisal would be a very effective tool to improve performance and productivity and to develop employees. This is by helping

individuals to do better and to raise self-esteem and motivation, resulting to job satisfaction. The field of balanced scorecard is relatively new within the Kenya parastatal, Macharia (2008); the study would provide background information to research organizations and scholars who may want to carry out further research in this area. They would also benefit from the findings of this study as it would contribute to the existing literature.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section presents the existing literature on the subjected under investigation, it presents the theoretical foundation of the study and the empirical studies done on how balance scorecard influence employee job satisfaction.

2.2 Theoretical Review

As Camp (2001) put it the theoretical framework are used to explain the association between the variable of the study. This framework explains how concept describes the relationship between these concepts. This framework is used to support theory that is used in the study. In order to explain and predict the phenomena theories are used. Marriam (2004) explain that the frameworks are used in a study to introduce or explain a certain theory which is used in the study. In any study a theory is basic set of assumption, which sets the foundation of the study theory and used to logically explain and predict the prepositions. In this study the theory of affective event and theory of stakeholder were used as discussed below.

2.2.1 Affective Event Theory

Psychologist Weiss and Cropanzano developed the theory of affective event to explain the mood and emotion and how they affect the employee satisfaction with their job (Thompson & Phua, 2001). It is used the explain the relationship between employee emotions, employee mental states and how the change towards occurrences that happen in the place of work , which have an effect on commitment to job , their outcomes and their satisfaction with job (Wegge, van Dick, Fisher, West & Dawson, 2006). In this theory is argued that work behaviour that is effective can be changes by employee emotion and mood and behaviours that are cognitive -based are best suited

to explain how employee will be satisfied with their job. The theory further lay emphasis on the positive induction and negative induction of emotions at the place of work which are easily distinguished and they significantly influence employee level of satisfaction with their job a significant psychological impact upon workers' job satisfaction.

There are a number of determinant that affect the affective event theory as proposed by Rolland & De Fruyt (2003), they may include the openness to new ideas, extraversion, acceptance, neuroticism and awareness. Another aspect employee is their feedback on performance. There is need for frequent reviews which should be conducted on all organization, irrespective of their size. Fisher and Ashkanasy (2000) state that the nature of feedback on employee performance provided by the managers affect their satisfaction with job and performance. The biggest challenge so this theory is influence of external environment which are not factored in by this theory. Volkwein and Parmley (2000) in his recent study examined the effect of outside environment, where he found that public administration in the education sector were influenced by the external environment in their performance. Scott (2002) holds that without the external condition the model is a close system.

2.2.2 Stakeholders Theory

The two sided stakeholder theory is discussed, which includes that moderation and effect model. In the model of effect the attitude of the management affect the firm performance directly, which is free of strategy. In the second moderation model, the management decisions in regard towards the shareholders affect the organization strategy by controlling the association between the strategy of an organization and the company performance.

The stakeholder's theory lays emphasis on the action taken by the managers in a bid to exploit the shareholders wealth. In the stakeholder theory, shareholders are well explained as a unit with the organization strategy, it has the approaches of the instrumental, which targets by exploiting the owners value by putting attention to shareholders relationship. The basic tenet in this ideal is that participants control possessions that can enable or slow down the application of approaches and therefore must be managed to generate modest advantage to exploit returns and eventually returns to stockholders.

The emphasis of this theory is stated in mainly two questions (Freeman, 1994). In the first one it seeks to know the reason why the firm exists? Which act an encouragement to managers to have shared vision that helps them in creating the value of the organization together as partners? This helps the organization to go ahead and have a better performance, which is influenced in terms of its aim and performance metrics. In the second question the theory wants to understand the manager responsibility to owners of an organization? This question helps the manager to expressive how they want to do the commercial.

2.3 Approaches to Balanced Scorecard Performance Management System

Balance scorecard is adopted by companies dependent on their requirement which act as appropriate methods for effective management, which its foundation is on its ability of its framework. Both profit making and nonprofit making organization like the public sector can use the balance scorecard. There is need to understand the organization strategic value which are the key determinants in the company realizing its important value. In their UK research done by Dr. Philip Barden, it was revealed that there was need to improve the customer service outcome in National Health Service (NHS),

which was associated with expansion of association between legislature, staff at customer service and strategists. Sophistication of balance scorecard initiatives is critical to the success of the balance scored. In order for an organization to improve its efficiency and effectiveness there is need for the organization to use the balance score card systems (Kaplan and Norton, 1996). Employee Job satisfaction is a mental, physical, environmental satisfaction of employees as stated by Hoppock (1935).

In Kenya, the National Hospital Insurance Fund introduced the balance score card in the year 2006 with the staff at the management level and later was introduced to other staff in the unions in the year 2008. NHIF introduced the system tool for performance management, which was aimed at not only the financial performance but also on the operation, marketing and other units like the development. This helped in providing a wider view of the organization business, with a purpose of helping in the business long term gains. NHIF could no longer use the financial perspective in gauging the organization performance, which necessitates the implementation of balance score card; this was due to the reason that the organization was facing challenges in the competitive business environment.

Subjective angles like worker inspiration and fulfillment, consumer loyalty, social obligation, rivalry are currently becoming the dominant focal point and the impacts of these elements in business execution must be perceived. It is along these lines obvious that presenting a various execution measure, for example, adjusted scorecard was vital. As per Armstrong and Baron (1998) the significant clearing NHIFs in The United Kingdom (BBK, Lloyds, Midland and National Westminster), were the primary expansive associations to receive adjusted scorecard. A few studies have been done on adjusted scorecard in Kenya; Odadi (2002) considered the procedure and experience of executing the adjusted scorecard system, a contextual analysis of NHIF,

Kenya. He discovered that because of the fast change in the business environment, associations require an execution administration framework that will incorporate both the money related and non-monetary elements, very suggesting the adjusted scorecard.

Kiragu (2005) did a study on the appropriation of the adjusted scorecard by those organizations in Kenya. The discoveries showed that roughly sixty nine percent of organizations utilize money related and non-budgetary execution measures and have a connection between the two. However most organizations don't call this execution administration frameworks adjusted scorecard; however their practices demonstrate those of the adjusted scorecard. Njiru (2007) concentrated on the utilization of adjusted scorecard in procedure execution by cited organizations in the NSE. The discoveries demonstrated that thirty five percent of the organizations cited in the NSE are as of now utilizing the adjusted scorecard display, demonstrating that the model is picking up notoriety. Sang (2007) completed a study on the usage of the adjusted scorecard at UNDP-Somalia. He discovered that the advantages procured through the execution of adjusted scorecard in UNDP Somalia, the framework is an astounding apparatus in making an interpretation of procedure to everyday operations.

2.3.1 The Balanced Scorecard in the Public Sector

In accordance with original balance score card designers, the design place emphasis on four perspectives in an ascending level with financial perspective being at the top of pyramid. In some case where the objective of an organization is not profit maximization, the perspective-derived design will remain most important in the focus and nature of every perspective which are likely to change to replicate the non-commercial judgment of the group. Where thoughtfulness has remained to the

importance of such drivers, the fundamental reason and effect association will be evaluated and most suitable scorecard implemented.

The balanced scorecard is a method of performance organization system that lays found for a company important aims into outcome measures in four main four viewpoints: financial, interior procedures, customers, and growth and learning. It place organization activities strategy and visions to company, improves internal and external communication and monitors organization performance against strategic goals. Drs. Kaplan and Norton was the originator of the balance score card in 1990 as framework for measuring performance that put emphasis on important non-financial performance events to traditional financial measure to give management and board relative view of the company performance (Kaplan and Norton, 1992).

As driver of future performance, the balance score card act as complement of the organization financial measures, balance score card acts to help management in providing an overall framework that align the company strategy and vision to it performance metrics. In a bid to communicate the main value and belief to member of staff the organization has mission and visions statements (Kiragu, 2005). Simons (1995) explain that mission states seek to address the main organization belief and identify targeted customer markets and main products. In the current information setting, an organization can no longer be quantified mainly on the previous performance. Though the previous performance is usually a best indicator of forthcoming performance, it cannot be the main basis for an organization measurement (Platts, *et al*, 2006). In order to accurately measure the organization outcomes, there is need to have an equilibrium in all business areas , through concentrating not only on financial performance but also on the functioning, advertising and growth inputs to these, the balanced scorecard assistances by

providing a more general overview of the organization the organization business, this aims at helping the company in aligning with the best interest in their long term. In order to lay foundation on balance scorecard implementation to understand how organization statement and strategic vision (Armstrong & Baron 2005).

The performance approach of balance scorecard helps an organization to have a clear picture of all the staff and all it performance, it helps in guiding the staff in understanding the critical success factor and indicator of performance, the strategic analysis and capabilities for an organization and performance laying emphasis of the organization as a whole, which assist in making breakthrough through the performance, by encompassing and aiming the effort from the lowest levels in the organization to achieve bet performance (Kaplan and Norton, 1996).

2.4 Factors Influencing Job Satisfaction

Factors influencing job satisfaction consist of working conditions, opportunity for advancement, workload and stress level, respect from co-workers, relationship with supervisors and financial rewards. Each of these factors is reviewed below.

There is need for firms to improve the working conditions because of the amount of time and energy employees spend in the firm. These improved conditions include comfortable work environment which has lighting, spacious space etc. Upgrading efficient tools like technology help them finish their work in a fast and effective manner hence enhance their contendness (Kaplan and Norton, 1996).

Job promotion coming along with much compensation tends to make employees be more satisfied with their jobs. Job promotion steers motivation and leads to employees improving their skills so as to acquire a promotion. Employers also help

employees improve their skills by for instance guiding them and offering training programmes to them.

Heavy workload can result to low job satisfaction even for the case of a dedicated employee. On the other hand, conflict resulting from for instance failing to meet deadlines can result to stress level increasing and as a result reduce the employee's contentment. This is caused by mostly lack of planning or poor management. This hence results to employees lacking enough time to do their task effectively (Armstrong & Baron 2005).

Respect among employees affects job satisfaction. For instance, if employees do not respect each other in terms of communicating with each other or their privacy will make the employee lack to be content with his job and vice versa. A survey conducted by FoxBusiness.com, identified that 50% of employees faced rudeness and coarseness and this reduced their motivation. The administrative system need to come between this and handle this issue because it reduces job satisfaction.

There should be a free and open relationship between the managers, supervisors and the employees whereby the employees need to feel that they are content in how they are relating with their supervisors which will in turn improve their satisfaction at the office.

Satisfaction is affected by how employees see how a company treats them generally in terms of compensating and salary. Firms need to increase one's salary in terms of how they perform. They should include bonuses, for added time in company payment etc. which will in turn improve their satisfaction. (Wegge, van Dick, Fisher, West & Dawson, 2006).

2.5 Job Satisfaction Measurement

One's attitude in performing a job is highly affected by job satisfaction. This term means looking into various features of a certain job such as looking at the number of employees satisfied with the condition of the jobs, how employees describe their jobs etc. Job satisfaction is affected by looking into the employees' attitude. As seen attitude affects performance and is referred to as to how they look at objects, people etc. and whether it's positive or negative. Job satisfaction is restrained by looking into the employees' emotions about pay, the job, the benefits coming with the job etc. It can also be measured by looking into the rate of employee productivity, how the company maintaining employees, how committed the employees usually are.

Job satisfaction measures are divided into two the single question versus which entails asking the question in general and the multiple item entails rating with a scale on the extent at which the respondents are satisfied or dissatisfied. An efficient company fulfills both the employee wants and the aims of the company. If one is unmet then in general job satisfaction levels will be low and vice versa. Employee wants failing to be unmet results to absenteeism can result which will result to poor performance.

2.6 Balanced Scorecard and Employee Job Satisfaction

Being content with one's job is usually as a result of job satisfaction whereas employee performance is usually the nature and attributes employees have that correspond with the company's aims.

Successful implementations of the BSC have been reported by management accounting practitioners (for example, Bitchard, 1996; Lyons and Gumbus, 2004; Nankervis, 2006). Several preliminary empirical studies have addressed BSC issues. Lipe and Salterio (2000) find that managers rely more on common (i.e., measures that

are the same across different divisions) versus unique performance measures (i.e., measures distinctive to a particular division). Then, Libby, Salterio and Webb (2004) show that accountability mitigates this focus on common measures. Lipe and Salterio (2002) establish that the use of the BSC results in different evaluations of performance than when relying on alternative systems. Other studies have demonstrated that managers fail to understand the cause and effect relationships inherent in the BSC concept (i.e., Banker et al., 2004; Malina and Selto, 2001). Burney and Matherly (2007) provide evidence that the comprehensiveness of the PM system is associated with employee outcomes through the availability of job-relevant information.

The Performance Management system implies not only the job performance measurement, but also the achievement of job satisfaction. One recent research report conducted by the Society for Human Resource Management (SHRM) among organizations with 500 up to 2,500 employees, in 2012, reveals that employees are focused on meeting goals and using their skills at the workplace. In 2012, 81% of U.S. employees reported overall satisfaction with their current job and 38% of them indicated they were “very satisfied”. Of course, that the organization’s social and psychological environment influences the employee job satisfaction level and also the external factors. The top five contributors to employee job satisfaction in 2012, as mentioned in the report, are the following: Opportunities to use skills/abilities; Job security; Compensation/pay; Communication between employees and senior management; Relationships with immediate supervisor Schermerhorn (1997).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the scope of methodological procedures used in the study. The main aspects covered include research design, target population, sample design, data collection and data analysis.

3.2 Research Design

The design of this research was a descriptive survey on the effects of balanced scorecard performance management system on employee job satisfaction at National Hospital Insurance Fund. A descriptive research study is primarily concerned with addressing the particular characteristics of a specific population of subjects, either at a fixed point in time or at varying times for comparative purposes (Gill & Johnson, 2002). This design was considered appropriate for this study because data would be collected at one point in time while analysis will be comparative in nature. Balanced scorecard and change are latent independent variables leading to organizational performance, which is dependent variable. Five constructs are identified for BSC namely: general, financial, customer, internal process, and learning and growth perspectives. For change five constructs namely; general, technological, social, leadership, and structural change are identified. In order to collect data on various dimensions of the study, a research instrument was designed based on extensive literature review. The instrument was based on five- point likert scale with choices 'strongly agree', 'agree', 'neither agree nor disagree', 'disagree' and 'strongly disagree'.

3.3 Population of the Study

The population of the study was employees of National Hospital Insurance Fund. There was a total number of two thousand, eight hundred and eighty (2,889) employees at NHIF, divided into senior management, middle level management, supervisory and clerical staff (National Hospital Insurance Fund Human Resources Division, 2015).

3.4 Sample Design

The research used stratified random sampling because it enabled generalization of a larger population with a margin of error that was statistically determinable. 10% of the population at each level was sampled. This was considered large enough to provide a good basis for valid and reliable conclusions. The population was divided into the following strata: senior management, middle level management, supervisory staff and clerical staff. Random sampling was used to pick the proportionate number from each stratum. The subsets of the strata was then pooled to form a sample for the study. The sample size was as follows:

Table 3.1: Sampling Procedure

Population Category	100%	10%
Senior Management	40	4
Middle level Management	280	28
Supervisory Staff	360	36
Clerical Staff	2200	220
Total	2880	288

3.5 Data Collection

Primary data was used in this study. The data was collected by use of self-administered questionnaires and through drop and pick method. The questionnaire was divided into the following sections: section A covered respondent's background/profile, section B covered the study variables that are balanced scorecard and C job satisfaction. The questionnaire was comprised of closed ended questions that were in 5 point likert statements where respondents were required to "agree to a very large extent (5)" to "agree to a very less extent (1)".

3.6 Data Analysis

Before analysis, the data collected was checked for completeness and consistency. Both descriptive and inferential statistics were used to analyze data. Descriptive statistics using mean, standard deviation and percentiles were used to classify and summarize numerical data. Pearson-product moment correlation was also be used to establish the significance of the correlation between independent variables and dependent variable. It was suitable for the purposes of the present study since it provided an index of the strength, magnitude and direction of the relationship between variables (Kothari, 2003). Regression Analysis was used to measure the degree of correlation that exists between the independent variables and the dependent variable.

The Regression Model

According to Campbell and Campbell (2008) regression is a statistical technique that determines the linear relationship between two or more variables thus shows how variation in one variable co-occurs with variations in another.

The linear regression model used in the study was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \text{ Where :-}$$

Y = Employee job satisfaction (Dependant variable)

X_1 = Learning & Growth Perspective

X_2 = Business Process Perspective

X_3 = Customer Perspective

X_4 = Financial Perspective

β_0 = constant. It defines the level of Employee job satisfaction without inclusion of predictor variables

$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression Co-efficient. Define the amount by which Y is changed for every unit change of predictor variables. The significance of each of the co-efficient was tested at 95 percent level of confidence.

ϵ = Unexplained Variation i.e. error term, it represents all the factors that affect the dependent variable but are not included in the model either because they are not known or difficult to measure.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis of the data collected from the Respondent and discusses the research findings. Completed questionnaires were edited for accuracy, consistency and completeness. Summary of the findings were presented by use of percentages, frequencies, means, standard deviation and tables.

4.2 Preliminary Results

This section covers the preliminary results of the study. The result includes response rate, reliability test and validity test.

4.2.1 Response Rate

A total of 288 questionnaires were distributed, of which 133 were returned completed and met the screening requirements, representing a net response rate of 46.2%. The returned questionnaires' represented a response rate of 46.2%, which the study considered adequate for analysis.

4.2.2 Reliability Test

According to Mugenda & Mugenda (2003) reliability is a measure of degree to which research instruments give consistent results after repeated trials. Preferably the test is fit because it does not apply to the scale being split or repeating the test of the intended subject. It is unique in terms of approximating the scale. The questionnaire in Appendix II was subjected to Cronbach's alpha test and the 47 item instrument resulted $\alpha = 0.823$, meaning the questionnaire was very reliable.

Table 4.2: Reliability Statistics

Variables	Cronbach's	
	Alpha	No of items
Demographic	0.733	6
Learning & Growth Perspective	0.865	6
Business Process Perspective	0.939	3
Customer Perspective	0.843	4
Financial Perspective	0.827	3
Job Satisfaction	0.754	25
Overall	0.823	47

4.2.3 Validity Test

Oluwatayo (2012) cited validity as the degree by which a test or measurement instrument actually measures what it purports to measure or how well a test or a meaning instrument fulfills its function. To establish the validity of the study, face validity test was undertaken by administering the questionnaire as a pilot test prior to field work. Their feedback was used to improve the instrument.

4.3 Demographic Information

This section covers the response obtained from the respondents in terms of the general information. Specifically, the findings refer to the respondents rating on age, gender, highest level of education, work experience and position in the organization.

4.3.1 Distribution of Respondents by Age Bracket

The respondents were asked to indicate their ages. The results are shown in Figure 4.1.

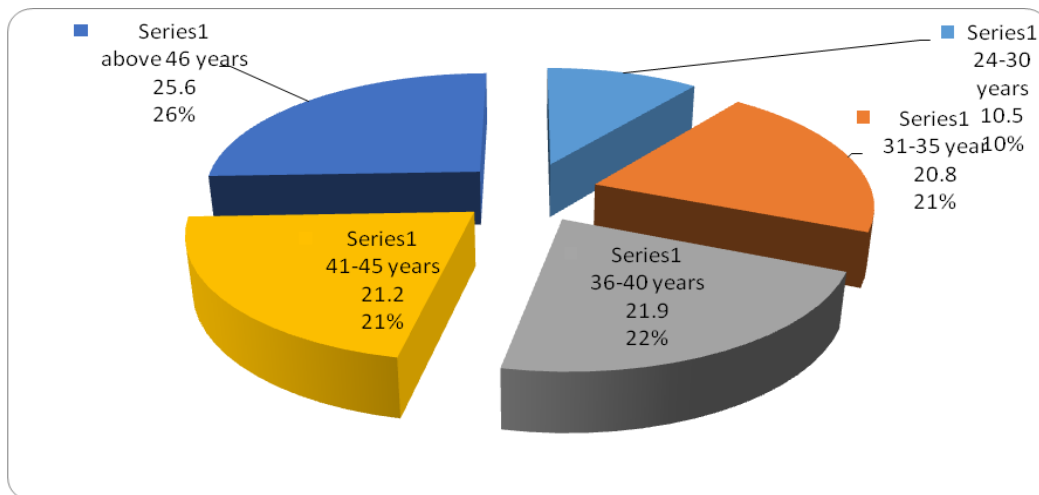


Figure 4.1: Distribution of Respondents by Age Bracket

The result in Figure 4.1 shows that the respondent's ages varied from 24 years to over 46 years. Specifically 10% of the respondents were of age 24 to 30 years, 21% were of age 31-35 years, 22% were 36-40 years, 21% were 41-45 years and 26% were of age over 46 years. Majority of the respondents were above 31 years of age. This shows that most of the employees were at their prime age and would effectively and efficiently contribute to the organization performance.

4.3.2. Distribution of Respondents by Gender

This study sought to find out how the respondents were distributed on genders basis. This was thought to be an important indicator towards the diversity of the respondents. The findings were as shown in Table 4.3.

Table 4.3: Gender Distribution

Gender	Frequency	Percent
Male	83	62
Female	50	38
Total	133	100

As indicated in Table 4.2, the respondents were made up of 62% male and 38% female. In general, there was a significant difference of the respondents in terms of

gender. This further shows that there exists gender imbalance in the organization. This is consistent with many employment situations in Kenya.

4.3.3 Educational Levels of Respondents

The respondents were asked to indicate their highest level of education. The results are as shown in Table 4.4.

Table 4.4: Distribution of Respondents by Highest Level of Education

Level of Education	Frequency	Percent
Certificate	7	5
Diploma	33	25
First degree	73	55
Postgraduate	20	15
Total	133	100

The finding in table 4.3 shows that, majority of the respondents (55%) had first degree qualification followed by 25% with diploma, 15% with postgraduate qualification and the rest (5%) had college qualification respectively. These findings show that the respondents had level of education to understand the questionnaire thus the response would be reliable.

4.3.4 Respondents' Years in service at National Hospital Insurance Fund

The study sought to investigate the length in years respondents had worked in the company. The results are in Table 4.5.

Table 4.5: Length of Service in the Organization

Service Duration	Frequency	Percentage
2-3 year	39	29.4
3-4 years	47	35.3
Over 4 years	47	35.3
Total	133	100

The study found out that most of the respondents (35.3%) had had service the organization for a period of 3 to 4 years as well as over 4 years. At the same time a significant 29.4% had been in the company for 2-3 years. This shows that majority of the respondents had wealth of experience in terms of the company operations.

4.3.5 Distribution of Respondents by Job Positions in the Organization

The respondents were asked to state their respective positions in the organization. The results are shown in Table 4.6.

Table 4.6: Distribution of Respondents by Positions in the Organization

	Frequency	Percent
Clerical staff	106	80
Supervisors	15	11
Managers	7	5
Other positions	5	4
Total	133	100

The findings further revealed that majority of employees (80%) were clerical staff ,11% were supervisors, 5% of the respondents were managers and 4% were holding other positions in the National Hospital Insurance Fund. This shows that all the level in the organization was represented in the study.

4.4 Balance Scorecard and Employee Job Satisfaction at National Hospital Insurance Fund, Kenya

This section covers questions posed to the respondent on the balance score card perspectives and their influence on employee job satisfaction. The study focused on learning and growth perspective, business perspective, customer perspective and financial perspective. Mean and standard deviation were used for the analysis.

4.4.1 Learning and Growth Perspective

The study sought to determine whether learning and growth perspective influences employee job satisfaction at NHIF. The findings from the responses were based on a five Likert scale of 1=Agree to a very less extent, 2= Agree to a less extent, 3= Moderately Agree, 4= Agree and 5= Strongly Agree. From the findings, as presented in table 4.6 next, the overall rating of learning and growth variables was 3.416 >3; hence the respondents agreed that learning and growth influences employee job satisfaction at NHIF. Significantly Learning and development is discussed during appraisal review (mean of 4.039), My organization embraces continuous learning mode (mean of 3.904), My organization is a knowledge-worker organization (mean of 3.712), Am given the opportunity to improve myself through short courses (mean of 3.545) and Am always trained in every financial year (mean of 2.756).The findings conforms to those of Vroom (1964) about satisfaction on the performance appraisal system.

Table 4.7: Rating of Variables relating to Learning and Growth Perspective

Variables	Mean	Std Dev
Learning and development is discussed during appraisal review	4.039	0.012
Am given the opportunity to improve myself through short courses	3.545	0.124
Am always trained in every financial year	2.756	0.004
Organization culture embraces individual growth	2.545	0.235
My organization embraces continuous learning mode	3.904	0.564
My organization is a knowledge-worker organization	3.712	0.115
Overall	3.416	0.175

4.4.2 Business Process Perspective

The respondents were asked to rate statements relating to Business Process Perspective in line with employee job satisfaction at NHIF. The results are as shown in Table 4.8

Table 4.8: Rating of Variables relating to Business Process Perspective

Variables	mean	Std dev
My organization has put in place internal business processes	4.06	0.451
BSC is a better estimating tool	4.26	0.125
We have measures in place to know whether our services conform to customer requirements	4.00	0.245
Overall	4.106	0.273

Based on the mean analysis, it was found that the highest rating of business process perspective was related; BSC is a better estimating tool (mean of 4.26), My organization has put in place internal business processes (mean of 4.06), We have measures in place to know whether our services conform to customer requirements (mean of 4.00). It further confirms that business process perspective plays a significant role in employee job satisfaction at NHIF.

4.4.3 Customer Perspective

The respondents were asked to rate statements relating to general economic environment in line with unrelated diversification. The results are as shown in Table 4.9.

Table 4.9: Rating of Variables relating to Customer Perspective

Variables	Mean	Stddev
My organization practice Know Your Customer policy	4.28	0.245
We value customers feedback and suggestions	4.16	0.315
Customers are always involved in product development	4.06	0.224
We have measures in place to evaluate our customer services	3.84	0.112
overall	4.085	0.224

The respondents' rating on customer perspective was between a mean score of 4.28 and 3.84. More specific; my organization practice Know Your Customer policy (mean of 4.28), we value customers feedback and suggestions (mean of 4.16), Customers are always involved in product development (mean of 4.06) and we have measures in place to evaluate our customer services (mean of 3.84). Thus customer perspective influences employee job satisfaction at NHIF.

4.4.4 Financial Perspective

The respondents were asked to rate statements relating to Financial Perspective in line with employee job satisfaction. The results are as shown in Table 4.10.

Table 4.10: Rating of Variables Relating to Financial Perspective

	mean	Std dev
Financial measure is discussed during appraisal review	3.98	0.124
We provide timely and accurate funding data	3.90	0.542
We have put in place measures for risk assessment and cost-benefit analysis	3.87	0.534
Decisions are based on financial reports	3.75	0.445
overall	3.875	0.411

The respondents' rating on financial perspective to a great extent; Financial measure is discussed during appraisal review (mean of 3.98), We provide timely and accurate funding data(mean of 3.90) We have put in place measures for risk assessment and cost benefit analysis (mean of 3.87) and Decisions are based on financial reports (mean of 3.80).

4.5 Test of Influence of Balanced Score Card on Employees Job Satisfaction

This section covers statistical inference used to test on the influence of balance scorecard components on employee job satisfaction. Correlation analysis was used to check on the strength and magnitude of the relationship while regression analysis was used to express the relationship. The study hypothesized a relationship between balance score card and employee job satisfaction at National Hospital Insurance Fund, Kenya. Cronbach's Alpha was used to establish the internal consistency of the measurement items constituting the balanced scorecard.

4.5.1 Multicollinearity Test

Predictor variables are said to be correlated (multicollinearity) if the correlation coefficient between them is greater than 0.5. In such a situation one of the variables must be removed from the model. As shown in Table 4.10, there is no problem of multicollinearity (coefficients <0.5), thus all the four predictor variables could be used to predict employee job satisfaction at National Hospital Insurance Fund, Kenya.

Table 4.11: Results of the Test of Internal Consistence of the Predictor Variables

	Learning & Growth Perspective	Business Process Perspective	Customer Perspective	Financial Perspective
Learning & Growth Perspective	1.00			
Business Process Perspective	0.03	1.00		
Customer Perspective	0.04	0.27	1.00	
Financial Perspective	0.15	0.25	0.34	1.00

4.5.2 Goodness of Fit of the Regression Model

The "R Square"(coefficient of determination) with a value of 0.639, indicates a significant but moderate level of prediction. It further indicates that 63.9% of the variations in employee job satisfaction at National Hospital Insurance Fund could be explained by the influence of balance score card components leaving 36.1% unexplained (error term).

Table 4.12: Model Summary

R	R Adjusted Square	Std. Error of Estimate	R Square Change	F	df1	df2	Sig. F
.799	.639	.59836	.639	6.015	4	132	.001

- a. Predictors: (Constant), Learning and Growth Perspective, Business Process Perspective, Customer Perspective, Financial Perspective
- b. Dependent Variable: Employee job Satisfaction

The findings in Table 4.11 shows that the predictor variables have significant effect on the dependent variable, $F(4, 132) = 6.015 > 2.61$, $p = .001 < .05$ (i.e., the regression model is a good fit with the data).

4.5.3 Test of the Goodness of Fit

The *F*-ratio in the ANOVA table tests whether the overall regression model is a good fit for the data. The results of *F*-test; shows that $F(4, 132) = 6.015 > 2.61$, $p = .001 <$

.05, thus the independent variables statistically significantly predict the dependent variable. It therefore means that a four predictor model could be used in forecasting employee job satisfaction at National Hospital Insurance Fund.

Table 4.13: ANOVA^b

Model	Sum Of Squares	df	Mean Square	F	Sig
Regression	8.616	4	2.154	6.015	.001
Residual	45.824	128	.358		
Total	54.44	132			

a. Predictors: (Constant), Learning & Growth Perspective, Business Process Perspective, Customer Perspective, Financial Perspective

b. Dependent Variable: Employee job satisfaction

4.5.4 Regression Coefficients

Unstandardized coefficients indicate how much the dependent variable varies with an independent variable, when all other independent variables are held constant. The results of the regression analysis are presented in table 4.14

Table 4.14: Regression Coefficients

Predictors:	B	Std. Error	Beta	t	sig
Constant	.781	.669	2.662	.011	
Learning & Growth	.448	.176	.442	2.544	.014
Business Process	.217	.125	.325	2.350	.023
Customer Perspective	.172	.128	.201	2.453	.018
Financial Perspective	.204	.175	.045	.317	.003

a. Dependent Variable: Employee job satisfaction

4.5.5 Elasticity of the Model Parameters

$\beta_1 = .448$, for every one unit increase in Learning & Growth Perspective, employee job satisfaction at National Hospital Insurance Fund, Kenya increases by 0.448 units other factors held constant. $\beta_2 = .217$, for every one unit increase in Business Process Perspective, employee job satisfaction at National Hospital Insurance Fund, Kenya

increases by 0.217 units other factors held constant. $\beta_3 = .172$, for every one unit increase in Customer Perspective, employee job satisfaction at National Hospital Insurance Fund, Kenya increases by 0.172 units other factors held constant. $\beta_4 = .204$, for every one unit increase in Financial Perspective, employee job satisfaction at National Hospital Insurance Fund, Kenya increases by 0.204 units other factors held constant.

Each independent variable was linearly related to the dependent variable, that is, Learning & Growth ($P=0.014<.05$), Business Process ($P=0.023<.05$) Customer Perspective ($P=0.018<.05$) and Financial Perspective ($P=0.003<.05$). Further Learning & Growth Perspective had the highest positive influence on employee job satisfaction at National Hospital Insurance Fund followed by financial perspective, business process perspective and customer perspective respectively.

The established regression model was of the form

$$Y = .781 + .448X_1 + .017X_2 + .172X_3 + .204X_4$$

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter covers summary of the findings, conclusions, and limitation, recommendation and suggestions for further research.

5.2 Summary of Study

The purpose of the study was to determine the influence of balanced scorecard on employee job satisfaction at national hospital insurance fund (NHIF). The study focused on the four perspectives of the balance.

As shown in table 4.4, Employee job satisfaction varies by 44.8% for every unit change in Learning and Growth ($\beta_4=0.448$, $t=2.544$, $p<0.05$).

Further, employee job satisfaction changes by 21.7% for every unit change in business process ($\beta_4=0.217$, $t=2.350$, $p<0.05$)

Further, employee job satisfaction varies by 17.2% for every unit change in business customer perspective

$\beta_1=.448$, for every one unit increase in Learning & Growth Perspective, employee job satisfaction at National Hospital Insurance Fund, Kenya increases by 0.448 units other factors held constant.

$\beta_2=.217$, for every one unit increase in Business Process Perspective, employee job satisfaction at National Hospital Insurance Fund, Kenya increases by 0.217 units other factors held constant.

$\beta_3=.172$, for every one unit increase in Customer Perspective, employee job satisfaction at National Hospital Insurance Fund, Kenya increases by 0.172 units other factors held constant.

$\beta_4 = .204$, for every one unit increase in Financial Perspective, employee job satisfaction at National Hospital Insurance Fund, Kenya increases by 0.204 units other factors held constant.

The findings in Table 4 shows that the predictor variables have significant effect on the dependent variable, $F(3, 47) = 6.015 > 2.61$, $p = .001 < .05$ (i.e., the regression model is a good fit with the data).

To establish the validity of the study, face validity test was undertaken by administering the questionnaire as a pilot test prior to field work. Their feedback was used to improve the instrument

The study found out that to a greater; learning and development is discussed during appraisal review, my organization embraces continuous learning mode, my organization is a knowledge-worker organization and employees are given the opportunity to improve myself through short courses and employees are always trained in every financial year.

5.3 Conclusions

The main aim of the research was to identify how BSC management system affects employee job satisfaction at National Hospital Insurance Fund (NHIF). The respondents had both positive and negative perception on the influence in using the balance scorecard system at the NHIF. The study findings revealed that NHIF have given prominence to learning & growth perspective, business process perspective and financial perspective. The study further concluded that the established regression model was moderately good for forecasting and could be used for forecasting employee job satisfaction at National Hospital Insurance Fund (NHIF).

5.4 Limitation of the Study

In carrying out the study, the researcher encountered some challenges as a large number of the respondents did not respond to the questionnaire. Another challenge was that, the study was a case study targeting National Hospital Insurance Fund, Kenya; hence, the study might limit the generalization of the findings.

5.5 Suggestion for Further Research

Future study should use a survey design which will allow generalization of the findings. The model used in this study can also be extended to other service industries. In terms of measurement issues, future research may use multiple items to strengthen the reliability of the results. Further, research is recommended to use other forms of performance measurements as opposed to balance scorecard system. Additional variables may also be added into this model, based on the literature.

The study makes an important contribution in understanding the influence of balance score card on employee job satisfaction. It further brings out the factors that influence the relationship between balance score card on employee job satisfaction at national hospital insurance fund (NHIF). Arising from this study, the researcher makes the following recommendations. To the policy makers; there should be more emphasis on the use of balance scorecard system as it proved be worth it. In order to achieve job satisfaction NHIF should review the guidelines and policies on employee satisfaction. It also recommended that future studies include other government parastatals and private firms. These findings will provide an increase in knowledge and a rich data base for future research, which can then be compared with the results of this study.

Finally, the use of other data collection methods such as interviews would help the researchers get responses that are relatively free from bias. This is because interviews

afford the researcher the opportunity to allay fears, anxieties and concerns that the respondents may have. The researcher may also offer clarification when needed and help respondents to think through difficult issues.

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APPENDICES

Appendix 1: Cover Letter

Dear Sir/Madam,

LETTER TO THE RESPONDENT

I am a postgraduate student, at the University of Nairobi, School of Business, as part of the fulfilment of Masters of Business Administration Degree, (MBA) I am conducting a study on “Influence of Balanced Scorecard on Employee Job Satisfaction at National Hospital Insurance Fund, Kenya.

You fall within the population of interest and are kindly requested to assist me collect the data by filling the accompanying questionnaire. I and my supervisor promise that the information gathered will strictly be used for academic purpose.

The copy of the final document will be made available to you on demand.

Your honest participation will be highly appreciated.

Thanks in advance for your cooperation

Yours faithfully,

J. P. Tonkei

Appendix I: Questionnaire

Please answer the questions below as openly as possible by writing in the space provided, using the key provided to rate your answers or by ticking the appropriate box. The answers will be crucial in identifying the effects of balanced scorecard performance management system in employee job satisfaction in your organization.

A. RESPONDENTS PROFILE / BACKGROUND

1. What is your age bracket?

24-30 []

31-35 []

36-40 []

41-45 []

46 and above []

2. Gender of the respondent

Male []

Female []

3. Which department do you work in? _____

4. How long have you worked at National Hospital Insurance Fund?

5 and below []

6-10 []

11-15 []

16 -20 []

21 and above []

5.. Which is your highest level of education?

Certificate []

Diploma []

Degree []

Masters []

(B) Balance Score Card

Indicate the extent to which you agree or disagree with the following statements regarding Policy Intervention

Statements	Strongly Agree	Agree	Moderately Agree	Agree to a less extent	Agree to a very less extent
I have a clear understanding of what balanced scorecard seeks to achieve in NHIF					
Compared to the traditional performance management system used before, balanced scorecard is a better measurement tool					
Learning and development is discussed during appraisal review					
Financial measure is discussed during appraisal review					
Customer focus is discussed during the appraisal review					
Internal control function is discussed during appraisal review					
Balance score card is used in my personal career growth					
Balance score card has helped in reducing employee turnover					
Balance score card has helped in improving efficiency					

(C) Job Satisfaction

Indicate the extent to which you agree or disagree with the following statements regarding corporate strategies

Statements	Strongly Agree	Agree	Moderately Agree	Agree to a less extent	Agree to a very less extent
My job is interesting					
My contributions are valued in this organization					
I get appropriate recognition when I have done something extraordinary in this organization					
I feel like I make a difference in my department					
Internal candidates receive fair consideration for open positions					
My unit/department offers the training or education that I need to grow in my job					
I have had opportunities at work to learn and grow in the past year					
Someone has talked to me about my progress in the past year					
My opinion counts at work					
I enjoy discussing the University with people who do not work here					
Senior management keeps employees informed					
Senior management effectively communicates the goals and strategies of our unit/department					
My salary/pay rate is competitive when compared to similar jobs at other organizations					
My costs associated with the benefits plan (co-pays, deductibles, premiums) are reasonable					
There is a clear and consistent set of values that governs the way we do business					
People care about each other in my unit/department					