THE BALANCED SCORECARI) AS A STRATEGY IMPLEMENTATION TOOL AT ORANGE TELKOM KENYA

BY

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DECLARATION

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

Signed..fc^fe.......................Datc.Jlk!

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

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ABBREVI ATIONS AM) ACRONYMS

BSC	Balanced Scorecard
CDMA	Code Division Multiple Access
CCK	Communication Commission of Kenya
EASSy	Eastern Africa Submarine cable System
GSM	Global System for Mobile communication
ICTs	Information and Communication Technologies
KPTC	Kenya Posts and Telecommunication Corporation
KRA	Kenya Revenue Authority
LION	Lower Indian Ocean Network
NOFBI	National Optic Fibre Backbone Initiative
TEAMS	The East African marine System
UNDP	United Nations Development Programme

ABSTRACT

This study sought to establish the application of the balanced scorecard as a strategy implementation tool at Orange Telkom Kenya. A BSC is a management model that translates the organization mission and strategy into a collection of performance measures which is achieved by successful implementation of the BSC. Orange Telkom Kenya has being in the telecommunication industry market and has not been left out in the competition. The organisation has managed to expand its network not only in Nairobi but also in the entire country. Orange Telkom Kenya has over the last three years been using the balanced scorecard to manage its employees. The balanced scorecard was developed in the early 1990's by Kaplan and Norton of Harvard Business School. This was a case study since the unit of analysis was one organisation. Primary and secondary data was used for the study through use of interview guides that were distributed among the senior managers in Orange Telkom Kenya. Content analysis was employed in analyzing the data. By using content analysis inferences were made by systematically and objectively identifying characteristics. This study established that there is need to align individual goals to the vision and mission of the organization. Its results should help the other telecommunication players to improve their management process and have a competitive edge in the industry. The study therefore recommends for staff training and motivation to accept change as they occur in the organization at all levels so as to curb the resistance to change hence enhancing successful implementation of the balanced scorecard to be an effective tool. This study further recommends for the organisation to outsource consultants who are well conversant with the BSC and who will also help to oversee strategic decisions so as to be successful and be able to realize the intended results.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The business environment has changed in the past decades. The last 25 years of the 20th century has been termed as the information age bccause knowledge and information were more readily available than ever before. Knowledge and information are now competitive factors for today's organisations. In a knowledge based business environment, intangible assets create the value for organisations while the traditional tangible assets such as new products, innovation and brands are difficult to measure using the traditional accounting systems. The increasing importance of intangible assets creates a need for a different type of measurement system.

Kaplan and Norton (1992) introduced the balanced scorecard in the early 1990s to overcome the deficiencies of traditional financial performance measures in today's business environment. The balanced scorecard is a management model that translates the organization mission and strategy into a collection of performance measures, (Kaplan & Norton. 2001a). Kaplan (1992) proposed the use of four performance dimensions: learning and growth perspective, internal business perspective, customer perspective and financial perspective. According to Kaplan and Norton the ultimate goal of implementing the BSC is the achievement of superior, long term financial results. The BSC has become a widely known management tool and recent survey indicates that many organisations use or intend to use the BSC (Speckbacher, 2003) while much research has been conducted in other sectors of the economy little is known about its use in the telecommunications industry in Kenya.

Orange Telkom Kenya has been operating in a turbulent business environment characterized by stifT competition in the telecommunication industry, changes in technology and regulations which seemly change overnight. Globalization also introduces opportunities and competition from all corners of the globe. In these circumstances, there arises a need to craft better methods of sustaining the competition. Organizations need information to deal with these challenges. The company uses the BSC to align the functional strategies with the corporate and operational strategies and how it deals with the intangible assets that are equally critical to the long term success of an organization. Firms do exist with the primary objective of maximizing shareholders wealth, but in operational terms their main focus is on customer satisfaction through the production of goods and services needed by them. The use of financial only is criticized because they focus on short term objectives (Druly, 2004).

1.1.1 Strategy Implementation

According to Noble (1999) strategy implementation is the communication, interpretation, adoption and enactment of a strategic plan. I le further argues that a successful strategy will require sound implementation guidelines of the following key areas: appropriate structures, human resource, cultural change, policies and rules, financial resources, systems and procedures, sound leadership, good communication and incentives and tools and techniques applied in the transition from strategy to action. Robinson (1997) argues that strategy implementation requires the best way to organize ourselves to accomplish the organization's mission by finding out which values should guide the organization's activities and how can rewards be shaped to encourage appropriate action.

Thompson (2005) argues that crafting and executing are the heart and soul of managing an enterprise. He says that it is a five phase managerial process namely: developing a vision, setting objectives, crafting a strategy to achieve the desired outcome, implementing and executing the chosen strategy effectively and efficiently and monitoring the developments and taking timely corrective actions. He further argues that these steps should involve identification of the key tasks to be performed, assigning tasks to individuals, co ordinations of separate tasks, designing of appropriate information systems and drawing specific programs of action.

Strategy implementation is the process where managers translate the strategies into action: for without implementation effective strategies are of no value (Hunger &Wheelen, 1996).Mintzberg (1978) says strategy implementation means carrying out the pre-determined strategic plans. He further argues that if one holds an emergent view on strategy, one does not believe that strategy is first created and then implemented but. that strategy emerges and evolves without interventions of strategic planners. Thompson and Strickland (1992) note that strategy implementation entails converting the strategic plan into action and then results.

Prior to implementing the strategy, all staff should be committed to ensuring a smooth transition, this should be achieved by managers ensuring that they involve and communicate effectively to all staff about the changes that should be made. Noble (1991) reinforces that there is significant need for detailed and comprehensive conceptual models related to strategy implementation. According to Pearce and Robinson (2000), the first concern in the implementation of a good strategy is to operationalise that strategy throughout the organisation. The reasons why strategy implementation fail include; mismatch between strategy and structure, failure to connect strategy formulation and implementation, insufficient resources and lack of senior management commitment.

1.1.2 Balanced Scorecard as a Strategy Implementation Tool

Kaplan and Norton (1996) argue that the BSC facilitates the alignment of people and processes to organisational strategy. It's claimed that the BSC breaks down traditional functional silos (a major barrier to strategy implementation) by aligning business unit strategies to organizational missions and objectives. This is argued to be achieved through development of business unit BSCs guided by high level strategic priorities, with functional managers influencing the accomplishment of divisional and corporate scorecard measures. Its argued that organizations may align activities of support units to core business processes by incorporating service level agreements into BSCs that focus not only on cost but also on functionality, quality level and response time. It's also argued that BSC enables organizations to introduce new double-loop processes for managing strategy by integrating the management to tactics with management of strategy (Kaplan and Norton 2001). This form of integration and alignment is said to be achieved by using the BSC to aid in budgeting, evaluating potential expenditures for their impact in terms of different objectives expressed within the BSC (Kaplan & Norton 2001). According to Kaplan and Norton. (1996) BSC is a system of linked objective, measures, targets and initiatives which collectively describe the strategy of the organization and how the strategy can be achieved.

The BSC focuses on the following perspectives: The financial perspective indicates whether the transformation of a strategy leads to improved economic success. Thus the financial measures assume a double role. The customer perspective defines the customer or market segments in which the business competes. The internal process perspective identifies those internal business processes that enables the firm to meet the expectations of customers in the target markets and those of the shareholders and learning and growth perspective which describes the infrastructure necessary for the achievement of the objectives. In this perspective the most important areas are qualification, motivation and goal orientation of employees and information system.

1.1.3 Telecommunication Industry in Kenya

Globally. ICTS (information and communication technologies) has proved to be a key driver of economic growth, reducing poverty and improving living standards. The diffusion of mobile telephony in the last decade has had a strong social and economic impact. (Global information report. 2008/09). The telecommunication industry has grown very fast in Kenya, which is a country where the benefits of mobile phones are evident. After the liberation of the country's telecommunication sector 1998. the monopoly that was enjoyed by Kenya posts and telecommunication corporation (KPTC) came to an end. This move saw new entrants who provide competing services. Currently there are four licensed mobile operators namely: Zain Kenya (Bharti airtel), Safaricom limited. Essar telecom, and Telkom Kenya (which is also the sole national fixed network operator), (CCK 2009). The development of the sector is set to improve as a result of technological convergence and implementation of a unified licensing framework. The sector registered 17.4 million subscribers up from 12.9 million subscribers in June 2008 (CCK).The sector has had intense competition among the operators as each one of them wants to get as much as possible of the market share.

The technology has led to the introduction of innovative, competitive and customised products such as mobile banking and mobile transfer services. Internet has also become part of the basic infrastructure in many countries and that's one of the key foundations of knowledge in an economy. In the recent past there have been developments both at policy and industry level which will bring a fundamental paradigm shift in future growth and competition in this sector. With the introduction of the three undersea telecommunications cables at the coast of Mombasa seacom. the East African marine system (TEAMS) and the Eastern Africa submarine cable system (EASSy) creates an opportunity for all telephone operators to develop affordable broadband access to the internet for all. The sector is expected to optimize its contribution to the Kenyan economy by being innovative and ready to change. In this sector it's imperative that an organization in this industry benefits from strategy implementation which is a fundamental source of change.

1.1.4 Orange Telkoni Kenya

Telkom Kenya was established as a telecommunications operator under the Companies Act in April 1999. The company provides integrated communications solutions in Kenya with the w idest range of voice and data services as well as network facilities for residential and business customers. In December 2007 there was a partial privatization of Telkom Kenya Limited. France telecom SA won an auction for a 51% stake in Telkom Kenya Limited. This led to the introduction of Orange Telkom Kenya a GSM wireless to enhance competition within the GSM technology. Telkom Kenya Limited partnered with France telecom group which saw the launch of Orange brand in Kenya in 2008.

The Company offers mobile telephony services under the GSM and CDMA platforms, fixed line telephone services and internet services. Orange also owns shares in the TEAMs and EASSy cables, in addition to running the National Optic Fibre Backbone Initiative (NOFBI) and its own terrestrial fibre optic network-supporting its data carrier-carrier business.

Currently Orange covers the entire country on both the voice and data channels, with comprehensive plans in place to meet the Universal Service Provision's requirements set out by the industry regulator in Kenya, the communications commission of Kenya (CCK).Orange is also part of the Lower Indian Ocean Network (LION) cable - an under-sea fibre optic cable connecting Kenya to Madagascar and the rest of the world that is set to go live in the first half of 2012.

The identity of Orange was inspired by new investments and a fresh new approach to doing business. The organizations' new approach to serving customers emphasizes on placing people at the centre by making their services straightforward, simple and more enriching. The organisation is proud to play a prominent role in the information and communications technology sector, serving millions of Kenyans across the country. The company, as at June 2011, has a customer base of approximately 2,800.000 customers on GSM, fixed and CDMA wireless platforms with a country-wide presence (Telkom Kenya limited. 2011).

1.2 Research Problem

Managers operating in organisations perform activities like planning and organizing the work of their subordinates, motivating them, controlling and evaluating results. The organisation is shown as one of a number of competitors in an industry: and to a greater or lesser extent degree these competitors will be affected by the decisions, competitive strategies and innovation of others (Pearce & Robinson, 2007). An organization needs some kind of a balanced combination of different measures to analyze the entity as a whole. A method of understanding of an organisation's objectives and methods of achieving those objectives is vital, hence the need for strategy implementation for the success of the strategy. The balanced score card has emerged as an extremely effective tool for implementing strategy.

The telecommunication industry is experiencing rapid growth: over the last five years there has been a steady growth in the number of telecoms operators. This is as a result of high rate of cellular technologies emerging and the consequent increase in economic activities. Orange Telkom Kenya covers the entire country on both voice and data channels. According to CCK reports, the company as at June 2011, had a customer base of 2.8 million on GSM. fixed and CDMA wireless. Despite the volatile environment that it's operating in, it has managed to make profits and satisfy its customers. This paper will examine whether the company applies the BSC as a strategy implementation tool hence its success.

Studies have been done on the BSC focussing on different contexts namely formulation, application of the BSC and implementation. Kamau. (2006) did a study on the application of the BSC in implementation of strategy at KRA. Mugo, (2007) found that some of the processes involved in BSC application include building consensus around the organisation's vision and strategy. Macharia (2008) focused on the challenges faced by the Co-operative Bank of Kenya in integrating the BSC in the performance measurement process. Kimtai (2010) focussed on the challenges of implementation of the turnaround strategies at Telkom. Kiplangat. (2007) did a study on the implementation of the balanced scorecard at UNDP-Somalia. while Kiragu, (2005) did a survey of the adoption of BSC by selected companies in Kenya. The study aimed at finding out how Orange Telkom Kenya used the concept in aligning and coordinating its activities to the strategy. This helped to identify the extent of usage of the BSC in the organisation.

However a gap exists since the researcher is not aware of any study that has been done on the use of the BSC as a strategy implementation tool at Orange Telkom Kenya, the factors that hinder its usage was also be identified. In addition the alternative methods used will be expunged for example the budgets, which are used to link strategic programs by organisations that use the BSCs. Orange Telkom Kenya becomes the focus organisation that the study used to fill up the knowledge gap. Does Orange Telkom Kenya apply the balanced scorecard as a strategy implementation tool?

1.3 Objective of the study

The objective of this study was to establish the application of the balanced scorecard as a strategy implementation tool at Orange Telkom Kenya.

1.4 Value of the Study

The study would help management and the employees at Orange Telkom Kenya who would utilize the findings and recommendations from the study. It will enable them evaluate and link the results which would contribute to a better understanding of the role of the balanced scorecard as a strategy implementation tool.

The study would also be important to the telecommunication industry managers as it would help them understand the role of the BSC as a strategy implementation tool and how they can use it to ensure successful strategy implementation.

For researchers and scholars the research is expected to contribute to the existing literature in the field. The research would help in identifying the gaps and other relationship in the use of the BSC and its implementation. This will be used as a basis for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents selected theoretical and empirical literature relating to the balanced scorecard. Selected materials on strategic management have been reviewed. It's divided into the following six themes; the concept of strategy, strategy implementation, the balanced scorecard .BSC as a strategic implementation tool, the process and application of the BSC , and the benefits and challenges of using the BSC.

2.2 Concept of Strategy

The word strategy is derived from two Greek words: stratos (army) and ago (ancient Greek for leading). "Strategos" referred to a military commander during the Athenian democracy (Wikipedia, 2007). While it has no single definition, strategy may be seen as a multidimensional concept that embraces all the critical activities of an organization. Lack of a single definition points to the selective attention given to the various aspects of strategy by different authors (Aosa. 1992). Johnson and Scholes (2002) defines strategy as the direction and scope of an organization over a long period of time which achieves advantages for the organization through the configuration of its resources within a changing environment also known as strategic fit to meet the needs of the market and fulfil stakeholder expectation. Strategy is a commitment of present resources to future expectations Drucker, (1999).

Mintzberg et al (1999) defines strategy as the pattern or plan that integrates an organization's major goals, policies and action sequences into a cohesive whole. They view strategy as a ploy, pattern, position, plan and perspective. Strategy as a ploy is the action taken by an organization with the intention of outwitting its rivals. As a pattern, strategy emerges without preconception from a series of actions visualized only after the events it governs. Strategy as a position is a means of competitively positioning an organization in its external environment. As a plan, strategy specifies a deliberate coursc of action designed before the action it governs, while as a pattern strategy reveals an organization's perception of the outside world. Quinn (1980) viewed strategy as the pattern or plan that integrates an organization major goals, policies and actions sequence into a cohesive whole.

According to David (2007), strategy can be described as the unique and distinctive actions that a company takes on the organizations value chain to achieve a competitive advantage that will contribute to greater net profitability. Strategy refers to the machinery of the resources and the activities of an organization to the environment in which it operates (Johnson & Scholes, 2002).In addition strategy can be defined as the broad program and goals to help an organisation achieve success. According to Scliendel and Hofers (1979), strategy is a match between organisation resources and skills to opportunities and risks it faces and the purposes the organisation wishes to accomplish.

Strategy is a multidimensional concept that embraces all the critical activities of the firm, proving it with a sense of direction, and purposes as well as facilitating the necessary changes induced by its environment (Hax & Masluf. 1996). They define the concept of strategy as a means of establishing the organisational purpose in terms of its long term objectives, goals, action programs and resource allocation. They further define strategy as a managerial task with corporate, business, and functional perspective.

Strategy can be divided into different levels and in most organization there are several levels of strategy. Strategic management is the highest level since it is the broadest, applying to all parts of the firm. It gives direction to corporate values, corporate culture, corporate goals and corporate missions. Under this broad corporate strategy there are often functional and business unit's strategies. Functional strategies include marketing strategies, financial strategies, legal strategies and information technology management strategies. Many companies consider a functional organizational structure as an efficient way to organize activities so they have reengineered according to processes or strategic business units (SBUs). SBU is a semi-autonomous unit within an organization; it is usually responsible for its own budgeting, new product decisions, hiring decisions and price setting. Each SBU is responsible for developing its own business strategies, strategies that must be in tune with the broader corporate strategies (Drucker. 1954).

Corporate strategy refers to the overarching strategy of the diversified firm. Such strategy often answer the questions of "in which business should we compete" and "how does being in one business add to the competitive advantage of another portfolio firm, as well as the competitive advantage of the corporations a whole?" (Carpenter and Sanders 2002).According Lamb (1984). Strategic management is the art and science of formulating, implementing and evaluating cross-functional decisions that will enable an organization to achieve its objectives. It is the process of specifying the organization's objectives, developing policies and plans to achieve the various functional areas of a business to achieve organizational objectives.

2.3 Strategy Implementation

Strategy implementation is the process where managers translate the strategies into action; for without implement, effective strategies are of no value (Hunger and wheelen. 1996).Strategy implementation is the process by which strategies and policies are put into action through the development of programs. Strategy implementation means carrying out the pre-determined strategic plans (Mintzberg. 1978). He further argues that if one holds an emergent view on strategy, one does not believe that the strategy is first created and then implemented but, that the strategy emerges and evolves without interventions of strategic planners. Implementing strategies successfully is about matching the planned and the realized strategies which aim of achieving the organization's vision. Firms are evolving in terms of structures hence the implementation process will differ from one organization to the other depending on the organization and management style.

According to Lynch (2000), strategy implementation includes considerations of who will be responsible for its implementation. Most organisations that have succeeded in implementing their strategies have structures that support the implementation of the strategy, adopting systems that efficiently and effectively manage the organisation and emphasizing on retraining the workforce and management of change. Effective implementation begins during strategy formulation when questions of "How to do it" go hand in hand with "What to do". Organisation resources and actions are then tied to strategic priorities and the key success factors are identified and aligned to the **organisational performance.**

Strategy implementation is an administrative task and inherently behavioural in nature (John & Richard. 1986). The task is for the strategist's ability to allocate resources, design structures, formulate functional policies and leadership styles besides dealing with other issues. Successful implementation results from reviewing and assessing the various factors that affect the implementation process. In today's business environment strategies fail because of a lack of consistency in the chosen strategy. This is articulated due to lack of control measures, accountability and commitment. There is need to monitor the implementation of an organization's plans and determine when the plans are successful and how to improve them.

Implementation is one of the critical components of strategic management. A strategy that is not implemented is no strategy at all. A good execution may save a poor strategy, whereas poor implementation ensures trouble or failures regardless of how appropriate the strategy has been formulated (Bonoma. 1984).Each step in strategy formulation, evaluation and choice should be undertaken with implementation requirements clearly in mind. The idea in strategic implementation is to reach a state in which everyone understands the BSC. what every employee is to do and why. This is the state of mutual understanding (Rowe et al, 1994).

Studies done on strategy implementation show that there is evidence of some recurring themes, including teamwork and coordination of people which ensures that people across organizations know what to do and ensuring that they know their set targets. Njiru. (2007) sought to propose the structural views as important facilitators for strategy implementation success. Kabiru, (2011) focused on the success of strategy implementation and the organisation's overall performance.

2.4 The Balanced Scorecard

Smith (2007) defines the BSC as a management tool that provides senior executives with a comprehensive set of measures to assess how the organization is progressing towards meeting its strategic goals. Nair (2004) identifies the BSC as a methodology to solve challenges in balancing the theories of a strategy. He further argues that the essence of a BSC is making strategy actionable at all levels by translating its day to day action plans and initiatives. Pearce and Robinson (2007) defined a balanced scorecard as a set of measures that are directly linked to the company's strategy. They observed that balanced scorecard is a management system that can be used as the central organizing framework for key managerial process.

Kaplan (1996) argues that the BSC should be used to express and communicate the strategy of a business to help to align the initiatives at an individual, organisational and cross departmental level towards achieving common long term goals. Nivcn (2003) contends that the BCS is a tool with three elements namely; a measure system, a management system and communication system. He emphasizes that as a communication tool the BSC is a platform for exchanging ideas and gaining a better understanding in the organisation. The balanced scorecard is a monitoring and controlling system that is used to understand and evaluate the organisational objectives.

BSC can be defined as a strategic planning and management system used to align business activities to the vision statement of an organisation (Deloite & Touche. 1992).The BSC was created to assist business in moving ideas to action, achieving long term goals, and obtaining feedback about strategy. Kaplan and Norton (19%) stated that the balanced scorecard should translate a business unit's mission and strategy into tangible objectives and measures. The measures should represent a balance between external measures for stakeholders and customers, and internal measures of critical business processes, innovation, and learning and growth.

According to John (2010), the BSC approach was intended to provide a clean prescription as to what companies should measure in order to balance the financial perspective in implementation and control of strategic plans. Kaplan and Norton (1992) proposed the use of four performance dimensions learning and growth perspective, customer perspective, internal business perspective and financial perspective.

The first perspective is the financial perspective which covers how an organisation should appear to its share holders in order to succeed, how it relates to its financial performance targets that the management has established for the organisation to achieve. A company's financial performance measures are lagging indicators that reflect the results of past decisions and organisational activities. The best and most reliable leading indicators for a company's future financial performance and business prospects are strategic outcomes that indicate whether the company is competitive and market positions are strong or weaker (Thompson, 2008).Tracking the company's financial performance overlooks the fact that what ultimately enable a company to deliver better financial results from its operations are the achievements of strategic objectives that improves an organisation's competitiveness and market strengths.

The second perspective is the customer which covers the customer objectives such as customer satisfaction, customer focus, market share goals as well as product and service attributes. The leading indicator of performance is the increase of business due to customer satisfaction and customer focus. Kiragu. (2005) further states that the customer's perspective deals with the ability of an organisation to provide quality products and services, punctuality of the deliveries and customers satisfaction. In this strategy purpose needs to be seen in the context of customer oriented strategy. The BSC demands that managers translate their mission statement on customer service into specific measures that reflect the factors that really matter to customers (Kaplan, 1992).Kaplan (1996) contends that to put the BSC to work, companies need to articulate goals for time, quality and performance and service and then translate these goals into specific measures with the aid of a successful implementation process.

The third is the learning and growth perspective which is knowledge based and it provides feedback and learning through strategy reviews and sharing comments on the outcome of events within an organisation. The perspective has the effect of highlighting the importance of communicating and linking people with the purpose through education, goal setting and rewards for achieving the required performance. For example, the achievement of a market share objective might be accompanied by a review of what was done well and what should be improved (Lynch, 2009).People in an organisation should engage in continuous learning which will contribute positively bccausc in this era information keeps on changing from one organisation to the other. This will enable the learning organisations to adapt to changes in the state of the market, technology and the stiff competition. In addition this will help strengthen the capabilities and processes of an organisation through experimentation and creating a culture that values learning.

The last perspective is the internal business perspective which covers internal operations of a business. It's also concerned about the internal performance measures related to productivity, capita investment against cost saving achieved, labour productivity improvements and other that indicate how the organisation was translating its strategy. In addition it involves setting internal strategy targets and establishing milestones for the implementation of the strategy. (Lynch, 2009). The metrics based on this perspective allow the manager to know how well the business is running and weather its products and services conform to customer requirements which in turn translate to the mission of the organisation. Managers need to focus on internal operations that enable them to satisfy personal needs. The internal business process answers the question: What are our core competences and areas of operational excellence? Internal business processes and their effectiveness are measured bv productivity, cycle time, quality measures and downtime which cannot be achieved if the implementation process is poor. Also included are measures of training and development, and job turnover (Pearce 2007). All this asses the quality of staff and the process they manage.

2.5 Balanced score card and Strategy Implementation Tool

Today's business environment has changed in the past decade hence complexity. A method of understanding of their objectives and methods for achieving those objectives is vital. Implementation covers the activities required to put strategies into practice. The basic elements of this process are: general objectives, specific plans, finances and monitoring and control to ensure compliance (Lynch, 2009). Having developed the BSC, it needs to be cascaded and communicated to the business units and staff in general. There's need for selection of right measures and the linking of initiatives with the strategy of the organization. The formulation process of the BSC should involve all employees so that the implementation process does not meet resistance. (Thompson. 2008).

Druly, (2004) states that the BSC is a management technique for communicating and evaluating the achievement of the mission and strategy of the organisation. The BSC transforms an organisation's vision and strategy into a comprehensive set of performance and an action oriented measures that provides the basis for strategy implementation. In using the BSC as an implementation tool, you first translate the four perspectives into key performance indicators which are numerical measures of the target that will deliver the organisation's objectives (Lynch. 2009).

Strategies are implemented through a set of programs, budgets, and procedures (Ansoff, 1990) .There are many tools that have been used by different organizations to not only implement their strategies but also evaluate whether the organization is achieving the goal as per plan. Some of the commonly used tools include the BSC, gap analysis, key performance indicators and conducting a SWOT analysis (Kibuchi 2011).Gap analysis helps companies compare actual performance with potential performance by giving a variance range. Gap analysis reveals areas that can be improved and helps determine, document and approve the variance between business requirements and naturally current capabilities.

Implementation is one of the critical components of strategic management. A strategy that is not implemented is no strategy at all. A good execution may save a poor strategy, whereas poor implementation ensures trouble or failures regardless of how appropriate the strategy has been formulated (Bonoma. 1984). Implementation is putting strategies into practice, these strategies deliver the mission and objectives of an organisation. The balanced scorecard is then used to monitor and control the process through assigning tasks to be undertaken by employees. Thus the balanced scorecard acts as a tool for strategy implementation (Lynch, 2009).

2.6 Application of Balanced Scorecard

The Balanced scorecard is a modern tool that helps analyse business effectively. It is an easy to adopt methodology and is value focused. In addition it clarifies the cause and effect linkages between employees, customers and financials, since it helps monitor how the organisation operates (Thompson. 2008).A vast number of performance measurement and evaluation framework aimed at evaluating the private sector's performance has been developed. The BSC (Kaplan, 1992) has received the most practitioner attention with research collaborative finding that 52 percentage of firms surveyed were using a scorecard in 2001 (Neely.2002) In practice, majority of private sector performance measurement system is developed internally and rely on self assessment, the results of which depict the success of the implementation process.

BSC facilitates the alignment of people and processes to organizational strategy. It helps align the business strategies to organisational missions and objectives which are achieved through development of business unit BSC's guided by high level of strategic priorities, with functional managers influencing the accomplishment of divisional and corporate scorecard measures (Kaplan and Norton. 1996) Successful implementation of the BSC enables an organization to accomplish critical management processes by first translating the vision and mission into action with a common fact based approach to measurement. Secondly, communication of an organisation's vision and linking it to individual performance. Thirdly it enables performance measures and drivers to be at all levels. Fourth it enables an organisation to link its long term financial success to current customers, internal processes and systems performance. Fifth, it helps organisations identify and launch strategic initiatives. The sixth process is where organisations enhance periodic systematic strategic views which help in learning and adjusting the strategy accordingly and finally on business planning and feedback, to improve on the strategy.

The BSC translates an organization's mission and strategy into a balanced set of integrated performance measure through implementation, which is done by the managers. Kaplan (1996) argues that mangers like pilots need instrumentation about many aspects of their environment and performance to monitor the journey towards excellent future outcomes. He further continues to say that, the BSC provides managers with the instrumentation they need to navigate to future competitive success. It enables organisations to clarify their vision and strategy which translates them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results.

2.7 The Benefits and Challenges of using a Balanced Scorecard

The real benefit of the BSC is that it first provides a link between strategy and implementation. Kaplan and Norton (1996) argue that the final purpose of any strategy is to increase the value of shareholders of the organisation through improvement of the four strategy perspectives. Secondly the BSC helps to translate the abstract vision of strategic purpose into practical and useful action areas. Thirdly it helps in moving the strategy beyond a few overly simple measures such as earnings per share and return on capital employed (Lynch, 2009).Fourth, the BSC helps in giving focus and insight on key issues hence enhances the development of the management team. Fifth, it helps improve the decision making process since there is consistency in communication which in turn will help improve the business results.

The BSC approach forces organisations to design key performance indicators (KPIs) for their various strategic objectives. This ensures that the company actually measures what matters. Research shows that companies with a BSC approach tend to report higher quality management information and gain increasing benefits from the way this information is used to guide management in implementation and decision making. The BSC also removes biases, its objective and is result oriented therefore making employees to be focused on KPIs (Aboge, 2010).

Finally, the BSC drives behaviour which helps in changing an organisation's culture positively (Thompson, 2008).Another benefit is that organisations that use the BSC approach tend to perform better than organisations that don't use the BSC approach. It highlights the processes that are most critical for achieving breakthrough performance for customers and stakeholders. According to Ritter (2003), the balanced scorecard helps in promotion of a systematic development of vision and strategy, and therefore the understanding of how things are carried out at all management levels. This allows for the creation of the business model specifying on a small group of measurements which are critical for the performance of the organisation's and the business' and making it possible to recognize the essential adjustment elements of the business and its management through cause-and-effcct analysis.

New ing (1994) suggests that one of the main challenges of a balanced scorecard is the complexity and time involved in the designing an appropriate scorecard for the particular business or organisation in mind and its implementation. The balanced scorecard has been criticised for failing to include important perspectives like the employee perspective and the environmental impact perspective (Kiragu 2005). The other challenge relating to the BSC is that it lays strong emphasis on gaining commitment and action. The scorecard may also lead to excessive measurement in larger companies turning the whole process into a bureaucratic nightmare (Norton, 1992) The BSC has loopholes in that the information embedded in the BSC may appear to block the success of the business because it lacks to identify and better manage the critical lead indicators, this is attributed to limited measures of the past performance, lagging not relevant and at times its inaccurate (Thompson, 2008).

Organisations also try to adopt or copy the balanced scorecard of another organization in the same industry. These organisations should know that each organisation have different scorecards because each corporation differ in their objectives and priorities. This is so because what may seem as an important objective to one organisation is of lesser essence to the other. In addition companies should consider the underlying factors that affect them both positively and negatively. These factors include; logistics, location, government policies and the target market. This will enable the organisations to be able to translate and align their objectives and action plans in order to achieve the organisations overall goals (Thompson, 2008).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chaptcr reviews the method of conducting research that was used in gathering the data, analyzing the data and reporting the results. The researcher aims at explaining the methods, tools and procedures that was be used to collect data so as to get relevant, reliable and complete information related to the subject under study.

3.2 Research Design

This is a case study since the unit of study is one organisation. This is a method of in-depth study rather than breath since it places more emphasis on getting detailed information. The case study approach allows an investigation to retain the holistic and meaningful characteristics of real events including organisational and managerial processes.

Mugenda (1999) proposes the use of a case study when an in depth of an individual group, institution or phenomenon is required. A case study drill down rather than cast wide. The data obtained is usually more detailed, varied and more extensive. The case study is aimed at getting detailed information on balanced scorecard as an implementation tool at Orange Telkom Kenya.

3.3 Data Collection

The researcher used Primary data to carry out the study. An interview guide that consists of open ended questions was used to facilitate the collection of data from the respondents. The data was collected from the senior managers within the human resource, marketing, operations, finance and procurement departments who are involved in strategy formulation and implementation process as they are appropriate in decision making.

Secondary data was also be used to provide additional information. This was obtained from already documented materials such as the company's strategic plans, annual budgets, financial reports, procedural manuals and industry associations' journals. In addition data was also obtained by the use of desk search techniques from published reports and other company's documents.

3.4 Data Analysis

The data collected was analyzed using content analysis since it's a case study. This involved reviewing what the respondents had indicated to see what themes emerges out of their responses. It involves observation and detailed description of objects, items or things that comprise the study (Mugenda, 1999).

Cooper and Schindler (2011) emphasizes that content analysis measures the semantic content of 'what' aspect of the message. Its breath makes it flexible and wide ranging tool that is used as a problem specific technique. Nachmas, (1996) also defines content analysis as a technique for making inferences by systematically and objectively identifying characteristics of messages and using the same to relate to trends.

CHAPTER FOUR

DATA ANALYSIS ANI) INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents the analysis and findings guided by the objective of the study which was to establish the application of the balanced scorecard as a strategy implementation tool at orange Telkom Kenya. The research objective was tested by use of interview guides which was administered to the respondents.

The data collected was analyzed using content analysis, a technique for making inferences by systematically and objectively identifying characteristics of messages and using the same to relate to trends.

4.2 Background Information

The study, in an effort to determine the interviewees' skills, knowledge and conversance with matters regarding Orange Telkom Kenya asked the respondents who were senior managers' questions on the department they worked in and their current positions. The study also sought to establish the interviewees total work experience. According* to the interviewees response, most of them had worked for more than five years and that their departments had an average of fifteen employees, hence the researcher had an advantage of good command and responsibility since the head of departments had experience in the execution and implementation of the BSC.

The respondents agreed unanimously that their organisation uses the balanced scorecard as a strategic management tool and the BCS has been in use for the last three years. They further added that the top management and heads of departments are involved in the implementation of the BSC at Orange Telkom Kenya.

4.3 Strategy Implementation at Orange Telkom Kenya

The study established that Telkom Kenya Limited partnered with France Telecom SA which won an auction of a 51% stake in Telkom Kenya Limited which led to the introduction of Orange Telkom Kenya. The parties involved in formulating strategies as indicated by the respondents at Orange Telkom Kenya are the France Telecom and executive committee. The strategy is then cascaded to management team then to departmental heads who are in charge of communicating of the strategies to the lower cadre and ensure that all the employees get the strategies in a simple, realistic, clear and implementable manner.

The study established that a board of directors has expressed confidence in the direction the management team is taking. The respondents expressed optimism that the company was on the right track due to the robust business strategy that has seen the company provide innovative products and quality services to its customers. Orange Telkom Kenya is currently reviewing a business strategy proposal from the management. The plan is still under validation and is designed to steer the business through the year 2016.The board and the executive committee are confident with the management because they worked tirelessly in the pat three years to transform Orange Telkom Kenya.

In the organisation all staff have their goals and objectives articulated and aligned to the company's objective. Each employer has clearly defined roles and targets that one is to achieve which are steered towards the vision of the organisation. In Orange Telkom Kenya the vision believes in making life better for people and their mission is stated as "We will connect every Kenyan through integrated communication solutions that simplify and enrich their lives. We are a social and business catalyst, liberating and inspiring people with ideas and services to connect, collaborate, co-create in new and exciting ways". Coupled with values of being friendly, honest straight forward, refreshing and being dynamic used as policy guidelines for strategy formulation and implementation which are built around the company's strategy.

From the respondents interviewed it's noted that there exists a relationship between strategic managers and those they plan for. The managers need to understand the needs, wants, and capabilities of the organisation's employees and on how well the employees understand the goals, objectives, tasks and assumptions of the plan. The managers then need to motivate their staff and in some cases they ought to engage the services of external consultants who help in training the new strategy and get to understand what is expected from each employee so as to achieve the intended goals.

Orange Telkom Kenya's operational and management control systems are built around financial measures and targets which are aligned with the long term strategic plans in order to gain the initial transition from the status quo to the new situation that is facing them. The management then consolidates the new conditions and continues to follow up. In this way it's easier for the managers to communicate the change and able to get feedback which is then analyzed and a way forward is extracted. At this stage managers can identify the performance objectives and outcome which will provide a means of evaluating the effectiveness of the strategy and the success of its implementation. Finally the performance development plans are built on the employee scorecard hence the overall firm's strategy is implemented by linking and aligning the overall firm's objectives with individual objectives through performance reports which work hand in hand with the balanced scorecard. This helps in making work easier both for the employee and the organisation at large hence a smooth implementation process.

4.4 Importance Balanced Scorecard as a Strategy Implementation Tool

From the interviewees' the importance of the BSC as a strategy implementation tool in Orange Telkom Kenya was the need to align individual goals to the vision and mission of the organization. It enhances focus towards set goals, organisational objectives, improving business processes, procedures and performance.

The researcher found out that effective communication of an organisation's strategic plan from the top management to the lower level is critical to achieving the organisational goals and objectives. In addition involving of all employees and coordination of the various departments is of paramount importance in the implementation process. Most of the respondents agreed that the BSC has contributed towards achieving organisational goals and overall performance. The organisation high level strategic objectives and measures must be translated into objectives and measures for operating units and individuals hence promoting commitment and accountability to the organization's long term strategy.

The respondents further said that the stages of BSC implementation process at Orange Telkom Kenya include organisational, divisional, departmental and individual BSC, performance measures and feedback. The interviewee's emphasized that for successful implementation of the BSC. all staff must be involved, coordination of the various departments, developing clear goals and objectives which should be aligned towards achieving the overall organizational objective. In addition there should be clear understanding of the business, objectives built around company strategy, staff training and motivation.

Orange Telkom Kenya has used the balanced scorecard as a type of measurement system that has helped it track the right set of leading indicators and has given the organisation proper importance weightings and profits. Merchant & Van der Stede, (2007) contend that in essence a measurement combination approach, the organisation is able to reflect the economic effects of shareholder value of specific management accomplishments and failures more quickly than do the accounting measures.

The organisation enhances communication of the balanced scorecard to promote accountability and commitment to the business's long term strategy. This is vital because Orange Telkom Kenya is able to satisfy its customers through offering an integrated solution to make communication easy, natural and at the customer's convenience. Their integrated offering enables communities to be harmonious, to share and exchange ideas, to earn livelihoods and to help build a better Kenya.

The respondents further intimated that the key success factors in the implementation of the BSC at Orange Telkom Kenya include involvement of all employees, communication to all staff, clear goals and objectives, commitment, teamwork motivation and staff training, matching between strategy and structure, adequate resources and manpower and co-ordination of the various departments. The organisation also plans to successfully implement their strategies by investing heavily in their structures, upgrade its network and improve the quality of service provided to its customers, injecting more funds from their shareholders, deploying effective systems and controls, a 24 hour call centre that is reliable and available to address customer queries hence ensuring that their growth strategies are on the right track.

The need for a way of understanding and checking what employees have to do was yet another reason depicted by the respondents for adopting the balanced scorecard. The balance scorecard acts a control and monitoring device through the strategy implementation process. The BSC helps in translating a company's strategic plan into a coherent set of performances measures. Orange Telkom Kenya is a perfect example reaping the fruits of using the BSC because the respondents indicated that in the beginning of the year 2012 it had positive performance results and the company's subscriber base had grown to 2.8 million.

4.5 Challenges of Using the Balanced Scorecard

Many challenges were cited by the respondents at Orange Telkom Kenya in using the BSC as a strategy implementation tool. Some of the challenges were weighty and the top management did not have control over it. Most of the respondents indicated that there was a lot of resistance to change in the process of strategy implementation because of the manner in which the BSC was unfolded, made it look so complex and hence there was some resistance. The responses indicated that communication was not clear and the organisation did not have good information platform to support the BSc as an implementation tool more especially because the BSC was developed at France telecom.

The interviewees also reiterated that there was a challenge in matching individual professionalism with the job assigned hence resulting to lack of expertise and commitment to the strategy implementation process. In addition, relevant skills and education has proved to be a barrier in implementing of the strategy. Another drawback encountered was lack of understanding on this critical tool as it was evidenced that only heads of departments were involved in the implementation process.

The respondents also indicated that the organisation performance and reward policy is in disharmony hence the employees are not well motivated and this impacts negatively on strategy implementation. The compensation and reward structure benefit the organisation more than the employee. The Balanced scorecard in such a case will not be well utilised because the implementation process is a failure due to the poor ratings and performance.

Another factor that derailed the implementation of BSC was lack of appropriate structures to support the action plan. These structures can be hardware or software that the organisation ought to install and train staff on how to use them; this would slow down the implementation process because employees would not be conversant with the new structures. On the other hand the senior managers should not exact a lot of pressure on the employees by pushing them to deliver instead they need to encourage and motivate them sine the training will benefit the organisation in the long run.

Another impediment is understandability problem that exist in some settings. Some managers do not understand what they should do to increase their entity's value in implementing of the strategy since the BSC provides for the managers some guidance and direction that influences the organisational overall performance. This then becomes a barrier to the whole organisation since information cascades downwards to the lower cadre.

Another drawback is that since the balanced scorecard provides guidance to the managers as to how to produce the desired results, they can also limit the flexibility that is the essence of an adaptive, learning organisation hence not able to control the critical performance areas of an organisation. In addition provision of more timely warnings of performance problems and controllability of the environmental changes cannot be catered for in the BSC.

Lastly a few of the respondents also indicated that collective awareness of governance roles is critical in implementing the strategy. The executive committee that formulates the strategy could come up with a brilliant strategy but if the management is weak that would lead to poor execution of the strategy hence implementation will be a failure. The reverse where the executive committee is weak and the management is strong would lead to weak governance.

The study also proceeds to establish solutions to the challenges facing the organisation on which the respondents said that they include staff training, motivation, improving the communication channels, involvement of all employees, improving employee relations, enhancing congruence, setting of simple and clear objectives and collective awareness of governance roles. The organisation also plans to successfully implement their strategies by investing heavily in their structures, upgrade its network and improve the quality of service provided to its customers, injecting more funds from their shareholders, deploying effective systems and controls, a 24 hour call centre that is reliable and available to address customer queries hence ensuring that their growth strategies are on the right track.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This last chapter presents the summary' of findings, conclusion drawn from the findings and recommendations made. This chapter summarizes the findings of the study in relation to the study objective which was to establish the application of the balanced scorecard as a strategy implementation tool at Orange Telkom Kenya. The conclusion forms the basis on which recommendations can be made. The recommendations will suggest ways Orange Telkom Kenya can use the BSC in order to improve the implementation process. This chapter also highlights the limitations of the study and presents suggestions for further research.

5.2 Summary of Findings

It was evident from the study that the approach used to implement the balanced scorecard at Orange Telkom Kenya is on the right track because the organisation has been able to sustain the competitive edge and its meeting its overall organisational goal which is to maximize shareholders' wealth. From the analysis of the data collected, it was established that the balanced scorecard eliminates subjectivity as the objectives and goals to be achieved are made simple and clear. The study deduced that effective communication of an organisation's strategic plan from the top management to the lower level is critical to achieving the organisational goals and objectives.

The study further revealed that the organisation high level strategic objectives and measures must be translated into objectives and measures for operating units and individuals hence promoting commitment and accountability to the organization's long term strategy and that the stages of BSC implementation process at Orange Telkom Kenya include organisational, divisional, departmental and individual BSC, performance measures and feedback. The study emphasizes that for successful implementation of the BSC, all staff must be involved, coordination of the various departments, developing clear goals and objectives which should be aligned towards achieving the overall organizational objective.

According to the findings the importance of implementing the scorecard is that it has helped track the right set of leading indicators and has given the organisation proper importance weightings and profits. This contributes positively to the overall organisational goals and objectives. In addition the organisation is able to reflect the economic effects of shareholder value of specific management accomplishments and failures more quickly than do the accounting measures. The scorecard helps address all the critical aspects of running the organisation.

The study further revealed that the organisation enhances communication of the balanced scorecard to promote accountability and commitment to the business's long term strategy. This is vital because Orange Telkom Kenya is able to satisfy its customers through offering an integrated solution to make communication easy, natural and at the customer's convenience. Their integrated offering enables communities to be harmonious, to share and exchange ideas, to earn livelihoods and to help build a better Kenya. Thus for successful implementation of the balanced scorecard objectives should be at their simplest and clearest form.

It was evident that a lot of challenges were encountered which lead to the slow implementation of the BSC as a strategy implementation tool. Majorly among the challenges was on resistance to change, unclear objectives, complexity of the process of implementation , mismatch of professional qualification, understandability problem that exist in some settings, over reliance on the balanced scorecard which limits flexibility and lack of appropriate structures to support the action plan.

The study further revealed that the possible solutions to the challenges facing the organisation include staff training and involvement of all employees was key to successful implementation, motivation, improving the communication channels, setting of simple and clear objectives, understanding of the underlying problem and constructing of the appropriate structures to support the action plan and availing adequate resources and manpower for strategy implementation. The organisation also plans to successfully implement their strategies by investing heavily in their structures, upgrade its network and improve the quality of service provided to its customers, injecting more funds from their shareholders, deploying effective systems and controls, a 24 hour call centre that is reliable and available to address customer queries hence ensuring that their growth strategies arc on the right track.

5.3 Conclusion

From this study, the researcher concluded that Orange Telkom Kenya uses the BSC as a strategy implementation tool and the vision, mission, values, objectives and goals of the organisation revolves around the BSC. The researcher depicts that implementing the balanced scorecard translates strategies into action which helps align activities of support systems to core business processes. It's also noted that balanced scorecard eliminates subjectivity as the objectives and goals to be achieved are made simple and clear. The study deduced that effective communication of an organisation's strategic plan from the top management to the lower level is critical to achieving the organisational goals and objectives.

This study showed that the key success factors in the implementation of the BSC at Orange Telkom Kenya include involvement of all employees, communication to all staff, clear goals and objectives, commitment, teamwork motivation and staff training, matching between strategy and structure, adequate resources and manpower and co-ordination of the various departments. In addition, the respondents noted that the organisation plans to successfully implement their strategies by investing heavily in their structures, upgrade its netw ork and improve the quality of service provided to its customers, injecting more funds from their shareholders, deploying effective systems and controls, a 24 hour call centre that is reliable and available to address customer queries.

It was possible to conclude that there exists various challenges to strategy implementation at Orange Telkom Kenya. These challenges included; resistance to change, poor training for the current work force, mismatch between strategy and structure, poor bottom up as well as top bottom communication, clarity understanding during strategy implementation, complexity of the process of implementation and mismatch of professional qualification, prices wars, escalating fuel prices, forex fluctuations and vandalism of company assets, changing regulatory environment due to price controls and vandalism.

5.4 Recommendations

From the findings there is need for staff training and motivation to accept change as they occur in the organization at all levels so as to curb the resistance to change hence enhancing successful implementation of the balanced scorecard to be an effective tool. In addition the study recommends that for successful implementation of the BSC everyone must be involved and must be competent in understanding of the business objectives and linking of all the departments which must be aligned towards achieving the organisational overall objective.

In addition organisations need to ensure that cascading the BSC to all business and support units is both top bottom and bottom up communication. This will help in having a smooth implementation process. The researcher also recommends that for an efficient and effective strategy implementation process senior management should be involved and committed throughout the process to help in tracking and assessing the progress of the strategy. The management should consider critical tasks like training. commitment, teamwork coordination during strategy implementation. This is steered towards achieving the intended objective of the organisation.

Based on the data analysed, it is recommended that to overcome the challenges that Orange Telkom Kenya encountered in the implementation process of the BSC the top management ought to engage the services of external consultants who are well conversant with the tool to help in training of the new strategy and what outcome is expected so as to overcome the challenges. The consultants ensure that all the communication pertaining the new strategy reaches all staff in the most simplest and intended form and within a given time. In addition the consultants enrich staff with knowledge, skills and appropriate strategic information about the new strategy. This will help strengthen and motivate staff hence the implementation process will face less or no resistance.

In addition the respondents indicated that the organisation has a plan to successfully implement their strategies by investing heavily in their structures, upgrade its network and improve the quality of service provided to its customers, injecting more funds from their shareholders, deploying effective systems and controls, a 24 hour call centre that is reliable and available to address customer queries hence ensuring that their growth strategies are on the right track

Based on the analyses of data and conclusion, it is recommended that the management should address the challenges of strategy implementation. The challenges include; resistance to change, poor training for the current work force, mismatch between strategy and structure, poor bottom up as well as top bottom communication, clarity understanding during strategy implementation, complexity of the process of implementation and mismatch of professional qualification, prices wars, escalating fuel prices, forex fluctuations and vandalism of company assets, changing regulatory environment due to price controls and vandalism. The management should conduct refresher and regular staff training and also review their rewards and compensation policies to motivate them. In addition the management ought to come up with a team that will monitor the progress and evaluate and amend any technicality that might face the organisation hence the balanced scorecard will be beneficial to the organisation.

5.5 Limitations of the Study

The study concentrated on senior managers who are mainly involved in strategy formulation and implementation. There was lack of involvement of the other staff in the lower cadres who also contribute to the success of strategy implementation. Their views were not captured which probably would have enriched the study. The research however constructed an effective research instrument that captured the specific information on the balanced scorecard as a strategy implementation tool.

Due to time and resource constrains, the study only concentrated on the views gotten from the headquarters branch and ignored contributions from respondents in other branches whose contributions would have enriched the study. In addition since this was a case study, the inferences made cannot be generalised to fit the entire industry or generalize for all other organizations. Finally, some respondents did not provide all information thus depriving the study of some required data.

5.6 Suggestions for further Research

The researcher suggests that more studies be done on the implementation of balanced scorecard as management tool at all the major players in the telecommunication industry to allow for generalization of the results. This will enable review their current strategies hence the implementation process will not meet any resistance.

The telecommunication industry has been researched and a lot more needs to be done to provide more information to stakeholders, customers, students and the public. The market plays a key role in the Kenyan economy therefore a lot of information needs to be known .Strategy formulation and implementation should be well enhanced in the industry so that management can base their decisions from an informed point of view hence making informed decisions. The researcher further recommends that a similar study be done on other organisations for benchmarking. In addition a statistical regression model should be established to ascertain which of the telecommunication providers is leading in the industry.

5.7 Implications of the Study on Policy, Theory and Practice

The study focused on the balanced scorecard as an implementation tool at Orange Telkom Kenya. A balanced scorecard is a management model that translates the organisation mission and strategy into a collection of performance measures. The findings of the study indicate that strategy implementation is affected by mismatch between structure and strategy, inappropriate company culture, deficient information systems to monitor strategy implementation, effective leadership and employees' commitment among others. For successful implementation of the balanced scorecard, all staff must be involved and must understand the meaning of objectives, all departments must be aligned towards achieving the organisational objectives. Orange Telkom Kenya should design its organisational structure to support strategy implementation. The company needs to identify core value chain activities and perform them internally and outsource non core activities where it does not have capacity. The company should build and invest in a robust and modern information communication technology (ICT) service, as it plays a critical role in the company roles and innovations.

For government and other policy makers, the study recommends that the balanced scorecard be included in the organisation implementation strategies as one of the important variables to ensure successful strategy implementation. This would help smoothed and understand the strategy implementation process in organisation. The balanced scorecard would help in monitoring and controlling the process.

The study established that there were no adequate strategy supportive incentives and rewards practices. Orange Telkom Kenya must realise that the rate at which it improves its incentives and rewards to its employees is also the significant rate at which strategy implementation becomes a success. When rewards are tied to successful implementation of strategies, there is improved performance in the organisation. The top management also ought to engage the services of external consultants who are well conversant with the new strategy to enrich and train staff. In addition, senior management should be involved and involved throughout the process to help in tracking and assessing the progress of the strategy.

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APPENDICES

Appendix 1: Interview Guide

THE USE OF THE BALANCED SCORECARD AS A STRATEGY IMPLEMENTATION TOOL AT ORANGE TELKOM KENYA

Kindly answer the following questions by ticking in the appropriate box or filling the spaces provided.

Part A: Background information

1. What is your name?

2. What is the name of your department?

3. What is your current position?

4. How many years have you worked in your department?

5. How many employees arc in your department?

6. Docs your company use the balanced scorecard as a strategic management tool?

7. Who are involved in the implementation of the BSC at your company

8. For how long has your organization used the BSC? (Years)

Part B: Extent of Use of the Balanced Scorecard at Orange Telkom Kenya

I. How widely is the BSC used in your company?

2. Who develops the BSC in your organization?

3. In your opinion do you think the BSC is important in your organization?

4. Who are involved in the implementation of the BSC in your organization?

5. How long has the company used the BSC as a strategy implementation tool? (Years)

6. What are the key factors that enable successful implementation of the BSC at your company?

7. How has the understanding of the BSC helped you contribute in achieving the overall organization objective?

Part: C Benefits and Challenges of Using Balanced Scorecard

I. What are the main benefits of using the BSC?

2. Is the use of the BSC benefiting and adding value to your organisation?

3. Has the use of the balanced scorecard been effective in implementing strategic plans in your organization?

4. What are the main challenges that you face in the implementation of the BSC at your company?

5. What recommendations would you give to curb the factors that slow down the implementation process of the balanced scorecard?

Appendix 11: List of Telecommunication Companies

Access Kenya Group

Africa Online

Airtel

Kenya Data Network

Kenya internet Exchange

Kenya Posts and Telecommunications Corporation

Mobitelea Ventures Limited

Orange Telkom Kenya

Safaricom

Telkom Kenya Limited

YU (Essar Telecom Kenya)

(Sourcc: Wikipedia, 2011)

Appendix 111: Letter of introduction

The respondent

Orange Telkom Kenya

Nairobi

Dear respondents,

RE: RESEARCH PROJECT

I am a post graduate student at the University of Nairobi pursuing an MBA-Strategic management course. In partial fulfilment of the course requirements. I am undertaking a research on "The Balanced scorecard as a strategy implementation tool at Orange Telkom Kenya" The information you provide is needed purely for academic research purpose and will therefore be treated with utmost confidentiality. A copy of the final research paper will be submitted to the company for acknowledgement and reference.

Your assistance in facilitating the same will be highly appreciated.

Thank you.

Yours faithfully,

Gichana Caroline

MBA student

School of Business

University of Nairobi

Appendix IV: Request Letter to Collect Data

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SCHOOL OF BUSINESS

A PROGRAMME

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