

Customers' perceptions of implementing the balanced scorecard model in Small - Medium Enterprise operations

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ABSTRACT

The balanced scorecard measures company performance based on financial performance, customer satisfaction, internal processes' performance and learning and growth. Its usage in Small- Medium Enterprises is fairly new. This research surveyed 74 domestic and 11 corporate customers of a Zimbabwean Small- Medium Enterprise that implemented the balanced scorecard in 2016. Customers were asked to share their perceptions about implementing the balanced scorecard. The domestic customers have a negative view of performance after implementing the balanced scorecard while corporate customers have a positive view. Domestic customers cited poor service delivery, negative treatment by staff and said they were not satisfied and unwilling to do business with the company anymore. Corporate customers felt they got better treatment, satisfaction with service delivery and were willing to continue doing business with the company. The financial measures perspective showed that financial performance after the balanced scorecard was negative, assets declined from 2016 to 2019, and return on capital employed declined for both segments. The study concluded that the balanced scorecard does not bring about positive results in all situations. Assessment of its contribution should also be based on non-standardized instruments owing to the fact that different stakeholders have different perceptions and opinions about performance issues.

Key terms: Balanced scorecard, Customers' perceptions, Performance management, Performance measures, and Small-Medium Enterprises.

INTRODUCTION

The Balanced Scorecard (BSC) was founded by Kaplan and Norton in 1992. It is a performance measurement framework that views an organisation's performance from four perspectives: the financial perspective, customer satisfaction perspective, internal business processes perspective (efficiency and effectiveness), as well as learning and growth perspective (Rompho, 2011). The financial perspective is described as lagging because it measures past performance and the other perspectives identify leading performance indicators (Albertson & Lueg 2014). The BSC's multi-dimensional set of performance measures was corroborated by Atkinson, Kaplan, Matsumura and Young (2012) who posited that the four basic BSC perspectives gave management a more balanced view of organisational performance. It therefore makes business sense to assess the performance of organisations based on multiple elements as a way of balancing all the aspects that can pose challenges to organisational performance. Chavan

(2007:398) added that the four perspectives provided a complete description of what people need to know about the business because when the BSC is implemented there will be consequences for the four perspectives. Additionally, in business, measurement is as fundamental as it is for scientists (Kaplan 2010). In order to have a more comprehensive understanding of an issue the scientist would have an assessment of the total picture which implies thoroughness and objectivity. Thus, assessing the performance of the business must consider financial, customer, internal business processes, as well as learning and growth capabilities of the business (Pineo 2009; Rompho 2011). This is what makes performance measurement more comprehensive and objective process.

When the BSC is fully implemented it aligns everyone in the organisation so that employees understand what they can do to support strategy. It also provides feedback to management as to whether the strategy is working or not (Kaplan 2010; Rompho 2011). As a result, performance measures to be used depend largely on the strategy requirements of the organisation (Jusoh, Ibrahim & Zainuddin 2007). Therefore, the BSC is a comprehensive set of measures that is used to communicate and evaluate the achievement of a company's mission and strategy (Pineo 2009:63). Manville (2006:168) argued that, the BSC provides an opportunity to reconcile the business plan with operational activities implying that its implementation must be driven from the top and it may take some time before the organisation realises the benefits of BSC. Therefore, implementing BSC in an organisation is not an event, it is an evolutionary process that can only be achieved over time (Nicholas & Steyn 2017). The BSC focuses on the whole system and extends focus to financial objectives so as to include measures of performance relating to customers, internal processes, learning and growth (Speckbacher & Bischof 2003; Juroh, Ibrahim & Nainuddin 2007). Over the years, the BSC has developed into a valuable approach for the translation of an organisation's longer term purpose into strategic objectives and strategic themes (Witcher & Chan 2007:534).

This paper is based on the case of Croswell (Pvt) limited which is a Small-Medium Enterprise (SME) operating in Zimbabwe. Croswell was established in 2006, by an experienced journeyman in the field of refrigeration and air conditioning, retired from a multinational conglomerate. The company repairs domestic fridges and freezers. It also installs and repairs commercial air-conditioning systems on trucks, workshops, corporate offices and in shops. At its inception, Croswell employed three journeymen and an administrator while at the time of research the company employed sixty-five people including the owner who doubled as Marketing Director.

Prior to implementing the BSC, the company depended heavily on a heavy handed and rigid top-down management system that did not have any performance measurement strategy (Stoner and Freeman 1992). As a result of this poor background, the company's processes were largely ineffective in achieving sustainable performance improvements required for its growth. Cocco and Alberti (2010) opined that, the ability to effectively measure and monitor performance was a necessary condition to achieve high performance standards, gain competitive advantage and continuously react and adapt to external changes.

Small-Medium Enterprises (SMEs) are seen by many Governments as economic drivers. The definition of SME in various countries is based on the number of employees which is 200 to 250 for OECD countries (OECD 2004). Kokai and Brown (2019) reported the Zimbabwean Minister of Finance and Economic Development Professor Mthuli Ncube as having said the Government will increase funding and other resources for Small to Medium Enterprises as they contribute significantly to the economy. In Dubai SMEs contribute 95% of the total enterprise population in Dubai, employed around 42% of Dubai's workforce and contributed 40% of Dubai's value added (Mohammed Bin Rashid Establishment for SME development 2011). Zimbabwe went through a continuous economic decline from 2000 to 2009 owing to a variety of factors including hyperinflation (231 million %), unemployment (90%), drought and general fiscal mismanagement (Munangagwa 2009). The introduction of the green back as the currency of trade in 2009 immediately arrested the runaway inflation and brought relative stability to the economy. However, this was short lived because the economy's VUCA (volatile, uncertain, complex and ambiguous) trajectory resurfaced and it prevailed throughout the research period (November 2018 to August 2019). The VUCA and hyperinflationary conditions put pressure on managers to devise more effective strategies for survival. As the situation in the company worsened, the owner turned to the BSC model as a turnaround strategy.

In the research, our thesis is that, effective BSC implementation is best described by how an organisation's customers perceive outcomes of the BSC process. Therefore, the customers may be asked to give performance feedback in a survey or their behavior could be observed. Waal (2003) and Chavan (2007) concurred that one of the key questions to ask is whether strategic planning and implementing the BSC brought more satisfaction to the company's customers.

STATEMENT OF THE PROBLEM

Having been motivated by the works of Kaplan and Norton (1992), who emphasized the need to adopt the BSC in measuring performance, Crosswell's owner, adopted the BSC with the aim to curb the company's continued unsatisfactory performance. He also noted that the BSC had proven to be an effective strategy in other organizations where it had been implemented (Kaplan & Norton 1992). Chavan (2007:401) concluded that the BSC was reliable management tool for supporting a living, growing and viable organization. However, the use of the BSC model was seen as the preserve of large organisations and it was prone to fail in SMEs that operated in turbulent environments (Barrows & Neely 2011; Ronpho 2011; Pekkola, Saunila & Rantanen 2015). In addition, when the BSC is adopted and implemented, it is necessary to measure the effects or changes on profit or the business value (Pineno 2009:64). Unfortunately, no one did an assessment to find out if the BSC model had made any impact on Crosswell's performance. Therefore, the researchers embarked on the research to discover how implementing the balanced scorecard at Crosswell had influenced the company's performance. However, the research was limited to the perceptions of customers about the effects of implementing the BSC model in SMEs.

RESEARCH OBJECTIVES

The main objective of the research was to determine how customers perceived the effects of implementing the BSC model in SMEs.

The specific objectives were to:

- a. Describe how customers perceived performance of Croswell based on implementing customer satisfaction measures of the BSC
- b. Describe how customers perceived performance of Croswell based on implementing the internal business process measures of the BSC
- c. Describe how customers perceived performance of Croswell based on implementing learning and growth measures of the BSC
- d. Describe how customers perceived performance of Croswell based on implementing financial measures of the BSC

THE SIGNIFICANCE OF THE STUDY

Successful completion of the study could boost company productivity, quality of products and services, customer service, and growth prospects for the organization. The BSC can assist management at Croswell to clarify and translate strategies into measurable parameters such as determining sales and profit problems. The BSC can provide clearer understanding of operational performance which could result in effective resource allocation and the integration of organizational goals. Positive results were expected to motivate and encourage other SMEs to adopt the BSC model. Finally, successful implementation of the BSC could bring about job security and great hope for improved performance among Croswell employees.

LITERATURE REVIEW

The research was premised on Ludwig Bertalanffy's systems theory. Bertalanffy (1963) advocated the treatment of organisations as organisms or whole units which cannot function normally once one of the components or sub-systems did not function well. The same author went on to prescribe the holistic approach to organization management and the approach requires managers to manage organisations as systems (Stoner 1992).

In that same vein, the BSC derives its power by providing a holistic view of business value and performance measurement through a combination of four perspectives which include both, financial measures and non-financial measures. These measures provide managers with richer and more complete information about organisational performance, particularly with regards to key strategic goals (Kaplan & Norton 1992; Johnsen 2001; Manville 2006; Chavan 2009; Rompho 2011 & Atkinson, Kaplan, Matsumura & Young 2012).

The purposes of the balanced scorecard are to guide, control and challenge the entire organization towards realising a shared conception of the future (Johnsen 2001; Waal 2003). Fitzroy and Hulbert (2005) added that, the benefits of BSC include translation of strategy into

measurable parameters, communication of the strategy to everybody in the organisation, alignment of individual goals with the firm's strategic objectives and provision of feedback from the strategic planning process.

Since the introduction of BSC there is scant literature on the implementation of BSC in SMEs, yet its use in large organisations is widely documented and attributed to the urgent mitigation of challenges relating to communication, coordination and control (Kaplan & Norton 1996; Lawrie et al. 2006). The same challenges affect SMEs' performance as well; in both set ups, there is need for a clear sense of direction, an understanding of the business model and management ability to focus and prioritise agility (Lawrie et al. 2006). Andersen, Cobbold and Lawrie (2001) also believe that despite the lack of comprehensive literature focused on Balanced Scorecard, its implementation in SMEs can be equally beneficial although the potential benefits may differ. This supposition was supported by Andersen et al. (2001) who concluded that when the Balanced Scorecard used as the centre of a strategic management system, it addresses effectively fundamental issues relevant to both, large and small businesses. They cited the following BSC fundamentals as common and indispensable for SMEs and large organisations alike: a clear sense of direction; a profound understanding of the business model; an ability to focus and prioritise and organisational agility. In SMEs these benefits can be achieved without the need for developing a complicated and administratively demanding measurement regime. This can be achieved by simply using the Balanced Scorecard as a mental or verbal frame of reference for addressing general strategic and operational change issues resulting from the pursuit of long-term goals of an organisation (Neely et al. 2000; Kaplan & Norton 1992; Andersen et al. 2001; Larcker & Randall 2003).

According to Manville (2007) the shortcomings of the Balanced Scorecard in SMEs are endemic pitfalls associated with poorly defined strategy and use of lagging financial performance measures that describe past performance only. The use of generic metrics used by other firms should be avoided when implementing the Balanced Scorecard in SMEs because management in different organisation view and treat operational opportunities and threats differently (Garengo et al. 2005). Therefore, each organisation should make effort to identify the measures that are appropriate for its own strategy and competitive position.

CUSTOMER SATISFACTION PERSPECTIVE

According to Niven (2012); Gibbons and Kaplan (2015) the BSC system requires management to effectively communicate what they are trying to achieve by aligning day-to-day work with strategy and prioritizing customer satisfaction. Customers' concerns fall into four categories: time, quality, performance, service and cost (Kaplan & Norton 1992). Time entails waiting time and efforts spent trying to get a product or service. Quality is the ability of a product or service to meet and or exceed customers' expectations. Performance refers to the product being able to perform the purposes for which they were manufactured. Cost is to do with actual prices paid and inconveniences experienced as customers try to get product or service. The customer perspective seeks to understand the different kinds of customers, their degree of satisfaction and

the processes used to deliver products and services to the customers (Kotler & Keller 2012). It evaluates customer satisfaction, value creation for the customer, market share and customer retention (Kaplan 2010). Potential goals for the customer perspective in SMEs could include customer satisfaction, new customer acquisition, customer retention, customer loyalty, fast response, efficiency, reliability and image (Kotler & Keller 2012). The following metrics could be used to measure success in relation to the customer perspective in SMEs: customer satisfaction index, repeat purchases, market share, on time deliveries, number of complaints, average time to process orders, returned orders, response time, reliability, new customer acquisition, perceived value for money (Agarwal, n.d. ; Kaplan 2010). Kaplan (2010:10) concluded that companies should focus on improving quality of products and services, reducing cycle times and improving responsiveness to customer demands because doing so leads to improved financial performance.

INTERNAL BUSINESS PROCESSES PERSPECTIVE

Performance measures should focus on business processes that have the greatest impact on customer satisfaction. This includes the factors affecting the process cycle time, process quality, employee skills and productivity (Brown, Bessant & Lamming 2013; Nicholas & Steyn 2017:234). The primary concern here is to assess the quality of people and processes within the organisation hence potential goals for the internal perspective may relate to internal business processes and metrics for measuring internal business processes (Senge 2006). This requires managers to identify key processes for success (KPSs) because they influence quality of output and create more value for the customer (Kaplan 2010). According to Brown, Bessant and Lamming (2013), common operational (process) results include: cycle time for key processes, costs, rework time and productivity. Therefore, the internal business process perspective for an SME should seek to address what the organisation excels at. Capability is the capacity of a team of resources to perform some task or activity (Sures 2006). Firms with resources and superior capabilities will build up a base for growing and sustaining competitive advantage (Witcher & Chau 2007).

LEARNING AND GROWTH PERSPECTIVE

Organisations are expected to create capabilities, synergies, and partnerships and forge alignments with stakeholders. According to Kaplan (2010) this can be assessed through employee attitudes and behaviour, systems and procedures. Thus, when organisations harvest knowledge invested in their employees through training they create opportunities for growth (Senge 2006). In highlighting the connection between finance and employee measures, it has been observed that employee training leads to improvement in service quality. Better service quality leads to higher customer satisfaction, then higher customer satisfaction leads to increased customer loyalty. Increased customer loyalty then generates increased revenue and margins (Heskett et al. 1994:8). Bashir and Jehanzeb (2013:243) state that, training has an effect on employees' behaviours and working skills thus leading to enhanced employee performance. A critical mass of resources and opportunity must be acquired and fused together for success and sustainable growth (Bashir & Jehanzeb 2013).

Organisational learning and growth can be categorised into three main areas: people, systems and organisational performance. The people category looks into, among other things: employee retention, training and skills. The systems category is concerned with real-time availability of accurate customer and internal process information to front line employees, the ability to launch new products, create more customers and penetrate new markets. The organisational procedures category looks into issues relating to the alignment of employee incentives with overall organisation success factors, rates of improvement in critical customer-base and internal processes (Kaplan 2010).

THE FINANCIAL MEASURES PERSPECTIVES OF THE BSC

The overall idea is to understand how the company strategy contributes to the financial health of a company (Kaplan 2010). The financial perspective is concerned with the shareholder's view of organisational performance but this tends to become more historical than futuristic since the assessed metrics reflect what happened in the past. Traditionally, organizations measured their performance on short-term financial measures of profit, revenue and costs (Cobbold & Lawrie 2002). Kaplan and Norton (1992) admit that, the traditional financial measures can give misleading signals for continuous improvement and innovation activities demanded by today's business environments. Contrary to the above view, the BSC focuses on the whole system and extends focus on financial objectives to include measures of performance relating to customer satisfaction, effectiveness of the internal processes, learning and growth (Speckbacher & Bischof 2003; Jusoh, Ibrahim & Nainuddin 2007). The authors tend to agree with the argument that, business results depend on a balance of efforts and results in a number of areas (Drucker 2006). Therefore, over time, the BSC has developed into a valuable and broader approach for the translation of longer term purpose into strategic objectives and strategic themes (Witcher & Chan 2007:534).

Agarwal (n.d.) argues that, the capacity to attract lenders and investors is derived from financial performance measures because properly designed financial measures can provide an aggregate view of an organisation's success. Therefore, survival, success and prosperity are key financial goals. Success is measured through cash flow metrics, success through sales growth and operational income metrics and prosperity through market share metrics. Lastly, to confirm the inadequacy of traditional financial measures, Anthony (1965) observed that, although management control has financial underpinnings, it does not follow that finance is the only basis for measurement, or even that it is the most important basis. Later on, and in support of this view, Kaplan and Norton (1992) stated that, by making fundamental improvements in the company's operations (customer satisfaction, internal processes and employee motivation) the financial numbers will take care of themselves.

BENEFITS AND CHALLENGES OF IMPLEMENTING THE BSC IN COMPANIES

While Quesado, Guzman and Rodrigues (2018) stress the value of synergies that the BSC can create in different lines of business Suresh (2006) highlighted that BSC benefits include that:

- BSC promotes the active formulation and implementation of organisational strategies

- BSC makes the organisation strategies updated and highly visible
- BSC improves communication within the organisation
- BSC improves alignment between divisional or individual goals with the organisational goals and strategies
- BSC establishes sufficient ownership, accountability, and measuring things that people can influence

Manville (2006:163) highlights that, some of the issues in implementing the BSC were: lack of infrastructure, lack of management commitment, and organisational politics whereby employees view measurement issues as punishment. Therefore, staff is forced to play the numbers game as a way of hiding inefficiencies and anomalies while they portray a good performance picture to management. Garengo et al. (2005:948-949) discovered the following challenges with implementing the BSC particularly in SMEs:

- SMEs do not use any performance measurement models or they use models incorrectly
- Many companies only implement parts of the general model while others modified models without carefully considering the changes made
- Though applied correctly, general models are inadequate for the particular characteristics of SMEs
- Performance measurement implemented in SMEs rarely has a holistic approach

The researchers identified and pursued the sampling gap of implementing the BSC in SMEs given that SMEs were now playing a key role in economic development, particularly in employment creation (Mohammed Bin Rashid Establishment for SME development 2011). The key question being, ***“Did implementing the BSC at Croswell bring true happiness to the company’s customers?”*** This marks a departure from the trend set by other researchers who assessed BSC issues by sampling management teams or employees to give their views on implementing the BSC in large organisations (Kaplan & Norton 1992) and in non-profit organisations (Greiling 2010). The researchers preferred to focus on the perceptions of the customers because they directly feel the effects emanating from implementing the BSC at the company and as independent observers, the customers tend to be more objective and are likely to provide reliable information. In any case, if you want to know what the customers’ perceptions and expectations are you must ask them?

MATERIALS AND METHODS

In organisations that are not owner managed management act as agents of the shareholders from whom they seek approval for implementing strategic programmes such as the BSC. The selection of Croswell was based on the fact that the challenge of executive approval experienced by companies intending to implement BSC and other change programmes as highlighted by (Greiling 2010:537) did not prevail in this rare case because it was the Executive (owner) who initiated and introduced the BSC. The survey research design was used targeting three hundred customers (36 corporate and 264 domestic). The survey method can provide a quick, efficient and accurate means of assessing information about the population from which information is

scarce (Kothari 2014; Creswell 2014). However, because customers have limited access to the company's financial information, financial performance data were collected through scanning the company financial records.

Table 1. Calculation of customer samples

Category of Customer	Elements in Target Population	Proportional Sample
Domestic customers	$264/300 * 100 = 88\%$	$88/100 * 90 = 79$ elements
Corporate customers	$36/300 * 100 = 12\%$	$12/100 * 90 = 11$ elements
Number of elements	300	90

Source: Researcher designed

The customer sample composition was therefore 79 domestic customers and 11 corporate customers. While all the 11 corporate customers responded only 74 out of the 79 domestic customers responded.

RESULTS

After the presentation of demographic data, results are presented based on customer perspectives measures, internal business process performance measures, learning and growth measures and financial performance measures.

DEMOGRAPHIC DATA

Tables 2 and 3 present demographic data for both domestic customers and corporate customers

Table 2. Age and gender distribution of domestic customers

Age group(years)	Total respondents	Male frequency	% of total respondents	Female frequency	% of total respondents	Total %
Below 30	3	2	2.70	1	1.35	4.05
31-40	13	4	5.41	9	12.16	17.57
41 to 50	27	6	8.11	21	28.38	36.49
51 to 60	20	5	6.76	15	20.27	27.03
61 to 70	9	3	4.05	6	8.11	12.16
Above 70	2	1	1.35	1	1.35	2.70
TOTAL	74	21	28.38	53	71.62	100

Source: Field work

Table 2 shows that the majorities (71.62%) of domestic customers were female and they were concentrated in the active 41 to 60 years age category (63.52%).

Table 3 analysis of size of corporate customers

Corporate size	Number of respondents	% of total respondents
Small enterprises	2	18.18
Medium enterprises	4	36.36
Large enterprises	5	45.46
Totals	11	100

Source: Field work

Large corporations contributed 45.46% of the company’s corporate customers, medium scale organisations 36.36% and small scale enterprises 18.18%.

CUSTOMERS’ PERSPECTIVE MEASURES

Table 4 below captured both domestic and corporate customers’ overall perceptions about the services offered by Croswell. The evaluations are based on customers’ feedback to survey questionnaires after implementing the BSC. The same customers did business with Croswell prior to the adoption of the BSC. Therefore, current responses measure customers’ perceptions of implementing the BSC (the effects of implementing the BSC). The overall service was rated as very good, good, average, bad and very bad.

Table 4: Customers’ perceptions about the quality of service provided by Croswell

	No of respondents	Very good	Good	Average	Bad	Very bad
Domestic customers	74	2	12	36	20	4
Corporate customers	11	2	9	-	-	-

Source: Field work

While all corporate customers felt that the overall quality of service was satisfactory (good to very good), the domestic customers had mixed reactions ranging from very good to very bad with 32.43% of them indicating that the quality of service was bad to very bad.

Table 5 below captured overall customer satisfaction among both domestic and corporate customers. Satisfaction was assessed on a scale of very satisfied, satisfied, fair, dissatisfied and very dissatisfied.

Table 5: Overall customer’s satisfaction corporate and domestic customers

	No of respondents	Very satisfied	Satisfied	Fair	Dissatisfied	Extremely dissatisfied
Domestic customers	74	6 8.11%	6 8.11%	2 2.7%	24 32.43%	36 48.65%
Corporate customers	11	9 81.82	2 18.18%	0	0	0

Source: Field work

Overall, the majority (81.08 %) of domestic customers said they were not satisfied with the services offered by Croswell and only 16.22% indicated that they were satisfied. On the contrary, the entire corporate customers said they were satisfied with the services offered by Croswell.

INTERNAL BUSINESS PROCESSES PERSPECTIVE

The researchers assessed the internal business processes performance of the company from the customers’ view point. As displayed in Table 6 below, internal process performance was assessed based on average time needed to complete selected jobs, number of jobs completed per year, job waiting times, returns and customer complaints.

Table 6 Determinants of internal processes at Croswell

BSC aspect	2016-2017	2017-2018	2018-2019
Average time taken to complete a selected job	7 days	10 days	21 days
No of completed jobs	46	34	30
New waiting jobs	33	36	41
No of jobs per year	79	70	71
Returns recorded	3	5	11
Complaints recorded	8	8	11

Source: Company records

All the performance indicators assessed in Table 6 reflected a negative trend from 2016/2017 to 2018/2019.

Table 7 below compares domestic customers and corporate customers on the promptness which is a critical assessment criterion for measuring customer service.

Table 7: Comparative analysis of promptness of service delivery

	No of respondents	Acceptable	Highly acceptable	Average	Unacceptable	Highly Unacceptable
Domestic customers	74	10 13.52%	5 6.76%	16 21.62%	18 24.32%	25 33.78%
Corporate customers	11	7 63.64%	2 18.18%	2 18.18%	-	-

Source: Field work

All the corporate customers are generally happy with promptness of service delivery as all the responses range from average to acceptable. As with the domestic customers, a combined 58% of them rate service delivery as unacceptable and highly unacceptable.

LEARNING AND GROWTH PERSPECTIVE

Questions were also asked about customers' perceptions about how they were treated by company employees as they interacted with company staff regarding different service aspects. The summary is given in Table 8 below in respect of domestic customers.

Table 8: Domestic customers' perceptions about how they were treated by employees

	Strongly agree	Agree	Disagree	Strongly disagree
Croswell staff are willing to help customers	17.65%	23.53%	35.29%	23.53%
Customers know when to receive their orders	7.06%	16.47%	50.59%	25.88%
The organization delivers promptly	5.88%	14.12%	61.18%	18.82%
Staff are confident in their duties	11.76%	24.71%	49.41%	14.12%
Staff are polite and courteous to customers	7.06%	14.12%	67.06%	11.76%

Source: Field work

All the attributes in Table 8 were judged to be poor with a combined 58.82% saying staff were not willing to help, 76.47% said they did not know when they will receive their orders, 80% said the company does not deliver promptly, 63.53% said staff were not confident and they were not courteous (72.82%).

Customer retention was also used as a proxy of business growth and innovation because customer retention is a matter of business survival and getting a new customer is more expensive than retaining a current one Kotler 2012. Table 9 below shows customers’ desires to continue doing business with the company based on their experience with the organization.

Table 9: Customers’ desire to continue doing business with the company

	No of respondent	Desire	Highly desire	Indifferent	No desire	Extremely no desire
Domestic Customers	74	10 13.51%	16 21.62%	7 9.46%	22 29.73%	19 25.68%
Corporate customers	11	9 81.82%	2 18.18	-	-	-

Source: Field work

Table 10 shows that all the corporate customers would like to continue their business relationship with Croswell. On the contrary 55.41 % of domestic customers do not desire to continue doing business with Croswell and in addition 9.46% are indifferent. In a related measurement attribute customers’ loyalty was also assessed as a possible indicator of future growth and direction for the company. Table 10 below captured customers’ reactions on whether they will come back to do business with Croswell (a proxy for customer loyalty).

Table 10: Customer loyalty to Croswell (Pvt.) Ltd

	No of respondents	Will definitely come again	May come again	Indifferent	Will definitely never come again	Will never come again
Domestic customers	74	25 33.78%	12 16.22%	-	25 33.78%	12 16.22%
Corporate customer	11	11 100%	-	-	-	-

Source: Field work

All the corporate customers indicated that they will definitely come back but 50% of the domestic customers are sure they will not call back on Croswell. This suggested that growth prospects and opportunities for the organization lay with corporate customers.

THE FINANCIAL MEASURES PERSPECTIVES AFTER IMPLEMENTING THE BSC

The assessment of the first three perspectives was based on data from customers' feedback. However, for the financial perspective measures, the researchers relied on data from company records for the periods 2016/2017, 2017/2018 and 2018/2019. All financial measures are in United States of America Dollars (USD) currency. Focus was on revenue growth, the balance sheets, return on capital employed (ROCE), cost effectiveness and net profitability.

The data in Table 11 and 12 below were used to calculate return on capital employed (ROCE) Table 11 shows total annual and departmental revenue growth for the three years ending August 2019.

Table 11. Total departmental revenue growth for three years ending August 2019

Year	Total	Shop floor	Mobiles	Domestic appliances
2016-2017	124720	59000	47000	18720
2017-2018	114500	57000	41250	16250
2018-2019	94300	42720	39530	12050

Source: Company records

Table 11 shows that there was a general decline in revenue for the entire period in all the three departments. The fact that the company lost revenue on a sliding scale could have been compounded by various economic hardships as evidenced by the VUCA economic situation in the country.

Table 12 below provides the company's abridged balance sheets for the three financial periods ending August 2019.

Table 12: Summarized Balance Sheet as at 31/08/19 31/08/18 31/08/17

Assets			
Total Current Assets	59.420	60.780	62.460
Total Fixed Assets	120.320	120.800	121.920
Total Assets	179.740	181.580	184.380
Liabilities and Owners Equity			
Total Current Liabilities	45.250	45.010	45.005
Total Long-term Liabilities	82.950	81.620	75.375
Total Owners Equity	51.540	54.950	64.000
Total Liabilities and Owners Equity	179.740	181.580	184.380

Source: Company records

The company recorded a downward trend on the value of total assets from \$184 380 in 2016/2017 to \$179 740 in 2008/2019.

Table 13 below shows ROCE over the three years up to 31 August 2019. Calculation of ROCE was based on Net profit/Capital employed per each period.

Table 13: Calculation of ROCE for three years ending 31 August 2019

Year	2016-2017	2017-2018	2018-2019
Net profit	65 161	53 091	28 848
Capital employed	184 380	181 580	179 740
ROCE	35.34%	29.24%	16.05%

Source: Researchers calculations based on information from the balance sheets

The percentage of ROCE figures showed that ROCE was declining from 2016 to 2019. Overall, ROCE dropped by 75% over the entire period. Generally, the decline in ROCE reveals that the company is not able to put its capital resources to profitable use and this is not a good sign for the shareholders. However, without the industry average performance figures, it could not be

with concluded with confidence whether the declining ROCE was attributable to Croswell's poor performance because it could have been the trend in the whole industry.

Table 14 below summaries the company's profit, revenue and cost growth for the three years

Table 14 Net profit, revenue and cost figures

Year	Profit	Revenue	Cost
2016-2017	65 161	124 720	59 559
2017-2018	53 091	114 500	61 409
2018-2019	28 848	94 300	65 452

Source: Internal company documents

Results show that both profit and revenue have been on the decline while costs have been on an upward trend.

CONCLUSIONS

From a customer satisfaction perspective, there have been consistent disagreements between domestic and corporate customers. While corporate customers rated the quality of service after implementation of the BSC good to very good (100%), domestic customers rated the quality of service as average to very bad (67.57%) (Table 4). In that same vein, overall customer satisfaction is rated as satisfactory to very satisfactory (100%) by corporate customers, yet 83.78% of the domestic customers rate it as fair to extremely dissatisfied. Therefore, it can be safely concluded that corporate customers are happy with the services they get from the company; the same cannot be said about the domestic customers. To corroborate the above conclusion Fitzroy and Hulbert (2005)'s argument that, those doing an assessment of an organisation's BSC need to note that each organization may face its own unique challenges which require unique solution is quite valid. Therefore, it can be safely concluded that the fact that the expectations of the domestic customers and corporate customers are completely different. This invalidates the use of one standard assessment tool even though we are measuring similar attributes for different customer categories. The study recommends future studies to establish behavioural characteristics which constitute assessment elements of different groups of customers and then develop customer specific tools for future assessment purposes.

Internal processes performance indicators such as: time taken to complete tasks, waiting times, customers' complaints and returns, revealed a decline in performance over the three year period 2016/2017 to 2018/2019. While the VUCA economic environment could have influenced the above, it is recommended that the company puts in place flexible and agile management systems in place. Such systems are sensitive to changing economic conditions and will allow for timely adjustments whenever there was need to adjust.

The attitudes of workers and the way they treated customers can be good indicators of the company's growth and innovation prospects. The corporate customers are generally happy with the way they have been treated and they were ready to retain their loyalty to the company. On the contrary, domestic customers expressed frustration to the extent that they no longer want to do business with the company. No specific reasons were identified for such disparities. However, this could be linked to the fact that the corporate customers (shop floor and mobiles) generated more revenue than the domestic portfolio. The perceived biased treatment by employees could be a reflection of how employees treated customers based on the customer's capacity to generate income for the company because such contributions directly affected the welfare of employees. However from a customer relationship management perspective service providers are expected to provide the best service to all the customers they decide to serve.

On the financial measures perspective there is general decline from all fronts revenue declined, assets are shrinking, and ROCE is going down, profit dropped and costs increased. The only thing that registered a positive development is the liability which declined over the period. All these confirm the lack of growth and innovation as concluded earlier. The researchers recommend that the financial measures be used to direct the company's future strategy. It is recommended that when making future growth and investment decisions corporates need to remember that they have some corporate social responsibilities that require them to help the communities they reside in.

Last but not least, further research is recommended in the area of BSC implementation focusing on its implementation in specific company formations and at all levels of the economy-individual, sectoral, industry and national level.

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