INFLUENCE OF BALANCED SCORECARD ON ORGANIZATIONAL PERFORMANCE OF KENYA ELECTRICITY GENERATING COMPANY LIMITED: A CASE OF CENTRAL OFFICE IN NAIROBI CITY COUNTY

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A Research Project Report Submitted in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Arts in Project Planning and Management of the University of Nairobi

2017

DECLARATION

This research project report is my original work and has not been submitted for examination in any other university.

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

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DEDICATION

I dedicate this project to my wife Janet Wali Nyange, who encouraged and appreciated my efforts during the course work which occupied my weekends to the exclusion of her quality time with me. That understanding motivated and prepared me for pursuit of this research project as the climax of application of all the knowledge I acquired in the course work.

ACKNOWLEDGEMENT

Iam thankful to my supervisor Ms. Sally Chetalam for her professional guidance that made the research project a success despite her busy schedule. My thanks also go to the lecturers and the University of Nairobi for facilitating my pursuit of the course work which provided input into my research project. I extend my gratitude to my colleagues at the University during course work who provided inspiration, encouragement and friendliness which gave me moral support. I cannot forget all the University of Nairobi staff who helped me in various ways to address some administrative issues whenever I made queries to do with coordination of studies, course schedules, timetables, examinations and other issues related to my wellbeing as a student. I wish to also recognize all my friends who despite my focus on this academic exercise, remained socially connected with me and further encouraged me to go for it.

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ABBREVIATIONS AND ACRONYMS

ADKAR	Awareness, Desire, Knowledge, Ability, Reinforcement
BSC	Balanced Scorecard
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
E-Mail	Electronic Mail
EMS	Environmental Management System
E-Questionnaire	Electronic Questionnaire
ERP	Enterprise Resource Planning
G2G	Good to Great
IPP	Independent Power Producers
ISO	International Organization for Standardization
KenGen	Kenya Electricity Generating Company Limited
KPI	Key Performance Indicator
Ltd	Limited
MTI	Major Transformation Initiative
NACOSTI	National Commission for Science, Technology & Innovation
PDP	Personal Development Plan
PESTEL	Political, Economic, Social, Technological, Environmental, Legal
PPA	Power Purchase Agreement
QMS	Quality Management System
SAP	Systems, Applications, Products
SPSS	Statistical Package for Social Sciences
SWOT	Strengths, Weaknesses, Opportunities, Threats
WIG	Wildly Important Goals

ABSTRACT

Balanced Scorecard (BSC) is an integrated strategic planning and management system that is used to align business activities to the vision and strategy of an organization by considering both financial and non-financial aspects in a balanced manner. BSC therefore provides a shift from the traditional financial performance focus only to a balanced view of the organization through four perspectives (financial, customer, internal processes, learning and growth). The BSC learning and growth perspective being broad, was narrowed down to staff training in this study. The purpose of the study was to investigate the influence of BSC on organizational performance of KenGen using a case of it's central office in Nairobi City County in Kenya with objectives to; examine the influence of staff training on organizational performance, investigate the influence of internal business processes on organizational performance, examine the influence of customer satisfaction on organizational performance and investigate the influence of financial performance on organizational performance. Descriptive survey research design was adopted including both qualitative and quantitative research methodologies. Proportional stratified random (probability) sampling was used to select a total sample of 243 management staff comprising (159 in lower management, 56 in middle management and 28 in top management) from a heterogeneous target population of 360 (267 lower in management, 63 in middle management and 30 in top management) in KenGen's central office in Kenya's capital city of Nairobi using Krejcie and Morgan Table. The data collection instrument was a structured e-questionnaire to enable the researcher to collect primary quantitative data from the closed-ended questions and primary qualitative data from the open-ended questions. In some sections of the questionnaire, a likert scale was used to weigh the rank of response in terms of strength or weakness on a scale ranging from one to five. Frequencies, percentages, averages and tables were used for data analysis using Statistical Package for Social Sciences (SPSS). Qualitative data was used to compliment, enrich and reinforce the quantitative data. Validity of the questionnaire was enforced by pilot testing and using unambiguous questions to enhance standardization of the questionnaire. The reliability of the questionnaire was achieved by using split-half method. Respect, anonymity, privacy and fairness to the respondents were exercised through self-administered e-questionnaire in the research process to fulfill the ethical requirements as per the rules of natural justice and as per the bill of rights in the (Kenyan Constitution, 2010) in order to avoid unnecessary risks. The e-questionnaire was sent to 243 respondents by e-mail, out of which only 146 questionnaires were returned, accounting for 60% return rate. From the research findings based on research objectives, the respondents agreed that improvement on staff training, customer satisfaction, internal business processes, financial performance in a balanced manner as anchored in BSC also improved organization performance. It was recommended that the research findings in the central office be disseminated to the branches of KenGen to create awareness to all the staff as stakeholders of the common vision and strategy. It was further recommended that the research could be conducted in other organizations with KenGen as a benchmark to encourage them to embrace BSC in order to shift the traditional financial aspect only to all the BSC perspectives in a balanced manner. The Balanced Scorecard in this research was based on a profit making organization such as KenGen so there is need for another study based on a non-profit making organization such as KenGen Foundation.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Balanced Scorecard (BSC) is a framework of strategic planning and management that is used by organizations to align their business activities with their vision and strategy. This model was developed by Kaplan and Norton (1992) as an innovative multi-dimensional scorecard for measuring corporate performance by providing a context for choosing a number of key indicators of performance to supplement the normal financial measures with measures of learning and growth, customer satisfaction and internal business processes perspectives in a balanced manner. Robbins and Coulter (2012) describe balanced Scorecard approach as a way to evaluate organizational performance from more than just financial perspective. The Balanced Scorecard framework is used to present organization goals through cause-and-effect relationships as viewed through four perspectives; financial, customer, internal processes, and learning and growth (Kaplan & Norton, 1996).

The concept of BSC is that learning and growth improves internal business processes which in turn enhance customer satisfaction leading to improved financial results and therefore better organizational performance. Survival and success of an organization depends on its unique and dynamic interaction with internal and external environment to formulate and adjust its strategy in order to achieve its goals. Liberalization and globalization of the economy including deregulation of some business aspects has created information age environment that requires new capabilities for successful competition in business.

Being an integrated management system, BSC consists of three components: strategic management system, communication tool, and measurement system (Niven, 2003). The BSC can be used as a performance management tool that enables organizations to clarify their vision and strategy and translate them into action (Mooraj, 1999). The BSC can also be used as a reporting tool to improve internal and external communications in monitoring performance against organization’s strategic goals. The BSC communicates and clarifies an organization’s vision, mission and strategy to staff and other stakeholders. It further aligns day-to-day work to the organization’s vision and strategy providing a framework for prioritizing programs and projects.

In any endeavor, 80 percent of the results are due to 20 percent of the activities according to Pareto principle. The BSC measures progress and identifies critical tasks that need to be prioritized and accomplished to realize efficient execution of corporate strategies by providing a holistic model of organizational performance that starts with the end in mind. The BSC is based on coming up with effective strategies to drive the organization to the future, give it the right direction, create a cause-and-effect relationship while at the same time considering both the intangible and financial assets which will determine its success or failure (Kaplan & Norton, 1996).

An organization’s financial or tangible assets are historic in nature and lack futuristic outlook while its non-financial or intangible assets (information, skills, processes, innovation) can assist in guiding and evaluating the journey that modern information age organizations can take to create future value through investment in stakeholders such as customers, shareholders, staff, suppliers (Kaplan & Norton, 1992). Measures of performance must be explicitly related to the strategy-map of theorised cause-and-effect nexus which demonstrate the firm's strategy (Kaplan & Norton 2000; 2004). The balanced scorecard changes the mission and strategy of an organization into a wide-ranging set of performance measures which offer the direction for a strategic measurement and system of management (Kumari, 2011).

Key Performance Indicators (KPI) need to be established as an essential part of the BSC adoption as it offers the basis on which the structure is part of the vital relationship between execution and adjustment of strategy (Slater, Olson, & Reddy, 1997). The BSC further provides a tool for planning and target-setting by using KPIs and targets to measure progress. The KPIs need to be meaningful and relevant to the user to provide information that will help make better and informed decisions. It is through measurement that monitoring and evaluation processes can be carried out and corrective measures taken to ensure the desired performance is achieved according to the organizational strategy in the prevailing business environment. This provides strategic feedback and learning to facilitate improvement through the organization's monitoring and evaluation processes. Performance, being a comprehensive result, its measurement and evaluation system should be equally comprehensive and multidimensional to achieve alignment and coherence with the notion of its performance (Moore & Lyon, 1995).

According to Kaplan & Norton (1992) on balanced scorecard, the important measurement is the balancing of financial and operational measures. This model measures the current and future financial and operational success of an organization unlike the old methods where financial measurements were based on the past financial history of the organization (Kaplan & Norton, 1996). The BSC model puts emphasis on improving specific objectives for the success of the organization or else, it will lose out to its competitors (Kaplan, 2010).

In order for strategy implementation to be successful, there is need for a clear alignment and synergy between all the factors or parameters that make up an organization; customers, processes, people or staff and capital or financials. Today's organization recognizes that competitive advantage comes through intangible knowledge, capabilities and relationships created by staff and not from physical assets and access to capital. To have competitive edge, there is need to agree on a structured methodology for using performance measurement information to design goals, allocate and prioritize resources and communicate business expectations to staff as well as change policies to suit the organization's desired direction and strategy. Through management by objectives, all employees should have personal performance objectives that are strongly aligned to the company strategy (Drucker, 1954).

Organizations strategize for differentiation based on information and therefore their ability to exploit their intangible assets in addition to managing their tangible assets to offer competitive advantage. Intangible assets enable organizations to develop customer relationships that retain loyalty of existing and new customers to be served effectively and efficiently thus increasing sales and therefore revenue. Products and services that are desired by the customers must be innovative, must be of the right quality and customised to needs of the customers at low costs and within the lead time. Customers who are satisfied keep coming for more or the same product, tell others about the products and services and are not distracted by competing organizations (Kotler & Armstrong, 2004).

According to KenGen Magazine (Third Quarter, 2007), a management consultant (McKinsey) was engaged to guide transformation process to re-structure the organization with the relevant departments with focus on competition from Independent Power Producers (IPPs) and in line with Kenya's vision 2030 blueprint on electrical power. SWOT & PESTEL tools were used to gather data and information to facilitate informed decision making.

The transformation from Good to Great was dubbed G2G which also meant Generation to Generation culminating in re-designing and developing relevant business processes while doing away with irrelevant ones. The G2G strategy was inspired by the desire to focus on Wildly Important Goals (WIGs) which had high impact and ought to be either achieved or else nothing mattered. In any endeavor, 80 percent of the results are due to 20 percent of the activities (Pareto principle). According to Jim Collins, Good is the enemy of Great that is why when organizations feel they are good they never endeavour to be great. To measure progress, there was need to keep a compelling scorecard or balanced scorecard to motivate the staff to efficiently and effectively perform their duties. With full support from KenGen non-executive (board of directors) and executive directors, balanced scorecard system was introduced as a reporting and performance management tool to guide the strategy and the change process.

The motivation of BSC was inspired by the creation of cause and effect mind-set among the staff to enhance continual improvement through strategic learning and progress measurement in the implementation of the strategy. Workshops and frequent discussion meetings between the board of directors, executive directors, the managers of the departments and team leaders were organized to facilitate implementation with a view to discussing and clarifying organizational strategy, making staff see the need for change using ADKAR tool and introducing new staff performance appraisal system.

In order to influence change of culture and mind-set, every staff had to apply for the newly created positions in the new organizational structure designed to effectively deliver the strategy. Complete overhaul of the status quo introduced job insecurity and also opened new opportunities of career progression thus stimulating the desired behavioural change. Both in-house and outsourced communication including training helped all staff to develop the required competencies that resulted to staff commitment and quick wins aimed at stimulating motivation for change. Staff performance execution gap and culture surveys were conducted and the results shared with all staff to promote awareness on strengths and weaknesses. All the staff were involved and empowered in teams at different organizational levels with each accountable for their performance on their own strategic objectives that had to be linked explicitly to sectional, departmental, divisional and corporate strategy.

Consequently, the measurement of team performance was grounded on principles that were reliably derived from these strategic objectives. Performance measurement and accountability were defined at both individual, team and business unit level using common indicators that cut across the whole organization and those unique to different teams and individuals. Operational indicators were specific to local teams while external indicators related mostly to financial and customer perspectives as viewed from outside the organization in terms of revenue and market growth. Recording of information was done mostly with SAP ERP system which consolidated all the information from the sub-systems.

Kaplan & Norton (2001) noted that an effective performance measurement system should provide timely and accurate feedback on the efficiency and effectiveness of operations. The teams assessed the relevance of the indicators regularly and redefined them or introduced new smarter ones. The company management supported these processes, making sure that the indicators were coherent and consistent with clear links to the company’s strategic objectives. In close consultation with the key team members, discussions were made to establish the extent to which the indicators measured what they ought to measure and whether they reflected the teams’ responsibilities. Careful and strategic approach involving strong top management support and bottom-up involvement of staff was valuable.

1.2 Statement of the Problem

Many organizations including KenGen in this case have excellent strategies but majority of them fail to achieve their desired goals due to the execution gap in the realization of the strategy. A lot of time and energy is spent in formulating strategy but equal amount of effort is not spent in communicating and executing the great strategy into the desired great performance. As a consequence, expected results are not fully realized due to the execution gap that exists between setting a goal and having it actually achieved to its greatest potential. There was a challenge of getting the right things done that mattered and would lead to the achievement of the organization’s strategy which required alignment and re-alignment of activities to the ever changing environment. Failure to close the strategy-to-performance gap negatively influenced performance culture of staff and therefore the organization. Unlike the past industrial economy organizations where staff had well defined roles, the current knowledge economy organization staff like KenGen’s can play many roles.

Under the circumstances of shifting priorities, conflicting demands and ever emerging distractions, the staff found themselves not focusing on the activities that mattered to the success of their organization. Despite Balanced Scorecard (BSC) system being in place, linking reward and recognition systems with strategic results to enhance staff motivation was also challenging. After KenGen’s adoption of balanced scorecard system in the year 2008, execution gap and culture survey studies have been conducted by management consultant (McKinsey, 2009) but there was no other study in KenGen that the researcher had found to be carried out as far as 2017 to establish the influence of BSC on organizational performance hence the need to conduct this study at KenGen’s Central Office, Nairobi City County in Kenya, from where strategy originates.

1.3 Purpose of the Study

The study aimed at establishing the Influence of Balanced Scorecard on Organizational Performance of Kenya Electricity Generating Company Limited, a Case of Central Office in Nairobi City County as a bench-mark for other regions within KenGen Ltd and other organizations.

1.4 Objectives of the Study

The study aimed at researching on the Influence of Balanced Scorecard on Organizational Performance of Kenya Electricity Generating Company Limited, a Case of Central Office in Nairobi City County to:-

(i). Examine the Influence of Staff Training on Organizational Performance of KenGen.

(ii). Investigate the Influence of Internal Business Processes on Organizational Performance of KenGen.

(iii). Determine how Customer Satisfaction Influences Organizational Performance of KenGen.

(iv). Examine how Financial Performance Influences Organizational Performance of KenGen.

1.5 Research Questions

The following questions were used to guide the study:-

(1) To what extent does increase in Staff Training improve Organizational Performance of KenGen ?

(2) How do improved Internal Business Processes enhance Organizational Performance of KenGen?

(3) How does enhanced Customer Satisfaction increase Organizational Performance of KenGen?

(4) To what extent does increase of Financial Performance enhance Organizational Performance of KenGen ?

1.6 Significance of the Study

The study at KenGen's Central Office, Nairobi region may encourage other regions that are spread across the Kenyan nation to learn about the study in readiness for application of the research findings. This study may also showcase the importance of using Balanced Scorecard system of management to implement strategic objectives and is expected to encourage other similar organizations to adopt the management tool to enhance achievement of their business strategies.

1.7 Basic Assumptions of the Study

It was assumed that the respondents properly understood the basic concepts of the use of Balanced Scorecard (BSC) system and its application to their unique situations. It was assumed that the responses from the respondents would reflect the true picture of the study. It was further assumed that the BSC performance indicators would be relevant and applicable to the unique needs of the location of the study in the prevailing conditions.

1.8 Limitations of the Study

Getting responses that were not consistent with expectations was a challenge that was mitigated by ensuring that the questions to be answered were clear and not ambiguous. The expected obstacle of dishonest responses to questions was countered by not requiring respondents to identify themselves. In addition, before collecting data, introductory letter from the university, a research permit from National Commission for Science, Technology and Innovation (NACOSTI) and authorization letter from the human resource department of the respondents were attached to emphasize to the respondents that there was no victimization for giving responses to facilitate the research which was expected to provide useful findings and recommendations. The survey research methodology was used to measure belief and not necessarily the actions as whatever was said by the respondents was considered to be true and therefore no statistical test was performed to examine the non-response bias and authenticity of the respondents' answers. It was anticipated that it would be difficult to get sufficient number of the self-administered e-questionnaires completed and returned so that meaningful analyses could be made. This was mitigated by making polite reminders through e-mail and in some cases through telephone calls.

1.9 Delimitation of the Study

The study was limited to KenGen's central office in Nairobi City County, Kenya in the prevailing business environment at the time of the study because the organization's vision and strategy originated from the central office. KenGen has power plants and branch offices that are far flung and spread across the country of Kenya and therefore the scope of the study was restricted to the central office for the project time and resources available at the time of the study. This also made logistics manageable.

1.10 Definition of Significant Terms Used in the Study

Balanced Scorecard is an integrated strategic planning and management system that is used to align business activities to the vision and strategy of an organization using four perspectives (financial, customer, internal business processes, learning and growth) in a balanced manner (Kaplan & Norton, 1992).

Customers are **s**takeholders who are the direct beneficiaries of products and services of an organization.

Customer Satisfaction is a measure of how products or services supplied or offered by an organization to meet or surpass user or consumer expectations.

Financial Performance is the monetary aspect of level of achievement of an organization.

Internal Business Processes are the inside business operations or activities of an organization that transform inputs into outputs to meet the desired outcomes.

Organization is a specific social structure that is designed for achieving common human purposes or goals.

Organization Culture is the **s**hared set of beliefs and values reinforced by an organization's symbols and structure and manifested in the way people think and act. It is also the basic pattern of shared assumptions, values and beliefs considered to be the correct way of thinking and acting on opportunities and problems facing the organization.

Organization Performance is the level of achievement of an organization

Performance is defined as achieving goals with defined quality and quantity. It is a standard used to evaluate and communicate level of achievement against expected results.

Process is a chain of activities that transform inputs into outputs and thereby adding value.

Respondent is the participant of the research who answers questions (in the online questionnaire in this case).

Stakeholders are the universe of people with an interest in the success of an organization (Customers, Employees, Shareholders, Vendors, Suppliers, Regulators, Policy Makers).

Staff Training is the capacity building for staff (knowledge, skills, performance, leadership, mentorship, succession planning) to meet the objectives.

1.11 Organization of the Study

The study is divided into five chapters. Chapter one is the introductory part of the study which includes background of the study, statement of the problem, purpose of the study, objectives, research questions, significance of the study, limitations, delimitation, assumptions, definition of significant terms and organization of the study. Chapter two explains the literature review organized as staff training and organization performance, internal business processes and organization performance, customer satisfaction and organization performance, financial performance and organization performance, theoretical framework of the study, conceptual framework, relationships of variables in the conceptual framework, knowledge gaps in the literature review and summary of literature review. Chapter three describes the research methodology involving research design, target population, sample size & sampling procedures, data collection instruments (pilot testing, validity & reliability), data collection procedures, data analysis techniques, ethical considerations, validity of the instrument and reliability of the instrument, piloting of the research instruments, data collection procedures, data analysis techniques, ethical considerations and operationalization of variables. Chapter four explains data analysis procedures to be used involving how the data will be collected, cleaned, coded and entered including the statistical procedure to be used. Chapter five provides a summary that explains the research findings, discussion, conclusions and recommendations of the analysed data.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter explains the concept of Balanced Scorecard (BSC) on organizational performance including four themes based on the objectives of the study that are anchored on balanced scorecard concept of management as follows; staff training and organizational performance, internal business processes and organizational performance, customer satisfaction and organizational performance, financial performance and organizational performance.

2.2 Concept of Balanced Scorecard on Organizational Performance

According to Kaplan and Norton (1992), both financial and non-financial performance indicators of an organization have to be efficiently and effectively monitored and tracked by the management. The Balanced Scorecard framework is used to present organization goals using a cause and effect link as seen from; learning and growth. customer, financial and internal processes (Kaplan & Norton, 1996). The word “Scorecard” stands for quantified performance indicators and the word “Balanced” indicates that the BSC system is undertaken based on both the short-term and long term organizational goals, lagging and leading indicators, internal and external performance indicators or perspectives and financial and non-financial measures.

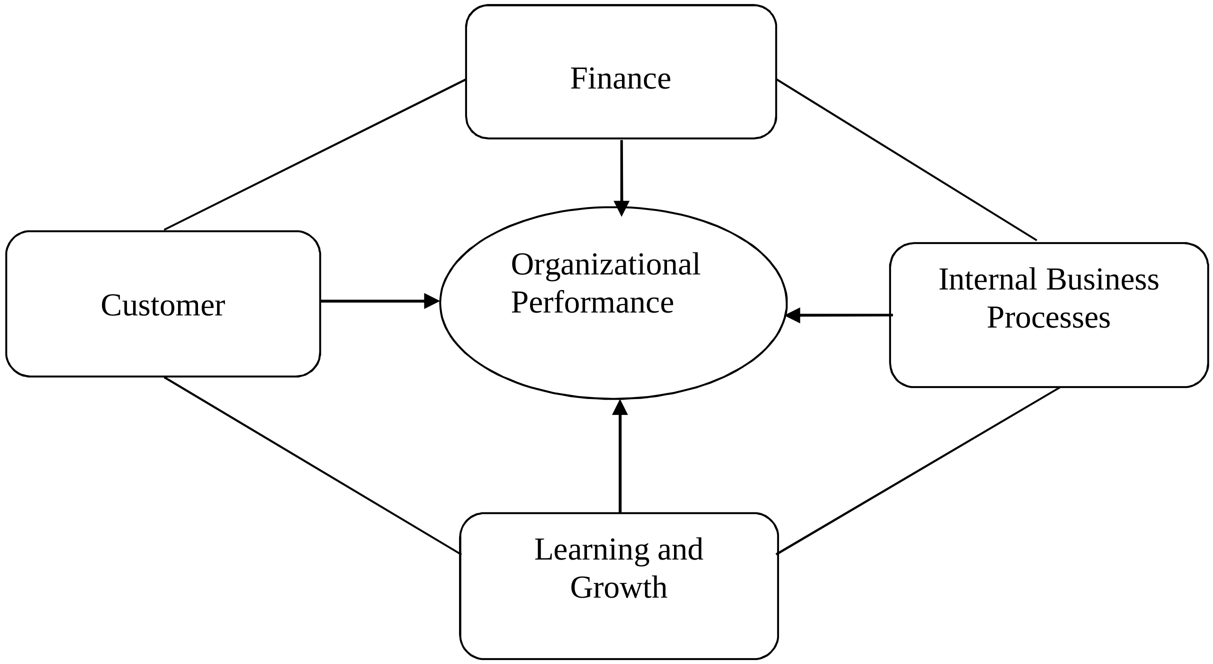

Figure 1: Conceptual Model of BSC and Organizational Performance (Kaplan and Norton, 1992).

In Figure 1, BSC Learning and Growth perspective has been scaled down to Staff Training as per the scope of this study. The Balanced Scorecard (BSC) is a means to translate the mission and strategy of an organization into all-inclusive set measures of performance measures which provide the structure for measuring strategic orientation and management of systems (Kumari, 2011). Kaplan and Norton (1996) further opine that the Balanced Scorecard is basically a means for interpreting the management strategy into action. Robbins and Coulter (2012) describe balanced Scorecard approach as a way to evaluate organizational performance from more than just financial perspective.

Organizational Performance has Key Performance Indicators (KPIs) that point to the business growth, expansion, competitive price of goods/services or electricity for KenGen, efficiency and effectiveness. Financial perspective comprises the traditional financial performance KPIs such as revenue growth, profitability, cost control and reduction. Customer perspective has KPIs of importance to customers such as meeting power purchase agreements (PPA), Service Level Agreements (SLA), power plant and services availability. Internal Business Processes perspective has KPIs of the critical internal activities that the organization uses to meet its objectives such as quality, safety, technology, process re-engineering and process improvement. Learning and Growth (Staff Training in the scope of this study) has KPIs that represent the organization's ability to adapt and innovate for the future; staff training, staff performance appraisal, staff motivation, leadership, mentorship and succession planning.

The general Balanced Scorecard approach for profit making organizations such as KenGen is as follows; increase in staff training leads to improved business processes which in turn result in better service or product quality and therefore higher customer satisfaction. Higher customer satisfaction enhances customer loyalty, new customers, more sales, increased revenues and therefore improved financial performance. Improved financial performance increases organization performance in terms of business growth, expansion, image, creditworthiness, confidence. The Balanced Scorecard Financial and Customer perspectives are results perspectives while Internal Processes and Learning & Growth perspectives are enabling perspectives. Generally speaking, improving performance in the objectives found in the Learning & Growth viewpoint gives the organization an opportunity to enhance its process internally to drive the desired results on the basis of the customer and financial perspectives (Kaplan & Norton, 1996). These measures are therefore linked in a long chain of cause-effect interaction which drives the organizational performance in the context of learning and growth viewpoint through to enhanced financial performance, (Niven, 2007).

2.3 Staff Training and Organizational Performance

Training is part of the broader balanced scorecard's learning and growth of employees in an organization which deals the effects of organizational alignment (culture, leadership, alignment and teamwork), the quality of information systems (systems, databases and networks), the ability of employees (skills, talents, knowledge) and supporting the accomplishment of organizational objectives (Gekonge, 2005). The Key Performance Indicators (KPIs) in the staff training theme provide the infrastructure to enable improvement of business to facilitate achievement of the desired organizational performance. During staff performance appraisal dialogues with their supervisors, employee performance gaps such as training needs are identified and personal development plans documented for implementation and review in the next appraisal period.

Reward mechanism is initiated as per the human resource policy to boost staff motivation to perform better in their job functions. In a knowledge-worker organization, staff are the repository of knowledge and main strategic resource requiring learning and growth to build capacity to realize performance success. In this age and environment of rapidly changing technologies, it is ever necessary for knowledge workers to undergo relevant training and skills development in order to improve organizational performance. Staff performance appraisal measures success and failure of the staff in the business performance as part of monitoring and evaluation to allow for corrective measures and lessons learnt for organizational performance improvement.

Organizations face challenges of achieving their goals and therefore have a task of finding people with good leadership qualities to lead the organization (Boteng, 2012). The competitive edge and success of companies no longer lies in its product, but also in its people commitment through their leadership. According to Taylor (1998), employee commitment depends on how satisfied they are with leadership and this to a large extent can be attributed to the relationship between the leadership of the organization and the employees. (Premji, 2014) further says that if you're losing good people, look to their manager. They are the reason people stay and thrive in an organization. He further says that people leave managers not companies.

Staff performance comes from ability and motivation level of the staff. Kaplan & Norton (1996) notes that the strategy is based on the set targets to be measured and cascaded to the employees assigned the responsibility then reward them according to their level of achievement. Organizations must motivate their employees so that they perform to the best of their abilities to achieve the desired vision and strategy. Two-Factor Theory (Herzberg, 1959) on content motivation is based on two factors; satisfaction (motivation) and dissatisfaction (hygiene) and that there are certain factors in employee workplace that cause job satisfaction and another set of factors that cause dissatisfaction. Herzberg established that the factors related to the feeling of happiness and satisfaction were related to the work itself the employees do while those which led to dissatisfaction were related to the work environment surrounding the job. The theory assumes that employees are only motivated by enriched jobs and that every employee desires an enriched job. Herzberg therefore came up with a suggestion that the work environment for employees should be made more interesting and comfortable with emphasis on the job itself which should be comfortable and challenging for the employees to get motivated to do it. when the job is well enriched, the employees have the opportunity to utilize knowledge and skills more fully, assume more authority and responsibility for (planning, organizing, receiving feedback on performance, growing and developing, performing more challenging and complete unit of work, directing and controlling work while remaining accountable).

Balanced Scorecard is used to transform strategy into operational tasks by having the end in mind, that is expectations such as outcomes and rewards and therefore expectancy motivation theory applies. Expectancy Theory (Vroom, 1964) on process motivation is any scenario or situation in which people develop expectation based on what they do to improve motivation where effort has been put to achieve a given goal (the outcome). On the other hand Herzberg assesses the link between the needs of organization from an internal perspective and the expected effort to accomplish them. However, Vroom separated effort arising from motivation, outcome and performance of the employees in an organization and hypothesized that for one to be motivated, there must be some form of effort and performance. According to Vroom, this scenario is pegged on three variables (Valence, Expectancy and Instrumentality).

Expectancy theory deals with the thinking that when there is increased effort, there is increased performance as well which involves, having the right skills to do the job, having the necessary support to get the job done (supervisor support, or correct information on the job) and having the right resources available (raw materials, time). On the other hand, instrumentality is anchored on the thinking that good performance leads to a valued outcome (if one is one is able to do a good job, there is a reward for oneself). Therefore, the thinking behind the expectancy and instrumentality concept is that effort and good work lead to a reward which then acts as a motivating factor. This also takes into account the concept of transparency in which the parties must ensure that all the processes are open and without bias.

Expectancy theory works on perceptions; someone may think that it will not work for them if it didn't work for others. The thinking behind this theory is that extrinsic financial motivators will work only if the relationship between the effort that has been put and the reward is clearly defined together with the value to be accrued from the effort invested. The theory impacts the management by strengthening the staff's efforts and promoting performance expectations through adequate provision of the necessary resources. This enables the employees to enhance their performance by relating performance with the reward structures such as pay. Therefore the managers need to ensure consistency and transparency in all the criteria used for promoting the employees, matching their rewards with performance, devise recognition strategies for the employees' ability and use it optimally, develop appropriate procedures for evaluating employee performance (by measuring actual performance, aptitude and criteria for promotion) and provide employees with opportunity to perform through enabling environment and resources.

Key Performance Indicators (KPIs) must also be SMARTER (Specific Measurable, Achievable, Realistic, Timely, Extending and Rewarding). One cannot improve on what one cannot measure. The KPIs must also be aligned with the company's strategic plan to measure performance of objectives. Scorecards can be kept on each staff and their performance can be measured and benchmarked against others to indicate areas of improvement and the gaps that need to be filled. Therefore managers can use Balanced Scorecard in communicating strategy, planning, controlling, and getting feedback and performance monitoring. An organization's successful performance in terms of the traditional financial or tangible assets is historic in nature and lacks futuristic outlook while its balanced consideration of non-financial or intangible assets (information, skills, processes and innovation) can assist in guiding and evaluating the journey that modern information age organizations can take to create future value through investment in stakeholders such as customers, staff, suppliers, contractors (Kaplan & Norton, 1992).

Balanced Scorecard's usage in setting of organization goals and targets necessitates application of Goal Theory (Latham and Locke, 1979**)** which states that motivation and performance are higher when; specific goals are set for individuals; the goals are difficult but accepted, there is feedback on performance. Goal theory is aligned to the concept of management by objectives (MBO) and it forms the foundation for performance management process. Through Management by Objectives, all employees should have personal performance objectives that are strongly aligned to the company strategy (Drucker, 1954). Leadership provides a spark that can raise morale of employees. Drucker (2003) noted that "leadership is a human characteristic which lifts a person's vision to highest heights, raises performance to higher standards and builds personality beyond its normal situations". The management ought to assess staff performance in order to improve skills and identify gaps that need to be filled through further training. The KPIs need to measure success and failure of the staff and link this to rewards or corrective measures to allow the business processes to improve and be competitive in the emerging stiff competition in business.

2.4 Internal Business Processes and Organizational Performance

Internal business processes are the mechanisms through which organizational performance expectations are achieved. Modern evaluation system results in satisfaction improvement, efficiency improvement, and finally improvement in effectiveness of organizational activities (Norton, 1999). Internal business processes are grouped into the following; operational management processes, customer management processes, innovation processes, regulatory and social processes. Operational processes need to be improved continually to attain efficiency and effectiveness to deliver existing products and/or services in order to achieve the desired organizational performance.

Efficiency is a means of achievement of the desired result while effectiveness is the desired end result (the end justifies the means). Kaplan & Norton (2001) observes that an effective performance measurement system should provide timely and accurate feedback on the efficiency and effectiveness of operations.

Customer management processes are meant to improve customer satisfaction. Customer-based measures are important, but they must be translated into measures of what the organization must do internally to meet its customers' expectations (Kaplan & Norton, 1992). Customer management processes need to be enhanced to attract more customers and retain existing ones in order to increase sales, grow business with customers and therefore the performance of the organization. Innovation processes help in creation of new products and/or services to meet business and customer requirements. Participation in innovation processes should be geared towards taking advantage of new opportunities through sponsorship of research and development activities. Improvements in regulatory and social processes are necessary for promotion of environmental, health, safety and corporate social investment to mitigate risk as well as build rapport and live harmoniously with the local community.

Internal business processes will only succeed if adequately skilled and motivated employees, supplied with accurate and timely information and led by effective leadership, are driving them. They will lead to production and delivery of quality products and services; and eventually successful financial performance (Gekonge, 2005). Financial performance will in turn lead to organizational performance. Kaplan & Norton (1992) suggest that what is needed is "a balanced presentation of both financial and operational measures". In addition, while traditional financial measures report on what happened during the last period without indicating how managers can improve performance in the next, the scorecard functions as the cornerstone of the organisation's current and future success (Kaplan & Norton, 1996). Operational improvements (internal process perspective) such as improved quality and reduced cycle times will delight the customers and therefore result in more sales and better organization performance.

2.5 Customer Satisfaction and Organizational Performance

In an organization, "the customer is king" and therefore a strategic asset that needs to be nurtured and satisfied to create loyalty in order to guarantee repeat business and recommendation to potential clients to attract new customers to ensure success in the organization business performance in terms of increased sales. This will increase revenue, profitability, business growth and good image. Objectives and the associated metrics based on this theme allow the managers to know the progress of their business and whether its products and services conform to customer requirements as envisaged in the mission and vision of the organization. Modern evaluation system results in satisfaction improvement, efficiency improvement, and finally improvement in effectiveness of organizational activities (Norton, 1999).

The customer satisfaction metrics need to be formulated by the staff who are directly concerned and fully know the customer management processes but never imposed by other people. It is vital for business to measure its success and improve on its failures by referring to a scorecard perspective which focuses on results that lead to customer satisfaction and therefore better business performance in the organization. Customer-based measures are important, but they must be translated into measures of what the organization must do internally to meet its customers' expectations (Kaplan & Norton, 1992). Customer expectations being dynamic, the organization shall monitor information concerning customer perception, trends in customer satisfaction and Key Performance Indicators (KPIs) of customer dissatisfaction shall be documented (ISO QMS 9001, 2008). This ensures that there is a system that continuously captures the voice of the customer through assessment of performance from the customer's point of view. Quality of goods and services should be customer-driven.

Fundamental rules of leading and operating an organization should aim at improving performance over the long term by focusing on customers while addressing the needs of all other stakeholders. Kaplan & Norton (2001) state that the customer perspective enables companies to align their customer outcome measures (satisfaction, loyalty and retention to market segments). Gaining competitive edge involves winning customers from rivals by focusing on customer needs in addition to retaining existing customers in order to increase sales volumes and therefore organization success in performance.

The Balanced Scorecard (BSC) requires that the managers are able to translate the general organizational mission statement on the services offered to the customers into the particular measures reflecting the factors that are considered important by the customers (Kaplan & Norton, 1992). When customers are satisfied, they come back to buy the product again and also influence others for come and buy from the same organization. They also pay less attention to the competitors of their preferred product or service provider and even buy more products from the same company or organization (Kotler & Armstrong, 2004).

The current philosophies in the field of management have demonstrated an increase on the importance focus on their customers and ensuring the customers are satisfied with their products (Chabrow, 2002; Holloway, 2002; Needleman, 2003). In this case, the leading indicator is: unsatisfied customers will find other suppliers to meet their needs due to poor performance in customer relationship. This will eventually lead to decline in organizational performance or even closure in the end if some drastic action is not taken to improve customer satisfaction. Therefore the customers' needs should be analyzed in terms the kinds of processes for which products or services are provided to those customer groups and the kinds of customers that are targeted when developing metrics for satisfaction. Ensuring effective customer satisfaction changes the mission and strategy of an organization into specified measures of performance related to the target customers. This should be communicated in the whole organization for clarity and coherency to ensure that the organization achieves customer loyalty, new business sales and repeat customers which leads to organizational prosperity.

2.6 Financial Performance and Organizational Performance

Achievement of objectives and Key Performance Indicators (KPIs) defined in the financial perspective is the desired aspiration. As a performance measurement tool, Balanced Scorecard (BSC) is used to measure progress and identify critical tasks that need to be prioritized and accomplished to realize efficient execution of corporate strategies. Twenty percent of something always are responsible for eighty percent of the results (80/20 rule or Pareto principle). It is vital for an organization to keep track of its financial data as well as create new ways to get revenue and profitability. Since balanced scorecard concerns strategy, the financial perspective lets the company see if the budget the organization has at hand will allow execution of its strategy by taking balanced measures towards achieving the desired organization performance. Timely processing, storage and access to financial data through automated computer system such as Enterprise Resource Planning (ERP) system is necessary for timely and informed decisions by the management. Kaplan & Norton (2001) noted that an effective performance measurement system should provide timely and accurate feedback on the efficiency and effectiveness of operations. It adds value to include additional financial-related data such as risk and cost-benefit data as well as balance with non-financial factors in the other BSC perspectives.

The financial perspective makes the organization to be conscious of its financial performance in terms of its capabilities to spend smartly, to acquire revenue, sustain and enhance its business without negative impacts. Therefore, in order to achieve financial outputs (in financial perspective), we should make value for our consumers (in customer perspective) and it happens only if we can transcend in our operational processes and adopt them with our consumers' needs (in internal processes perspective) and it doesn't happen if we don't prepare an appropriate space for staff and try to improve creativity, learning and growth in our organization (Kaplan & Norton, 2001). In the context of organizational performance management, the BSC is a strategic management tool that improves performance and organizational success (Brignall & Modell, 2000; Ellinson & Wambsganss, 2001; Johnsen, 2001; Kaplan, 2001; Niven, 2003; Wilson et al., 2003). As a management system, Balanced Scorecard enables organizations to clarify their vision and strategy and translate them into action and provide feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results.

Kaplan & Norton (1996) describe BSC as management communication tool that could be used to communicate the vision of the organization to its stakeholders and measure the success of the strategy. Balanced Scorecard changes the organization's vision and strategic direction into a planned set of measures of performance in the four main perspectives (financial, customer satisfaction, internal business processes, learning and growth) which balance between short term and long term goals, performance measures and envisaged drivers, subjective and objective measures (Kumari, 2011).

When the non-financial and intangible assets are improved, they lead to enhanced performance through the concept of cause-effect interaction where more than two stages are involved since intangible assets do not have value unless they are mixed with other intangible and tangible assets to create value. Therefore the BSC model is anchored on coming up with a strategy to drive the future direction of the organization and creating a cause and effect relationship while at the same time incorporating the financial and intangible resources to determine the organizational success or failure, (Kaplan & Norton, 1996).

2.7 Theoretical Framework of the Study

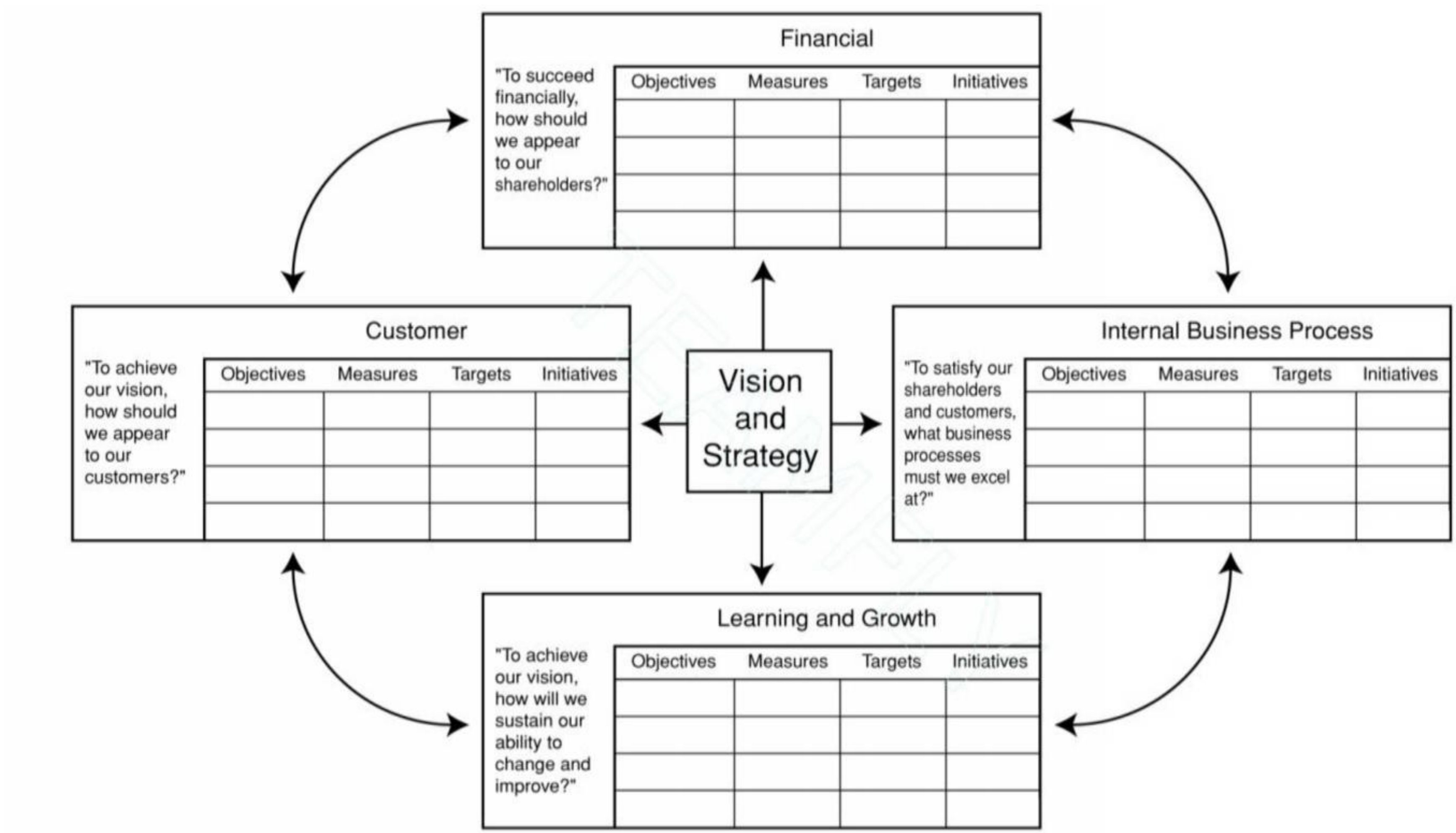

Figure 2: Theoretical Framework - Balanced Scorecard Model (Kaplan and Norton, 1992)

The Balanced Scorecard management system enables an organization to clarify its vision and strategy and translate them into action (Moraaj, 1999), using four perspectives (Finance, Customer, Internal Business Process and Learning & Growth) in a balanced manner. The general balanced scorecard approach for profit making organizations such as Ken Gen is as follows; increase in Learning & Growth (Staff Training in this study) leads to improved business processes. Improved business processes results in better service or product quality and therefore higher customer satisfaction. Higher customer satisfaction enhances customer loyalty, new customers, more sales, increased revenues and therefore improved financial performance. Improved financial performance increases organizational performance in terms of business growth, expansion, image, creditworthiness and confidence.

The Balanced Scorecard Financial and Customer perspectives are results perspectives while Internal Processes and Learning & Growth perspectives are enabling perspectives. Generally speaking, improving performance in the objectives found in the Learning & Growth perspective enables the organization to improve its Internal Process perspective objectives which in turn enables the organization to create desirable results in the Customer and Financial perspectives. These measures should link together in a chain of cause-and-effect relationships from the performance drivers in the learning and growth perspective all the way through to improved financial performance as reflected in the financial perspective (Niven, 2007). It is important to adopt a performance management software to efficiently and effectively communicate performance information to the relevant stakeholders in order to institutionalize the balanced scorecard in the organization. In the case of KenGen, SAP ERP system was still in use at the time of the study.

2.8 Conceptual Framework of the Study

Conceptual framework is a research tool that is used to develop awareness and understanding of a situation under scrutiny. The framework in this case therefore illustrates the picture of the problem to be studied.

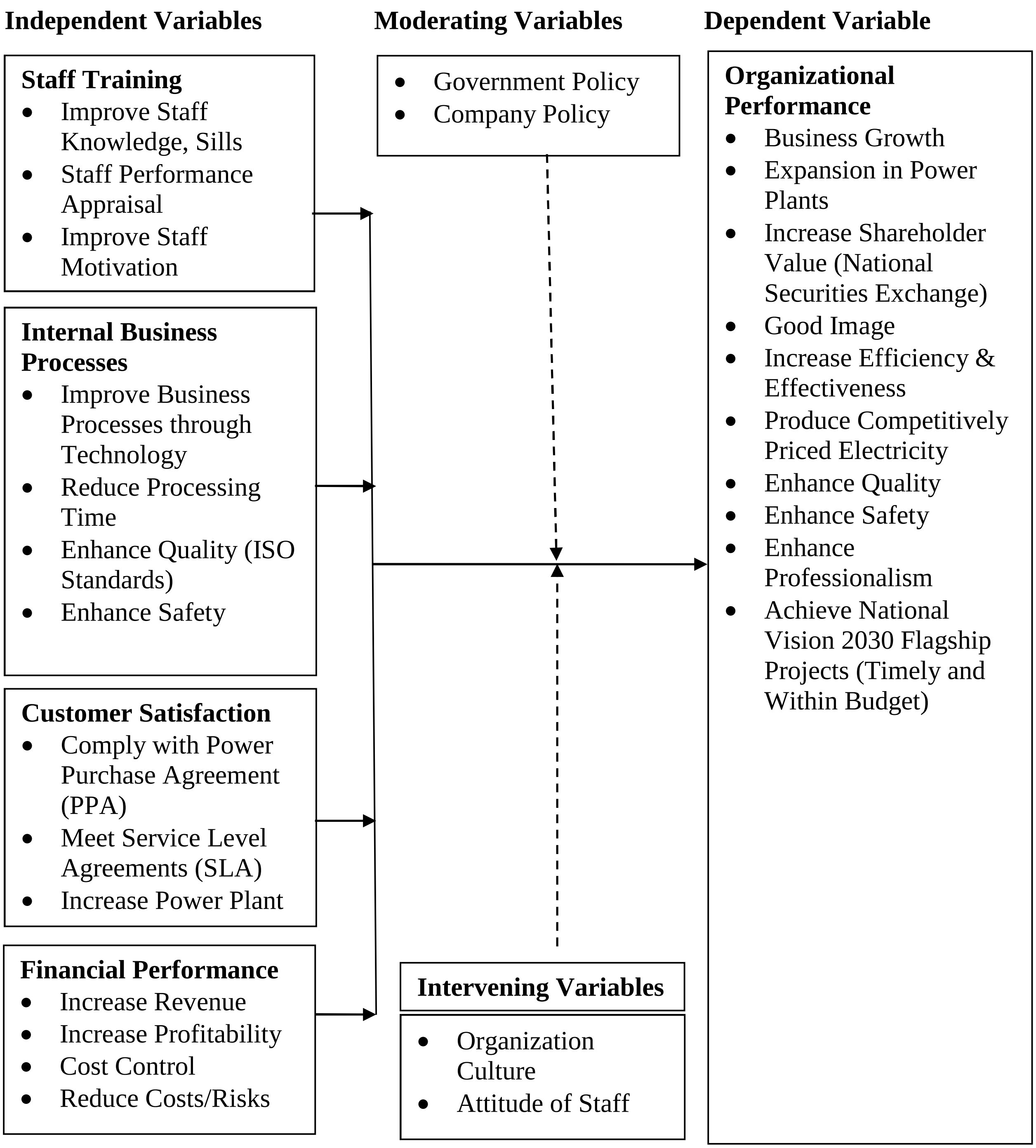

Figure 3 Conceptual Framework of the Study

2.9 Relationships of Variables in the Conceptual Framework

There were four independent variables; Staff Training, Internal Business Processes, Customer Satisfaction and Financial Performance while the dependent variable was Organizational Performance. The moderating variables were Government Policy and Company Policy while intervening variables were Organizational Culture and Attitude of Staff. Increased Staff Training resulted in better Internal Business Processes. The enhanced Internal Business Processes in turn led to better product or electricity and its associated services quality and therefore higher Customer Satisfaction which also led to loyal existing customer (Kenya Power) and attraction of new customers in the liberalized energy sector. More customers increase sales, revenue and therefore lead to better Financial Performance. Financial Performance increase enhances Organizational Performance in terms of growth and expansion, efficiency, quality of electricity and its services, good image, better price for electricity. Government and Company policies are the moderating variables that can affect variables relationships positively or negatively. Organization culture and attitude of staff are the intervening variables that can affect the relationship between independent variables and the dependent variable unless they are appropriately managed.

2.10 Knowledge Gaps in the Literature Reviewed

After implementation of Balanced Scorecard (BSC) in KenGen, performance execution gap and culture surveys have been conducted but influence of BSC on the performance of the organization has not been carried out before hence the need for this research.

2.11 Summary of Chapter Two

Balanced Scorecard (BSC) is an integrated strategic planning and management system that views an organization from four perspectives (Financial, Customer, Internal Business Process, Learning & Growth) in a balanced way as opposed to the biased traditional Financial perspective only (Kaplan & Norton, 1992). Balanced Scorecard was originated by Dr. Robert Kaplan and Dr. David Norton in 1992 as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more balanced view of organizational performance.

Kaplan & Norton (1996) describe BSC as a management communication tool that could be used to spread the vision of the organization to its stakeholders and communicate and measure the success of the strategy. Niven (2002) describes BSC to be a set of measures derived from an organizational strategy that helps management of the organization to communicate the outcomes and performance drivers by which the organizational plans to achieve its mission and strategic objectives. Balanced Scorecard transforms an organization's strategy into actionable operational tasks which can be measured.

Balanced Scorecard system gained popularity following drawbacks experienced from solely using the traditional financial or tangible dimension indicators to measure organizational performance hence the need to balance financial dimension with non-financial or intangible dimensions to provide an integrated framework for describing organization strategy through the use of linked performance measures in all the four balanced scorecard perspectives. Balanced Scorecard is used to measure progress and identify critical tasks that need to be prioritized and accomplished to realize efficient execution of corporate strategies. Twenty percent of something always are responsible for eighty percent of the results (80/20 rule or Pareto Principle).

The main concept of balanced scorecard is planning with the end in mind, starting with strategy followed by operations or execution of the strategy. Further, balanced scorecard helps management address a serious deficiency in traditional management systems: the inability to link a company's long term strategy with its short term financial goals (Kaplan & Norton, 1992). The general balanced scorecard approach for profit making organizations such as KenGen is as follows; increase in staff training and development leads to improved business processes. Improved business processes results in better electricity product and its services quality and therefore higher customer satisfaction. Higher customer satisfaction enhances customer loyalty, new customers, more sales, increased revenues and therefore improved financial performance. Improved financial performance increases organizational performance in terms of business growth, expansion, image, creditworthiness and confidence.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter outlines the research design, target population, sample size, sampling procedure, data collection instrument, pilot testing of the instruments, validity of the instrument, reliability of the instrument, data collection procedures, data analysis techniques, ethical considerations and operational definition of the variables in the study.

3.2 Research Design

A research or study design is the plan of action the researcher adopts for answering the research questions and it sets up the framework for study or is the blueprint of the researcher (Kerlinger, 1973). Descriptive survey research design was used in this study to obtain data that helped to determine the special characteristics of the population under study. According to Mugenda & Mugenda (2003), descriptive survey design is appropriate because it involves collecting data in order to answer questions concerning the current status of subjects of the study. Kothari (2003) recommends descriptive survey design as it makes it easy to describe, record, analyse and report the actual conditions. The main advantage of descriptive survey research was that it had the potential to provide a lot of information from quite a large sample of individuals within limited time and resources. In view of this, the researcher did not control the variables but only described the situation as it was at that time. Best and Kahn (1993) recommends that descriptive survey design is the most appropriate in the behavioural sciences as it seeks to find out the factors associated with occurrence of certain events and conditions of behaviour.

3.3 Target Population

A population refers to an entire group of individuals, events or objects having a common observable characteristic (Mugenda & Mugenda, 1999). The target population for this research was heterogeneous comprising 360 of KenGen’s central office staff grouped as follows (267 in lower management, 63 in middle management and 30 in top management).

3.4 Sample Size and Sampling Procedure

Sample size and sampling procedure are as follows:-

3.4.1 Sample Size

A sample is a smaller group or sub-group obtained from the accessible population (Mugenda & Mugenda, 1999). A total sample of 243 staff was drawn from the KenGen's central office management staff (159 in lower management, 56 in middle management and 28 in top management) using Krejcie and Morgan Table (1970) which was appropriate for determining sample size for a finite population such as in this study.

3.4.2 Sampling Procedure

Proportional stratified random or probability sampling was used to select the sample that was representative of the heterogeneous population to facilitate generalization of the findings to the entire population at KenGen's central office in Nairobi City County, Kenya. The procedure involved splitting the heterogeneous population into homogeneous groups and then taking a simple random sample in each group or stratum. To increase efficiency in the survey results, it was vital to treat homogenous parts of the population as populations in their own rights. In this study, Krejcie and Morgan Table (1970) was used to determine the sample size in each stratum as indicated in table 3.1. In determination of sample sizes in each stratum, the next highest value was used in cases where the exact population size was not listed in the Krejcie and Morgan Table in Appendix VII.

Table 3.1: Sampling Frame

Table 3.1 shows the determination of the sample size from the target population of KenGen's Central Office, Nairobi City County, Kenya using Krejcie and Morgan Table (1970).

Management Target Groups (Strata)	KenGen's Central Office Staff Designations and Job Levels of Management Sub- Groups	Subtotals for Target Management Staff at KenGen's Central Office	Target Population	Sample Size (Using Krejcie and Morgan Table (1970) in Appendix VII.
Lower Management	Engineers/Officers (Level 5 & 6)	184	267	159
	Principal/Senior Engineers/Officers (Level 4)	83		
Middle Management	Chief Engineers/Officers Assistant Managers (Level 3)	63	63	56
Top Management	Managers (Level 2)	20	30	28
	Directors (Level 1)	10		
			360	243

Source: KenGen HR Department (2016)

3.5 Data Collection Instrument

Any device that is used by a researcher to collect data is called an instrument which in this study is an electronic questionnaire. A questionnaire is a carefully designed instrument consisting of a set of items to which the respondents are expected to react, usually in writing (Amin, 2005). The e-questionnaire was appropriate because it saved time and ensured uniformity of the questions asked. Questionnaire was also suitable because this study was mainly concerned with the views, perceptions and feelings of the respondents and such variables could not be observed directly. The study used structured questionnaires with all alternative questions for the respondents to select the best answers that described their situation as closely as it was (Mugenda, 2003). The questionnaires had a mixture of focused and free response items in a single instrument (Kothari, 2003) to enable the researcher to collect quantitative data from the closed-ended sections, and qualitative data from the open-ended sections. In some sections of the questionnaire, a likert scale was used to gauge the degree of response in terms of strength or weakness on a scale of one to five. To simplify data collection logistics, the e-questionnaire was transmitted in web-enabled format to the respondents by e-mail. This enabled access to respondents who would normally be difficult to access and also facilitated respondents to take time to give facts at their own convenient time.

3.5.1 Pilot Testing of the Instrument

As a pilot test, the structured questionnaires were first sent by e-mail to a sample of 97 staff obtained by using Krejcie and Morgan Table (1970) on the targeted population of 123 at KenGen's Mombasa branch (Kipevu) and their feedback and outcome of the pilot test was used to improve the data collection instrument before sending to different respondents for the study at KenGen's Central Office, Nairobi City County, Kenya.

3.5.2 Validity of the Instrument

Validity of the instrument is the extent to which it measures what it purports to measure. Kothari (2004) stated that validity measured the accuracy of the instrument in obtaining anticipated data that could meet the objectives of the study. In this study, pilot-testing of the questionnaire was done using another sample from a population in a different region so that the feedback could facilitate improvement of the data collection tool. In addition, the questionnaire also underwent face and content validity through sending to an expert in research so that the tool could further be improved by making the questions relevant and also unambiguous.

3.5.3 Reliability of the Instrument

A reliable instrument is one that gives consistent results when measurements are repeated under the same conditions to ascertain that the instrument measures what it is supposed to measure. The researcher through reliability was measuring the degree to which research instruments yielded consistent results or data after repeated trials (Mugenda, 2003). Reliability is consistency of measurement (Bollen, 1989), or stability of measurement over a variety of conditions in which basically the same results should be obtained (Nunnally, 1978). In this study, the reliability of the questionnaire was achieved by using split-half method to test the reliability of the data collection instrument by combining half of the respondents to form one test and other half to form the second test to measure the same behavior in the same time period. The reliability coefficient was found to be 0.9 which was good reliability. The correlation between the two halves tests were corrected to obtain the reliability coefficient for the whole test (Nunnally, 1978; Bollen, 1989) with a value from 0.8 to 0.9 for adequate reliability or from 0.9 to 1 for good reliability. The split-half method was preferred because split-halves are usually cheaper and more easily obtained than over time data (Bollen, 1989).

3.6 Data Collection Procedures

The researcher transmitted the electronic questionnaire to the respondents through email with a transmittal letter to provide details of the research to sensitize them. Reminder e-mails were sent to facilitate a high and acceptable questionnaire return rate in order to collect sufficient data. The questionnaires were electronic and sent by e-mail to save time and cut down on cost. , ensure uniformity of the questions and the option of anonymity also made respondents more comfortable to answer sensitive questions without fear of retribution. Respondents were freer to answer sensitive questions when they are not required to disclose their identity (Mulusi, 1988) as cited by (Mugambi, 2006).

3.7 Data Analysis Techniques

Descriptive statistics were used for data analysis using Statistical Package for Social Sciences (SPSS) for computation of results. Tables were used to organize data for analysis. Qualitative data was used to compliment, enrich and reinforce the quantitative data. Frequencies and percentages were used to obtain proportions of the data for comparison. In the likert scale values, combined respondents data was determined using weighted averages to measure the strength of response on a scale of one to five. The qualitative data was converted to quantitative data to facilitate measurements. In the cases where respondents answered open-ended questions, descriptions were used to analyze data. Data cleaning was done to remove redundancies.

3.8 Ethical Considerations

It was necessary to follow principles, guidelines and legal procedures when dealing with respondents to avoid infringing on their privacy as outlined in the bill of rights of the (Kenyan Constitution, 2010) since the study was conducted in the Kenyan Nation. Therefore, ethics was an integral part of the research process to fulfil ethical requirements for the researcher to avoid unnecessary risks and also accord respect, privacy and justice to the responds. Letter of introduction to conduct research was obtained from Nairobi University and facilitated acquisition of a research permit from National Commission for Science, Technology and Innovation (NACOSTI). The researcher sought approval from Human Resources Manager of the respondents through a written memo to staff to ensure that all respondents participated in the study without fear of victimization.

3.9 Operationalization of Variables

The definition of the variables as used in the study is indicated in Table 3.2.

Table 3.2: Operationalization of Variables

#	Objective	Variable Name	Type of Variable	Key Performance Indicator	Measurement Scale	Data Collection Method/Tool	Data Analysis Method/Tool
1	Examine how Training influences Organizational Performance.	Training	Independent	•Improve Staff Knowledge •Improve Staff Skills •Staff Performance Appraisal •Improve Staff Motivation •Leadership/Mentorship	Nominal, Ordinal (Rank).	Questionnaire, Frequency, Percentages, Likert Scale, Tables	Descriptive, Frequency, Percentages, Averages, Tables, SPSS
2	Investigate the influence of Internal Business Processes and Organizational Performance.	Internal Business Processes	Independent	• Improve Business Processes through Technology • Enhance Quality Culture • Enhance Safety Culture	Nominal, Ordinal (Rank).	Questionnaire, Frequency, Percentages, Likert Scale, Tables	Descriptive, Frequency, Percentages, Averages, Tables, SPSS
3	Investigate on how Customer Satisfaction influences Organizational Performance.	Customer Satisfaction	Independent	• Comply with PPA (Power Purchase Agreement) • Increase Power Plant Availability	Nominal, Ordinal (Rank).	Questionnaire, Frequency, Percentages, Likert Scale, Tables	Descriptive, Frequency, Percentages, Averages, Tables, SPSS
4	Examine how Financial Performance affects Organizational Performance.	Financial Performance	Independent	• Increase Revenue • Increase Profitability • Cost Control/Management • Reduce Operating Costs	Nominal, Ordinal (Rank).	Questionnaire, Frequency, Percentages, Likert Scale, Tables	Descriptive, Frequency, Percentages, Averages, Tables, SPSS.
5	Research on how Organization Performance is influenced by all the independent variables	Organizational Performance	Dependent	• Business Growth • Expansion • Good Image • Increase Efficiency • Enhance Quality/Safety	Nominal, Ordinal (Rank).	Questionnaire, Frequency, Percentages, Likert Scale, Tables	Descriptive, Frequency, Percentages, Averages, Tables, SPSS

CHAPTER FOUR

DATA ANALYSIS, PRESENTATIONS AND INTERPRETATIONS

4.1 Introduction

The chapter describes data analysis, presentations and interpretations as per the study. Mixture of qualitative and qualitative data ensured that the power of words was combined with the authority of numbers.

4.2 Questionnaire Return Rate

The following table indicates the questionnaire return rate.

Table 4.1 Questionnaire Return Rate

Questionnaires	Number	Percentage (%)
Returned Questionnaires	146	60
Unreturned Questionnaires	97	40
Total	**243**	**100**

Out of 243 questionnaires sent out to respondents by e-mail, only 146 questionnaires were returned which accounted for 60% as indicated in Table 4.1. According to Mugenda and Mugenda (2009), a response rate of 50 % is adequate for analysis and reporting; a rate of 60 % is good and a response rate of 70 % and over is excellent. Therefore 60 % questionnaire return rate was sufficient for the study

4.3 Demographic Characteristics of the Respondents

The following tables show the demographic data about the respondents

Table 4.2: Gender of Respondents

The table below displays the gender of the participants of the research to

Gender	Frequency	Percentage (%)
Male	76	52.05
Female	70	47.95
Total	**146**	**100.00**

Male respondents formed 52.05 % and Female respondents comprised 47.95 % as shown in Table 4.2, which was ethically a balanced participation and representation of the gender in the research.

Table 4.3: Age Group of Respondents

The table below shows the age group of the respondents

Age Group	Frequency	Percentage (%)
18 – 35 Years	56	38.36
36 – 49 Years	64	43.84
50 – 59 Years	26	17.80
Total	**146**	**100.00**

The highest number of respondents were in the age group (36 – 49) years which accounted for 43.84 % followed by the age group (18 – 35) years which formed 38.36 % and then age group (50 – 59) years at 17.80 %. It is noted that there was no respondent (0 %) as indicated in Table 4.3. Note that (60 Years & Above) age group was not included because the retirement age of staff in the organization is 60 years and also anybody in this age bracket may not be motivated to participate in the research as it may not benefit them as outlined in the transmittal letter.

Table 4.4: Education Level of Respondents

The table following table shows the level of education of the respondents

Education Level	Frequency	Percentage (%)
Diploma	14	9.86
Bachelor's Degree	72	50.70
Master's Degree	54	38.03
Doctorate Degree	0	00.00
Others (Please Specify)	2	1.41
Total	**142**	**100.00**

Out of the 146 respondents, 4 skipped this question on educational level thus out of 142 respondents who participated in this question, the highest number comprising 50.70 % were Bachelor's degree holders, 38.03 % were Master's degree holders and 9.86 % were Diploma holders. Only one respondent specified another educational level (KCSE and in pursuit of Bachelor's degree) forming 1.41 % as show in Table 4.4. There was none with Doctorate degree (0%). This shows that the respondents were educated enough to understand the research questions.

Table 4.5: Length of Time of Respondents in KenGen

The table shows the duration of time the respondents had served in their organization

Length of Time in KenGen	**Frequency**	**Percentage (%)**
Less Than 5 Years	28	19.44
5 – 10 Years	50	34.72
11 – 15 Years	22	15.28
Over 15 Years	44	30.56
Total	**144**	**100.00**

Out of the 146 respondents, 2 skipped this question on length of time the respondents worked in the organization thus out of 144 respondents who participated in this question, the highest number of staff comprising 34.72 % had work experience of between 5 and 10 years, followed by 30.56 % who had over 15 years of work experience then 19.44 % of the staff had work experience of less than 5 years and the staff who had between 11 to 15 years of experience constituted 15.28 % as shown in Table 4.5. This therefore implies that majority of staff had enough work experience to answer the questions effectively.

Table 4.6: Job Level of Respondents

The following table displays the respondents job levels

Job Level	Frequency	Percentage (%)
Level 1	2	1.45
Level 2	6	4.35
Level 3	26	18.84
Level 4	36	26.09
Level 5	50	36.23
Level 6	18	13.04
Total	**138**	**100.00**

Out of the 146 respondents, 8 skipped this question on job level of respondents and therefore out of 138 respondents who participated in this question, the highest number of staff comprising 36.23 % were in job level 5 followed by 26.09 % were in level 4, 18.84 % in level 3, 13.04 % in level 6, 4.35 % in level 2 and 1.45 % in level 1 as indicated in Table 4.6.

Table 4.7: Division of Respondents

The table indicates the Divisions of the respondents in the organizational structure

Job Level	Frequency	Percentage (%)
Human Resource and Administration	28	19.72
Operations	8	5.63
Geothermal Development	0	00.00
Finance and ICT	50	35.21
Supply Chain	6	4.23
Regulatory and Corporate Affairs	8	5.63
Company Secretary and Legal Affairs	16	11.27
Business Development	12	8.45
Strategy and Business Performance	6	4.23
MD and CEO	8	5.63
Total	**142**	**100.00**

Out of the 146 respondents, 4 skipped this question on division of the respondents and therefore out of 142 respondents who participated in this question, the highest number of staff comprising 35.21 % were in Finance and ICT Division followed by 19.72 % from Human Resource and Administration Division, 11.27 % in Company Secretary and Legal Affairs Division, 8.45 % in Business Development Division, 5.63 % in each of (Operations, Regulatory and Corporate Affairs and MD and CEO) Divisions, 4.23 % in each of (Supply Chain and Strategy and Business Performance) Divisions as shown in Table 4.7.

Table 4.8: Respondents Identification of BSC Perspectives in KenGen

The table shows the knowledge of the respondents on BSC by identification of its perspectives

Balanced Scorecard Perspectives in KenGen	**Frequency**	**Percentage (%)**
Financial	128	90.14
Customer	104	73.24
Stakeholder	30	21.13
Internal Business Processes	110	77.46
Learning and Growth	106	74.65
Total	**142**	**100.00**

Out of the 146 respondents, 4 skipped this question on awareness of BSC perspectives in KenGen and therefore out of 142 respondents who answered this question, the staff comprising 90.14 % identified Finance as one of the BSC perspectives, 77.46 % identified Internal Business Processes perspective, 74.65 % identified Learning and Growth perspective, 73.24 % identified Customer perspective. Only 21.13 % respondents included Stakeholder option as shown in Table 4.8 which indicated that majority of the respondents were aware about the BSC perspectives used in KenGen organization and therefore understood the BSC tool.

Table 4.9: Staff Performance Appraisal Frequency in KenGen

The table following table shows the responses on the number of times in a year staff performance appraisal is done

Staff Performance Appraisal Frequency in KenGen	Responses	Percentage (%)
Once a Year	20	13.89
Twice a Year	124	86.11
Thrice a Year	0	0.00
Total	**144**	**100.00**

Out of the 146 respondents, 2 skipped this question on staff performance appraisal frequency in KenGen and therefore out of 144 respondents who answered this question, the staff comprising 86.11 % indicated that the frequency of staff performance appraisal was conducted twice a year while 13.89 % as displayed in Table 4.9 indicates that the staff performance appraisal was conducted once a year. None (0%) of the respondents chose a frequency of thrice a year.

4.4 Respondents Awareness of Balanced Scorecard Paradigm of Management

Table 4.10: Respondents Awareness of Balanced Scorecard Paradigm of Management

#	Please Evaluate How Balanced Scorecard Paradigm of Management is Useful in Your Work Performance in KenGen	Percentage (%) Weight, Responses (Frequency), Total Responses and Weighted Average						
		1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)	Total Responses	Weighted Average (3.90)
(i)	Balanced Scorecard is a strategic management system that clarifies and translates strategy into action	1.61%	3.23%	8.06%	56.45%	30.65%		
		2	4	10	70	38	124	4.11
(ii)	Balanced Scorecard links the organization's mission and strategy with objective measures	0.0%	4.84%	6.45%	61.29%	27.42%		
		0	6	8	76	34	124	4.11
(iii)	Balanced Scorecard complements financial measures with non-financial measures in a balanced manner	1.61%	6.45%	11.29%	56.45%	24.19%		
		2	8	14	70	30	124	3.95
(iv)	All staff are involved in Balanced Scorecard framework of management at KenGen	1.61%	30.65%	32.26%	29.03%	6.45%		
		2	38	40	36	8	124	3.08
(v)	Balanced Scorecard can be used to report on organization performance monitoring and evaluation	1.59%	4.76%	7.94%	61.90%	23.81%		
		2	6	10	78	30	126	4.02
(vi)	Balanced Scorecard can be used to communicate organization strategy to staff	0.0%	4.92%	6.56%	60.66%	27.87%		
		0	6	8	74	34	122	4.11

Percentage (%) Weight = (Likert Scale Value/Total Responses) x 100%; Weighted Average = $\sum$ ((%Weight/100) x Frequency)

The weighted average of 3.9 which is approximately 4 (Agree) in the likert scale which was used to gauge the degree of response on a scale of one to five indicated that the respondents had a good awareness of the management paradigm of Balanced Scorecard in relation to their work performance and therefore contributed well to the findings as per the study objectives. Out of 146 respondents, at most 126 (86.3 %) answered the questions as shown in Table 4.10.

Table 4.11: Balanced Scorecard and Work Performance Likes and Dislikes Responses

#	What do you like most about Balanced Scorecard in relation to work performance ?	What do you dislike about Balanced Scorecard ?
(1)	Ability to use it to report on what staff do thus being able to undertake monitoring and evaluation of staff performance thus that of the organization	It can become routine like and initially it was quite confusing
(2)	Each individual target is measured through the balanced scorecard	Team spirit is nurtured through the meetings around the balanced scorecard
(3)	Key performance indicators	Complex
(4)	Contains information on what one is required to perform	Does not involve all staff
(5)	It links both financial and non-financial aspects of the company's strategy	N/A
(6)	It looks at work performance in different perspectives to create a balance	It is complicated especially when the performance measures are many
(7)	It breaks down the strategy into short term manageable plans	Evaluation of performance using Balanced Scorecard can be subjective
(8)	Reviewing of performance	It requires prior training to utilize it
(9)	It clarifies and translates strategy into action	N/A
(10)	It makes it clear how my goals relate to the organizational goals	N/A
(11)	Continued monitoring of the tasks assigned	The BSC dimensions are not visible in the performance targets and appraisal. Majority of employees are not aware of the BSC

(12)	Flow of operations	Delays in implementation of issues
(13)	It can help an organization to set its goals and targets to help achieve its mission and vision	It is used by many heads of the department and division to score their goals and not those of the company
(14)	Because it links the company's vision and mission to its core objectives and defines work to the lowest level	Staff are not always as involved as they should be in the planning stages but expected to implement
(15)	Strategy	None
(16)	It is a good measurement of performance and monitoring	One day's engagement with the team
(17)	It is clear and can guide a team to fulfill the same goal in different ways	Nothing
(18)	If well used it can be a good driver in achieving intended mission of the company	There are some objectives that may not be easy to measure
(19)	It helps us monitor our progress	It can be misused by malicious supervisors. It can also demotivate staff if there are no rewards for good performance
(20)	The fact that the general performance of an organization is indicated by many factors and not just the financial results	It is a lengthy and potentially tedious process to develop the objectives
(21)	It captures the objectives of the company	It does not have clear performance measures
(22)	Nil	Nil
(23)	Strategies are translated into action	Not every employee is given a chance to participate
(24)	Its relevance to the business	N/A
(25)	It's an objective process	Implementation after review is not visible, it's not done on time
(26)	Strategy mapping, it translates the company mission and vision to a realistic front for all employees to understand	It's need for intensive training
(27)	Ensures performance	Weekly meetings
(28)	Categories	Misunderstood by many
(29)	Learning and Growth	None
(30)	It clarifies and translates strategy into action	It does not reward performance and is never used as a promotional tool

(31)	The measurable bit	Not all staff are involved
(32)	It enables one to see where they stand compared to the overall strategy of the company	The implementation. No follow-up
(33)	Its simplicity in application	Nothing so far
(34)	I better understand the deliverables expected	N/A
(35)	It measures and drives performance well. It's a tool for innovation and learning perspective	It is not in use as expected
(36)	It captures all aspects of performance that are important for the organization to progress in a balanced manner. It also doubles up as a performance planning and evaluation tool.	It's time consuming
(37)	Clarity of performance measurement	In some instances it is really difficult to categorize activities into the four aspects
(38)	KenGen News Letters, how the organization is progressing	It's complex approach to cascade into all levels of the business
(39)	It's a very useful tool for tracking performance on achievement of goals	Bias in employment – top Management
(40)	Monitoring KPI	I have not seriously worked with it
(41)	It relates the strategy to the company's mission and vision	Gives a clear direction of where we are and where we ought to be at
(42)	It helps in planning and monitoring performance	It is difficult to apply in non-quantifiable issues
(43)	It links Organization's mission and strategy with its objectives	It is too theoretical
(44)	It helps clear the grey areas in terms of strategic information	It doesn't quite capture other duties that take up most of staff manhours
(45)	Links my input to the organizational output	Difficulty in designing and implementing the process maps
(46)	The inclusion of other perspectives to determining and defining organizational success	The scorecard is a bit technical to understand and use
(47)	Links Strategy and vision of the company	Not all employees are involved
(48)	The simplicity of understanding the perspective	

From the responses given in Table 4.11 on the likes (48 of 146 answered, 98 skipped the question) and dislikes (47 of 146 answered, 99 skipped the question) of Balanced Scorecard in relation to staff work performance, it shows that about 32.9 % made comments about Balanced Scorecard management indicating possession of knowledge and expression of liking for it. In also expressing the dislikes (32.2 %), the respondents made comments about Balanced Scorecard which indicated possession of knowledge about it hence boosting potential for proposals for future improvements on its application.

Table 4.12: Change on Balanced Scorecard in the Company If Given a Chance

#	If you could change one thing about Balanced Scorecard in the company, what would it be ?
(1)	Note sure
(2)	Reduce the time it takes to discuss issues in the balanced scorecard
(3)	Make it simple
(4)	Should be all inclusive
(5)	N/A
(6)	Have a strong link to staff reward mechanism
(7)	Evaluation criteria
(8)	The subjectivity
(9)	N/A
(10)	N/A
(11)	Make it the official, single performance management system
(12)	Put all into action like learning and growth , customer satisfaction
(13)	Should have a way of gathering satisfaction or no satisfaction from the heads without victimizing them
(14)	Get all staff involved from the formation stages and allow their input. This way they own all the processes facilitating smooth implementation
(15)	Ensure the concept is
(16)	Reengineer
(17)	It should be flexible with the various changes within the company
(18)	The cascading of the balanced scorecard
(19)	Make it a 360 one where the supervisor is also measured by the staff
(20)	Make sure it is applied properly and across the board
(21)	Have more active participation by staff
(22)	Work performance evaluation
(23)	Should be translated to all employees
(24)	Full implementation to be supported by all the staff, especially the top management
(25)	To ask staff to embrace teamwork
(26)	Should be done on time and action items implemented
(27)	N/A
(28)	Meetings to be held once per month
(29)	Forcing its application in all situations
(30)	None
(31)	Should be done away with and a better system developed
(32)	Should cut across all levels
(33)	I would make reviews of the pillars more frequently
(34)	None
(35)	N/A

(36) The negative image about it and encourage its use
(37) Learning perspective
(38) I would like it to be used in all aspects of performance planning and management Including government performance contracting
(39) It's cascading process, perhaps a work plan that can be easily translated into work stream for all staff
(40) Favoritisms
(41) Nothing for now
(42) Ensure it is used and understood across the board
(43) Internal processes
(44) Remove its championing from HR to Strategy Division
(45) Get views from all employees while structuring it
(46) The company should better use the scorecard in all aspects of company performance

As indicated in table 4.12, out of 146 research respondents, 46 answered while 100 skipped the question, constituting 31.5 % of those who gave comments which was a confirmation of respondents understanding of Balanced Scorecard in the organization.

4.5 Influence of Training on Organizational Performance in KenGen

Table 4.13: How Training Influences Organizational Performance

#	Evaluate How Training Influences Organizational Performance in KenGen	Percentage (%) Weight, Responses (Frequency), Total Responses and Weighted Average						
		1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)	Total Responses	Weighted Average (3.66)
(i)	Training of staff training improves organization performance	0.0% 0	1.75% 2	10.53% 12	43.86% 50	43.86% 50	114	4.30
(ii)	I set my work targets in consultation with my supervisor using Balanced Scorecard format with the relevant perspectives to enhanced organization performance	1.72% 2	10.34% 12	18.97% 22	55.17% 64	13.79% 16	116	3.69
(iii)	I get feedback from my supervisor on my work performance in order to enhance organization performance	3.45% 4	12.07% 14	32.76% 38	44.83% 52	6.90% 8	116	3.40
(iv)	Staff performance appraisals contributes to improvement of organization performance	3.45% 4	13.79% 16	24.14% 28	41.38% 48	17.24% 20	116	3.55
(v)	Enhancement of staff motivation through performance and reward system has increased organization performance	5.17% 6	13.79% 8	37.93% 44	36.21% 42	6.90% 8	116	3.26
(vi)	Increased usage of technology has increased organization performance	0.0% 0	3.45% 4	10.34% 12	58.62% 68	27.59% 32	116	4.10

(vii)	The company offers regular training opportunities to staff to boost organization performance	5.17%	13.79%	31.03%	34.48%	15.52%		
		6	16	36	40	18	116	3.41
(viii)	The company's staff training programs enhance staff and therefore organization performance	0.0%	10.34%	31.03%	48.28%	10.34%		
		0	12	36	56	12	116	3.59

Percentage (%) Weight = (Likert Scale Value/Total Responses) x 100%; Weighted Average = ∑ ((%Weight/100) x Frequency)

The weighted average of 3.66 is approximately 4 (Agree) in the likert scale which was used to gauge the degree of response on a scale of one to five indicated that the respondents agreed that staff training improved organization performance. Out of 146 respondents, at most 116 (79%) answered the questions as shown in Table 4.13.

Table 4.14: The Company's Training Likes & Dislikes Responses

#	**What do you like most about the company's training strategy ?**	**What do you dislike most about the way the company's training carried out ?**
(1)	It is supposed to improve performance a great deal	Training programs are drawn after training needs assessments, but for some staff, no training is ever done
(2)	At least most staff are accorded some training	Some if the trainings accorded to staff are never in line with their needs and some do not meet their requirement
(3)	Implementation	Funding
(4)	It is structured	Does not consider all staff
(5)	The trainings are aligned to the Company's core business	Sometimes people are left out on important trainings that directly entail their jobs
(6)	Training of at least 1 technical course and management course for each employee per year	Some are not objective
(7)	There is data base created for staff training needs	The training calendar is not followed
(8)	It is dynamic and keeps changing with the times	It seems to favour some people more than others

(9)	Professionals are sponsored to stay abreast of emerging issues in their areas of work	Some trainings do not match the key training needs from the staff
(10)	The training section is not objective and does not care about staff needs instead it is done as a reward to friends and bosses	It rewards only those who are friends of the officers of HR department or those bosses and those who work for the bosses only. The training abroad is for directors, board members, a few deserving technical cases and then Senior Executive Assistants to directors only
(11)	None	Biased training selection criteria….no merit
(12)	They give the staff an opportunity to improve their skills and perform better on their jobs	It’s given selectively and in most cases the overseas training is as a reward scheme to selective staff
(13)	It offers training relevant to the training needs of the staff	It’s not considerate to some professionals
(14)	Nil	Sometimes it is not based on the needs identified
(15)	It offers chances for training	It is not objective, it’s biased and not aligned to Personal Development Plans
(16)	It is a key factor in boosting the performance of the organization by increasing knowledge and skills	There is no proper criteria for identification of training needs
(17)	Training strategy in the company being in existence itself is good for the organization	It is not effectively carried out in all the departments
(18)	The strategy is for an employee to be trained at least once every evaluation period	Not fair. Training it provides is not in line with the business. It just focuses on the supervisory not technical that is related to the work you do
(19)	I don’t like it	It is not clear and the training and development is not based on the requests of the staff
(20)	Needs to be re-organized	It is selective and lacks objectivity because you are selected for training based on your supervisors approvals not your needs
(21)	Training and development improves staff performance	Doesn’t have any specific calendar and is biased
(22)	The company’s willingness to support the proposals from individual employees for relevant training	Not training on the needs of the staff
(23)	Nil	Some training programs are not relevant to one’s actual job description
(24)	The opportunity to grow and develop oneself	Discrimination

(25)	Planning	N/A
(26)	The T&D department strives to ensure that at least everyone is trained per financial year	Implementation of planned training takes long and some may not be implemented due to budget constraints
(27)	Knowledge, exposure	Centralized only in Stima Plaza
(28)	Training policy	Does not capitalize on staff personal needs
(29)	The training program	Very biased
(30)	Those trained improve on performance	It is a members club set at meeting individual goals
(31)	Identification of training needs is done frequently	The selection of attendants
(32)	Training always improves one's capacity	It is not followed as trainings requested are not always accorded and if so are given to the same people
(33)	Company offers statutory trainings	Some of the staff are always taken for training while others do not go for any
(34)	It avails opportunities to staff to improve their level of knowledge & skill	Trainings are seldom given as per user requests
(35)	One is given an opportunity to train internationally and locally thus increasing ones perspective by comparing how different areas implement what they study	Most trainings outside the country are approved for staff Levels 3 and above and most of the time the knowledge received is not cascaded down
(36)	It motivates staff and makes them work better	Training is not offered to staff working in power plants regarding relevant day to day work, example maintenance team being trained on how to carry out maintenance and troubleshooting
(37)	It helps in filling skills gap among the employees	N/A
(38)	It's open to all staff	There is not a set direction for a person to know when/if the requested training they will attend during that financial year or if ever
(39)	Technology side	The criteria they use to select should be improved
(40)	It's focused on every employee getting at least one training per year	It is not structured, and some staff get more training than others
(41)	Do we have one in existence ?	The structure of administering it can be improved
(42)	N/A	Others are trained to make money (per diems)

(43)	Improvement in staff performance	Most people are not considered for training in as much as they are on the PDPs
(44)	It gives all staff an opportunity to be trained	It's usually ad hoc and not well coordinated
(45)	The training philosophy is quite positive	It is selective and not focused
(46)	The desire to continuously train and develop staff for both current and future roles	They are not consistent. Most are just attendance and doesn't impact directly to the employees performance
(47)	At least one training is performed on an annual basis	Inequality
(48)	-	One usually has to push hard to get relevant training opportunities
(49)	-	Most training programs are not linked to the Training needs analysis
(50)	-	Training programs are not sufficient for all employees
(51)	-	Training proposed in the appraisals are not adhered to in the training

As displayed in Table 4.14, out of a total of 146 respondents, 47 (32 %) answered the question on the expression of liking for the KenGen's training and development strategy though about 6 gave ambiguous answers ("None", "Nil", "I don't like it", "Needs to be re-organized", "N/A") effectively resulting in only 41 respondents (28 %) making explicit expression of feelings of liking. Fifty one (51) respondents (34.9 %) expressed disliking for KenGen's training and development strategy with 2 giving the comment (NA) therefore reducing it to 49 (33.6 %). These responses indicated existence of a gap that needed to be filled by improving the organization's training strategy.

Table 4.15: Suggestions on Training in the Organization

#	If you could change one thing about how training is carried out in the company, what would it be ?
(1)	Ensuring each and every employee is accorded training fairly as per their needs and Those who are trained should not be accorded another training before others get the opportunity to be trained
(2)	Allow the user departments dictate the kind of training their staff should attend
(3)	Training budget to be managed by divisions
(4)	To consider all members of staff
(5)	It will be all inclusive
(6)	Enhance relevance of training
(7)	I would identify the most critical trainings and prioritize. Adequate budgeting for Trainings
(8)	I would make it fair to everyone
(9)	Align the training needs and plans to the performance expected of the staff to deliver on the company's objectives
(10)	I could change the leadership in training. Do a research on what trainings are relevant for What levels/professionals and place qualified, objective staff on that docket
(11)	Reshuffle training department select everybody for training
(12)	Improve on records of which staff has been trained and give relevant training to staff Who actually do the work in relation to the training
(13)	Consider return on investment for trainee. Some people are always out in or out of the country yet no fruits thereof.
(14)	Give priority to trainings that will improve performance and address the skills gaps
(15)	Use the Training plans generated from Training Needs and Personal Development Plans

(16) To have well defined criteria of identification of training needs according to various needs of the respective departments

(17) Ensure all departments get equal opportunities in training and development

(18) Align training to be in line with what staff is doing

(19) Training and development should be based on training needs and it should be fair

(20) Staff should be developed in their areas of weakness equally and not just some few favoured staff

(21) Let each division plan for their staff training and then hand the expected budget to HR for payment only

(22) Equal opportunities for all staff in training and training as per the staff need

(23) Ensure every staff undergoes at least one training relevant to his/her work in a year

(24) Train all staff despite their grades or positions

(25) Staff supervisors need to be cognizant of their staff's development needs and push for their development

(26) N/A

(27) Timely implementation of relevant trainings, resource the department with competent and motivated staff

(28) Decentralization of the T&D department to include area levels

(29) Should be fair to all cadres of staff – only a few staff identify with trainings especially when it comes to per diem

(30) To train every staff

(31) Focus on quality and knowledge transfer

(32) Attendants must be fairly selected

(33) Have a fair training schedule

(34) All staff should be taken for training not just a few

(35) Request trainings from staff and apportion budget as per the requests

(36) Equal training opportunities for all staff

(37) Selection of staff to be trained

(38) N/A

(39) Communication and channels on how an employee can organize for the training

(40) I would make sure all staff get their training needs

(41) I would structure the training such that staff in all departments get equitable share of the training and ensure that all staff get training on a regular basis

(42) A more clear implementation plan

(43) Every staff trained as per the line of duty in order to serve company interest

(44) At least ensure the is a balance on how training is done so that everyone gets a chance to get trained

(45) Have a training school to cut on costs and have more staff trained with less Resources

(46) Identify need based training and monitor effects of the training on the organization

(47) Proper planning and give appropriate training even if it's only one training per financial year

(48) Engagement of professionals from within and outside the organization

(49) Make it more transparent

(50) Employ Training needs analysis techniques in identifying the areas of training

(51) Provide sufficient budget to train all staff as required

(52) Ensure staff are trained regularly and they are trained on relevant field of practice

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As shown in Table 4.15, out of 146 research respondents, 52 (35.6 %) answered and gave suggestions on any changes to KenGen's Training except 2 who gave the comment ("NA") hence reducing the responses to 50 (34 %). At least for those who answered the question, their suggestions illustrated the respondents understanding of the challenges of staff training and the way to address them comprehensively and sustainably.

4.6 Influence of Internal Business Processes on Organization Performance in KenGen.

Table 4.16: Internal Business Processes Influence on Organization Performance

#	Evaluate How Internal Business Processes Influence Organization Performance in KenGen	Percentage (%), Number of Responses, Total Responses and Weighted Average						
		1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)	Total Responses	Weighted Average (4.11)
(i)	Continual improvement on internal business processes enhances efficiency, effectiveness and therefore organization performance	1.75%	5.26%	7.02%	45.61%	40.35%		
		2	6	8	52	46	114	4.18
(ii)	Internal business processes are monitored and evaluated both internally and externally through ISO QMS/EMS audits to facilitate continual improvement in organization performance	0.0%	5.36%	12.50%	57.14%	25%		
		0	6	14	64	28	112	4.02
(iii)	Safety is taken seriously by the organization to manage risks and therefore enhance organization performance	1.79%	3.57%	10.71%	53.57%	30.36%		
		2	4	12	60	34	112	4.07
(iv)	Automation of business processes in the organization has enhanced efficiency and effectiveness and hence increased organization performance	0.0%	3.57%	3.57%	64.29%	28.57%		
		0	4	4	72	32	112	4.18

Percentage (%) Weight = (Likert Scale Value/Total Responses) x 100%; . Weighted Average = ∑ ((%Weight/100) x Frequency)

The weighted average of 4.11 is approximately 4 (Agree) in the likert scale which was used to gauge the degree of response on a scale of one to five indicated that the respondents agreed that improvement of internal business processes also improved organization performance. Out of a total of 146 research respondents, at most 114 (78 %) answered the questions as shown in Table 4.16.

Table 4.17: Organization's Internal Business Processes Likes & Dislikes Responses

#	What do you like most about KenGen's Internal Business Processes ?	What do you dislike most about KenGen's Internal Business Processes ?
(1)	The monitoring and evaluation using the ISO systems for purposes of improving performance, very effective when taken seriously	Cases where the need for improvement is identified but required support is not available at the right time
(2)	They improve the way work is done in the organization	There are so many bureaucracies involved
(3)	Faster processing of tasks	Non compliance by users
(4)	None	None
(5)	They are up to date	N/A
(6)	Highly automated but there is still room for improvement	Some need improvement
(7)	There is a good degree of compliance and continual improvement	Bureaucracy
(8)	The continued improvements	Sometimes it tends to unnecessarily prescriptive
(9)	The processes that have been automated are more efficient and transparent	Visibility of data that assists senior management in decision making is still limited
(10)	Process automation	Manual supplement of automated processes
(11)	Paper work is almost nil and processes are automated	A few challenges faced by staff while running some processes e.g. cancellation of processes by the system
(12)	Most of them are automated and so easy to learn	At times there is paper work that brings in bureaucracy in

		decision making
(13)	They help in strategy execution and reduces lead time	They are complex to some employees
(14)	They make processes fast	Staff don't understand most of processes. Training required
(15)	The performance of the company is greatly improved by evaluating the internal business processes through audits	It may take long to implement some recommendations
(16)	The company recognizes the need to improve on the business processes so as to be used as a vehicle to get to the strategy	When staff in all levels are not involved it can negatively affect the processes because of lack of ownership
(17)	I like the automation of processes e.g. Work flowgen payment, MPesa payment, stores bookings etc	I like it, however continuous improvement is necessary
(18)	They are clearly outlined and communicated	Some are unnecessarily long and complicated
(19)	There is room for improvement and enhancing of the business processes	The business processes do not change to meet the current industry trends
(20)	Automation of business processes in the organization has enhanced efficiency and effectiveness and hence increased organization performance	Nil
(21)	WorkflowGen	N/A
(22)	They are smart	Ownership should be improved
(23)	Consistency	Not followed
(24)	High level of Automation of the Business processes	They seem confused
(25)	Very clear	The training is not given to all staff
(26)	Its Structure	Less support is given by management
(27)	Continuation of improvement on internal business processes	None so far
(28)	They may seem little things but matter most	Sone processes are unnecessarily long
(29)	There is always concern to keep the business ISO Certified	N/A
(30)	They are reviewed and can be changed accordingly	N/A
(31)	Procurement of spares takes a lengthy process	Sometimes I have no control over them
(32)	Highly automated	It's not unified across all business areas
(33)	They enhance efficiency and effective ways of working	When top management personalize e.g. trainings not

		serving company interest sometimes
(34)	They contribute to organization growth	Nothing so far. More can be done
(35)	Well codified	All processes need to be automated and tailor made
(36)	Team work	System failure
(37)	It has made things easier	Bureaucracy, where elaborate approvals delay decision making
(38)	Sustainably implemented	Some are uncoordinated
(39)	Automation	Lack of cohesiveness
(40)	Automation of systems	Some are subjective, dependent on an individual
(41)	Automation: most of the processes are automated	-
(42)	They are sound and strategic	-
(43)	The internal processes are clear	-
(44)	The fact that the process can be tracked from beginning to end	-

Out of 146 research respondents, 44 (30%) answered the question on liking for the organization's Internal Business Processes while 102 (70 %) skipped the question except 1 who gave a comment of ("None") hence reducing the expression of liking feeling to 43 (29 %). The question of disliking of the Internal Business Processes was answered by 40 respondents that constituted 27 % with 106 (73 %) skipping the question. However, out of the 40 respondents, 6 of them gave negative answers such as "None", "N/A", "Nil" effectively reducing the number to 34 (23 %) as shown in Table 4.17.

4.7 Influence of Customer Satisfaction on Organizational Performance in KenGen

Table 4.18: Customer Satisfaction Influence on Organizational Performance

#	Evaluate How Customer Satisfaction Influences Organizational Performance in KenGen	Percentage (%) Weight, Responses (Frequency), Total Responses and Weighted Average						
		1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)	Total Responses	Weighted Avg.(4.35)
(i)	Customers are stakeholders who directly benefit from the organization's services and products	0.0%	1.79%	8.93%	46.43%	42.86%		
		0	2	10	52	48	112	4.30
(ii)	There are internal and external customers in KenGen	0.0%	0.0%	3.57%	32.14%	64.29%		
		0	0	4	36	72	112	4.61
(iii)	Customer satisfaction improves organization performance	0.0%	0.0%	8.93%	42.86%	48.21%		
		0	0	10	48	54	112	4.39
(iv)	High availability of services delights the customer leading to increase in organizational performance	0.0%	1.82%	1.82%	54.55%	41.82%		
		0	2	2	60	46	110	4.36
(v)	Customer satisfaction enhances image and therefore also organizational performance	0.0%	1.79%	3.57%	50.00%	44.64%		
		0	2	4	56	50	112	4.38
(vi)	Taking customer suggestions and complaints in decision making increases organizational performance	0.0%	0.0%	8.93%	50.00%	41.07%		
		0	0	10	56	46	112	4.32
(vii)	Dynamic customer expectations make it necessary for KenGen to monitor, document and trend customer feedback (satisfaction and dissatisfaction) to improve organizational performance	1.75%	3.51%	12.28%	57.89%	24.56%		
		2	4	14	66	28	114	4.00

(viii)	Staff attitude and organization culture negatively or positively influence organizational performance	0.0%	0.0%	5.36%	48.21%	46.43%		
		0	0	6	54	52	112	4.41
(ix)	Meeting Service Level Agreements (SLAs) or Power Purchase Agreement (PPAs) enhances organizational performance	0.0%	1.79%	7.14%	46.43%	44.64%		
		0	2	8	52	50	112	4.34

Percentage (%) Weight = (Likert Scale Value/Total Responses) x 100%; Weighted Average = ∑ ((%Weight/100) x Frequency).

The weighted average of 4.35 is approximately 4 (Agree) in the likert scale which was used to gauge the degree of response on a scale of one to five indicated that the respondents agreed that improvement of customer satisfaction also improved organizational performance. Out a total of 146 research respondents, at most 114 (78 %) answered the questions as indicated in Table 4.18.

Table 4.19: Customer Satisfaction Likes and Dislikes Responses

#	What do you like most about the way the organization treats its Customers (Staff, Visitors, Suppliers, Kenya Power) ?	What do you dislike most about the way the organization treats its Customers (Staff, Visitors, Suppliers, Kenya Power) ?
(1)	So far, I believe it is good	I can't think of any
(2)	They are treated with respect	Sometimes not given the recognition they require
(3)	Politeness	Non compliance by users
(4)	Efficiency	Not responding to queries
(5)	It has a PPA which ensures operations run well. Suppliers are paid on time	Delay in payment to suppliers
(6)	KenGen treats customers well	N/A
(7)	Product delivery on and when needed	Late payments to suppliers
(8)	The company treats them with respect	There is mistrust between KenGen and KPLC
(9)	Expectations of the customer are understood and acted on	Sometimes we delay payments
(10)	Motivation to work	Some complaints such as staff harassment of casuals, may not be followed up on and resolved expeditiously
(11)	Mostly KenGen treats its customers well	culture that does not support entire company's strategy
(12)	Treats them well	in some cases interdepartmental customer care is not good where documents get lost and slow processing as well as payments delay for vendors. There is room for improvement.
(13)	Nil	Sometimes the turnaround time for customers feedback may take longer than necessary
(14)	the communication	At times information and feedback is not consistent
(15)	Customers are highly valued	Nil
(16)	It is one of the KRI's and KRA's of the company	the flow of information
(17)	They are treated well	none
(18)	KenGen treats its customers very well and has friendly employees	Some issues are not dealt with directly

(19)	Professionalism is held in high esteem	Delays
(20)	Medical cover for staff, visitors are directed and attended to. Suppliers are paid promptly	Over subjection to security scrutiny even to staff
(21)	Good relationship that the company has with all its customers	Lengthy approval procedures cause dissatisfaction among suppliers
(22)	The recent shift of focus to customer service	Favouritism for some staff, Not wanting to see visitors
(23)	Politely	N/A
(24)	Mutual understanding	Response to customer complaints especially suppliers is very poor
(25)	Taking customer suggestions and complaints and listening to them enhances good image	Vetting
(26)	The trust built over time	Nothing
(27)	The company takes customer service seriously	Sometimes there is delay in meeting obligations
(28)	They are courteous	Monitoring of how each department takes customer service should be enhanced
(29)	Fairly	Answers to queries usually take a while before a response, if any, is given
(30)	N/A	Team
(31)	They make sure customers are treated well	N/A
(32)	The company recognizes the importance of its stakeholders and it goes out of its way to delight	Poor communication
(33)	Its open to criticism	There doesn’t t exist a harmonized system that ensures that all customers are treated well. There is therefore a loophole and some customers may not be attended to and they don’t have a formal way
(34)	Fairly, but KenGen needs to improve like KPLC	Talking about the great things that the company is achieving can be improved
(35)	It does not offend them	staff in some offices are rude (no office etiquette)
(36)	Staff Warmth and Courtesy	Lukeworm

(37)	Getting customer feedback	N/A
(38)	Humility	Time factor
(39)	Customers are treated well	The company does not have a designated area where customers wait for services
(40)	The receptionists are very friendly to the customers	The organization should lobby their stakeholders better in order to achieve better return on revenues
(41)	The organization recognizes the importance of all its stakeholders and strives to address their concerns	
(42)	It is committed to give them reliable service	

As shown in Table 4.19, out of 146 research respondents on liking for Customer Satisfaction by the organization, 104 (71 %) skipped the question while 42 (29 %) answered the question except 2 whose responses were "Nil" and "N/A" therefore reducing the number 40 (27 %) who explicitly expressed liking for the organization's customer treatment. The dislikes for Customer treatment by the organization were expressed by 40 (27 %) respondents who answered the question though 8 of them gave negative answers e.g. "I can't think of any", "N/A", "Nil", "none", "Nothing", Therefore the correct number that expressed dislikes was 32 (22 %).

4.8 Influence of Financial Performance on Organizational Performance in KenGen

Table 4.20: Financial Performance Influence on Organizational Performance

#	Evaluate How Financial Performance Influences Organization Performance in KenGen	Percentage (%) Weight, Responses (Frequency), Total Responses and Weighted Average						
		1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)	Total Responses	Weighted Average (4.22)
(i)	Increase in revenue has improved the organization performance in terms of growth and capacity expansion	0.0% 0	1.79% 2	8.93% 10	41.07% 46	48.21% 54	112	4.36
(ii)	Cost control, funds management and reduction of operating costs have improved the organizational performance	0.0% 0	1.79% 2	21.43% 24	51.79% 58	25% 28	112	4.00
(iii)	Kenya's Vision 2030 requirements have enhanced KenGen's prospects of financial performance by putting pressure to meet energy goals to increase the organizational performance	0.0% 0	1.75% 2	8.77% 10	47.37% 54	42.11% 48	114	4.30
(iv)	Financial investments in renewable, green and reliable energy projects have resulted in improvement of organizational performance in terms of good image and achievement of competitively priced electrical energy to the Kenyan citizens	0.0% 0	3.57% 4	5.36% 6	55.36% 62	35.71% 40	112	4.23
(v)	Government and company policies have put pressure on KenGen's financial performance and therefore contributed to the overall organizational performance	0.0% 0	1.79% 2	8.93% 10	53.57% 60	35.71% 40	112	4.23

Percentage (%) Weight = (Likert Scale Value/Total Responses) x 100%; Weighted Average = $\sum$ ((%Weight/100) x Frequency)

The weighted average of 4.22 is approximately 4 (Agree) in the likert scale which was used to gauge the degree of response on a scale of one to five indicated that the respondents agreed that improvement of financial performance also improved organizational performance. Out of a total of 146 research respondents, at most 114 (78 %) answered the questions as indicated in Table 4.20.

Table 4.21: Organization's Financial Status Likes & Dislikes Responses

#	What do you like most about KenGen's financial status ?	What do you dislike most about KenGen's financial status ?
(1)	Has improved and enabled the organization expand capacity as well as give dividends to the shareholders	Sometimes the performance doesn't get to the expected level thus the organization is not able to expand capacity at the intended rate
(2)	It's healthy	Though the financial status of the organization appears healthy, it takes long before employees are given financial reward
(3)	Steady revenue	Single customer model
(4)	Has a strong financial asset base	None
(5)	The company is stable financially	N/A
(6)	The financial status is strong and predictable	Projects are capital intensive hence heavy debt
(7)	Growth in net worth	Our books are stretched to a point of not supporting more investment loans
(8)	It's getting better and better	The fluctuations due to capital and machinery expansion
(9)	The company has a commendable asset base	The debt level is very high
(10)	Upward trend in revenue collection	When the company does not share with staff the profits it makes
(11)	KenGen looks good on paper and has reported good financial results which translate to good progress	There is a lot of abuse by staff and a lot of money is lost through trips. It does not make sense for a staff to work outside their station for more than 2 weeks. This means they should be stationed in their area of visit.
(12)	It's stable hence giving hope for a better future	The wastage on resources by staff e.g. Misuse of stationery
(13)	Strong	Over borrowing

(14)	They are in good shape though huge	They are huge loans but revenue from new projects may not be sustainable
(15)	It's looking good with the coming of new plants	Needs to be thorough
(16)	Increased revenue owing to the additional 280 MW	Rigidity of the books to allow expansion
(17)	The growth of income in the last two years	High debt
(18)	Good management of the company's finances	Being on the edge
(19)	Iam happy with increased revenue due to the increased capacity	Nothing
(20)	It enhances investor confidence	Good financial status may give a false picture that all other measures of performance are just as good
(21)	It keeps getting better more and more profits over the years	Overspending
(22)	Cost control and funds management	N/A
(23)	Continuous improvement	None
(24)	Solid and consistent	The number of debts the company has. Too many debts
(25)	The ability to acquire funds for development	Staff don't get to benefit from company profits
(26)	Stable	Too many debts
(27)	Very solid	It seems that books are cooked as the profit does not translate to visible outcome
(28)	Prompt payment of debts	Neutral
(29)	Increase in revenue	Does not translate to employee salaries
(30)	The prospects. There is an upward trend in the status	The organization going for overdrafts
(31)	Increased revenue has enabled the company to enhance generating capacity	It has incurred huge debts
(32)	It's stable	None
(33)	On an upward trend	Not our full potential
(34)	Increase in Megawatts has made the company to make a lot of profit	N/A
(35)	It provides a basis for reasonable remuneration to staff and enhances job security	The company has not reached a position where it is able to meet its financing requirement for investment without having to result to multi-lateral development agencies

(36)	It's growth oriented	Low cash balances
(37)	Average compared to other organizations	A lot of avenue created steal KenGen
(38)	Positive and improving profits	Current results focused on promoting rights issue and may suffer reduction in coming years
(39)	Positive image to financiers	We need to do more to improve our dividends
(40)	Good profit margin	Needs to improve in the profit margin, especially by reducing the PPA penalties
(41)	Profit maximization	Financial mismanagement
(42)	The profits are improving tremendously	The improvement has not impacted on staff remuneration
(43)	Stable financial position and consistently good annual returns	Cases of lack of financial prudence and cost control especially during project undertakings leading to runaway costs of projects
(44)	The organization has posted impressive financial results	The organization needs to do more to ensure better financial results in the long run
(45)	Stable growth	N/A

As in Table 4.21, out of 146 respondents, 45 (31 %) answered the question with explicit expression of liking of the organization's financial status.

Forty Five (45) respondents answered the question on dislike for the organization's financial status with 7 of them giving comments such as "Nothing", "N/A", "None", "Neutral" thus effectively indicating that only 38 (26 %) respondents actually explicitly indicated disliking for the organization's financial status.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the research findings, discussions, conclusions, recommendations and suggestions for further research.

5.2 Summary of Findings

This section illustrates findings arrived at as per the research themes as guided by the research questions as follows:-

5.2.1 Influence of Training on Organizational Performance

The respondents ultimately agreed that improved training also improved organizational performance from the analysis that sought to determine the weighted average of degree of response which was 3.66 approximately 4 (Agree) as coded in the likert scale ranging from one (1) to five (5) as shown in table 4.13. From the responses in table 4.14 on the likes (28%) and dislikes (33.6%) of the company's staff training and development strategy, it shows a gap that needed to be filled by increasing staff training in order to improve organization performance. About 34% of the respondents gave their suggestions on comprehensive and sustainable improvements on staff KenGen's training in order to improve organizational performance as shown in Table 4.15.

5.2.2 Influence of Internal Business Processes on Organizational Performance

The combined respondents agreement was that improvement of internal business processes improved organizational performance through a weighted average of 4.11 which was approximately 4 (Agree) as assigned in the likert scale that gauged the degree of response on a scale of one (1) to five (5) as displayed in table 4.16. The liking for KenGen's internal business processes was explicitly expressed by 29 % of the respondents while 23 % of the respondents expressed their disliking for the same as shown in Table 4.17.

5.3.3 Influence of Customer Satisfaction on Organizational Performance

The respondents agreed that improvement of customer satisfaction also improved organizational performance by registering a weighted average response of 4.35 which is approximately 4 (Agree) in the likert scale ranging from one (1) to five (5) as indicated in table 4.18. The respondents accounting for 27 % indicated liking of KenGen's customer service and treatment while 22 % expressed displeasure as per the records in Table 4.19.

5.3.4 Influence of Financial Performance on Organizational Performance

The respondents agreed that improvement on financial performance also improved organization performance as confirmed by the weighted average of 4.22 which is approximately 4 (Agree) in the likert scale whose strength of response ranged from one (1) to five (5) as indicated in table 4.20. In addition, the respondents gave more expressions of liking (31 %) than disliking (26 %) of the financial status of KenGen indicating the organization's financial stability and that the dislikes allowing room for improvement as shown in table 4.21.

5.3 Discussions

The purpose of this study was to examine the Influence of Balanced Scorecard (BSC) on Organization Performance in KenGen: A Case of Central Office, Nairobi. The respondents agreed that Balanced Scorecard (BSC) paradigm of management was useful in their work performance as indicated in table 4.10 showing that the respondents had good awareness and knowledge of BSC to participate in the study as per the stated objectives.

5.3.1 Influence of Training on Organization Performance

The respondents agreed that improved training also improved organization performance from the research analysis. The results conform to the literature that was reviewed concerning balanced scorecard's learning and growth perspective whose scope was limited staff training in this study. Staff in an organization such as KenGen in this case are the repository of knowledge and main strategic resource requiring training to build capacity to realize performance success. In the current climate of rapid technological change, it is ever becoming necessary for knowledge workers to be in a continuous training mode in order to improve organizational performance. Staff performance appraisal measures success and failure of the staff in the business performance as part of monitoring and evaluation to allow for corrective measures and lessons learnt for organizational performance improvement. An organization's successful performance in terms of the traditional financial or tangible assets is historic in nature and lacks futuristic outlook while its balanced consideration of non-financial or intangible assets (information, skills, processes, innovation) can assist in guiding and evaluating the journey that modern information age organizations can take to create future value through investment in stakeholders such as customers, staff, suppliers, contractors (Kaplan & Norton, 1992). The Balanced Scorecard (BSC) demands that managers translate their general mission statement on customer service into specific measures that reflect the factors that really matter to customers (Kaplan & Norton, 1992). Satisfied customers buy a product again, talk favourably to others about the product, pay less attention to competing brands and advertising, and buy other products from the company (Kotler & Armstrong, 2004).

5.3.2 Influence of Internal Business Processes on Organizational Performance

The respondents agreed that improvement of internal business processes improved organizational performance in line with An organization's successful performance in terms of the traditional financial or tangible assets is historic in nature and lacks futuristic outlook while its balanced consideration of non-financial or intangible assets(information, skills, processes and innovation) can assist in guiding and evaluating the journey that modern information age organizations can take to create future value through investment in stakeholders such as customers, staff, suppliers, contractors (Kaplan & Norton, 1992).

5.3.3 Influence of Customer Satisfaction on Organization Performance

The respondents agreed that improvement of customer satisfaction also improved organizational performance. The respondents' verdict was in line with what the founders of Balanced Scorecard stipulated as follows. Customer management processes are meant to improve customer satisfaction. Customer-based measures are important, but they must be translated into measures of what the organization must do internally to meet its customers' expectations (Kaplan & Norton, 1992). Customer management processes need to be enhanced to attract more customers and retain existing ones in order to increase sales, grow business with customers and therefore the performance of the organization. Modern evaluation system results in satisfaction improvement, efficiency improvement and finally improvement in effectiveness of organizational activities (Norton, 1999). The BSC emphasizes improvement and not just attainment of certain objectives and if an organization does not continually improve, it will eventually lose out to competitors that do (Kaplan, 2010).

5.3.4 Influence of Financial Performance on Organization Performance

The respondents agreed that improvement on financial performance also improved organizational performance confirming the literature concerning balanced scorecard concept. Kaplan & Norton (1992) suggested that what was needed was "a balanced presentation of both financial and operational measures". In addition, while traditional financial measures reported on what happened during the last period without indicating how managers could improve performance in the next, the scorecard functioned as the cornerstone of the organization's current and future success (Kaplan & Norton, 1996).

5.4 Conclusions

From the research findings and discussions, the conclusions were drawn as follows:-

i. Improved Staff Training developed staff and improved Organizational Performance Improvement of staff training indirectly resulted in better internal business processes which in turn led to better efficiency and effectiveness of the organization hence also improved organizational performance through increased electricity sales by KenGen.

ii. Improvement of Internal Business Processes also improved Organizational Performance Improved business processes contributed indirectly to better and more megawatts of quality electricity and therefore higher customer satisfaction leading to more sales and therefore improved organizational performance.

iii. Improvement of Customer Satisfaction also improved Organizational Performance In the liberalized energy sector, KenGen positioned itself to get more corporate customers in future to purchase electricity in order to increase sales and therefore increase financial stability in terms of revenue to indirectly boost its image resulting in better organizational performance.

iv. Improvement of Financial Performance also improved organizational Performance Improved financial performance enhanced organizational performance in terms of growth and expansion, efficiency, quality of electricity and its services, good image through better price for electricity to the customers. Better financial performance also helped in implementation of game-changing projects for sustainability, competitive advantage and ultimately organizational performance.

5.5 Recommendations

The following recommendations were made from the research:-

i) The research findings could be applied to the other KenGen regions other than Central Office because the overall objectives of the organization cut across all the regions.

ii) The research findings need to be disseminated to the whole KenGen organization to create balanced scorecard awareness to all the staff as stakeholders of the overall vision and strategy of the organization.

5.6 Suggestions for Further Research

i) It is important to conduct the research in other state corporations or parastatals

ii) The Balanced Scorecard in this research was based on profit making organization such as KenGen Ltd so there is need for another study based on a non-profit making organization such as KenGen Foundation.

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APPENDICES

Appendix I: Letter of Transmittal

Researcher: Peter Nyange Mwanyika

Email Address: penyamwa@gmail.com

Cell Phone No.: +254 713 233733

Dear Respondent,

<u>Ref: Influence of Balanced Scorecard on Organization Performance of KenGen: A Case of Central Office, Nairobi City County in Kenya.</u>

I'm a part-time student of University of Nairobi at the stage of undertaking a research project in partial fulfillment of the requirements for the award of Masters Degree in Project Planning and Management.

Your participation in completion of the online survey questionnaire (https://www.surveymonkey.com/r/GMZD57K) will provide vital insights to achieve the research study's purpose of showcasing a case of KenGen's Central Office at Nairobi in Kenya to examine the influence of Balanced Scorecard paradigm of management on organization performance of KenGen.

Information, findings and conclusions from this study will be used for academic purposes only and will remain confidential as required by research and professional ethics. Please read the questions carefully and answer them by selecting (√) the option that reflects your opinion or writing the answers in the spaces provided.

I will highly appreciate your time, participation and valued views that will greatly contribute to the success of the research.

Peter Nyange Mwanyika

Appendix II: Research Questionnaire

The purpose of the research study is to use a case of KenGen's Central Office at Nairobi, Kenya to examine and showcase the Influence of Balanced Scorecard on Organizational Performance of KenGen. Closed-ended and open-ended questions will be used to gather more information. In the survey questionnaire, some questions have multiple choice answers to enable respondents to select (√) the option that reflects their opinion while other questions require writing in the spaces provided. Some questions make use of likert scale to gauge the degree of response in terms of strength or weakness on a scale of one to five follows; 1 (Strongly Disagree), 2 (Disagree), 3 (Neutral), 4 (Agree), 5 (Strongly Agree). Some questions will require writing in the spaces provided to give more details and clarifications. This is a representation of the interactive web-based e-questionnaire for e-mail transmission to respondents.

Section 1: Demographic and General Data

1.1 What is your Gender ? Male ❑ ☐

Female ❑ ☐

1.2 What is your Age Group ?

18 – 35 years ❑ ☐ 36 – 49 years ❑ ☐

50– 59 years ❑ ☐ 60 years & above ❑ ☐

1.3 What is the highest level of education you have completed ?

Diploma ❑ ☐ Master's Degree ☐

Bachelor's Degree ❑ ☐ Doctorate Degree ☐

Other ❑ (Please specify) ______________________________

1.4 How long have you been working for KenGen Ltd ?

- Less than 5 years ❑
- 5 to 10 years ❑
- 11 to 15 years ❑
- More than 15 years ❑

1.5 Which of the following best describes your current job level ?

- Level 1: ❑
- Level 2: ❑
- Level 3: ❑
- Level 4: ❑
- Level 5 ❑
- Level 6 ❑

1.6 What is the name that describes your division in KenGen?

- Human Resource and Administration ❑
- Operations ❑
- Geothermal Development ❑
- Finance and ICT ❑
- Supply Chain ❑
- Regulatory and Corporate Affairs ❑
- Company Secretary and Legal Affairs ❑
- Business Development ❑
- Strategy and Business Performance ❑
- MD and CEO ❑

1.7 What are the perspectives of the Balanced Scored in KenGen ? (Select all that apply).

- Financial ❑
- Customer ❑

Stakeholders ❑

Internal Business Processes ❑

Learning and Growth ❑

1.8 How many times per year do you participate in staff performance appraisal in KenGen ?.

Once a Year**:** ❑

Twice a Year: ❑

Thrice a Year: ❑

Section 2: Balanced Scorecard Paradigm of Management

Please tick (√) against the answer which closely reflects your opinion on a scale of 1 o 5.

2.0	**Please Evaluate How Balanced Scorecard Paradigm of Management is Useful in Your Work Performance in KenGen**	**1 (Strongly Disagree)**	**2 (Disagree**	**3 (Neutral)**	**4 (Agree)**	**5 Strongly Agree)**
2.1	Balanced Scorecard is a strategic management system that clarifies and translates strategy into action					
2.2	Balanced Scorecard links the organization's mission and strategy with objective measures					
2.3	Balanced Scorecard complements financial measures with non-financial measures in a balanced manner					
2.4	All staff are involved in Balanced Scorecard framework of management at KenGen					
2.5	Balanced Scorecard can be used to report on organizational performance monitoring and evaluation					
2.6	Balanced Scorecard can be used to communicate organizational strategy to staff					

2.7 What do you like most about Balanced Scorecard in relation to work performance ?____

2.8 What do you dislike about Balanced Scorecard ?

____

2.9 If you could change one thing about Balanced Scorecard in the company, what would it be?

____

Section 3: Staff Training and Organizational Performance in KenGen

Please tick (√) against the answer which reflects your opinion on a scale of 1 to 5.

3.0	**Evaluate How Staff Training Influences Organizational Performance in KenGen**	**1 (Strongly Disagree)**	**2 (Disagree)**	**3 (Neutral)**	**4 (Agree)**	**5 (Strongly Agree)**
3.1	Training of staff improves organizational performance					
3.2	I set my work targets in consultation with my supervisor using Balanced Scorecard format with the relevant perspectives					
3.3	I get feedback from my supervisor on my work performance in order to enhance organizational performance					
3.4	Staff performance appraisals contributes to improvement of organizational performance					
3.5	Enhancement of staff motivation through performance and reward system has increased organizational performance					
3.6	Increased usage of technology has increased organizational performance					
3.7	The company offers regular training opportunities to staff to boost organizational performance					
3.8	The company's training and development programs enhance staff and therefore organizational performance					

3.9 What do you like most about the company's staff training strategies ?

____

3.10 What do you dislike about the way the company's training is carried out ?

____

3.11 If you could change one thing about how training is carried out at the company, what would it be ?

____

Section 4: Internal Business Processes and Organizational Performance in KenGen

Please tick (√) against the answer which reflects your opinion on a scale of 1 to 5.

4.0	**Evaluate How Internal Business Processes Influence Organizational Performance in KenGen**	**1 (Strongly Disagree)**	**2 (Disagree)**	**3 (Neutral)**	**4 (Agree)**	**5 (Strongly Agree)**
4.1	Continual improvement in internal business processes enhances efficiency, effectiveness and therefore organizational performance					
4.2	Internal business processes are monitored and evaluated both internally and externally through ISO QMS/EMS audits to facilitate continual improvement in organizational performance					
4.3	Safety is taken seriously by the organization to manage risks and therefore enhance organizational performance					
4.4	Automation of business processes in the organization has enhanced efficiency and effectiveness and hence increased organizational performance					

4.5 What do you like most about the organization's internal business processes ?

____

4.6 What do you dislike about the organization's internal business processes ?

____

Section 5: Customer Satisfaction and Organizational Performance

Please tick (√) against the answer which reflects your opinion on a scale of 1 to 5.

5.0	**Evaluate How Customer Satisfaction Influences Organizational Performance in KenGen**	**1(Strongly Disagree)**	**2 (Disagree)**	**3 (Neutral)**	**4 (Agree)**	**5 (Strongly Agree)**
5.1	Customers are stakeholders who directly benefit from the organization's services and products					
5.2	There are internal and external customers in KenGen					
5.3	Customer satisfaction improves organizational performance					
5.4	High availability of services delights the customer leading to increase in organizational performance					
5.5	Customer satisfaction enhances image and therefore also organizational performance					
5.6	Taking customer suggestions and complaints in decision making increases organizational performance					
5.7	Dynamic customer expectations make it necessary for KenGen to monitor, document and trend customer feedback (satisfaction and dissatisfaction) to improve organizational performance					
5.8	Staff attitude and organization culture negatively or positively influence organizational performance					
5.9	Meeting Service Level Agreements (SLAs) or Power Purchase Agreement (PPAs) enhances organizational performance					

5.10 What do you like most about the way the organization treats its customers (staff, visitors, suppliers, Kenya Power, etc)?

____

5.11 What do you dislike about the way the organization treats its customers (staff, visitors, suppliers, Kenya Power) ?

____

Section 6: Financial Performance and Organizational Performance

Please tick a (√) against the answer which reflects your opinion on a scale of 1 to 5.

6.0	**Evaluate How Financial Performance Influences Organizational Performance in KenGen**	**1 (Strongly Disagree)**	**2 (Disagree)**	**3 (Neutral)**	**4 (Agree)**	**5 (Strongly Agree)**
6.1	Increase in revenue has improved the organizational performance in terms of growth and capacity expansion					
6.2	Cost control, funds management and reduction of operating costs have improved the organizational performance					
6.3	Kenya's Vision 2030 requirements have enhanced KenGen's prospects of financial performance by putting pressure to meet energy goals to increase the organizational performance					
6.4	Financial investments in renewable, green and reliable energy projects have resulted in improvement of organizational performance in terms of good image and achievement of competitively priced electrical energy to the Kenyan citizens					
6.5	Government and company policies have put pressure on performance and increased KenGen's financial performance and therefore contributed to the overall organizational performance					

6.6 What do you like most about the organization's financial status ?

____

6.7 What do you dislike about the organization's financial status ?

____

Thank you for your valuable time and participation in the survey.

Appendix III: Letter of Introduction from University of Nairobi

UNIVERSITY OF NAIROBI
COLLEGE OF EDUCATION AND EXTERNAL STUDIES
SCHOOL OF CONTINUING AND DISTANCE EDUCATION
DEPARTMENT OF EXTRA-MURAL STUDIES
NAIROBI EXTRA-MURAL CENTRE

Your Ref:

Our Ref:

Telephone: 318262 Ext. 120

Main Campus
Gandhi Wing, Ground Floor
P.O. Box 30197
N A I R O B I

16TH October, 2015

REF: UON/CEES//NEMC/22/382

TO WHOM IT MAY CONCERN

RE: PETER NYANGE MWANYIKA –L50/82475/2012

This is to confirm that the above named is a student at the University of Nairobi, College of Education and External Studies, School of Continuing and Distance Education, Department of Extra- Mural Studies pursuing Master of Arts in Project Planning and Management.

He is proceeding for research entitled **"influence of balanced scorecard on organization performance in Kenya electricity generating company limited.** A case of central office, Nairobi.

Any assistance given to him will be appreciated.

CAREN AWILLY
CENTRE ORGANIZER
NAIROBI EXTRA MURAL CENTRE

UNIVERSITY OF NAIROBI C.E.E.S.
P.O. Box 30197
19 OCT 2015
NAIROBI
NAIROBI EXTRA MURAL CENTRE

Appendix IV: Research Authorization Letter

NACOSTI

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471, 2241349, 310571, 2219420
Fax: +254-20-318245, 318249
Email: secretary@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No. **NACOSTI/P/15/29864/8611**

Date:
15th December, 2015

Peter Nyange Mwanyika
University of Nairobi
P.O. Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"Influence of balanced scorecard on organization performance in Kenya Electricity Generating Company Limited: A case of central office, Nairobi,"*** I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for a period ending **14th December, 2016.**

You are advised to report to **the Managing Director, Kenya Electricity Generating Company, the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

DR. M. K. RUGUTT, PhD, HSC.
DIRECTOR-GENERAL/CEO

Copy to:

The Managing Director
Kenya Electricity Generating Company.

The County Commissioner
Nairobi County.

National Commission for Science, Technology and Innovation is ISO 9001: 2008 Certified

Appendix: V: Research Permit

THIS IS TO CERTIFY THAT:
MR. PETER NYANGE MWANYIKA
of UNIVERSITY OF NAIROBI, 47936-100
Nairobi,has been permitted to conduct
research in *Nairobi County*

Permit No : NACOSTI/P/15/29864/8611
Date Of Issue : 15th December,2015
Fee Recieved :Ksh 1,000

on the topic: *INFLUENCE OF BALANCED SCORECARD ON ORGANIZATION PERFORMANCE IN KENYA ELECTRICITY GENERATING COMPANY LIMITED: A CASE OF CENTRAL OFFICE, NAIROBI*

for the period ending:
14th December,2016

Applicant's Signature

Director General
National Commission for Science, Technology & Innovation

Appendix VI: Research Field Entry Permission

KenGen

Kenya Electricity Generating Company Ltd.
Stima Plaza, Kolobot Road, Parklands
P.O. Box 47936 - 00100, Nairobi, Kenya
Telephone: 254-20-3666000 Fax:254-020-22 48848
Website: www.kengen.co.ke

Our Ref: **STAFF/KENGEN//BWO/aa**

4th April, 2016

Peter N. Mwanyika
University of Nairobi,
College of Education, School External Studies
P. O. Box 30197 - 00100,
Nairobi.

Dear Sir,

RESEARCH - UNIVERSITY OF NAIROBI

This is to confirm that management has duly authorized you to collect research data entitled "Influence of balanced scorecard on organisation performance in KenGen". A case of central office, Nairobi.

You are hereby advised to treat the information given as strictly confidential and to use it only for academic purposes.

Through this note, KenGen staff have been requested to give you maximum support as you collect the data.

You will also be expected to avail a copy of your research project to the management.

Yours faithfully
For: KENYA ELECTRICITY GENERATING CO. LTD.

BETHWEL OGWAYO
Ag. HUMAN RESOURCE MANAGER

Appendix VII: Krejcie and Morgan Table

N	**S**	**N**	**S**	**N**	**S**
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	**28**	260	155	1600	310
35	32	**270**	**159**	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	**56**	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	**76**	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	**97**	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Table 3.3 Krejcie and Morgan Table (1970)
for determination of sample size for a finite population.

Key: **N** = Population Size; **S** = Sample Size

Note: Use the next highest value if the exact population size is not listed in the table.