THE EFFECTIVENESS OF THE BALANCED SCORECARD IN STRATEGY IMPLEMENTATION AT KENYA WILDLIFE SERVICE

BY

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UNITED STATES INTERNATIONAL UNIVERSITY

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STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ________________________ Date: _____________________

Christine Muiruri (ID 615641)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ________________________ Date: _____________________

Fred Newa

Signed: ________________________ Date: _____________________

Dean, Chandaria School of Business
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Christine Nyathiri Muiruri ©2014
ABSTRACT

The focus on strategy formulation at the expense of strategy implementation has brought about the challenges of realizing strategy formulated in many organizations. Tools like the balanced scorecard (BSC) have been developed to aid in strategy cascading and implementing both in public and private sector organizations. The purpose of this study was to examine the effectiveness of the balanced scorecard in strategy implementation at Kenya Wildlife Service (KWS). The study was guided by three research questions: what challenges in strategy implementation led to the adoption of the BSC at KWS, what have been the benefits of using the balanced scorecard in strategy implementation at KWS, and what have been the challenges of using the balanced scorecard as a tool for strategy implementation at KWS?

The research was conducted through a mixed methodology that combined quantitative and qualitative research to a sample size of 36 employees from a target population of 300 staff based at the KWS headquarters as that is where the BSC is currently being actively used and staff have been trained on its use. The sampling frame was a list of staff who had been trained on the BSC and was obtained from the Human Capital department. The sampling design used was stratified random sampling for the quantitative study and data research method was issuing of questionnaires and collecting them once they were filled. Non-probability sampling was used for the qualitative study with data research method done through in-depth interviews of 3 senior managers who were part of the initial team trained on the balanced scorecard.

The findings from the study showed that in regard to strategy implementation, KWS experiences a greater challenge in the use of the BSC in strategy implementation than with the challenges in implementing the current strategy. The greatest benefits that KWS was experiencing were those specific to public sector institutions followed by the general benefits of the BSC, while the least benefits experienced are those associated with strategic implementation. The greatest challenge faced with the BSC as a tool of strategy implementation was in the usage of the balanced scorecard, followed by public sector specific challenges of using the tool and the least challenging aspect was the development of the BSC.
The conclusion from the study was that the challenges of strategic implementation at KWS are primarily to do with the soft issues including a change in organizational culture which regards staff attitudes complemented by the challenges of lack of ownership and effective communication within the organization. As a parastatal, KWS has been more accountable and can demonstrate results, produces and uses information in decision making and has been better placed in terms of quality, customer value and efficiency attributed to its use of the BSC. As a tool to aid in strategy implementation, the BSC posed the greatest challenge in its usage including determining objectives to deliver strategy, setting of performance measures to track progress of meeting objectives establishing and communicating performance targets, development of individual scorecards and strategy maps

The recommendations for improvement include the need for cultural and behavioral change through aligning the organization where strategy drives structure, thus management should ensure compatibility between strategy, structure, culture and leadership. Further, strategy must be translated to operational terms where managers coherently and systematically describe their strategy in terms of the strategy map and balanced scorecards. Thirdly, making strategy everyone’s everyday job by sharing the logic of the BSC by education and training, cascading from higher to lower management levels and linking incentive compensations to scorecards which increase the chances of ownership of the scorecard as well as motivation to work to achieve it. Fourthly, making strategy a continual process of learning and feedback which includes looping the BSC into annual budgeting, having management reviews for progress on goal achievement. Finally, mobilizing change through executive leadership by KWS’ top management owning the BSC and be committed to its use in achievement of strategy.

Further studies within KWS in the area of the BSC should delve into the area of the effect of organizational culture on strategy implementation and establish the need for change management. Also, comparative studies into the effectiveness of the BSC in strategy implementation between parastatals will be beneficial especially to the government in establishing whether this is the best tool for performance management in the public sector. As well, comparative studies on the effectiveness of the BSC among select private sector and
public sector organizations will enable the sectors to benchmark against each other and peer comparison and contrast can lead to better use of the BSC for strategy implementation.
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To my classmate and friend Peter Oyier, with whom we enrolled for our MBA together, after several assignments, countless discussions and study group sessions, we are done!
DEDICATION

This project is dedicated to my father Mr. Peter Muiruri whose sacrificial giving, support and encouragement in all my endeavors has been unwavering.
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CHAPTER 1

1.0 INTRODUCTION

1.1 Background of the Study

“Strategic management consists of the analysis, decisions, and actions an organization undertakes in order to create and sustain competitive advantages (Dess, Lumpkin and Taylor, 2005). Strategy formulation and implementation are a part of strategic management. Strategy formulation is the task of selecting strategies that enable a company to achieve competitive advantage while implementation puts the strategies into action. Strategy is important for both the private and public sector as while government agencies and non-profit organizations are not profit-driven, they are expected to meet their goals effectively and efficiently (Jones and Hill, 2010).

Competitive advantage of well-formulated strategies can only be achieved through the implementation of the strategies (Mwijuma, Omido, Garshi, Odera and Akerele, 2013). Atkinson (2006) notes that although the main weakness of strategic management is in the implementation stage and the importance of strategy implementation toward putting a strategy into action is well recognized, far more research has been carried out on formulation of strategy.

There have been different factors attributed to the challenges in strategy implementation including over optimism in the planning phase, lack of effectiveness in coordinating activities as well as distractions from competing activities as well as poor communication (Atkinson, 2006). Failure in strategy implementation may also arise from resistance to change, lack of strategic motivation and the inability to react rapidly to the dynamic nature of the external business environment (Mwijuma et al, 2013).

The balanced scorecard (BSC) is a framework that was developed by Robert Kaplan and David Norton (2000) that looked at the strategy used for value creation in four perspectives: financial, customer, internal business process and learning and growth (Kaplan and Norton, 2000). It is a carefully selected set of quantifiable measures derived from an organization’s strategy. These measures communicate to stakeholders the outcomes and performance drivers that the organization uses to achieve its objectives and thus its mission (Niven, 2003).
According to Haberberg and Rieple (2008), the four perspectives incorporated in the balanced scorecard assess: Financial perspective: The aspects of growth profitability, corporate governance and return on investment as viewed by shareholders and stakeholders. Customer perspective: How well customers’ needs are being met and the likelihood of them using the products in future. Internal Business perspective: The efficiency and effectiveness of key processes and operations. Learning and growth perspective: Development of intellectual property and other resources needed for future innovation and expansion.

The balanced scorecard as a strategic management system is critical in aligning short term action with organizational strategy and in this way alleviates the issues of strategic implementation (Niven, 2003). This is achieved through the development of key performance indicators under each perspective to enable management to monitor performance (Haberberg and Rieple, 2008).

Organizations that have implemented the balanced scorecard have experienced faster achievement of more results as well as a focus of the entire organization toward strategy (Kaplan and Norton, 2000). Further, it enables monitoring and adjusting of strategy implementation and if necessary changes can be made to the strategy (Kaplan and Norton, 1996). The BSC has thus emerged as a proven tool in resolving the many challenges faced by the modern firm (Niven, 2003).

The public sector comprises government departments, agencies-controlled by the government at a local or national level and those that are quasi-independent in management and funding but controlled by regulation. The main challenge affecting public sector management is managing outward-working within networks that the public institution belongs and managing upward-dealing with elected politicians who set up the framework (Haberberg and Rieple, 2008).

A declining performance in the public sector led to the Government of Kenya in 1993 introducing the Civil Service Reform Programme (CSRP) whose aim was to build a public service capable of meeting the challenges of improving service delivery to Kenyans. The CSRP was to be implemented in 3 phases: 1993-1998, focusing on cost control, 1998-2001 focusing on performance improvement and the last phase focusing on refinement,
consolidation and sustenance of reform gains (Obong’o, 2009). These reforms emphasized performance management with performance contracts being used to measure and evaluate performance against negotiated performance targets (Kobia and Mohammed, 2006). Further, the development of Vision 2030 as a national development blueprint set to transform Kenya into a newly industrializing, middle-income country providing a high quality life to all its citizens by the year 2030 (KWS, 2013) has provided the framework for strategic planning of Public Institutions.

Thus, strategic planning in public service institutions has been done with the aim of improving services offered by these institutions. The balanced scorecard was developed in the private sector but has been adapted for use in the public services (Joyce, 1999). According to Niven (2003), in profit-seeking organizations, improving the bottom-line as well as increasing shareholder value are the goals of these enterprises. However, public sector institutions strive to achieve the mission for which they were constituted. Thus their scorecard is adapted by placing an overarching objective/mission at the top of the scorecard (Kaplan and Norton, 2000).

Kenya Wildlife Service (KWS) is a Kenyan State Corporation established by an Act of Parliament CAP 376 with the mandate to conserve and manage the wildlife in Kenya and to enforce related laws and regulations. The mission of KWS is to sustainably conserve, manage and enhance Kenya’s wildlife, its habitats and provide a wide range of public uses in collaboration with stakeholders for posterity. The organization’s vision is to save the last great species and places on earth for humanity. The operations of the KWS are also impacted and guided by other overarching policy and legal frameworks (e.g. those relating to Forests, Fisheries, Mining, Lands, Water, Industry, Rural Development, Agriculture, Local Government, National Security and National) which necessitate structured and functioning relationships with other GOK departments/agencies and the international and local communities (KWS, 2013).

KWS since its inception has been using annual work plans developed by each department without cohesion and coordination across departments but linking them to the organization’s mission and vision. However, the work plans were not holistic and were limited in scope and only took into account initiatives and activities that impacted stakeholders directly in contact
with the specific department. Furthermore there was no clear way to cascade strategy from senior management to divisions, departments and individuals as well as align all activities to ensure that they were linked to and contributing to the organizational strategy. In light of this, when there was a change in management in 2004, KWS adopted the use of the balanced scorecard in development of the 2005 - 2010 strategic plan and has continued to use the balanced scorecard in strategic plans to date; however the effectiveness of the balanced scorecard in strategic implementation has not been researched to date (KWS, 2013).

The benefits to the public service for using the BSC include demonstrating accountability and generating results, attract resources e.g. funding, creates a focus on strategy, drives change and inspires organization wide trust (Niven, 2003). This study sought to identify if KWS indeed benefited from the BSC in strategy implementation.

1.2 Statement of the problem

The majority of the academic and scholarly literature has been on the formulation of strategy with little research on strategy implementation and the balanced view toward the importance of both formulation and implementation, has not yet been achieved. Companies are still facing major difficulties during the implementation process. There is thus a gap and need for emphasis in the literature to be geared toward the significance of implementation and problems associated with it as no strategies can be realized without successful implementation of the same (Al-Ghamdi, 1998)

In a survey done on 275 portfolio managers, strategic implementation- ability to execute strategy was seen as the most important factor shaping management and corporate valuations (Kaplan and Norton, 2000). According to Niven (2003) improved performance reporting in organizations has been fueled by the overreliance of financial measures, the increase in corporate accounting scandals and the inability of organizations to execute strategy. The execution of strategy is more important and valuable than its formulation, 70% of CEO failures have come from poor strategy execution, not formulation.

As governments continue to demand for accountability in the use of public funds, the public sector has turned to private sector practices including the BSC to improve their performance management. The BSC is thought to represent a multi-faceted view of performance across
different objectives and stakeholder perspectives (Northcott and Taulapapa, 2012). Thus the BSC should be viewed as a key management tool in strategy implementation (Wilsom and Hagarty, 2003).

According to Yongvanich and Guthrie (2009) although there has been widespread adoption of the BSC, little research has been done on the implementation and performance effects of the BSC concept. Despite the BSC’s focus on key performance indicators there is very little literature on the use, application and effectiveness of the BSC in public service institutions. (Northcott and Taulapapa, 2012).

At KWS, the use of the balanced scorecard was introduced during the development of the 2005 – 2010 strategic plan. Prior to this, annual work plans were being developed separately by departments in line with the organization’s mission and vision. These work plans did not maximize on interdepartmental synergy, nor did they allow for a holistic perspective of the organization or aid in strategy implementation. The introduction of the balanced scorecard was aimed at enhancing strategy implementation by cascading the organization’s strategy and linking all divisional, departmental and individual activities to the four perspectives which are tied to the organization’s strategy. However, since its uptake in 2005, no research has been done to show whether the shift to the balanced scorecard has had benefits to the organization as well as whether it has been effective in addressing the challenges of strategic implementation for KWS. Thus there is a need to determine the challenges the organization faced in strategy implementation as well whether the adoption of the balanced scorecard has resulted in effective implementation of strategy and what benefits and challenges using the balanced scorecard has brought to KWS.

1.3 Purpose of the Study

The purpose of this study was to examine the effectiveness of the balanced scorecard in strategy implementation at Kenya Wildlife Service (KWS).

1.4 Research Questions

The study was guided by the following:

1.4.1 What challenges in strategy implementation led to the adoption of the BSC at KWS?
1.4.2 What have been the benefits of using the balanced scorecard in strategy implementation at KWS?

1.4.3 What have been the challenges of using the balanced scorecard as a tool for strategy implementation at KWS?

1.5 Significance of the Study

This study was able to give insight on the use of the balanced scorecard in strategy implementation specifically in public service institutions using Kenya Wildlife Service as a case study. The benefits of this study would be to Kenya Wildlife Service, the Public Sector and to academicians.

1.5.1 Benefit to Kenya Wildlife Service Management

Through this study, KWS will be able to understand the role that the BSC plays in its implementation of strategy including how effective this tool is; the benefits and challenges that employees face as they use this tool as a framework to deliver strategy. The challenges will reveal areas that KWS can improve on to increase use and uptake of the framework and increase strategy implementation.

1.5.2 Benefit to the Public Sector

The results of this study will show the key role the BSC plays in strategy implementation, the framework can be a mandatory instrument for strategic implementation in the public sector. This will significantly close the gap between strategy formulation and implementation in the public sector as it has done for the private sector.

1.5.3 Benefit to Academia

This study will add to the body of knowledge in strategic management in public service institutions of which there have been fewer studies done than for private sector organizations using the BSC for strategy implementation.

1.5.4 Benefit to Kenya Government

As a result of this study, the Kenyan government will be able to measure how effective the BSC is in strategy implementation and also gauge KWS’ performance since the introduction of this tool. This will enable the government to decide whether the BSC should continue to
be used in the public sector for strategy implementation and should thus be rolled out to government agencies that are currently not using it.

1.5.5 Benefit to KWS Employees

The results of this study will benefit the employees of KWS by establishing the effectiveness of the BSC in their implementation of strategy. Further the benefits of the BSC as per the results of the study can be reasons for continued use of this tool while challenges can be addressed to make the use of the tool more effective. This will enable the employees to implement strategy and meet organizational objectives as a result.

1.5.6 Benefit to KWS’ Customers

The effectiveness of the BSC in strategy implementation is essential for customers as it means that they will receive quality service and value for their money. This is because through strategy implementation, KWS will ensure quality products and services and that service delivery is improved for its customers.

1.6 Scope of the Study

This study was divided into three phases over a period of seven months from May – November 2013. Phase one of the study took place between May and July 2013. During this period, the research proposal was developed to include background of the study, literature review and research methodology was researched on and documented. Phase two of the study took place in August 2013 and focused on developing and pilot testing the research questionnaire. The final phase was the research project stage where collected data was analyzed with conclusions and recommendations drawn from it and a final research report done. This took place between September and November 2013.

This study was conducted in Nairobi, Kenya with the target group being a pool of senior management, middle level managers and technical staff. KWS has approximately 4,000 employees, of these around 500 have been trained on the balanced scorecard. However, cascading and use has been primarily at the headquarters which constitutes 300 of the 500 who have been trained and were thus be the target population. The sample size was 36
employees, 2 in top management, 7 in middle management and 27 at the functional level as they are the ones who implement the strategy on a day to day basis.

1.7 Definition of Terms

1.7.1 Balanced Scorecard


1.7.2 Strategy Implementation

Strategy implementation is a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employees – affected by a number of interrelated internal and external factors – to turn strategic plans into reality in order to achieve strategic objectives (Li, Guohui and Eppler, 2008).

1.7.3 Public Sector

The public sector comprises government departments, agencies-controlled by the government at a local or national level and those that are quasi-independent in management and funding but controlled by regulation (Haberberg and Rieple, 2008).

1.7.4 Strategic Management

Strategic Management is the analysis, decisions, and actions an organization undertakes in order to create and sustain competitive advantages (Dess, Lumpkin and Taylor, 2005).

1.8 Chapter Summary

This chapter formed the base of the research project by giving a background to the study and making a case for the problem statement. The study sought to determine the effectiveness of the BSC in strategy implementation at KWS. The significance of the study to KWS, the public sector and academicians has been outlined as have been the scope of study and finally the key terms that will be used in the study. Chapter 2 will contain a detailed literature review on the three research questions that were outlined while chapter 3 will detail the research methodology of the study. In chapter 4 the research findings will be presented while chapter 5 will discuss the findings, conclusion and recommendations respectively.
CHAPTER 2

2.0 LITERATURE REVIEW

2.1 Introduction

Chapter one has formed a foundation that shows the knowledge gap between strategy formulation and implementation as well as the need to discover the role of the balanced scorecard in strategy implementation at Kenya Wildlife Service.

This chapter consists of a literature review that gives an understanding on strategic implementation as well as the BSC. The chapter begins with an overview of the balance scorecard, its perspectives, supporting processes and principles for its effective use in organizations as well as its adaptation for use in public sector organizations like KWS. The rest of the chapter is based on the three research questions raised in chapter 1 including the challenges of strategy implementation that lead to the use of the BSC at KWS and the benefits and challenges of using the balanced scorecard for strategy implementation at Kenya Wildlife Service.

The balanced scorecard was developed by Kaplan and Norton (1996) as a management system that organizations could use for strategy development. This management system provided a way for clarification and translation of strategy, communication of strategic objectives, setting targets and aligning of objectives with initiatives as well as feedback and learning. At the core of it, the BSC was used to implement strategy (Caudle, 2008). The balanced scorecard comprises four perspectives which, according to Kaplan and Norton (1996) permit a balance between short and long term objectives and outcomes desired against performance drivers.

The financial perspective is concerned with how the organization should appear to shareholders so that the company can succeed financially (Caudle, 2008). It indicates whether the chosen strategy, its implementation and execution result in bottom-line improvement. Objectives within this perspective include rapid sales growth and return on capital (Kaplan and Norton, 1996). The customer perspective regards how an organization should appear to customers to achieve the organization’s vision (Caudle, 2008). It includes selecting customers and market segments to compete in as well as value propositions that
will be delivered to these customers which will result in superior future financial returns (Kaplan and Norton, 1996).

The internal business process perspective focusses on the business processes the organization should excel at to satisfy shareholders and customers (Caudle, 2008). These processes enable delivery of unique value propositions and satisfaction of shareholder expectations for return on investment. The BSC not only monitors current systems but incorporates innovation as well as identifies new processes that contribute to customer and financial perspectives (Kaplan and Norton, 1996). The learning and growth perspective regards how the organization will sustain its ability to change and improve to achieve the organization’s vision (Caudle, 2008). This is through identification of infrastructure that will create long-term growth and improvement as well as an organization’s capabilities for delivering value. This is achieved through reskilling employees, enhancing information technology and systems as well as aligning organizational procedures and routines (Kaplan and Norton, 1996).

![Image of Balanced Scorecard Model](source: Kaplan and Norton (1996))

**Figure 1: Balanced Scorecard Model**

**2.2 Challenges of Strategy Implementation leading to adoption of the BSC**

According to Kaplan and Norton (2000), the ability to execute strategy was cited as more important than the strategy itself as well as being the most important factor shaping management and corporation values. Measuring organizational success and implementing effective strategies for future success present continuous challenges for managers, researchers and consultants (Assiri and Zairi, 2006). Strategy implementation has not had nearly as much scholarly research and academic focus as strategy formulation despite its
importance. Most of the focus has been on long range planning, strategic content and not the actual implementation of strategies. There have been various reasons put forward ranging from its lack in conceptual models, communication difficulties at the work place and lack of skills of middle management in strategy implementation (Atkinson, 2006). Several researchers have written on the possible challenges or factors that affect strategy implementation as cited below.

2.2.1 Strategy Implementation Problems

According to Atkinson (2006) the main weaknesses of strategic management practice are often linked to strategy implementation. The ten most frequent implementations problems include underestimating time needed for implementation, un-anticipated problems emerging during implementation uncontrollable factors in the external environment, ineffective coordination of activities and distractions from competing activities, inhibited implementation, and further, key tasks were not defined in enough detail. There was also a lack of capability among employees with insufficient leadership and direction and inadequate training and instruction given to lower level employees. Less frequent was the inadequacy of information systems used to monitor implementation. According to Niven (2003), 70% of CEO failures have been as a result of poor strategy not poor execution.

A mixture of both hard and soft factors affect the success of strategy implementation. These factors range from the employees who implement the strategies, systems and process for coordination and control, lack of expertise and experience of leadership to address issues emerging during the process of strategy implementation (Mwijuma et al, 2013). Other factors include resistance to change, individual behavior, lack of strategic motivation and the inability to react to the rapidity and frequency of change in turbulent environments (Mwijuma et al, 2013).

Reed and Buckley (1988) highlighted four key areas that affect implementation of strategy as the challenge and the need for a clear fit between strategy, the use of a management style that is not appropriate for the strategy being implemented. Goal setting and controls as well as identifying coordinated targets at various levels in the organization are a challenge with the need for control increased by turbulent environments.
As more research is conducted into strategy implementation it has been found that traditionally identified problems like lack of top management support are not the main inhibitors of strategy implementation. Instead, factors like cultural and behavior change including poor communication and lack of commitment to the strategy are greater deterrents. Middle management’s role has also been identified as pivotal in strategic communication. Budgetary pressures have also been identified as a key factor that derails from attainment of strategic goals (Atkinson, 2006). These observations necessitate not only proficiency in strategy formulating to ensure that the organizational goals remain relevant to the changing environment, but as importantly, the effective implementation of the strategy (Punniyamoorthy and Murali, 2008)

Al- Ghamdi (1998) noted that it was much easier to think of a good strategy than it was to implement it with most of the shortcomings in the strategy attributable to failures in the implementation process rather than in the formulation of strategy. Further, he alluded to the fact that most organizations are faced with similar hurdles of competence, coordination and commitment which are translated into ineffective coordination of implementation activities, insufficient capabilities of employees, inadequacy in training of lower level employees as well as a lack of direction and leadership especially for middle level managers. Individual barriers were also identified as having a bearing on strategy implementation, these included numerous and often conflicting priorities, conflicts, poor communication and inadequate management development. These in turn translate to problems from competing activities distracting from strategy implementation activities, responsibilities of key employees are not identified, key formulators of strategy do not play an active role in implementation and issues requiring top management involvement are not communicated early enough.

According to Freedman (2006) the key implementation pitfalls include Strategic inertia which comes from resistance to change or not making the strategy implementation a priority; Lack of stakeholder commitment with not employees involved in implementation; Strategic drift resulting in not focusing on goals or letting emergent issues detract from implementation, Strategic dilution stems from a lack of ownership and risks employees going back to their functional and departmental priorities; Strategic isolation resulting from ineffective communication can result in a disconnect between strategy and its
implementation; Failure to understand progress due to the lack of milestones as indicators of strategic success can lead to discouragement and a sense that progress is not being made; Initiative fatigue comes from a lot of activities going on but nothing getting done; Impatience resulting from unrealistic timelines in achieving the strategic objectives and finally Not celebrating success through not giving recognition or rewards can affect motivation and progress of strategy implementation. Finally, both management and subordinates underestimate the commitment, time, emotion, and energy needed to overcome inertia in their organization and translate plans into action resulting in implementation taking more time than originally allocated. (Al-Ghamdi, 1998)

2.2.2 Strategy Implementation Challenges in the Public Sector

Strategic management in the public sector is concerned with ensuring a fit with the changing environments while strengthening long-term effectiveness of these institutions (Haberberg and Rieple, 2008). The previously cited challenges to strategic management affect both private and public sector organizations in strategy implementation. However, other factors that are specific to public sector organizations include the need for behavior and attitude change to be able to maintain the change that the new strategy will bring, changing budget priorities to be in favour of the new strategy, developing skills, culture change, unifying goals and aligning operational processes, actions, information and decisions (Joyce, 1999). Furthermore, planning through unpredictable political dimensions, the radical shift in culture and operating expectations as a result of a new strategic direction present a challenge for the public sector. The management of change thus becomes a continuing challenge for their managers (Haberberg and Rieple, 2008). This study has sought to first identify which of these gaps in strategy implementation KWS has been facing that have led to its adoption of the BSC.

Identification of these challenges in strategy implementation also showed whether the BSC has been effective in solving these challenges hence leading to successful strategy implementation. According to Kaplan and Norton (1996) the disconnect between strategy formulation and implementation is caused by barriers erected by traditional management systems. Four key barriers are visions and strategies not being actionable, strategies are not
linked to departmental, team and individual goals nor are they linked to short and long-term resource allocations and feedback is tactical, not strategic.

Thus according Atkinson (2006), there are four key barriers to strategy implementation identified in relation to the BSC. These are the vision, people, resource and management barriers. Vision barrier: This results from no one in the organization understanding the strategies of the organization (Atkinson 2006). Niven (2003) acknowledges that majority of organizations have a long way to go in employee empowerment, communication and information sharing. This impedes strategy implementation as stakeholders do not know or understand where the organization is going to and thus cannot be able to make a meaningful contribution to attainment of strategy.

The people barrier arises as a result of most people having objectives that are not linked to the strategy of the organization (Atkinson 2006). According to Niven (2003), further explains that incentives toward strategy attainment may have a focus on short-term achievement of goals but do lead to increased performance compared to cases when there is no incentive. The resource barrier occurs where time, energy, and money not linked to strategy results in a waste of resources (Atkinson 2006). Prioritizing strategy implementation means that organizations need to link their resources especially budgetary allocations to strategy which is often not done, instead organizations use previous year’s budgets as a guide of how much money to allocate to which projects (Niven, 2003).

The fourth barrier is the management barrier where management spends too little time on strategy and too much time on short-term tactical decision making (Atkinson 2006). Management focus needs to shift from primarily fire-fighting on operational issues to discuss, learning and executing of strategy on a daily basis (Niven, 2003).

2.2.3 Successful Strategy Implementation

Freedman (2003) found that there are six areas of vital importance to long term successful strategy implementation; these areas are market, people, finance, operation, adaptability, and environment. For successful strategy implementation, organizations need to communicate the strategy which ensures that every stakeholder knows how the strategy was developed and
what role they each play in its implementation. This promotes ownership and commitment to the strategy which aid in implementation.

Freedman (2003) postulates that organizations need to drive planning where following strategy formulation; the strategy should inform planning and provide guidance to key activities and initiatives to be carried out toward achievement of objectives. This leads to a more realistic and holistic plan and budget. Thirdly, aligning the organization where strategy drives structure, thus management should ensure compatibility between strategy, structure, culture and leadership. Alignment of structure to strategy as well as devolution of decision-making for empowerment of employees closer to decision making levels facilitates implementation of strategy (Freedman, 2003).

According to Freedman (2003), reducing complexity ranges from environmental scanning to anticipate and proactively deal with environmental complexity to reduction of complexity in internal process all of which result in enhanced strategy implementation. Finally, installing an issue resolution system enhances flawless execution of strategy by pre-determining courses of action to be followed and provide a faster and higher quality resolution of human operational and strategic issues.

As evidenced from the above, there is a gap in organizations between developing strategy and implementing; the study thus needs to determine which of these gaps KWS has been facing in implementation of its strategy.

2.3 The Benefits of Using the Balanced Scorecard in Strategy Implementation

From the above barriers and the challenges posed by traditional management systems, it is clear that these barriers and challenges impede strategy implementation. There is thus a need to identify which of these challenges apply to KWS and thereafter whether by the adoption of the BSC, these strategy implementation issues have been addressed. According to Atkinson, 2006 some of these issues include communication, middle management issues, clarification of priorities and improved coordination across functions, provide clear targets and can interpret strategic intent into specific managerial actions. Further, full implementation of the BSC management can be engaged in review of the strategic plan to avoid oversight or errors (Atkinson, 2006).
The BSC is an implementation tool that companies with an explicit strategy can use to implement their strategy faster and more efficiently (Kaplan and Norton, 2000). As noted by Northcott and Taulapapa (2012) the balanced scorecard cannot make strategic implementation happen by magic; the organization must still make the journey from where it is now to a new future and the balanced scorecard can provide the vehicle within which the whole organization can move forward.

According to Niven (2003) the BSC for government and non-profit organizations is adapted as the primary focus in not-for-profit organizations is attainment of their mission which is the core reason for their formation. Thus the customer perspective replaces the financial perspective but strategy remains at the core of the balanced scorecard as this still needs to be achieved to be able to achieve the institution’s mission and is as below.

![Figure 2: Balanced Scorecard for Not-for-profit organizations (Source: Niven, 2003)](image)

The BSC has developed and redefined the nature and scope of management control since it was first written about. Initially, it was primarily a performance management system to aid managers in having a fast yet comprehensive view of the business. This was achieved by using both financial and non-financial measures of the business i.e. the four BSC perspectives. As more research was conducted on the use of the BSC in different organizations, the BSC became more than a measurement tool, but a management system that was useful in implementing vision and strategy. Further it facilitated great improvements in product, process, customer and market development and began to be viewed as the
cornerstone of strategic management from its ability to link long-term objectives with short-term actions (Achterbergh and Beres, 2003).

According to Kaplan and Norton (1996), four management processes that realized this link between long-term objective and short-term actions are clarify and translate the vision and strategy where senior management translates business unit strategies to specific strategic objectives as well as linkages to the 4 BSC objectives. This team effort as well as consensus lead to joint accountability and give the strategy formulation an organization-wide scope. Secondly, communicating and linking the vision which is by diffusion of the vision and strategy by communicating and educating, setting goals and linking rewards to performance measures. Kaplan and Norton (1996) further propose that it clarifies the objectives to be met for strategy to be achieved as well as encouraging dialogue on how to implement the strategy. In the end all individual and organization efforts should be aligned and geared to the strategy.

The third management process is planning actions to realize the vision; targets to achieve objectives need to be set across the four perspectives and broken down from the business unit level, to the departmental and eventually the individual level (Kaplan and Norton, 1996). The BSC should be integrated with annual budgeting processes. This process enables quantification of long-term objectives, identification of mechanism and resources for meeting objectives as well as establishing milestones in the journey toward attainment of goals (Kaplan and Norton, 1996). Finally, Feedback and learning to adapt the plans for action: feedback across all levels of the organization is key in monitoring and adjusting implementation of strategy. This also helps to gauge how close business units are to achieving their targets. This shifts focus from purely learning from the past to also having expectations of the future (Kaplan and Norton, 1996).

Within the BSC, strategy maps are templates for translating, measuring, assessing, and modifying the strategy (Achterbergh and Beres, 2003). They are used to translate strategy into action plans by showing the linkage between the four perspectives. These links support alignment of and focus on strategy by making everyone in the organization understand the vision of the organization and streamlining their activities and initiatives in line with the vision (Kaplan and Norton, 2000).
2.3.1 Five Perspectives of the Balanced Scorecard

According to Caudle (2008), the BSC has become a way of organizing strategy-focused organizations based on 5 principles. Translating strategy to operational terms where managers coherently and systematically describe their strategy in terms of the strategy map and balanced scorecards. Secondly by aligning the organization to the strategy- Focus here is on linking the BSC between business units to take advantage of synergies. Thirdly, making strategy everyone’s everyday job- It is integral to share the logic of the BSC by education and training, cascading from higher to lower management levels and linking incentive compensations to scorecards. These measures increase the chances of ownership of the scorecard as well as motivation to work to achieve it. Fourthly, making strategy a continual process- The BSC is a continuous process of learning and feedback which includes looping the BSC into annual budgeting, having management reviews for progress on goal achievement. Finally, mobilizing change through executive leadership- It is important for the top management to own the BSC and be committed to its use in achievement of strategy. Further, culture changes within the organization that may impede strategy implementation need to changed and this is initiated by senior management.

The purpose of the BSC is to guide, control and challenge an entire organization towards realizing a shared conception of the future (Chavan, 2009). This is achieved through the combination of the BSC perspectives, four management processes and five principles to create strategy-focused organizations which result in a strategy focused organization (Achterbergh and Beres, 2003). The BSC is thus a multi-dimensional framework for describing, implementing and managing strategy at all levels of an enterprise by linking objectives, initiatives, and measures to an organization’s strategy (Koumpouros, 2013). The results of this study will determine if KWS uses it as a multi-dimensional framework for strategy implementation.

In strategy implementation, the focus has moved away from implementation processes as there is now evidence that the BSC has been adopted widely, to the benefits resulting from BSC implementation (Yongvanich and Guthrie, 2009). As with the challenges of strategic implementation, several writers have highlighted the benefits of using the BSC in strategy implementation as discussed below.
It is the function of the BSC to put and keep strategy at the center of key management processes and systems in order to “channel the energies, the abilities, and specific knowledge of people throughout the organization toward achieving the long-term goals” (Kaplan and Norton, 1996, p. 25). Further, the scorecard enables monitoring and implementation of strategy as well as a feedback channel and it also aids in establishing how close business units are to achieving targets.

2.3.3 Benefits of the Balanced Scorecard

According to Koumpouros (2013), the BSC clarifies and focusses thinking by making management hone in on the strategies they wish to pursue and how they will go about achieving the objectives they set. The focus is organizational wide and is aimed at improved service delivery to customers. Further, it encourages innovation through the internal business process perspective that has a bearing on innovation as well as allowing organization-wide feedback and suggestions on how strategy can be implemented. Koumpouros (2013) further postulates that the BSC promotes a culture of assessment through the four balanced scorecard perspectives, activities and initiatives are measured and this enables individuals, departments and the organization to measure and account for resources in line with strategic objectives. It produces greater cohesion in the management team and the entire organization and can enables strategic objectives to be broken down to daily management operations.

Other benefits of using the BSC for strategy implementation include the ability to align departmental and individual goals to the strategy and annual budgets; identify and align strategic initiatives that contribute to achievement of strategy; performance of periodic and systematic strategic reviews though which feedback is obtained. The sum of the above benefits ultimately should result in improved financial outcomes (Yongvanich and Guthrie, 2009).

2.3.4 Benefits of Balanced Scorecard in Strategy Implementation

The benefits of the BSC in implementation of strategy begin during the process of developing and using the scorecard as it provides an opportunity to identify priorities and reconcile different stakeholder demands as well as enhancing strategic feedback and learning. It also acts as diagnostic control through monitoring of the goals under the different
perspectives (Self, 2004). According to Northcott and Taulapapa (2012), as cascading of BSC involves setting departmental and individual scorecards, this increases the involvement of middle management who have been identified as integral to the success of the BSC for strategic implementation. Individual scorecards further increase motivation especially when linked to incentives, recognition and rewards as well as aiding in ownership of the strategy by employees; the degree of involvement across the organization has been seen as a predictor of implementation success (Northcott and Taulapapa, 2012).

The BSC based on evaluation of its perspectives as performance measures, enables management to re-evaluate the company’s mission and goals and taking of corrective action where need be. Further, it limits the agency problem and can exploit new opportunities by changing of the organizational structure (Hill, 2010).

Kaplan and Norton (2000) noted that organizations that used the BSC in strategy implementation achieved faster and a higher magnitude of results with the BSC enabling them to focus the entire organization on strategy. This included an organizational culture change with relationships redefined, reengineering of business processes and new technology infrastructure.

According to Niven (2003), the BSC alleviates issues of effective strategic implementation including the vision, people, resource and management. This is through overcoming the vision barrier through the translation of strategy which requires senior management to specifically determine what is usually stated in ambiguous terms in vision and strategy statements. This shared understanding aids in translation of strategy into objectives, measures, targets and initiatives. This new language of measurement provides employees with a clear understanding of strategy and guides actions to achieve the desired objectives.

Further, cascading the scorecard to overcome the people barrier- Successful strategic implementation requires that strategy be understood and acted upon at every level of the organization (Niven, 2003). Cascading of the scorecard ensures that not only permeates the entire structure but all employees can link their daily activities to the company’s strategy (Niven, 2003). Incentives and rewards can then be linked to performance drivers of future value. Strategic resource allocation overcomes the resource barrier; action plans and
initiatives that result in meeting of objectives form the basis of human and financial resource requirements which are factored into the annual planning process. Prioritization of the initiatives will need to take place with linkages to overall strategic goal as the guide (Niven, 2003).

Niven (2003), alludes to the use of strategic management to overcome the management barrier. Through the balanced scorecard, management is not only confined to financial analysis to make strategic decisions. The 4 BSC perspectives provide a comprehensive viewpoint for monitoring and evaluation of strategy. The BSC is also a communication tool: during development and implementation of the scorecard, discussion of the elements in the scorecard allows for questioning of assumptions, learning from unexpected results and dialogue on future modification. This promotes organization-wide communication.

2.3.5 Benefits of the BSC in Strategy Implementation in the Public Sector

Specifically to public sector organizations, Greiling (2010) identifies that the public sector will become far more efficient in delivering benefits to society, if the balanced scorecard is implemented. Further, the cause-effect linkages in balanced scorecard aid in identification of gaps in existing strategies and gain consensus on strategy. The BSC increases management credibility with board members as well as facilitated learning within the organization. There is greater accountability due to the BSC framework that is used to align initiatives and link strategy to resource allocation (Greiling, 2010).

Northcott and Taulapapa (2012) identified other benefits of the BSC to strategy implementation in the public sector as clarification of strategic goals; integration of goals across departments; setting performance measures in line with strategy; having meaningful measures for activities and initiatives; complementation of financial measures of past performance with operational measures that drive future performance; and provision of a link between the organization’s mission and strategy. As an external reporting tool, the BSC is key in the public sector which is sometimes devoid of competition as it improves transparency and accountability. Kaplan and Norton (2000) agree that management in the public sector have used the scorecard to gain consensus on strategy and align the organization toward its effective delivery much like private sector organizations.
The BSC enables public institutions to be able to stipulate in advance the resources to be used and expectations to be met as well as establish what has been achieved in the pursuit of strategy. Further, benchmarking can similarly be achieved through the comparison between different business units and be used to measure resources, activities and perceptions the input-output model of the value chain (Olve, Roy and Wetter, 1999).

Niven (2003) summarizes these benefits into six key benefits that have been enjoyed by public institutions and not-for profit organizations. These are demonstration of accountability and generation of results – Never before have results mattered especially to government and not-for profit agencies as well as accountability through monitoring and evaluation. The BSC enables organizations to be accountable and demonstrate results through achievement of mission-based objectives through focusing on strategy.

The second benefit is the ability to attract scarce resources- Increased competition for scarce human and financial resources requires organizations to have a framework that helps in attracting scarce resources(Niven, 2003). This can be achieved by reporting progress on strategic objectives achieve and proving that the organization is effective and efficient. Thirdly, it creates a focus on strategy- the primary function of the BSC is to turn strategy into action and it helps the organization focus on critical drivers of success that power strategy and lead to achieving the organization’s mission. In order for firm’s to achieve results, attract resources and prove accountability, organizations must keep focused on strategy at all times (Niven, 2003).

According to Niven (2003), production of information, not data is needed by organizations for decision making. The BSC through measuring only a few critical success drivers of the organization provides information that is necessary for making both short and long term decisions. Self-preservation is another benefit of the BSC as it helps to preserve public sector organizations by allowing organizations to demonstrate quality results efficiently and to pinpoint the vital few processes that drive customer value. Niven (2003) further postulates that the BSC drives change; as business environments get increasingly turbulent, only organizations responsive to change will be able survive. The measures of the BSC provide a holistic perspective of anticipating change and proactively addressing change in the public sector. Finally, it inspires trust as the driver of attracting scarce resources and demonstration
of accountability is based on trust by community, financiers and employees. The accountability enables stakeholders to be aware of the direction a public institution is pursuing and this can attract positive benefits like increased funding to the institution.

The results of this study show whether KWS through the adoption of the balanced scorecard KWS has experienced the general benefits and the public sector specific benefits of using this tool to aid strategy implementation by addressing the challenges of strategy implementation identified.

2.4 The Challenges of Using the Balanced Scorecard in Strategy Implementation

Greiling’s (2010) critique of the BSC is that it gives a snapshot of an organization’s state but it does not give a three dimensional picture. It can point out problems but lacks the ability to offer any solution. It also includes too many metrics which can increase the workload during the process of strategy implementation. Further challenges include how to link the performance indicators to an incentive, that BSC implementation is time-consuming and there are difficulties trying to determine cause-and-effect relationships within the strategy maps. Greiling (2010) further postulates that changes in top-management or when the main supporters of the BSC leave the firm, it may be abandoned especially if there was no organization-wide ownership. Cascading of the scorecard usually ends at the departmental and organizations typically use the BSC to providing information for managerial decision making and less as a strategic management system which would require cascading to the individual level.

Northcott and Taulapapa (2012) also identified various challenges to the BSC’s use in strategy implementation, these included resourcing problems where there was a lack of resources to support the information gathering required by the BSC. Managers cited lack of time as they were too busy with immediate operational issues to spend time developing and cascading the BSC and leading in strategy implementation. Finally, lack of top management support impeded the BSC in implementation as their support is instrumental in encouraging its organization-wide adoption and use as well as resource allocation and provision for achievement of strategy.
According to Kaplan and Norton (1996), there is a lack of understanding in the need to link key performance indicators to critical success factors and link these to the BSC perspectives. Instead, some organizations link strategy directly to metrics which results in metrics that do not cover a broad strategic direction nor do they connect between the strategy and the critical success factors. However, strategy maps assume that the causal model of the strategy at formulated at the beginning of the BSC program is sufficient to reflect the evolution of the strategy over time. A strategic plan needs to visualize the sequence of activities or events that need to happen to create the desired future state (Othman, 2008). According to Haberberg and Rieple (2008), drawbacks of the BSC include that strategy maps take a long time to be developed and thus may not be frequently updated which provides incorrect information especially in turbulent environments. Also, energy and time may be focused on the measurement process which takes from the actual management of performance. Another challenge in the use of the BSC is the organization’s ability to set up strategic output controls as the business environment requires flexibility and creativity which are difficult to measure and most managers would rather focus on short-term measures of performance which are easier to achieve (Haberberg and Rieple, 2008).

Reid (2011) notes that the balanced scorecard can be expensive to develop and implement on a large scale as existing information systems may need to be modified to accommodate the BSC software and hiring of consultants may be necessary to help develop scorecards and strategy maps initially. There are also challenges specific to designing of the BSC which include identification of the best strategy for the organization or business unit, determining the objectives necessary to deliver the strategy, selecting performance measures to track progress in meeting of objectives, establishing targets for the performance measure and communicating them across the organization, offering incentives to employees to motivate them to meet their targets and developing departmental and individual scorecards for cascading the strategy.

According to Modell (2012), other challenges that arise from the BSC as a strategy implementation framework include that strategy formulation and implementation is political process where managers have interest and stake. This is unlike the assumption made in the BSC that the process is neutral and that managers do not pursue self-interest in which
strategies to pursue and implement. Further, it is assumed that cascading of the strategy in the
top-down approach from senior management to middle management and then to operational
staff will be devoid of inertia and resistance to change and that such barriers can be overcome
by continuous cascading from top-down (Modell, 2012).

Voepel (2006) cites that the four perspectives of the BSC make the measurement tool
relatively rigid as performance measures that do not fit within any of the four perspectives
can be neglected. This can lead to ignoring the changes in the business environment and lead
to bias by management of the performance measures that fit into the four perspectives.
Another challenge of the BSC is that while the company’s activities are aligned to the
strategic objectives and this leads to uniformity and goal orientation, it is static and limits
initiatives that go beyond the set objectives. This is disadvantageous in in turbulent
environments and employees will only work to achieve their stipulated BSC objectives
(Voelpel, 2006). This is reinforced by Othman (2008) who agrees that BSC leads to static-
ism and ignoring the external environment which is myopic as though it helps an
organization implement its strategy, it does not cater for changes that would affect the
strategy.

2.4.1 Challenges of the BSC In Strategy Implementation in The Public Sector

In the public sector, the BSC has been faulted for its inability to account for all the different
types of stakeholders specifically in regards to the environment and social requirements for
organizational performance (Farneti and Guthrie, 2008). It is further noted that financial
measures are inadequate measures of long-term strategic performance, and there is little
research on the use of these measures in the public sector (Farneti and Guthrie, 2008). Other
challenges of the BSC implementation in the public sector include poor information systems,
poor measures, and problems with defining the customers and their needs (Northcott and
Taulapapa, 2012).

According to Sayed (2012), challenges of the BSC arise from some of the assumptions made
incorporated into the framework. The cause and effect relationship is an essential
distinguisher of the BSC model from other strategic management systems. However, it
implies that that improvement in one on criterion of BSC measures will result in
improvement in another yet a cause and effect relationships does not exist in all areas of measurements for example between customer satisfaction and customer loyalty and retention. A second challenge of the BSC for the public sector is in defining the customer or stakeholder’s expectation is another important aspect of a BSC model. In the public sector, different categories of people can be classified as customers and stakeholders thus there may not be a clear stakeholder group with homogeneous expectations Sayed (2012). He adds thirdly that, cascading of the strategy relies on a top-down approach which inadvertently leads to limited interaction between different management levels as well as a reactive response from lower management than a proactive one.

It has been noted that most failures of the BSC are associated with mismanagement of performance metrics of which organizations rely on too many to measure performance. The greater the number of metrics, the more data that needs to be fed into and analyzed from the BSC. Designing a measurement system is about deciding which measures to select and, just as importantly, which measures to ignore. Further, some institutions apply the BSC to specific business units, resulting in performance measures that take into account the performance of only those units which can lead to sub-optimization. By not linking key performance indicators with the metrics, there is a tendency to measure only a fraction of what really matters (Sayed, 2012).

According to Sayed (2012) other shortcomings of the BSC model include that the development of the BSC indicators is often subjective especially in regard to hard to capture concepts like service quality and stakeholder satisfaction. Thus, adoption of the BSC model is not only complex but requires comprehensive understanding of the underlying philosophy. BSC also requires a comprehensive and well-constructed training program for all employees, increased need for valid comprehensive and timely information, a significant time investment in the development and implementation processes and, consequently, heavy demand on resources. Unless institutions are able to demonstrate significant commitment toward implementation, prepared to improve their information systems and commit significant financial resource BSC can be of little value. The BSC is an effective tool for the implementation and translation of the strategy but not so for performance evaluation, feedback and learning.
A third component that the study will evidence is whether KWS has experienced any of the general or public sector specific challenges of the adoption of the Balanced Scorecard as a tool for strategy implementation.

2.5 Chapter Summary

This chapter provided an in-depth literature review of the gaps that this study has sought to fill. The first gap is in the challenges in strategy implementation that organizations face which result in strategy that has been formulated not being implemented. These challenges can be mitigated by adoption of the BSC resulting in more effective strategy implementation. The other two gaps concern the benefits and challenges that arise from the adoption of the BSC as a tool to aid in strategy implementation. These are evidenced in the literature review as general as well as public sector specific benefits and challenges that organizations face in strategy implementation. The next chapter contains the research methodology and will include the research, population and sample design as well as data collection and analysis methods that will be used in the study.
CHAPTER 3

3.0 RESEARCH METHODOLOGY

3.1 Introduction

Chapter two provided an in-depth literature review on the challenges of strategy implementation and how the balanced scorecard can be used for strategy implementation. The benefits and challenges of the use of the BSC in general as well as those unique to public sector institutions formed the gaps that this study sought to address.

This chapter will delve into the research design that was used to undertake the study at KWS. This includes the population of the study who are the staff who have received balanced scorecard training and are its champions in implementation from who a sample will be derived. The sampling frame, technique and size are also presented. The data collection method as well research procedures are outlined in a bid to ensure that there is a high response rate and the data collected is answers the research questions. Finally, data analysis methods are stipulated as these will be used to analyze the data once it has been collected and draw conclusions and recommendations from.

3.2 Research Design

According to Cooper and Schindler (2008) research design is a plan that aids in the collection, measurement and analysis of data which outlines both the structure of the research problem as well as the way to obtain answers to the research problem. Further, research design can be classified according to the purpose of the study with descriptive studies structured around a hypothesis and investigative questions aimed at describing phenomenon with certain characteristics, the proportion of the population that exhibit these characteristics and correlation between different variables (Cooper and Schindler, 2008).

The research design that was used for the KWS study is the descriptive study as the research problem had already been identified as well as research questions that were used to answer the research problem. Thus the descriptive approach detailed the factors affecting strategy implementation in KWS as well as the benefits and challenges of using the BSC in strategy implementation.
The design was a mixed methodology consisting of a qualitative and quantitative design. The descriptive study is most appropriate for this study as the qualitative research was used for theory testing and attempts at precise measure of phenomena (Saunders, Lewis and Thornhill, 2003) and was used to get detailed explanations on the challenges KWS faced in strategy implementation and why the organization adopted the use of the BSC. While quantitative research was used to enable questions to be directed at a large number of people to explore issues largely in the present (Jankowicz, 2002).

3.3 Population and Sampling Design

3.3.1 Population Design

A population is defined as a whole set of entities that decisions relate to and from which a sample is drawn from (Easterby-Smith, Thorpe and Jackson, 2008). KWS has approximately 4,000 employees. The staff are divided according to management levels with top management, middle management and functional staff working at the KWS headquarters and in parks or stations around the country otherwise referred to as field staff. While some staff both at the headquarters and in the field have been trained on the BSC, the target population for this study was 300 which comprised the KWS staff at the headquarters who have been trained on the balanced scorecard and are also the champions of strategy implementation using the balanced scorecard. These employees form the population as they are familiar with the balanced scorecard and can determine from their experience its benefits, challenges and effectiveness in strategy implementation.

Table 1: Target Population in KWS

<table>
<thead>
<tr>
<th></th>
<th>KWS Headquarters</th>
<th>% of total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>50</td>
<td>16.7%</td>
</tr>
<tr>
<td>Middle Management</td>
<td>70</td>
<td>23.3%</td>
</tr>
<tr>
<td>Functional staff</td>
<td>180</td>
<td>60%</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Own compilation and KWS training register
3.3.2 Sampling Design

Sampling is the choice of elements to provide the researcher with data from which conclusions were drawn about the population that the elements represent (Jankowicz, 2002). According to Cooper and Schindler (2008), a sample is selected for study over a population of elements because it is more cost effective, faster to collect data, provides a better quality of study and sometimes due to the availability of population elements where the entire population cannot be accessed; instead a sample is accessible. Further, a good sample is one that is representative of the population in terms of accuracy - the degree to which bias is absent from the sample - and precision - how closely the sample represents the population (Cooper and Schindler, 2008).

3.3.2.1 Sampling Frame

The sampling frame is the complete and correct list from which the sample was drawn (Cooper and Schindler, 2008). The sampling frame for this study was the list of staff who have been trained on the balanced score card at the KWS headquarters and was obtained from the training department of the Human Capital department which keeps a file of all staff trained.

3.3.2.2 Sampling Technique

The sampling design used in the quantitative study was probability sampling as the finding of the sample needed to be generalizable back to the population and conclusions made directly without having to infer further from the sample (Jankowicz, 2002). Further, random selection provided precision as each element had a chance of being selected.

The sampling technique for the quantitative study is stratified random sampling in which the population was divided into top, middle and lower management and the sample drawn from each stratum randomly. The benefit of this sampling technique was that it provided better comparison across strata; its cost was low as the lists of strata were available (Saunders, Lewis and Thornhill, 2003). Further, stratified random sampling was the most powerful means of generalizing findings of the sample to the population (Jankowicz, 2002). The sampling technique for the qualitative study is non-probability sampling where the researcher chose the members of staff to interview. The members of staff chosen comprised senior
management from different departments and were the initial group of staff trained on the balanced scorecard and commissioned to be the trainers of trainers within the organization.

For the quantitative study, the researcher used discretion in determining the percentage of staff per management strata that constituted the sample. The basis of this was that while top and middle management are mainly involved in strategy formulation, lower management actualize implementation and use the BSC often to align their initiatives and activities to implement the organizational strategy. Thus lower management formed the larger portion of the sample percentage at 20% while 5% of top and 10% middle management comprised the study. The respondents were randomly determined by dividing the names in the sampling frame given by the training office according to management levels. These names were then printed, cut and folded and put in three different boxes according to the management levels. Thereafter, the papers were picked out from each management level according to the pre-determined percentage of 5%, 10% and 20% for top, middle and lower management.

### 3.3.2.3 Sampling Size

For the quantitative study, due to the higher usage of the balanced scorecard in aligning of divisional and departmental scorecards as well as the larger number of staff in lower management, there were more staff respondents from this category. The sample size to be used in the study was determined statistically. This was by determining that of the population 5%, 10% and 20% would represent top, middle and lower management respectively forming the sample. Thus the sample was 36 respondents representing 16% drawn from a population of 300 trained staff.

For the qualitative study, there were 3 respondents who drawn from senior management as they have the information concerning the challenges that KWS was facing in strategy implementation, why the organization decided to adopt the BSC and their perceived effectiveness of the BSC for strategy implementation.

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**Table 2: Sample Size in KWS for Quantitative Study**

<table>
<thead>
<tr>
<th>Management Strata</th>
<th>Sample Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top</td>
<td>18</td>
<td>5%</td>
</tr>
<tr>
<td>Middle</td>
<td>18</td>
<td>10%</td>
</tr>
<tr>
<td>Lower</td>
<td>36</td>
<td>20%</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Category</th>
<th>Total staff per category in KWS Headquarters</th>
<th>% per management level</th>
<th>(Sample Size)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>50</td>
<td>5 %</td>
<td>2</td>
</tr>
<tr>
<td>Middle Management</td>
<td>70</td>
<td>10 %</td>
<td>7</td>
</tr>
<tr>
<td>Functional staff</td>
<td>180</td>
<td>15%</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td></td>
<td>36</td>
</tr>
</tbody>
</table>

Source: Own compilation and KWS training register

3.4 Data Collections Methods

A mixed methodology was used for data collection comprising both quantitative and qualitative research. Quantitatively, the survey primary data was conducted through delivery and collection of structured self-administered questionnaires. These were the most ideal tool for descriptive research as they are low cost, have great accessibility, provide anonymity and enable identification and description of variability in phenomena. Qualitatively, interviews were used to collect detailed data as they allow for in-depth collection of data.

Secondary data from books and journals regarding strategy implementation and the balanced scorecard was used in the literature review as a basis of the knowledge gap needed for this research. Reference to KWS strategic plan, annual reports and balanced scorecard training manual were used. The benefit of using secondary data as part of the data source to inform this research was that it was unobtrusive, resulted in unforeseen discoveries that were factored into the survey, and provided both comparative and contextual data against which results from the survey could be compared and form a basis for generalization to the population (Saunders, Lewis and Thornhill, 2003).

3.5 Research Procedures

The research procedure began by development of the tools that were used in the research, the questionnaire and interview guide. These were developed based on the research questions
guided by the literature review. A cover letter was also written and attached to the questionnaire explaining what the research sought to achieve, how its findings would help KWS. The questionnaire was then pilot tested by issuing it to five potential respondents, one from senior management and two from middle and lower management each to test for ambiguity and understanding of the questions and whether the responses provide insights that can be tied back to the research questions and ultimately the research problem. They filled in the questionnaire and returned in within two days with comments on questions that were not clear and this information was used to refine the questionnaire prior to distribution to respondents. The interview guides were used to conduct a mock interview with one of the members of senior management who confirmed that the questions were clear and concise and thus the tool did not need further revision.

The revised questionnaires were delivered personally to each of the respondents individually over the period of one week. Three days after delivering the questionnaires a follow-up call was made to the respondents inquiring if the questionnaire was ready for collection and if not reminding them to complete so that it could be picked up at the end of the week as the duration for filling in the questionnaire was stipulated as 5 days in the cover letter. However, many of the respondents still had not completed their questionnaires at the end of the 5 days and some were away from office. As the organization had given a period of two weeks within which the researcher must have collected all the data, the researcher had to sit in with the respondents in their offices, wait for them to fill out the questionnaire and leave with them, these measures increased the response rate significantly.

For the qualitative study, an email seeking a 20 minute interview was sent 2 days prior to the date of the interview. The email contained an introductory letter that explained the content to be covered during the interview. The interviews were recorded for ease of reference to the discussed content. The interviews went as scheduled and qualitative data collected.

3.6 Data Analysis Method

Once the questionnaires had been collected, they were be labeled and coded to be able to trace which responses came from which respondents in case there was need to refer back to them after data analysis. Microsoft Excel and SPSS computer application programs were
used to input the data. Data analysis methods was done by the use of frequency distribution formulae including the mean, mode and median, measures of variability including standard deviation, variance and quartiles. Inferential statistics was used to estimate the population values and test the statistical hypothesis (Cooper and Schindler, 2008). Data display was done graphically using line, bar and pie charts.

3.7 Chapter Summary

This chapter provided a detailed description of the research methodology that will be used in this study. A descriptive survey using a mixed methodology of quantitative and qualitative techniques was used to collect data. Self-administered questionnaires and interviews were the data collection tools. The tools were pilot tested and then the questionnaire issued while the interview guide was used during the interviews. Response rates were increased using follow-up calls and physical collection of the filled in questionnaires. Data analysis and display was done using MS Excel and SPSS computer applications. The next chapter will comprise data analysis and display of the information collected from the self-administered questionnaire and interviews.
4.0 FINDINGS

4.1 Introduction

Chapter 3 detailed the research methodology including the population and sample size, sampling frame and techniques that were used to conduct the research. This chapter presents the findings of both the qualitative and quantitative research carried out. The chapter begins with the quantitative findings based on the responses from the questionnaires administered and the findings from the qualitative interviews follows. Out of the sample size of 36 respondents, 32 questionnaires were returned completed, one was incomplete and 3 were not returned. Thus the quantitative analysis was of the 32 questionnaires gathered. The decimal places will be rounded off to the nearest whole number.

Table 3: Questionnaire response rate

<table>
<thead>
<tr>
<th></th>
<th>Quantity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total questionnaires issued</td>
<td>36</td>
<td>100%</td>
</tr>
<tr>
<td>Questionnaires returned</td>
<td>33</td>
<td>92%</td>
</tr>
<tr>
<td>Questionnaires returned and complete</td>
<td>32</td>
<td>89%</td>
</tr>
<tr>
<td>Questionnaires returned and incomplete</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Questionnaires not returned</td>
<td>3</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Own compilation

4.1 Demographic profile of respondents

The demographic profile of the respondents regards the gender and age of the respondents. There were 21 male and 11 female respondents which is 66% to 34% respectively and is consistent with the larger number of staff being male and female the minority.
Table 4: Demographic profile of respondents-Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>21</td>
<td>65.6</td>
</tr>
<tr>
<td>Female</td>
<td>11</td>
<td>34.4</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The age profile of the respondents was highest in the 31-40 bracket with 19 respondents, this was followed by the 20-30 bracket of 6 respondents and the 41-50 bracket with 5 respondents. The age group with the least respondents was the 51-60 bracket with 2 respondents. This is also consistent with the spread in age in the organization with most employees being between 31-40 years.

Table 5: Demographic profile of respondents-Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30</td>
<td>6</td>
<td>18.8</td>
</tr>
<tr>
<td>31-40</td>
<td>19</td>
<td>59.4</td>
</tr>
<tr>
<td>41-50</td>
<td>5</td>
<td>15.6</td>
</tr>
<tr>
<td>51-60</td>
<td>2</td>
<td>6.3</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.0</td>
</tr>
</tbody>
</table>

These demographics (Table 5) can be extrapolated back to the population to mean that there is a higher population of men than women who have been trained on the balanced scorecard as well as more persons in the 31-40 bracket trained than in any other group. Further the data in Figure 3 below shows that there was no one under 20 who has been trained in the BSC as these are usually temporary staff and interns. The job group with the most respondents was grade 6 and the majority of respondents have worked at KWS between 1-5 years (Figure 4). This is because the BSC was introduced to KWS in 2008 and is thus a relatively new tool and it is part of new staff induction thus employees who have recently joined the organization are likely to have undergone the BSC training.
4.1.2 BSC History
The majority of the respondents (according to figure 5 below) were trained on the BSC in 2010 with the years with the least training occurring in 2008 and 2009 which is the years the BSC had just been introduced and the organization had initially trained trainers who would then train across the organization.
Most of the respondents, according to figure 6 below, align their activities to the BSC every quarter which is consistent with the organization’s planning cycle as it is done per quarter.

4.1.3 Qualitative demographic profile of respondents
The three interviews were carried out with two female and one male senior staff comprising acting head of productivity improvement and quality assurance (PIQA), deputy director of strategy and change and head of audit who are in grade 6, 3 and 3 respectively. The acting head of PIQA and the deputy director of strategy and change had worked at KWS for
between 1-5 years while the head of audit has been at the organization for between 6-10 years and were trained in the balanced scorecard as trainers of trainers, they all align their activities to the balanced scorecard.

4.2 Challenges in implementing the current KWS strategic plan
Among the challenges of implementing the current strategic plan lack of ownership by staff, resistance to change, lack of budgetary allocation, lack of strategic success indicators, unanticipated problems emerging during implementation and ineffective communication emerged as the key issues with 84%, 78%, 78%, 75%, 75% and 72% citing they agree or strongly agree. Ineffective coordination of activities and lack of information technology for monitoring and evaluation scored 62% and 65% showing that they are also a great challenge to implementation of the current strategic plan.

Figure 7: Challenges in implementing current strategic plan

4.2.1 Use of the BSC in strategy implementation
Sixty five percent of the respondents (according to figure 8) participated in the development of their division or department’s scorecard which implies that they were involved in the process. While no respondent does not align their activities and initiatives to the strategic plan 53% and 34% do so greatly and partially respectively. The use of the departmental scorecard to align activities is done 56% greatly and 28% partially. An evident area of weakness was in the development of the individual balanced scorecard as the frequency was skewed to those who have not developed an individual scorecard.
Figure 8: Use of the BSC in strategy implementation

4.2.2 Single area of improvement that can aid in more effective implementation of strategy

50% of the respondents (according to figure 9 below) cited alignment of the organizational structure, culture and leadership as the key area in need of improvement. This was followed by the need for better communication at 25% and installation of a monitoring and evaluation system at 12.5%. Better communication and reduction of complexities in internal processes both scored 6.3%

Figure 9: BSC-Areas of improvement

4.2.3 Greatest single barrier to strategic implementation at KWS

The greatest barrier to strategic implementation is the management barrier which was cited by 41% of the respondents, followed by the people barrier at 25% and vision at 19%. The resource barrier was the least barrier at 16% as shown in figure 9 below.
In order to be able to ascertain whether the challenges in implementing strategy or the challenges of using the BSC were greater to KWS, the coefficient of variation ranking was applied. Since the challenges in strategy implementation was at 0.198 while that of the use of the BSC in strategy implementation was at 0.18 it indicated that the challenges in the use of the BSC in strategy implementation rank higher than the challenges in implementing the current strategy.

4.2.4 Challenges in strategy implementation before the adoption of the BSC

Based on the qualitative study, the top challenges identified were:

Corporate objectives not defined, hence divisions and departments would come up with their different goals and tasks and execute them. Thus the organization was not moving in one strategic direction at any one time and there was element of harmony and synergy.
Initially the first scorecard was developed using the log frame method the challenge of which tasks and activities could be detailed but it did not say how they were to be executed and deliverables met. Thus there was a challenge with performance measurement as there was no way of knowing or measuring if any goals were being achieved and which ones had been achieved at the divisional and department level.

Allocation of responsibilities to divisions, departments, sections and individuals was a challenge as some were cross cutting and there was no clear cut ownership or accountability of responsibilities and it was hard to tell who did not deliver.

Resources (financial and human) were not allocated based on any strategic objectives but based on what the management saw as subjectively important. This was thus subject to change with when new management joined the organization so that there was uneven distribution of resources.

There were different planning tools with different formats for example Annual Work Plans, Procurement Plans, and Budget Plans that were not harmonized and thus there was duplication of information as well as gaps in harmonizing the different departmental tools and tying them to the strategy and organizational objectives.

There was no monitoring and evaluation of goals and objectives that had been set by staff and it was thus while some objectives may have been achieved it was hard to quantify the achievement. Further, it was also difficult to verify whether some objectives had been achieved where there was no evidence of the same.

**4.2.5 Reasons for adoption of the BSC BY KWS**

Based on the qualitative study, the top reasons for the adoption of the BSC were:

The first reason identified was as a directive by national government through performance contracting to have a performance measurement system and the BSC was then adopted for cascading and implementation of strategy which could then be measured. The BSC was and continues to be an essential tool toward the delivery of Vision 2030 and performance contracting deliverables through cascading of the deliverables.
Secondly, as part of transformational management, the BSC was introduced when there was a change in management to ensure that there were checks and balances and to change the way that KWS had been operating in the past. This resulted from the need for the strategy not to be dependent on the management of the tome but to be domiciled within the organization hence clear strategy, well cascaded and proper monitoring and evaluation. This is also part of succession planning so that when new leadership joins the organization there is ease of continuity.

There was also a need for organizational focus and alignment of tasks so that everyone in the organization could be pulling in the same direction toward the same strategic objectives. This would inculcate discipline through an integrated strategic planning and management system.

Finally, the BSC would be an easy reference for performance hence a reward/punishment system could be developed. This system is part of performance management which would reward those who had achieved their goals as well as reprimand those who did not and ensure that there was accountability in the organization.

**4.3 Benefits in using the balanced scorecard in strategy implementation at KWS?**

According to figure 11, the current strategic plan has been cascaded mostly to departments. This implies that divisional scorecards have also been developed as it is from these that departmental scorecards have been developed. There has also been development of some individual scorecards from departmental scorecards. However, the organization has not reached the level of linking incentives to the scorecard nor rewards based on performance.
4.3.1 General benefits experienced using the BSC

Of the general benefits experienced by using the BSC according to figure 12, 94% of the respondents cited clarified and focused thinking on set objectives as quite or most beneficial. This was followed by promoting a culture of assessment and measurement of activities and encouraging innovation of which respondents scored 72% and 69% respectively. The least general benefit has been greater cohesion between management and the rest of the organization which scored 46%.

4.3.2 Benefits experienced using the BSC as a tool for strategy implementation

Out of the five benefits of the BSC as a tool for strategy implementation, the two greatest benefits were the translation of strategy by senior management to aid in its understanding by all and cascading of the scorecard to aid in linking of daily activities to the current strategy with 82% and 81% respectively of respondents having either somewhat or greatly benefited from this. This two least benefits experienced have been increased communication through discussions during development of the scorecards as well as monitoring and evaluation of the strategy through the BSC perspectives which scored 44% and 47% respectively in regards to seldom and not benefited from.
4.3.3 Benefits experienced by KWS as a government parastatal from using the BSC

Among the seven benefits that parastatals stand to gain from using the BSC as a government parastatal, KWS has benefited primarily through five of them - demonstration of accountability and achieving KWS objectives, producing and using information in decision making, creating an organization-wide focus on strategy, self-preservation through quality, efficiency and driving customer value and inspiring trust among internal and external stakeholders which scored 93%, 79%, 78%, 74% and 72% in terms of somewhat or greatly benefited. Two benefits that have not been experienced greatly are driving organizational change as well as attracting resources e.g. government and donor funding which scored 31% and 37% in seldom or not benefited KWS.
**Figure 14: Benefits experienced by KWS as a government parastatal from using the BSC**

**Table 7: Comparison on the Benefits of the BSC in Strategy Implementation**

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Coefficient of Variation</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Benefits</td>
<td>2.8594</td>
<td>.60221</td>
<td>0.21</td>
<td>2</td>
</tr>
<tr>
<td>BSC Benefits</td>
<td>2.8562</td>
<td>.63902</td>
<td>0.22</td>
<td>3</td>
</tr>
<tr>
<td>Government BSC Benefits</td>
<td>3.0179</td>
<td>.54034</td>
<td>0.18</td>
<td>1</td>
</tr>
</tbody>
</table>

In order to ascertain which set of benefits KWS currently benefits most from among the general benefits of using the BSC, the benefits that arise specifically from using the BSC and those that are unique to public sector organizations using the BSC, the coefficient of variation was ranked in table 7 above. The greatest collective benefit enjoyed by KWS are those that are specific to public sector institutions, followed by the general benefits of using the balanced scorecard while the benefits from the use of the balanced scorecard for strategy implementation are those that are least being experienced by KWS.

**4.4 Challenges of using the Balanced Scorecard at KWS**

According to figure 15, among the common challenges identified in developing of scorecards, identification of the best strategy by the division/department was scored as not challenging by 43.8%. Determining of objectives to deliver strategy, selecting performance measures to track progress of meeting objectives, establishing and communicating performance targets, development of individual scorecards and strategy maps taking long to develop were ranked as somewhat challenging at 47%, 41%, 38%, 28% and 34% respectively. Setting performance measures to track progress of meeting objectives posed the greatest challenge and was ranked as quite challenging at 41%.
4.4.1 Challenges experienced using the BSC as a tool for strategy implementation

According to figure 16, 37.5% of the respondents found the many metrics to be somewhat challenging in the BSC and 37.5% found it quite challenging. 50% of respondents found that there not having been cascading to develop the individual scorecards quite challenging. Lack of senior management support in BSC implementation as well as lack of understanding in linking BSC perspectives and performance indicators was also ranked as quite challenging at 34% and 47% respectively.
4.4.2 Challenges experienced by KWS as a government parastatal from using the BSC as a tool

Among the challenges faced by parastatals in the use of the BSC in figure 17, the greatest challenge faced by KWS is the need for a well-constructed training program cited as greatly challenging by 44% of the respondents. The BSC being subjective in hard to capture concepts like service quality and stakeholder satisfaction, that certain performance measures do not fit into any of the 4 BSC perspectives and requiring heavy resource investment is perceived by 37.5%, 53% and 41% respectively of the respondents as somewhat challenging. The BSC leading to rigidity as well as difficulty in defining the customer were the least challenging aspects of the BSC at 19 and 46% respectively.

Figure 17: Challenges experienced by KWS as a government parastatal from using the BSC

Table 8: Challenges of BSC as a tool of Strategy Implementation Comparison

<table>
<thead>
<tr>
<th>Challenges of</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Coefficient of Variation</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSC Development</td>
<td>2.3385</td>
<td>.68061</td>
<td>0.29</td>
<td>3</td>
</tr>
<tr>
<td>Challenges of BSC Use</td>
<td>2.8828</td>
<td>.46656</td>
<td>0.16</td>
<td>1</td>
</tr>
<tr>
<td>Government BSC Challenges</td>
<td>2.5052</td>
<td>.58273</td>
<td>0.23</td>
<td>2</td>
</tr>
</tbody>
</table>
In order to ascertain which set of challenges that KWS currently faces ranks highest from among the challenges of developing the BSC, the challenges that arise specifically from using the BSC and those that are unique to public sector organizations using the BSC, the coefficient of variation was ranked in table 8 above. The greatest challenge faced by KWS is in the usage of the balanced scorecard, followed by public sector specific challenges of using the tool and the least challenging aspect is the development of the BSC.

4.4.3 Strategy implementation challenges that have been addressed by adoption of the BSC

Findings from the qualitative study show that some of the challenges that have been addressed by the balanced scorecard include:

Allocation of responsibilities has been achieved by the balanced scorecard through having a corporate, divisional and departmental scorecard so all activities can be linked back to a responsible department.

The corporate objectives have now been defined and these have served to give the organization focus is what deliverables it wants to achieve within a certain period of time. All divisions and departments thus align their activities and tasks toward achieving these objectives.

It is now easier to measure what has been achieved in strategy hence how far the strategy has been implemented through the BSC.

4.4.4 Strategy implementation challenges that have not been addressed by adoption of the BSC

Allocation of responsibilities has been achieved by the balanced scorecard; however getting staff to execute their deliverables and meet their targets has not been actualized. This is because there has been a challenge of changing staff attitudes and managing resistance to change. The balanced scorecard is cited as too involving.

The qualification and abilities of KWS staff is as basic as completion of high school for some of the staff levels this affects the ability to understand concepts of the BSC and their ability to use it as a tool for strategy implementation and performance measurement and management.
The BSC tool itself has not been easy to use as there is a great need of training and refreshing for both old staff and new staff. Initially there was a group of internal staff who had been trained as trainers of trainers however all people who went through the initial training have since left the organization leaving a gap that has affected cascading and understanding of the scorecard.

There is still therefore need for a reward and reprimand system which can lead to more effective performance management as there is still a lack of motivation and accountability. Therefore some elements of strategy have not been implemented due to lack of motivation, reward and accountability.

Allocation through the scorecard system gives an indication of the optimal human resource capacity needed to deliver strategy however budgetary constraints have led to a less than optimal staff force which in turn affects how much strategy can be delivered.
CHAPTER 5

5.0 Discussion, Conclusions, and Recommendations

5.1 Introduction
The first four chapters have detailed the purpose of the study which is to determine the effectiveness of the balanced scorecard in strategy implementation at Kenya Wildlife Service. Chapter one gave a background to the study, the three research questions guiding the study and outlined that the study would benefit KWS, the government and academia. Chapter two’s literature review provided findings from previous studies relating to challenges in strategy implementation as well as the BSC and its use in strategy implementation and more specifically in the public sector. Chapter three detailed the mixed research methodology that used both quantitative and qualitative techniques conducted on a sample size of 36 employees based at the KWS headquarters. The fourth chapter detailed the findings from the research in which the use of the BSC in strategy implementation emerged as a key challenge while the key benefit for KWS in using the BSC has been from the government specific benefits of using the scorecard. This chapter presents a summary of the findings as well as discussions comparing the qualitative and quantitative research findings to the literature review discussion from which conclusions were made. Recommendations for improvement within KWS as well as recommendations for further areas of research bring the chapter to an end.

5.2 Summary of findings
Scholarly research has been done strategy development but little has been done on strategy implementation though this has been identified as the top reason why organizations are not successful. This research study was thus conducted due to a knowledge gap in how effective the BSC is as a tool of implementing strategy at public institutions. In order to bridge this gap, the study was conducted to answer three research questions pertaining to the challenges faced by KWS in strategy implementation, the benefits of using the balanced scorecard in strategy implementation and the challenges from using the BSC as a tool in strategy implementation.
The research was conducted through a mixed methodology that combined quantitative research through self-administered questionnaires to a sample size of 36 employees based at the KWS headquarters. The study was limited to the KWS employees based at the KWS headquarters as these staff have been trained on using the BSC and have been actively using the tool. Qualitative research in the form of in-depth interviews was also carried out to give a more detailed understanding on the use of the BSC at KWS. The interviews were conducted with 3 senior managers who were part of the initial team trained on the balanced scorecard at KWS.

The findings from the study showed that KWS does have challenges in strategy implementation the greatest of which included the resistance to change 84%, lack of budgetary allocation 78% and lack of strategic success indicators 78%. While most of the staff participated in development of the BSC, only 20% have developed their individual scorecard and instead rely on the divisional or departmental scorecards for aligning their activities. The greatest barrier to strategy implementation has been management ranked at 41% and 50% ranked the need to align the organizational structure, culture and leadership as the key action that would aid in more effective strategy implementation.

The benefit two greatest benefits of using the BSC were the translation of strategy by senior management to aid in its understanding by all and cascading of the scorecard to aid in linking of daily activities to the current strategy with 82% and 81% respectively of respondents having either somewhat or greatly benefited from this. Further benefits specific to KWS as a government parastatal have included demonstration of accountability and achieving KWS objectives, producing and using information in decision making which were ranked at 93% and 79% respectively.

There have been challenges cited from the use of the BSC as a tool for strategy implementation of 50% of the respondents ranked setting performance measures to track progress of meeting objectives and 41% cascading of the strategic plan through the BSC to facilitate development of individual scorecard as the main challenges. As a government parastatal the greatest challenge ranked at 44% was the need for a well-constructed training program on the BSC.
The discussion, conclusions and recommendations presented below will be based on the research findings as compared to the literature review.

5.3 Discussions

5.3.1 Challenges of strategy implementation at KWS

According to the findings of the research, the main challenge in strategy implementation occurred from resistance to change which was ranked at 84% and similarly brought out in the qualitative study which cited a change of attitude and organizational culture as well as managing resistance to change as being challenges of strategy implementation. These findings are consistent with the literature review which showed that the ability to execute strategy was cited as more important than the strategy itself. According to Freedman (2006) the key implementation pitfalls include strategic inertia which comes from resistance to change or not making the strategy implementation a priority. Other challenges that were highly ranked in the quantitative research were lack of ownership by staff, lack of budgetary allocation both of which were ranked at 78% and ineffective communication at 72%. Of these, the lack of budgetary allocation toward meeting strategic goals as well as lack of ownership as regards employees not executing their deliverables as per the strategy was also mentioned in the quantitative findings. Further, Punniyamoorthy and Murali (2008) postulate that traditionally identified problems like lack of top management support are not the main inhibitors of strategy implementation, instead, factors like cultural and behavior change including poor communication and lack of commitment to the strategy are greater deterrents.

According to the literature review, among the public sector specific challenges of strategy implementation are need for behavior and attitude change, changing budget priorities culture change and aligning operational processes and decisions (Joyce, 1999). Of these, the need for attitude change and lack of budgetary allocation were part of the quantitative and qualitative findings. However, collectively, the use of the balanced scorecard for strategy implementation ranked higher than those of strategy implementation thus presented a greater challenge.

Sixty five percent of the respondents participated in development of their divisional/departmental and 87% align their activities to the BSC, however, 80% of respondents had not developed an individual scorecard. This was also cited in the qualitative
findings which linked it to the lack of adequate training as well as partially to the caliber of staff in the organization that can understand and apply the BSC as cited in the qualitative study.

The greatest barrier to strategy implementation cited in the findings ranked at 41% was the management barrier where management focusses on operational issues at the expense of strategy. According to the literature review, management barrier where management spends too little time on strategy and too much time on short-term tactical decision making (Atkinson 2006). The findings further revealed that the single area of improvement ranked at 50% that can aid in more effective strategy implementation is aligning the organizational leadership, structure and culture to facilitate strategy implementation. This was also evidenced in the qualitative findings where staff attitude and culture change was needed. The literature concurs with these findings citing aligning of structure to strategy as well as devolution of decision-making for empowerment of employees closer to decision making levels facilitates implementation of strategy (Freedman, 2003).

5.3.2 Benefits of using the BSC in strategy implementation at KWS
The general benefits KWS has experienced by using the BSC are clarified and focused thinking on set objectives; it has promoted a culture of assessment and measurement of activities ranked at 94% and 72% respectively. This was reinforced by the qualitative findings which cite corporate objectives had been defined and these served to give the organization focus. All divisions and departments thus aligned their activities and tasks toward achieving these objectives. Further, the BSC made it easier to measure what had been achieved in strategy hence how far the strategy had been implemented through the BSC. These findings are supported by the literature review with Koumpouros (2013), alluding to the BSC aiding in clarifying and focusing thinking by making management hone in on the strategies they wish to pursue and how they will go about achieving the objectives they set. Further, Koumpouros (2013) adds that the use of the BSC at KWS has promoted a culture of assessment through the four balanced scorecard perspectives, activities and initiatives are measured and this enables individuals, departments and the organization to measure and account for resources in line with strategic objectives.
The quantitative findings show that the two greatest benefits of using the BSC as a tool for strategy implementation have been the translation of strategy by senior management to aid in its understanding by all and cascading of the scorecard to aid in linking of daily activities to the current strategy ranked at 82% and 81% respectively. This is reinforced by the qualitative findings which cite allocation of responsibilities has been achieved by the balanced scorecard through having a corporate, divisional and departmental scorecard so all activities can be linked back to a responsible department. Literature on the BSC supports these findings with Niven (2003) citing that translation of strategy requires senior management to specifically determine what is usually stated in ambiguous terms in vision and strategy statements. He adds that cascading of the scorecard ensures that not only permeates the entire structure but all employees can link their daily activities to the company’s strategy. According to the qualitative findings, the benefits least experienced are communication through discussions during development of the scorecards as well as monitoring and evaluation of the strategy through the BSC perspectives.

KWS as a government parastatal operating in the public sector has benefited primarily through its ability to demonstrate accountability 93% and achieving of its objectives, producing and using information in decision making 79%. These findings are echoed by Niven (2003) citing demonstration of accountability and generation of results is through achievement of mission-based objectives through focusing on strategy. Accountability enables stakeholders to be aware of the direction a public institution is pursuing and this can attract positive benefits like increased funding to the institution. Niven further postulates that the BSC through measuring only a few critical success drivers of the organization provides information that is necessary for making both short and long term decisions. KWS has also benefited from creating an organization-wide focus on strategy 78%, self-preservation through quality, efficiency and driving customer value 74% and inspiring trust among internal and external stakeholders was ranked at 72%. Niven (2003) cites that self-preservation helps to preserve public sector organizations by allowing organizations to demonstrate quality results efficiently and to pinpoint the vital few processes that drive customer value. The BSC inspires trust as the driver of attracting scarce resources and demonstration of accountability is based on trust by community, financiers and employees.
However, two benefits that have not been experienced greatly by KWS are organizational change as well as attracting resources e.g. government and donor funding of which the challenge of organization change was part of the qualitative findings.

5.3.3 Challenges in using the balanced scorecard as a tool for strategy implementation at KWS

Quantitatively, the greatest challenge in using the BSC in strategy implementation was the setting of performance measures to track progress of meeting objectives ranked at 41%. Determining of objectives to deliver strategy and establishing and communicating performance targets were ranked as somewhat challenging at 47% and 38% respectively. Reid (2011) notes challenges specific to designing of the BSC include identification of the best strategy for the organization or business unit, determining the objectives necessary to deliver the strategy, selecting performance measures to track progress in meeting of objectives and establishing targets for the performance measure and communicating them across the organization. Development of individual scorecards 28% and strategy maps taking long to develop 34% were ranked as somewhat challenging. The quantitative study further showed that majority of respondents found the lack of cascading for develop the individual scorecards quite challenging. According to Haberberg and Rieple (2008), drawbacks of the BSC include that strategy maps take a long time to be developed and thus may not be frequently updated which provides incorrect information especially in turbulent environments. Qualitatively, the lack of monitoring and evaluation of goals and objectives that had been set by staff making some objectives that may have been achieved hard to quantify has been a challenge. Greiling (2010) cites cascading of the scorecard usually ends at the departmental and organizations typically use the BSC to providing information for managerial decision making and less as a strategic management system which would require cascading to the individual level.

The lack of senior management support in BSC implementation and lack of understanding in linking BSC perspectives and performance indicators were ranked at 345 and 47% respectively as quite challenging in regard to challenges of using the BSC as a tool. This was in line with the literature review with Kaplan and Norton (1996) citing the lack of understanding in the need to link key performance indicators to critical success factors and link these to the BSC perspectives. Northcott and Taulapapa (2012) identified lack of top
management support impeded the BSC in implementation as their support is instrumental in encouraging its organization-wide adoption and use as well as resource allocation and provision for achievement of strategy.

According to the quantitative findings, the greatest public sector specific challenge faced by KWS is the need for a well-constructed training program at 44%. This was followed by the BSC being subjective in hard to capture concepts like service quality and stakeholder satisfaction 37.5%, that certain performance measures do not fit into any of the 4 BSC perspectives 53% and that the BSC required heavy resource investment41% which were ranked as somewhat challenging. These public sector specific challenges were identified in the literature review by Sayed (2012) as the development of the BSC indicators is often subjective especially in regard to hard to capture concepts like service quality and stakeholder satisfaction. Thus, adoption of the model is complex and requires comprehensive understanding of the underlying philosophy. BSC also requires a comprehensive and well-constructed training program for all employees (Sayed, 2012).

5.4 Conclusions

5.4.1 Challenges of strategy implementation at KWS
The challenges of strategic implementation at KWS are primarily to do with the soft issues including a change in organizational culture, challenges of lack of ownership and effective communication within the organization. While the organizational culture change is a generic challenge of strategy implementation, it is also found as one of the specific challenges to institutions in the public sector and ranked highest among those that KWS is affected by. These challenges are reinforced by the management barrier being seen as the most significant barrier to strategy implementation.

Overall, the challenges of using the BSC in strategy implementation are greater than those of implementing strategy at KWS.

5.4.2 Benefits of using the BSC in strategy implementation at KWS
As a parastatal, KWS has benefited by being more accountable and the organization has demonstrated results, produced and used information in decision making and has been better placed in terms of quality, customer value and efficiency. The general benefits KWS has
experienced are an organization more focused on corporate objectives, encouraged innovation as well as provided a way of assessing measuring activities which was a challenge before the adoption of the BSC. Through the use of the BSC as a tool for strategy implementation KWS has benefited from translation of strategy by senior management and cascading it to the divisional and departmental level for understanding have benefited the organization.

Overall, KWS benefits most from the government specific benefits of using the BSC, followed by the general benefits of using the BSC and least from those of using the BSC for strategic implementation.

5.4.3 Challenges in using the balanced scorecard as a tool for strategy implementation at KWS
The BSC’s greatest challenge was in its usage to determine objectives to deliver strategy, set of performance measures, development of individual scorecards and strategy maps as well as in government specific challenges associated with the tool. Of the challenges of using the BSC as a tool, there are challenges specific to public institutions that KWS has faced including the need for a well-constructed training program, the BSC being subjective in hard to capture concepts like service quality and stakeholder satisfaction, that certain performance measures do not fit into any of the 4 BSC perspectives and that the BSC required heavy resource investment. The least challenging aspect was the development of the BSC.

Overall, the greatest challenge to KWS comes from the actual use of the BSC followed by government specific challenges of the BSC as a tool and the least challenge is in the development of the scorecards.

5.5 Recommendations
5.5.1 Recommendations for improvement
5.5.1.1 Challenges of strategic implementation at KWS
In order for KWS to overcome the major challenges faced in strategy implementation it must address the current challenges to strategy implementation. Key to this is cultural and behavioral change through aligning the organization where strategy drives structure, thus management should ensure compatibility between strategy, structure, culture and leadership. Alignment of structure to strategy as well as devolution of decision-making for
empowerment of employees closer to decision making levels facilitates implementation of strategy. Further, communication of the strategy to ensure every stakeholder knows how the strategy was developed and what role they each play in its implementation. This promotes ownership and commitment to the strategy which aid in implementation (Freedman, 2003).

In order to remedy the management barrier, KWS management focus needs to shift from firefighting on operational issues to discussing, learning and executing of strategy on a daily basis (Niven, 2003).

5.5.1.2 Benefits of using the BSC in strategy implementation at KWS

In order for KWS to continue to reap more benefits from the use of the BSC in strategy implementation, the organization should, translate strategy to operational terms where managers coherently and systematically describe their strategy in terms of the strategy map and balanced scorecards.

Secondly, KWS should align the organization to the strategy by linking the BSC between business units to take advantage of synergies. Thirdly, the organization needs to making strategy everyone’s everyday job through education and training on the BSC as well as cascading the BSC from higher to lower management levels and linking incentive compensations to scorecards.

Fourthly, making strategy a continual process of learning and feedback which includes looping the BSC into annual budgeting, having management reviews for progress on goal achievement. Finally, mobilizing change through executive leadership by KWS’ top management owning the BSC and being committed to its use in achievement of strategy. Further, the culture changes impeding strategy implementation need to changed and this is initiated by senior management.

KWS as a government parastatal should be able to attract resources. As Niven (2003) alludes, this can be achieved by reporting progress on strategic objectives achieve and proving that the organization is effective and efficient thus the BSC being used as a framework to attract resources.
5.5.1.3 Challenges in using the balanced scorecard as a tool for strategy implementation at KWS

KWS can overcome the challenges of using the BSC by ensuring that the strategic plan visualizes the sequence of activities or events that need to happen to create the desired future state (Othman, 2008).

Further, the BSC requires a comprehensive and well-constructed training program for all employees, increased need for valid comprehensive and timely information, a significant time investment in the development and implementation processes and, consequently, heavy demand on resources (Sayed, 2012).

5.5.2 Recommendations for further studies

Strategy implementation has not had nearly as much scholarly research and academic focus as strategy formulation despite its importance. Most of the focus has been on long range planning, strategic content and not the actual implementation of strategies. There have been various reasons put forward ranging from its lack in conceptual models, communication difficulties at the work place and lack of skills of middle management in strategy implementation (Atkinson, 2006).

Further studies within KWS in the area of the BSC should delve into the area of the effect of organizational culture on strategy implementation and establish the need for change management. This will benefit the organization in knowing the current culture and its effect on strategy implementation, barriers to culture change and strategies to use effectively change culture to one that promotes strategy implementation.

Further comparative studies into the effectiveness of the BSC in strategy implementation between parastatals will be beneficial especially to the government in establishing whether this is the best tool for performance management in the public sector. As well, comparative studies on the effectiveness of the BSC among select private sector and public sector organizations will enable the sectors to benchmark against each other and peer comparison and contrast can lead to better use of the BSC for strategy implementation.
REFERENCES


## APPENDIX 1: PROJECT IMPLEMENTATION SCHEDULE

<table>
<thead>
<tr>
<th>Activity/Month</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
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<tr>
<td>Develop Research Proposal</td>
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<td>Review of research project report</td>
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<tr>
<td>Submission of final report</td>
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</tbody>
</table>
## APPENDIX 2: PROJECT IMPLEMENTATION BUDGET

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<th>Description</th>
<th>Cost (Kshs)</th>
</tr>
</thead>
<tbody>
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<tr>
<td></td>
<td>Printing</td>
<td>3,000</td>
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<td></td>
<td>Stationery</td>
<td>2,000</td>
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<tr>
<td></td>
<td>Internet Access</td>
<td>5,000</td>
</tr>
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<td>Data Collection</td>
<td>Fieldwork Allowance</td>
<td>10,000</td>
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<td></td>
<td>Transport</td>
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<tr>
<td></td>
<td>Printing</td>
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<tr>
<td></td>
<td>Stationary</td>
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<td></td>
<td>Telephone Airtime</td>
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</tr>
<tr>
<td>Data Analysis</td>
<td>Data Entry</td>
<td>3,000</td>
</tr>
<tr>
<td></td>
<td>Data Analysis</td>
<td>2,000</td>
</tr>
<tr>
<td>Data Presentation</td>
<td>Printing</td>
<td>5,000</td>
</tr>
<tr>
<td></td>
<td>Binding</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>42,500</strong></td>
</tr>
</tbody>
</table>
APPENDIX 3: LETTER OF INTRODUCTION AND QUESTIONNAIRE

Christine Muiruri

United States International University

Nairobi Kenya

11th October 2013

Dear Respondent,

My name is Christine Muiruri and I am a post-graduate student at USIU. I am conducting research on “The effectiveness of the balanced scorecard in strategy implementation at Kenya Wildlife Service (KWS)”. The results of this study will be important toward finishing my MBA degree as well as benefit KWS through the knowledge of how effective the balanced scorecard is in implementation and how the tool can be better used for maximum effectiveness.

Toward this end, attached is a questionnaire that by your completion I will be able to collect data on the balanced scorecard as used in KWS as well as the benefits and challenges of its use in strategy implementation. The respondents have been randomly selected to maximize the objectiveness of the research. All responses will be kept confidential and the data gathered will only be used in this research.

I request that you complete the attached questionnaire in the course of the next 5 days upon which I will collect it. Further, should you wish to access a copy of the final report, I will be able to avail this.

Thank you for your time and cooperation,

Kind Regards,

Christine Muiruri
This survey is on the **effectiveness of the balanced scorecard (BSC) for strategy implementation at KWS**. The purpose is to understand challenges of strategic implementation that can be resolved by use of the BSC at KWS as well as the benefits and challenges of using the BSC for strategy implementation. Section 1 covers background information of the respondent in relation to KWS and section 2 contains the actual research questions.

**Section 1: Bio data of the respondent**

1.1 Gender: Male/ Female

1.2 Age: (Tick)

| Under 20 | 20 - 30 | 31- 40 | 41 -50 | 51 – 60 |

1.3 Department: _________________

1.4 Job Title ___________________________ and Job Group ________________

1.5 How long have you worked at KWS: (Tick)

| 1 – 5 years | 6 – 10 years | 11- 15 years | 16 – 20 years | Over 20 years |

1.6 In which year were you last trained on the Balanced Scorecard? ________________

1.7 How often do you align your activities to the balanced scorecard? (Tick the most applicable one)

| Daily | Monthly | Quarterly | Annually | Never |

**Section 2: Strategy Implementation and the Balanced Scorecard**

2.1 How far has the current strategy been cascaded using the balanced scorecard? *Tick the one that applies most*

- Our division has developed its scorecard from the corporate scorecard
- Our department has developed its scorecard from the divisional scorecard
- I have developed my individual scorecard from the departmental scorecard
- Scorecards have been linked to incentives and rewards based on performance
2.2 How do you rank your use the balanced scorecard in strategy implementation? (*Rank each factor according to applicability, 4=Strongly applies, 3= Somewhat applies, 2=Seldom applies, 1=Doesn’t apply*)

<table>
<thead>
<tr>
<th>Factor</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>I participated in the development of the divisional or departmental scorecard</td>
<td></td>
</tr>
<tr>
<td>I align my activities and initiatives to the strategic plan</td>
<td></td>
</tr>
<tr>
<td>I use my departmental scorecard to align my activities and initiatives</td>
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</tr>
<tr>
<td>I have developed my individual scorecard in line with the corporate balanced scorecard</td>
<td></td>
</tr>
</tbody>
</table>

2.3 Which benefits have you experienced using the balanced scorecard as a tool for strategy implementation? (*Rank each factor according to the level of benefit experienced, 4=Greatly benefited, 3= Somewhat benefited, 2=Seldom Benefited, 1= Not Benefited*)

<table>
<thead>
<tr>
<th>Benefit</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Translation of strategy by senior management to aid in its understanding by all staff</td>
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<tr>
<td>Cascading the scorecard to aid in linking of daily activities to the current strategy</td>
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<tr>
<td>Enhanced strategic resource allocation (human and financial) in line with strategy</td>
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<tr>
<td>Monitoring and evaluation of strategy through the BSC perspectives</td>
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<tr>
<td>Increased communication through discussions during development of scorecards</td>
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</tbody>
</table>

2.4 Which general benefits have you experienced from the use of the balanced scorecard? (*Rank each factor according to the level of benefit experienced, 4=Most beneficial, 3= Quite beneficial, 2=Somewhat Beneficial, 1= Not Beneficial*)

<table>
<thead>
<tr>
<th>Benefit</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Clarified and focused thinking on set objectives</td>
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<tr>
<td>Encourages innovation</td>
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</tr>
<tr>
<td>Promotes a culture of assessment and measurement of activities</td>
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<tr>
<td>Produces greater cohesion between management and the entire organization</td>
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</tbody>
</table>
2.5 As a government parastatal, which benefits has using the BSC brought KWS? *(Rank each factor according to the level of benefit experienced, 4=Greatly benefited, 3= Somewhat benefited, 2=Seldom Benefited, 1= Not Benefited)*

<table>
<thead>
<tr>
<th>Benefit</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstration of accountability and achieving of KWS objectives</td>
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<tr>
<td>Attracting resources e.g. government and donor funding</td>
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<tr>
<td>Creating an organization-wide focus on strategy</td>
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<tr>
<td>Production and use of information in decision making</td>
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<tr>
<td>Self-preservation through quality, efficiency and driving customer value</td>
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<tr>
<td>Drive organizational change</td>
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<tr>
<td>Inspire trust among internal and external stakeholders</td>
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</tbody>
</table>

2.6 Which challenges have you experienced in the development of your divisional/departmental/individual BSC? *(Rank each factor by ticking the applicable number per option as per the scale 4=Most challenging, 3= Quite challenging, 2=Somewhat challenging, 1= Not challenging)*

<table>
<thead>
<tr>
<th>Challenge</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification of the best strategy for the division/department</td>
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<tr>
<td>Determining the objectives to deliver strategy</td>
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<tr>
<td>Selecting performance measures to track progress of meeting objectives</td>
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<tr>
<td>Strategy maps take a long time to develop</td>
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<tr>
<td>Establishing and communicating performance targets</td>
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<tr>
<td>Development of an individual scorecard</td>
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</table>

2.7 Which challenges have you experienced in the use of the BSC for strategy implementation? *(Rank according to the level of the challenge 4=Most challenging, 3= Quite challenging, 2=Somewhat challenging, 1= Not challenging)*

<table>
<thead>
<tr>
<th>Challenge</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are too many metrics to be factored in the four BSC perspectives</td>
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</tbody>
</table>
There has been no cascading to development of individual scorecards
Lack of senior management support in BSC implementation
Lack of understanding in linking BSC perspectives and performance indicators

2.8 As a government parastatal, which challenges has using the BSC brought KWS, 4=Greatly challenging, 3=Somewhat challenging, 2=Seldom challenging, 1=Not challenging)

- Certain performance measures do not fit into any of the 4 BSC perspectives
- BSC leads to rigidity and limits initiatives that go beyond the objectives in the strategy
- Difficulty in defining who the customer is under the customer perspective as there are many stakeholders considered to be customers
- BSC is subjective in hard to capture concepts like service quality and stakeholder satisfaction
- The BSC requires a well-constructed training program
- Development, cascading and implementation of the BSC requires heavy resource investment

2.9 Rank the following challenges in implementing the current strategic plan at KWS? Rank each factor by ticking the applicable number per option as per the scale 4 = strongly agree, 3=agree 2=disagree, 1=strongly disagree.

<table>
<thead>
<tr>
<th>Ranking</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
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<tbody>
<tr>
<td>Resistance to change</td>
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<tr>
<td>Lack of ownership of strategy by staff</td>
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<tr>
<td>Ineffective communication about the strategy and its implementation</td>
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<tr>
<td>Lack of indicators of strategic success</td>
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<tr>
<td>Lack of information technology for monitoring and evaluation</td>
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<tr>
<td>Unanticipated problems emerging during strategic implementation</td>
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<tr>
<td>Ineffective coordination of activities</td>
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</tbody>
</table>
Lack of budgetary allocation to support strategic plan initiatives

2.10 Which is the greatest single barrier to strategic implementation at KWS? *(Tick the one that applies most)*

| Vision Barrier - where employees do not understand the strategy and strategic direction |
| People Barrier - Employees do not link their objectives and activities to the KWS strategy |
| Management Barrier - Management focuses on operational issues at the expense of strategy |
| Resource Barrier – Time, energy and money are not linked to or adequate to achieve strategy |

2.11 What area of improvement can aid in more effective strategy implementation? *(Tick the one that applies most)*

| Better communication of strategy to ensure everyone knows their role in implementation |
| The strategic plan should drive planning and aligning of all activities and initiatives |
| Align the organizational leadership, structure and culture to facilitate strategy implementation |
| Reduce complexities in internal processes to enhance strategy implementation |
| Install a monitoring and evaluation system of milestones achieved |

2.12 Is the Balanced Scorecard effective in strategy implementation at KWS? Yes / No. Briefly explain your answer

__________________________________________________________

___________________________

*Thank you for your time*
APPENDIX 4: INTERVIEW GUIDE

This survey is on the effectiveness of the balanced scorecard (BSC) for strategy implementation at KWS. The purpose is to understand challenges of strategic implementation that can be resolved by use of the BSC at KWS as well as the benefits and challenges of using the BSC for strategy implementation. Section 1 covers background information of the respondent in relation to KWS and section 2 are the actual research questions.

Section 1: Bio data of the respondent

1.1 Gender: Male/ Female

1.2 Job Title ___________________________ and Job Group __________________

1.3 How long have you worked at KWS? _______________________________

1.3 In which year were you trained on the Balanced Scorecard? _______________________

1.4 Do you align your daily activities or initiatives to the Balanced Scorecard? Yes/No

Section 2:

2.1 What have been the 4 top challenges in strategy implementation before the adoption of the balanced scorecard?

2.2 What were the major reasons why the organization started using the balanced scorecard?

2.3 Have the strategy implementation challenges before the adoption of the balanced scorecard been address by the balanced scorecard?

2.4 What challenges in strategy implementation have not been addressed by the balanced scorecard?

Thank you for your time