

**ASSESSING THE PERFORMANCE OF THE MALAWI POSTS
CORPORATION (MPC) USING THE BALANCED SCORECARD (BSC)
MODEL.**

MASTER OF BUSINESS ADMINISTRATION DISSERTATION

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UNIVERSITY OF MALAWI

THE POLYTECHNIC

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DECLARATION

I declare that this dissertation is a product of my own work and that I have acknowledged all sources of information. It is being submitted in partial fulfilment of the requirements for the award of the degree of Master in Business Administration (MBA) in the University of Malawi. The dissertation has never before been submitted to any other academic institution be it University or College for the award of an educational qualification.

Shadreck Estone Vokhiwa

Signature:

This..... day of.....

CERTIFICATE OF APPROVAL

The undersigned certify that this thesis represents the student's own work and effort and has been submitted with our approval.

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Signature: _____ Date: _____

Name

Member, Supervisory Committee

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Name

Head of Department

DEDICATION

I dedicate this research work to my father, the late Mr. Bennet Estone Vokhiwa and my mother Eveness Vokhiwa for introducing me to school at an early age and painstakingly persuading me to attend classes when I was reluctant to do so; to my wife Jennifer for the encouragement and laughter especially when overwhelmed with assignments; to my two sons, Ian and Pemphero, for their laughter and fun especially when I prepared for and sat examinations and; above all to God, for the gift of life and all blessings too numerous to mention.

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ABSTRACT

This study assessed the performance of the Malawi Posts Corporation (MPC) from four perspectives of the Balanced Score Card (BSC) model, that is learning and growth, internal business processes, customer and financial perspectives. It also investigated whether the absence of Universal Service Fund (USF) compromises MPC's performance and affects the postal industry in Malawi in general. Data were collected and analysed using both quantitative and qualitative data collection techniques and analysis procedures which falls within pragmatism research paradigm.

The study has found a number of issues. Firstly, the overall performance of MPC is poor with a mean score of 2.98 from all four perspectives of the BSC. Secondly, the study has found that the absence of (USF) is contributing negatively to the overall performance of MPC. Thirdly, the study has shown that the performance of support functions of MPC is poorer than performance of the core function (operations Department) of the organisation. Finally, the study has found that the opinion of management in MPC (2010) and MPC (2013) is well justified by MPC's financial statements from 2011 to 2014. This means that MPC cannot sustain the quality of its service delivery without reorganising itself internally and without external financial support. Therefore it is recommended that for MPC to improve service delivery it must improve on all its shortfalls in particular on financial, learning and growth perspective. It must also examine the inter-departmental relationship between operations (core function of MPC) and support functions of MPC and try to improve on coordination between or among these departments. Further, it must lobby for government funding through Quality of Service Fund (QSF).

In conclusion this study has helped to bring to the attention of MPC's management other critical performance assessment areas which are performing poorly but were going unchecked because of MPC's lack of a robust performance assessment tool. It is expected in view of these findings that MPC management will be compelled to adopt the use of BSC as performance assessment tool. Further, the study has helped to bring to light that lack of financial support is not the main cause of MPC's poor performance as the study has revealed that even in certain areas where no direct financial injections are needed for their smooth operations, MPC has scored poorly. In view of this it is proposed that a different study be carried out to investigate whether the quality of MPC

leadership is contributing to this poor performance or not. However, the study has limitations in the sense that the results cannot be generalized to the population outside the selected strata. This is because the sample was drawn only from the selected strata.

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LIST OF ACRONYMS AND ABBREVIATIONS

| | |
|-------|---|
| BSC | Balanced Scorecard |
| DPOs | Designated Postal Operators |
| EFQM | European Model for Total Quality Management |
| EU | European Union |
| GDP | Gross Domestic Product |
| GE | General Electric Corporation |
| GoM | Government of Malawi |
| KSA | Knowledge, Skill, Attitudes |
| MACRA | Malawi Communications Regulatory Authority |
| MBA | Master of Business Administration |
| MPC | Malawi Posts Corporation |
| PAPU | Pan African Postal Union |
| QSF | Quality of Service Fund |
| SMEs | Small and Medium Enterprises |
| SPSS | Statistical Packages for Social Sciences |
| UPS | Universal Postal Service |
| USF | Universal Service Fund |
| USO | Universal Service Obligation |

CHAPTER 1

INTRODUCTION

1.0 Introduction

It is worth noting that there is no universal agreement on the definition of performance (Avkiran, 1997). In general, performance is the result of an activity (Wheelen & Hunger, 2000). Thus, organizational performance is the accumulated end results of all the organization's work processes and activities (Robbins & Coulter, 2007). Organizational performance is a complex, multi-dimensional phenomenon that is difficult to understand and measure (Goodman & Pennings, 1977). In business, according to Hubbard (2006) an assessment of performance depends on our implicit, underlying view of the theory of the organisation. Believers in shareholder value theory (e.g. Porter 1980) focus on shareholder return in determining how well the organisation is doing. Believers in stakeholder theory (Freeman 1984, Reich 1998; Post *et al.*, 2002) assess performance against the expectations that a variety of stakeholder groups in the organisation have for it. In organisations, performance can be assessed at different levels, such as at organizational, departmental and individual levels. At departmental level for example, when performance is assessed from a financial perspective it is called financial performance, from marketing perspective, it is called marketing performance, from an operations perspective, it is called operations performance. When performance is assessed from the entire organizational perspective it is called organizational performance.

Different organizations have different performance objectives and targets and use different criteria when formulating performance objectives and goals, when coming up with performance measures and targets. Irrespective of all this, performance measurements should be derived from a strategy (Globerson, 1985) and the choice of performance measures must match the organization's strategic goals and reflect organizational objectives (Kaplan & Norton, 1992, 1993, 1996).

1.1 Background of the study

The National Postal Operators or the Designated Postal Operators (DPOs) all over the world are given Universal Service Obligation (USO) by their respective Governments to be providing uniform postal services in all parts of the country at affordable price regardless of distance, cost and time. Many postal experts, for example, Greene as discussed in Sund and Osborn (2010) agrees that USO imposes high cost structure to the DPO and it is a big challenge to the performance of DPOs. The USO is believed by many DPOs to compromise postal operations and require external funding for its sustainability. In view of USO, some governments create USF for the DPO to assist it in carrying out its USO. USF is a special fund that is set aside by government (normally the financier of this fund are all private postal operators plus government) to help the DPO mitigate the impact of high cost arising from USO.

In addition to the USO challenge, according to Barton in Sund and Osborn (2010) postal operators have been facing the challenges of globalisation, liberalisation and technological advances. Declining mail volumes and electronic substitution on the one hand, and increasing competition from private operators on the other hand are two major challenges facing the national postal operators (WIK – Consult, 2011). Many leading figures and commentators within and outside the global postal industry believe this signifies the inevitable slow and painful death of the industry (Sund & Osborn, 2010).

However, notwithstanding the challenges and negative perception of the post, the European Union (EU) has liberalised its postal market. Niederprum and Dieke in Sund and Osborn (2010) argue that contrary to fears of competition as a result of this change, liberalisation has transformed national postal operators into more efficient, profitable and customer-oriented companies. Germany, Netherlands and Sweden, for example, have opened up the postal market to competition but are able to be profitable without getting any external funding. This is a sign that with proper assessment of the performance of Post Offices for timely bridging of the gaps and improved performance there is still future in the postal business.

1.1.1 MPC's unique challenges

MPC is facing enormous challenges on financial sustainability of its operations due to among other factors regulation, stiff competition, rapid change in technology and change of consumer taste. Through regulation, MPC as a designated postal operator is given a challenging disparate responsibility by Government of Malawi (GoM) of providing affordable Universal Postal Service (UPS) using uniform price throughout the country and at the same time to be providing all other postal and financial services effectively and efficiently using commercial principles. Ironically, UPS cannot be provided using commercial principles in its entirety as they are social service in nature. MPC neither get direct Government subvention nor USF to support its operations in providing the UPS though it was promised funding for such obligation (Malawi Government, 1998a). This means that for MPC to deliver on this UPS goal it must rely on resources generated from other product and services offered on commercial principles (cross subsidisation). This clearly shows that there is no clear source of resources for sustainability of this UPS obligation. It is advisable that goals that are difficult or impossible to achieve given your available resources no matter how hard you try or how much effort is exerted, such goals should not be set (Robbins & Coulter, 2003). However, there is nothing MPC can do to change this UPS goal as it is a mandate given to it by GoM.

MPC is structured like a business in the sense that revenues from the sale of postal products are expected to cover all its operational costs without it being a constant drain on Government funds (Malawi Government, 1998b). Although MPC is structured like a business, through regulation it is prevented from actually operating like a private company in making some of its decisions. For example, it cannot unilaterally make a decision to reduce service frequency to loss making post offices or close loss making post offices. Similarly it cannot take action to increase postal products and services' tariffs, introduce new products or innovate in other ways without seeking government approval. The rapid change in technology especially the advent of the internet and the mobile phones has had negative effect on its mail volumes and financial services. This situation is not peculiar to MPC but it is a worldwide trend. As consumers and businesses continued to move away from physical mail towards digital alternatives, mail volumes fell 4.0% on average in 2013 (International Post Corporation, 2014). The majority of customers are no

longer using the post for ordinary mail (letters) communication as they are now using phones or internet for quick communication. At the moment utility companies and banks are sending e-bills and e-bank statements. Recently the market has just seen the advent of mobile-money transfer service such as Airtel Money, Mpamba and Zoono which is a big threat to MPC's financial services. With all these challenges, MPC cannot afford to do business as usual but needs to keep a constant guard against its performance in order to survive. Otherwise it may become history.

1.2 Problem statement

Malawi Posts Corporation (MPC) has been requesting from Government of Malawi (GoM) for funding for its Universal Service Obligation (USO). MPC's management believes lack of funding is creating serious financial challenges for the corporation. These include, its inability to remit taxes and pension; inability to repay trade creditors; and inability to undertake new projects (MPC, 2010; MPC, 2013). GoM has been promising to fund MPC through parliamentary appropriations (Government, 1998a) and creation of Universal Service Fund (Nankhumwa, 2015) but to date parliament does not appropriate any funds for MPC and the Universal Service Fund (USF) is not yet created.

Irrespective of the fact that MPC does not receive USF and direct government subvention, various stakeholders have high and challenging financial and operational expectations on the performance of MPC. For example, the government expects MPC to be providing efficient services at affordable prices to all parts of the nation and that it should be able to recover all its operating costs without seeking Government subventions but without compromising quality of service delivery, Customers expect high quality service delivery commensurate with price, the Malawi Revenue Authority expects compliance with tax returns; employees expect compliance with pension returns and better salary package and working conditions just to mention a few.

However, despite the challenging needs of its various stakeholders, MPC at present assesses its performance only from a financial perspective mainly profitability and fails to pay equal attention to other areas which could be of strategic importance. This could lead to sub optimization of objectives as efforts could be channeled in one area only at the expense of the others. Further to

this, this method cannot help in trouble shooting for corrective action before the situation gets worse. In addition, well informed decisions cannot be made as other equally important areas or criteria for sound decision making are left out. It is believed that the absence of a robust organizational performance assessment tool that takes into account the needs of all its stakeholders in view of the challenges it is facing could be contributing to MPC's problems. This is because elsewhere, for example in Germany, Netherlands and Sweden, it has been proved that it is possible to open the postal market to competition, operate without USF and or direct Government subvention and still be profitable.

1.3 Research overall objective

The overall objective of this study was to assess MPC performance using the BSC model as a performance and strategic management tool. In addition it investigated whether the absence of Universal Service Fund compromises MPC's performance and affects the postal industry in Malawi in general.

1.3.1 Specific objectives

The specific objectives were:

- (i) To assess the level of performance of MPC from Learning and growth perspective.
- (ii) To identify the gaps in MPC's performance from its critical internal business processes.
- (iii) To find out the level of customer satisfaction or how customers rate MPC on service delivery.
- (iv) To find out how effective and efficient is MPC performance financially.
- (v) To investigate whether the absence of Universal Service Fund compromises MPC's performance and affects the postal industry in Malawi in general.

1.3.2 Research questions

- (i) What is the level of MPC performance from learning and growth perspective?
- (ii) What is the level of MPC performance from its critical internal business processes?
- (iii) How do customers rate MPC on its service delivery?
- (iv) How effective and efficient is MPC performance financially?
- (v) What is the impact of the absence of Universal Service Fund on MPC's performance and the postal industry in Malawi in general?

1.4 Research motivation and justification

The study was motivated by a number of circumstances and factors. Firstly, developments in the EU where its postal market has been liberalized but DOPs of Netherlands, Germany and Sweden, for example, are still operating efficiently without receiving USF and Government subvention which means that through research something can be done to improve the performance and profitability of the MPC. Therefore, considering that MPC is operating in a turbulent business environment where competition and advent of new technologies that impact negatively on its operations are on the increase, it is prudent to assess its performance in order to identify the gaps which when corrected or improved will help MPC to become efficient and effective. This will bring many benefits to all its stakeholders and will help MPC stay in business possibly without funding.

Secondly, as a national asset, MPC needs stay in business to play a critical key in national socio-economic development. It facilitates communication within the country and with the rest of the world, it facilitates trade through the movement of parcels and other goods within the country and internationally, and fosters rural development and poverty alleviation through employment creation, provision of domestic money transfer services. It also contributes to foreign currency generation and inflows into the country through terminal dues and international money transfer remittances, contributes to Gross Domestic Product (GDP) and national budget through postal revenue and taxes just to mention but a few.

Thirdly, the study was motivated by the fact that MPC is given conflicting goals. One that mandates it to be providing social services or UPS which are normally provided on not for profit motive and that of providing other postal and financial services using commercial principles and without being a constant drain on government funds (Malawi Government, 1998b) which is profit oriented. An organization pursuing a commercial motive goal strives to reduce costs and increase revenue as much as possible (cost minimisation and revenue maximisation) in order to be profitable while an organization that pursues a social service motive goal focuses on rendering the service to the masses regardless of whether the costs incurred in the provision of such services are absorbed or not.

According to Robbins and Coulter (2003) goals provide direction for all management decisions and form the criterion against which actual work accomplishments can be measured. Goals must be specific, clear, attainable, and there must be adequate resources for their achievement. In case of MPC the goals though clear seem to be in conflict. It seems that these two goals will be competing for resources yet there is no government funding hence their attainability will be compromised. It also seems there is no clear criterion against which actual work accomplishments can be measured in view of the fact that one goal aims at reducing costs and the other imposes high cost structure to MPC. How can profitability of MPC be indisputably measured? In view of the above, it is believed the results of the study on MPC's performance may contribute to academic literature and help managers on a number of issues. Firstly it may come up with new literature that will give managers a new direction when faced with this challenge (conflicting goals) as to what can be done to enhance postal performance and still remain competitive and profitable. Secondly, it will give justification to the existing literature that goals that are not clear, attainable and that cannot be achieved given your available resources should not be set at all (Robbins & Coulter, 2003).

It was intended through the results of the study that management of MPC be persuaded to consider adopting the use of BSC Model as a tool for assessing its organizational performance. According to literature, organisations using BSC have proved to be performing better than those not using the model – become benchmarks for others (Mackay, 2004). Though there is no evidence that the Netherlands, Germany and Sweden DOPs use BSC, it is clear that if an

organization performs efficiently and effectively, it can withstand challenges including competition. It can also pass on the benefits of its good performance to consumers. As argued by Niederprum and Dieke in Sund and Osborn (2010) through good performance of DOPs of Netherlands, Germany and Sweden, many benefits were brought to consumers as postal tariffs remained affordable, accessibility to postal service improved and customers' choices between products and sometimes operators increased.

It is expected that after MPC bridges the gaps that will be identified after assessing its performance using BSC Model, MPC will also transform into more efficient, profitable and customer-oriented company and that all stakeholders and society will benefit just as their colleagues in EU. Further to this, MPC will no longer put pressure on the national budget (sometimes MPC gets some assistance from Government) and customers will have a variety of choices and enjoy competitive pricing commensurate with quality of service delivery. It is also expected that employees will begin to benefit in form of good salary package and other benefits. It is equally hoped that management of MPC will use the results to persuade GoM to speed up the creation of USF if the results will reveal that MPC needs support in form of USF.

1.5 Structure of the thesis

The research background, definitions of performance, the link between performance measures and strategy, MPC's unique challenges, problem statement, research motivation and justification of the study are discussed in Chapter one. Further, research overall objectives, research specific objectives and research questions are also presented in this chapter. The remaining part of the thesis is arranged as follows: Literature on Balanced Score Card model, performance, reserved service, universal service fund is discussed in chapter two, the research methodology, data collection and analysis techniques are discussed in chapter three, research findings are discussed in chapter four and finally conclusions from research findings and recommendations are presented in chapter five.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

In this chapter discussions are made on the evolution of the BSC, its definition and all the four perspectives of the BSC namely learning and growth perspective (can we continue to improve and create value?), internal business processes perspective (what must we excel at?), customer perspective (how do customers see us?), financial perspective (how do we look to shareholders). Further, some discussions are made on performance, reserved services and Universal Service Fund.

2.1 Evolution of the balanced scorecard

The BSC is not entirely a new concept. The notion of the BSC existed even before it was developed by Kaplan and Norton (1992). For example, according to Mackay (2004) the earliest formalised measurement system of this type was the French process of Tableau de Bord “dashboard” that emerged in the early part of the 20th century. In their attempt to evolve their production processes and to improve local decision making, the French process engineers developed separate tableaux for each sub unit that reflected the overall strategic aims of the organization. They did not limit their measurements to financial indicators but used a wide range of operational measures to evaluate local actions and impacts. In the 1950s, according to Lewis as cited by Kaplan (2010) a group of General Electric Corporation staff conducted a project to develop performance measures for five GE’s decentralized business units using one financial and seven non-financial metrics. Business needs information about activities, not only accounting costs, to manage competitive operations and to identify profitable products. Inferring from these developments, it is evident that inclusion of non-financial measures is not a new phenomenon.

2.2 BSC definition

According to Kaplan and Norton (1992) the BSC is a set of measures that gives top management a fast but a comprehensive view of the organizational unit. The BSC allows managers to look at the business from four important perspectives - financial perspective, customer perspective, internal perspective, innovation and learning perspective and it links performance measures. According to Niven in Tanyi (2011) the BSC is a set of measures derived from an organization strategy that helps management of the organization to communicate the outcomes and performance drivers by which the organization plans to achieve its mission and strategic objectives. The BSC comprises of three systems: a measurement system, a strategic management system and a communication system. According to Divandri and Yousefi (2011) the BSC is a strategic planning and management system that is used extensively in business and industry, government, and non-profit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. According to Kumari (2011) the BSC can be used as a strategic management system that will clarify and translate vision and strategy, communicate and link strategic objectives and measures, plan and set targets with aligning strategic initiatives, enhance strategic feedback and learning.

It should be noted that all the definitions of BSC are similar in the sense that they all come to the point that performance measures must be linked to or driven from the strategy, the strategy, vision must be communicated, the business activities must be linked or be in harmony, the performance must be monitored or assessed and outcomes communicated. In brief the BSC can be defined as a feed forward and feedback organizational performance control mechanism tool. However, in this study the BSC will be understood as a set of measures that gives top management a fast but a comprehensive view of the organizational unit.

2.3 Four perspectives of the balanced scorecard

The BSC whether as performance measurement or strategic management system tool focuses on organization performance from four perspectives. The four perspectives are balanced in the sense

that organisations are required to think in terms of all four perspectives to prevent a situation in which improvements are made in one area at the expense of another (Khomba, Vermaak & Gouws, 2011). According to Kaplan and Norton (1996b) a scorecard should contain outcome measures and the performance drivers of these outcomes, linked together in a cause and effect relationship. It is believed that there is cause and effect relationship between and or among the variables in these perspectives which collectively when performed well leads to good overall performance. The causal relationship assumes that measures in learning and growth perspective are the drivers of the measures of internal business processes perspective, measures in internal business processes perspective are in turn the drivers of the measures in customer perspective and measures in customer perspective are drivers of financial measures (Norreklit, 2000).

In summary it assumes that when the organization or employees have improved in their learning, they are more likely to improve their internal business processes for example shortening response time or delivery time to customer orders (Kaplan & Norton, 1992) and when response time or delivery time is reduced, it will produce high level of satisfaction to the customer which will lead to increased customer loyalty and customer loyalty is the single most important driver of long term financial performance (Jones & Sasser, 1995).

2.3.1 Learning and growth perspective

The perspective is intended to measure a company's capacity to innovate, continuously improve and learn. According to Kaplan and Norton (1992) a company's ability to innovate, improve, and learn ties directly to the company's value and it is only through the ability to launch new products, create more value for customers and improve operating efficiencies continually that a company can penetrate new markets and improve revenues and margins - in short, grow and thereby increase shareholder value. According to Kaplan and Norton (2004) this perspective deals with how intangible assets support the organization strategy. The intangible assets or enablers are categorized into Human Capital (availability of skills, talent, training and knowledge), Information Capital (availability of information systems, databases and networks) and Organisational Capital (culture, leadership, alignment and teamwork) or the ability of the organisation to mobilize and sustain the process of change required to execute the strategy.

According to Martello (2008) it involves a determination of employee capabilities and skills, technology, and a corporate climate needed to support a strategy. In short this strategy describes how the people, technology and the organization climate combine to support the strategy or create value for the organization. According to IȘORAITË (2008) this perspective tries to answer the question to achieve our vision, how will we sustain our ability to change and improve? How well are we continuously improving and creating value? (Divandri & Yousefi, 2011).

The objectives within this perspective deal with the cultivation of an infrastructure for future development and organisational learning (Mackay, 2004) and describe how an organisation can improve in the long term (Khomba *et al.*, 2011). The biggest challenge facing business today is not being successful this minute, but rather being successful as the future unfolds (Werner & Xu, 2012). Therefore, in view of the intense global competition, the ever-changing business environment, customer taste and preferences, it is only companies with the ability to create new products or services, develop or adopt state-of-the-art technology continuously that will be able to compete successfully and survive.

In this study, MPC performance will be assessed based on the following variables: commitment to training and development, key employee retention, existence of teamwork spirit, availability of skills, talent and knowledge, motivation, effective communication, availability of strong leadership, availability of abundant resources, level of employee empowerment, availability of business culture, making and updating of routines (policies) and innovation.

2.3.1.1 Commitment to training and development

Training refers to acquisition of skills and information directly required for the performance of a specific role. It includes on-the-job training, workshops, seminars and conference while manpower development broadly refers to job enrichment that has an intrinsic mechanism to motivate an employee to accept and play challenging organizational tasks (Okereke & Nnenna, 2011). Training and development enables the employees to deal with the changing jobs and roles, it develops knowledge, skill and attitude for handling jobs most efficiently and it bridges the gap between the current level of employee Knowledge, Skill, Attitudes (KSA) and the

required level of KSA to handle the job efficiently. According to Peteraf in Niazi (2011) a comprehensive training and development program helps in deliberating on the knowledge, skills and attitudes necessary to achieve organizational goals and also to create competitive advantage. However, it is argued by Okereke and Nnenna (2011) that revelations by some studies that training and manpower development directly result to job satisfaction and increased performance is misplaced because it does not happen in all cases. They argued that evidently the studies neglects the vital role played by ‘motivation’ as an interviewing variable between the polemics of training and manpower development and performance. While this view may be correct, all in all training is very important because even if an employee is motivated by whatever factors of motivation for instance high remuneration, interpersonally pleasant job but lacks the requisite skills for the job his or her performance cannot be effective.

2.3.1.2 Key employee retention

According to Chaminade as cited by Chiboiwa, Samuel and Chipunza (2010) employee retention is a voluntary move by an organization to create an environment which engages employees for a long time. Employee retention prevents employee turnover which has a negative consequence on the organization. According to Staw, Dess and Shaw as cited by Tumwesigye (2010) employee turnover has direct costs such as recruitment and selection costs and costs associated with training new staff and indirect costs such as reduction in morale among the remaining staff, work overload and loss of social capital. Employees are assets of the organization with various skills and talents some of which cannot easily be replaced. Therefore it is imperative that organizations must have employee retention programs that will induce its employees to get committed to the organization. According to Mowday *et al.*, Meyer and Allen in Tumwesigye (2010) organisations depend on committed employees to create and maintain competitive advantage and achieve superior performance. Therefore the need for employee retention cannot be overemphasized as it prevents according to Samuel and Chipunza as cited by Chiboiwa *et al.*, (2010) the loss of competent employees from leaving the organization as this could have adverse effects on productivity and profitability.

2.3.1.3 Existence of teamwork spirit

The reality for many organizations today is that work has become complex enough to require the use of teams at all hierarchical levels. Organizational success hinges upon the ability of teams to collaborate effectively and work efficiently toward solving complex problems (DeChurch & Mesmer-Magnus, 2010). This could be referred to as team spirit. According to Jones *et al.* in Manzoor, Ullah, Hussain and Ahmad (2011) teams enable people to cooperate, enhance individual skills and provide constructive feedback without any conflict between individuals. According to Manzoor *et al.*, (2011) teamwork has been found to have a positive impact on the employee performance which brings benefits in terms of higher productivity, better organizational performance, competitive advantage and increased product quality and quantity. Teamwork creates a high performance organization that is flexible, efficient and most importantly, profitable. Profitability is the key factor that will allow organizations to continue to compete successfully in a tough, competitive and global business arena. In summary teamwork increases employee performance which leads to high productivity and consequently profitability which is essential for organizations like MPC to grow.

2.4.1.4 Availability of skills, talent and knowledge

When employees are trained effectively, have talent and knowledge, everything being equal, are likely to be more productive than those without these attributes. Therefore if such caliber of employees are present in an organization, the organization is more likely to be successful than the one without such employees and this could be one of the sources of its competitive advantage. It is one thing to train and develop employees, to have employee retention program but another to have employees with skills, talent and knowledge. It is possible to train employees but still find that the employees still lack skill, talent and knowledge when the training process was not effective. Therefore even organizations with the best employee retention programs cannot be successful if they retain such employees.

2.3.1.5 Employee motivation

There are many definitions and theories about motivation. Motivation according to Mullins (2010) is some driving force within individuals by which they attempt to achieve some goal in order to fulfill some need or expectation. According to Mowday *et al.*, Meyer and Allen in Tumwesigye (2010) organisations depend on committed employees to create and maintain competitive advantage and achieve superior performance. For employees to be committed, they must be motivated. Motivation is actually a combination of factors both physical and psychological that urges or propels people or an employee to keep on moving forward positively and efficiently. According to numerous theories such as Expectancy Theory, Equity Theory, Goal Setting Theory, Maslow's needs Theory, Herzberg two factor theory, people or employees are motivated by a number of different factors among them being good rewards, pleasant job, good leadership, recognition and challenging tasks. It should be known that what can motivate one employee cannot necessarily motivate the other. Generally when employees are motivated in their job, work performance is bound to increase and this is good for organization growth. Anka, Adi and Rothberg in Abbah (2014) argue that no organization can progress or achieve success unless and until the employees are satisfied and motivated for the tasks fulfillment and goals achievement. Even if an organization could have skilled employees, but if the employees are not motivated their performance cannot be satisfactory. According to Mitchell as cited by Okereke and Nnenna (2011) there is consensus amongst theorists that 'ability to work' goes hand in glove with 'motivation' to produce performance, as ability of the employees to do the job does not mean that they would do it.

2.3.1.6 Effective communication

Effective communication is vital for the success of every organization. For instance in strategy implementation, executive leadership must communicate the strategy effectively to middle management if the strategy is to be implemented successfully. Even in change management the anticipated change must be communicated effectively to employees if the change agent is to induce 'buy ins' or acceptance of the change from employees. An organization whose people

communicate effectively experiences fewer of the misunderstandings that create friction between people, waste time, and cause mistakes.

2.3.1.7 Availability of strong leadership

Availability of strong leadership is very important in every organization. For instance leaders formulate strategies, communicate strategies and more importantly provide the necessary resources when implementing strategies. Leaders help to keep the momentum going. If leadership is weak organisation can fail even if it can have a pool of skilled employees. Cater and Pucko in their study involving 172 Slovenian companies, as cited in Rajasekar (2014) demonstrated that the biggest obstacle to strategy implementation and execution is poor leadership. Cater and Pucko argue that while a well formulated strategy, a strong and effective pool of skills and human capital are extremely important resources for strategy success, poor leadership is one of the main obstacles in successful strategy implementation. Coordination of activities, streamlining of processes, aligning the organisational structure, and keeping employees motivated and committed to strategy implementation are key responsibilities of the leadership (Rajasekar, 2014). According to Beer and Eisenstat as cited by Rajasekar (2014) in the absence of effective leadership, conflicting priorities will result in poor coordination. The leadership style in a given organization influences how the chosen strategies will be implemented. Organizational structure, delegation of responsibilities, freedom of managers to make decisions, and the incentives and rewards systems will all be influenced by the leadership style in a particular organization (Rajasekar, 2014).

2.3.1.8 Availability of abundant resources

Availability of resources is key to implementation of any plan or strategy. These could be in form of money, materials and equipment required to execute the set tasks. According to Nyamwanza (2013) several studies have found that lack of resources negatively affected the ability of SMEs to implement strategy in Zimbabwe. This situation applies even to big organizations when resources are inadequate. The ability of a firm to innovate requires resources which can be used for training, hiring skilled personnel, research and development just to mention a few. According

to Robbins and Coulter (2007) with an abundance of resources, managers can afford to purchase innovations, can afford the cost of instituting innovations, and can absorb failures.

2.3.1.9 Level of employee empowerment

According to Heathfield in Awamleh (2013) empowerment is the process of enabling and authorizing individuals to think, behave, take action and decision and control work autonomously. According to Whatley as cited in Awamleh (2013) it includes autonomous decision making power, information access, opportunities and choices, assertiveness, positive thinking and change, learning skills, influencing others by democratic means, continuous development and positive self image. According to Heathfield as cited in Awamleh (2013) empowerment promotes employees autonomy and control of their own jobs and improves their skills and abilities to benefit both their organization and themselves. It also increases happiness among employees at workplace.

Organizations should create a work environment which promotes employees ability and desire to act in empowered ways and remove barriers that limit their ability in this regard. Are MPC employees empowered? Empowered employees are more engaged – resulting in better retention and a higher quality of customer service. Empowered people also are more motivated, leading to better performance and higher productivity. An empowered workforce is better aligned with an organization’s business objectives, allowing companies to be smarter and more agile in an ever-shifting business landscape (Cornerstone OnDemand, 2010). In view of the business environment that MPC is operating in, employee empowerment is necessary if MPC is to manage its ever-changing business environment. When employees are given the freedom, flexibility, and power to make decisions and solve problems they feel energized, capable, and determined to make the organization successful. As a result quality of work increases, employee satisfaction increases, collaboration increases, employee productivity rises, and organizational costs decrease.

2.3.1.10 Availability of business culture

Organisation culture is the shared values, principles, traditions, and ways of doing things that influence the way organizational members act (Robbins & Coulter, 2007). Each organization has its own values, beliefs, attitudes, norms or practices that it holds supreme. Organisations can have either a weak or a strong culture. A strong culture (culture in which the key values are deeply held and widely shared) is a catalyst for effective organization performance and strong leadership plays a critical role in its sustainability. The true culture of an organization is manifested in the way it does its things – through its processes and systems such as recruitment, rewards, promotions, fringe benefits, performance management, service delivery, training and development.

In this study business culture is looked at as combination of innovative and customer-responsive cultures as discussed in Robbins & Coulter (2007). In summary it is a culture that is supportive and that propels the organization to operate smoothly and ensure success in all its activities. The culture that is entrepreneurial in nature, that is proactive and that does not do business as usual but does business as unusual. The culture that is mindful of the ever-changing business environment, that recognizes that time and speed is of essence, that is cognizant of the effect of competition and that recognizes that the customer is a king and has more choices or options now in this information age than before.

2.3.1.11 Making and updating of routines (policies)

The business environment is increasingly becoming dynamic and challenging. The business dynamics are ever-changing. What was applicable yesterday could not necessarily be applicable today. Therefore change must constantly take place. For change to take place some policies must change to accommodate the change. One cannot claim to be changing when the policies are outdated and static. Changing of policies denotes organization learning. From organization perspective learning is making and updating of routines in response to experiences. Organizational routines include organizational rules, roles, conventions, strategies, structures,

technologies, cultural practices and capabilities (Levitt & March, 1988). For growth initiatives to be successful some of these things must be changing.

2.3.1.12 Innovation

According to Robbins and Coulter (2007) innovation is the process of taking a creative idea and turning it into a useful product, service, or work method. It requires creative people and groups within the organization, and the right environment for innovation to succeed. The right organisation's structure, culture and human resource practices are variables that stimulate innovation. According to Robbins and Coulter (2007) organic structures, abundant resources and high inter-unit communication are structural variables that stimulate innovation. Acceptance of ambiguity, low external controls, tolerance of conflict, and focus on ends rather than means are cultural variables that stimulate innovation whereas high commitment to training and development, high job security and creative people are human resources variables that stimulate innovation.

2.3.2 Internal business processes perspective

This perspective tries to answer the question: to satisfy our shareholders and customers, what business processes must we excel at? What are our core competencies and areas of operational excellence? According to Kaplan and Norton (1992) the internal measures for the BSC must stem from business processes. Internal business processes are what the company does in an attempt to satisfy customers. According to Drury (2008) the internal business process perspective requires that managers identify the critical internal processes for which the organization must excel in implementing its strategy. The critical process identified must be the ones that will help the organisation in achieving its customer and financial objectives. The processes are not independent of each other but complement one another in sort of a value chain and the processes value chain consists of innovation, operations and post-sales processes. Objectives in each process are spelt out and measures are selected for each process's objectives. According to Drury (2008) innovation measures among others include development cycle times, new products

introduced versus competitors; operations measures include defects rates, output/input ratios, and post sales measures include cycle time in resolving customer problems and unit cost trends.

In this study MPC's internal business process perspective will be assessed from the following variables: frequency of missed delivery, length of queuing time, adherence to mail dispatching time tables or schedules, length of procurement cycle time, length of payment processing cycle time, remittance mobilization or replenishment cycle time, vehicle maintenance management, liquidity management, effectiveness of performance management system, frequency of stock-out.

These variables are defined on next page:-

Frequency of missed delivery – Mail items delivered outside the agreed range of time including mail items sent to a wrong destination.

Length of queuing time – This is the amount of time it takes for a customer before she/he gets served.

Adherence to mail dispatching time tables or schedules – This is the level of compliance by Transport Managers at a particular transport hub or sub hub to set off for mail delivery according to set time tables or schedules.

Length of procurement cycle time – The amount of time it takes from placing of an order by the Regional office or user to the time the order is delivered.

Length of payment processing cycle time – The time it takes for the Finance Department to process payment either to fellow employees or suppliers.

Remittance mobilization or replenishment cycle time – The time it takes from placing of a requisition by a Cluster Centre for cash replenishment for financial service payments such as FastCash Service to the time the cash is actually cabled to the Cluster Centre Account.

Vehicle maintenance management – This concerns preventive vehicle maintenance. Are the schedules followed?

Liquidity management – This refers to management of cash, debtors and liabilities. This includes investment short term investment in financial markets and so on.

Effectiveness of performance management system – This includes all processes involved in setting and agreeing on targets with the employees, the assessment of performance and the giving of feedback, rewarding for good performance and punishing or disciplining for poor performance.

Frequency of stock-out – The degree to which offices run out of stocks for instance, stamps, private box keys, airtime, Magetsi Cards.

2.3.3. Customer perspective

The customer perspective focuses on how the company is perceived by its customers relative to how the company would like to be perceived by its customers (Werner & Xu, 2012). This perspective tries to answer the question how should we appear to our customers? How satisfied are our customers? The first question can be answered through the company's positioning strategy. According to Kotler (2003) positioning is the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market. In positioning, the company identifies or selects a core benefit that it would like customers to identify it with. For instance Volvo's core positioning is "safety", Volvo wants its cars to be seen by the customers as being the safest to drive and must communicate this aggressively and strive to deliver according to the promise if it is to maintain its number one position on this attribute or benefit.

Once the company has positioned itself then it unveils or unpacks its value proposition or product offering aimed at its specific market. According to Kotler (2003) value proposition consists of the whole cluster of benefits the company promises to deliver and it is more than the core positioning of the offering. In this process, the company creates and communicates a very powerful and convincing message why customers should patronize the company or buy the company's products or services. In this case, taking Volvo as an example, the company could include other benefits such as long lasting car, good service or long warranty period. However, though companies can position and communicate their value proposition in such a way, not all companies deliver according to their value proposition or product offering. Often, the way a company would like to appear to its customers does not resemble the way the company actually does appear to its customers (Werner & Xu, 2012). This is because the company could have internal limitations or the customers could make or form their own value expectations or perceived value which the company is not aware of or is failing to meet. According to Kotler (2003) whether or not the offer lives up to the value expectations affects both satisfaction and

repurchase probability. Therefore it is imperative that whatever companies do, customer requirements, expectations or needs must be a fundamental input to their processes.

An organization needs to demonstrate its ability to consistently provide products that meet customers' requirements and must enhance customer satisfaction (Malawi Bureau of standards, 2009). This necessitate the need to answer the second question how satisfied are our customers. Customer satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations (Kotler, 2003). According to Zeithaml and Bitner as cited in Phiri and Mcwabe (2013) customer expectations are beliefs about service delivery that function as standards or reference points against which performance is judged. According to Kotler (2003) if the performance falls short of the expectations, the customer is dissatisfied, if the performance matches the expectations, the customer is satisfied and if the performance exceeds the expectations, the customer is highly satisfied or delighted.

According to Zeithaml and Bitner in Phiri and Mcwabe (2013) knowing what customers expects is critical in gaining competitive advantage and failure to understand the levels of service customers expects can mean losing a customer to competitors who are able to meet customers' expectations and therefore be at a risk of losing business. Therefore to maintain their viability companies must focus on the customer perspective of their businesses (Werner & Xu, 2012). How do customers perceive us? This calls for measurement of customer satisfaction levels. Usually customer satisfaction is measured through measurement of service quality levels as perceived by the customer. According to Zeithaml, Bitner and Gremler as quoted in Phiri and Mcwabe (2013) "a sound measure of service quality is necessary for identifying the aspects of service needing performance improvement, assessing how much improvement is needed on each aspect, and evaluating the impact of improvement efforts". But not everything needs to be measured. According to Kaplan and Norton (1992) the BSC demands that managers must translate their general mission statement on customer service into specific measures that reflect the factors that really matter to customers.

In this study customer perspective will be assessed from the following variables: Reliability, Responsiveness, Assurance, Empathy, Tangibles or Ambience, Delivery Time, Handling of customer complaints.

Reliability – The ability to perform the promised service dependably and accurately.

Responsiveness – The willingness to help customers and to provide prompt service.

Assurance – The knowledge and courtesy of employees and their ability to convey trust and confidence.

Empathy – The provision of caring, individualized attention to customers.

Tangibles – The appearance of physical facilities, equipment, personnel, communication materials.

Handling of customer complaints – customer complaints must be resolved quickly. A dissatisfied customer spreads the bad word of mouth and this word of mouth may grow exponentially. Organisations must remove barriers that make it difficult for customers to complain and must empower employees to provide compensation for failure. According to Tax and Brown in Kotler (2003) companies that encourage customers to complain and also empower employees to remedy the situation on spot achieve higher revenues and greater profits than companies that do not have systematic approach for addressing service failures.

2.3.4 Financial perspective

This perspective tries to answer the question how should we appear to our shareholders? The financial performance measures in this perspective indicate whether the company's strategy, implementation, and execution are contributing to the bottom-line improvement (Kaplan & Norton, 1992). According to Kaplan and Norton (1992) many have criticised financial measures because of their backward-looking focus and their inability to reflect the contemporary value-creating actions especially now that the terms of competition have changed. These critics have gone further to argue that financial performance is the result of operation actions and that by making fundamental improvements in operations, the financial numbers will take care of themselves. This suggests that emphasis on financial measures is not necessary in this information age. However, this notion is disputed by Niven (2002) who argued that financial

perspective is important because it helps management in assessing whether the initiatives from learning and innovation perspective, internal processes perspective and customer perspective are contributing to the bottom line and also that without this perspective, the other perspectives cannot take place, as they will need funds from this perspective. Performance measurements in this area are done through financial ratios and various cash flow measures which is a combination of both operational and shareholder derived measures. According to Mackay (2004) the financial quadrant can readily accommodate both operational and shareholder derived measures.

In this study the financial perspective will be assessed from the following variables: Profitability, Liquidity, Credit rating, Level of Gearing (total debt to total assets), Asset Utilisation or efficient utilization of resources, Growth rate in tangible assets and Market Value added.

Profitability - The ratio of profit to revenue, not just the amount of profit made. In times of rapid growth or decline, looking at the profit figure can be misleading, while looking at the profit as a percentage of sales can tell a more interesting story. For example if an organization makes MK50 million profit out of MK2 billion revenue or sales, there must be some story behind this.

Liquidity – A measure of the extent to which an organization has cash to meet immediate and short-term obligations, or assets that can be quickly converted to do this. In Accounting it is the ability of current assets to meet current liabilities. In Investing, it is ability to quickly convert an investment portfolio to cash with little or no loss in value.

Credit rating – Credit rating is an analysis of the credit risks associated with a financial instrument or a financial entity. It is a rating given to a particular entity based on the credentials and the extent to which the financial statements of the entity are sound, in terms of borrowing and lending that has been done in the past. It is usually in the form of a detailed report based on the financial history of borrowing or lending and credit worthiness of the entity from the statements of its assets and liabilities with an aim to determine their ability to meet the debt obligations. It helps in assessment of the solvency of the particular entity.

Level of gearing (Gearing Ratio or Total Debt to Total Asset Ratio) – This is a financial ratio that compares some form of owner's equity (or capital) to borrowed funds. Gearing is a measure

of financial leverage, demonstrating the degree to which a firm's activities are funded by owner's funds versus creditor's funds.

Asset Utilisation or efficient utilization of resources –It measures management's ability to make the best use of its *assets* to generate revenue. This is done through asset utilization ratios. It identifies whether company is wasting its *assets* or putting them to good use. The more effectively that the equipment is used, the more profitable the company will be.

Growth in tangible assets - An asset whose value depends on particular physical properties and in case of MPC may include buildings or office structures, equipment such as vehicles, Information Technology equipment, stocks and cash among others. Tangible assets are comparatively easy to price, and therefore they are often used to express the value of a company. However, because they do not include intangible but still valuable things like patents and brand recognition, they may not truly express a company's value.

2.4 Performance

Performance is an end result of an activity (Robbins & Coulter, 2007). Performance could mean anything depending on the variable being studied. It could be performance of people or organizations for example. Management of individual or group performance is called performance management while management of organizations performance is called organization performance management. Organizational performance is the accumulated end results of all the organization's work activities (Robbins & Coulter, 2007). The end results are known through taking some measurements. However, it is difficult to come up with performance criteria and objective measures of these criteria. The lack of performance criteria and objective measures of these criteria make it difficult for the organization to plan or control (Globerson, 1985). Different organizations have different performance objectives and targets and use different criteria when formulating performance objectives or goals, when coming up with performance measures and targets. Irrespective of all this, performances measures should be derived from strategy (Globerson, 1985).

2.4.1 Performance measurement

It can be difficult for managers to manage an organization effectively in absence of performance measurements and appropriate organization performance measurement tools. According to US General Accounting Office definition as cited by US Department of Energy (2001) performance measurement is the ongoing monitoring and reporting of program accomplishments, particularly progress towards pre-established goals. According to Hronec (1993) performance measurement is a quantification of how well the activities within a process or the outputs of a process achieve a specified goal. From the two definitions, it is clear that performance measurement is not static or an ad hoc activity but a continuous process and that performance measures must be quantifiable for easy comparison or evaluation against set goals.

Measuring organizational performance is very important for organizations' survival in a competitive business environment. According to Lord Kelvin as quoted by Kaplan (2010) "I often say that when you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind." Paraphrasing Lord Kelvin quote, it is clear that if you cannot measure it, you cannot improve it. Measurements let us know how well we are doing, if we are meeting our goals, if our customers are satisfied, if our processes are in statistical control, and helps in identification of areas where improvements are necessary (U.S. Department of Energy, 2001). According to Brown as cited by U.S. Department of Energy (2001) measurement reduces emotionalism and encourages constructive problem solving, provides concrete data on which to make sound business decisions, thus reducing the urge to manage by "gut feeling" or intuition. Measurements are beneficial because they help in setting goals and standards, detecting and correcting problems, managing, describing, and improving processes and in documenting accomplishments. Inferring from the above, the importance of measurements cannot be overemphasized.

2.4.2 Tools for measuring organisation performance

There are many other tools apart from BSC that are used for assessing organization performance such as Financial Controls (Robbins & Coulter, 2007), European Model for Total Quality Management (EFQM) or Business Excellence Model Mackay (2004), the Deming and the BALDRIGE model (Heizer & Render, 2011) just to mention a few. The BSC has been chosen for this study not only because of its ability in helping to assess organizational performance but also because of its usefulness in management of the organisation strategies.

Strategies are the genesis of organizational success if formulated and implemented correctly. According to Sinha (2006) the performance of any organisation is highly dependent upon its strategies. In this era of cut-throat competition, what an organization requires is not just framing the right strategies, but also managing the same. However, there are problems with strategy implementation in the sense that once a strategy is formulated, the strategic plan remains remote from the organizations day-to-day actions. According to Mintzberg in Norreklit (2000) there may be a gap between the strategy expressed in the activities planned and the strategy expressed in the pattern of actions actually undertaken. Reducing this gap requires appropriate tools such as the BSC.

As a way of comparison, the other tools though important, are however superseded by the BSC. For example, financial controls have been criticized because of their historical nature (Merchant, 1985; Kaplan & Norton, 1996) as they reveal a great deal about the company's past actions but nothing about its future alertness and preparedness. It is argued by Norreklit (2000) that accounting figures do not emphasize the elements which will lead to good or poor future financial results. For instance, the performance measures of accounting systems ignore the financial value of a company's intangible assets such as research in progress, human resources and the goodwill as well as the bad-will which the company has built. In his comparison of the BSC and the Quality Improvement Models, Mackay (2004) asserted that EFQM and Baldrige models focus on continuous improvement of processes and evaluate internal process performances against benchmarked best practices while organisations using the BSC become benchmarks for others. In addition, the EFQM and Baldrige models strive to improve existing

organisational practices and there is a danger that scarce resources might be expended on incrementally improving inefficient but existing processes while the BSC because of its focus on critical performance indicators or measurements is a better tool for prioritising which processes should be allocated resources and which should be dropped.

2.5 Reserved service

Reserved services are services that are exclusively rendered by the DPO. In Malawi examples of reserved services are all mail items weighing not more than 350 grams, sale of postage stamps, operating and sale of private boxes. In these categories the DPO has a monopoly as other postal operators are not allowed by law to encroach into these services. The DPO is given the monopoly over the operations of these services in order to cushion it from overheads that are incurred in its provision of Universal Services.

2.6 Universal service fund

USF was created to enable the DPO in addition to the reserved services carry out its USO. In every country, the postal administration is at liberty to choose one postal operator from all postal operators to be the DPO. Since the DPO is given a challenging task of providing universal service, its cost structure is usually high and this put it at a disadvantage compared to other postal operators. The cost associated with USO cannot be absorbed by revenues generated from provision of such services. Even if all postal operators were given a chance to be providing universal service freely, none of them would venture into this segment. Therefore the USF was created to mitigate the effects of USO.

2.7 Chapter summary

In this chapter, the evolution of the balanced scorecard has been discussed followed by its definition, thereafter an extensive discussion has been made on all four perspectives of the balanced scorecard that is learning and growth perspective, internal business processes perspective, customer perspective and financial perspective. Further some discussions have been

made on performance, performance measurement, and tools for measuring organization performance, reserved service and universal service fund.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

The methodology that was used in carrying out this research is detailed in this chapter. The research philosophy, research approach, research strategy that was adopted, type of sampling technique, a detailed account of data collection methods, data analysis, research ethics and limitations of the study are also presented and discussed in this chapter.

3.1 Research philosophy

This study used the pragmatism research philosophy. Pragmatists are concerned with what is practical in coming up with answers to the research question and are not particular with methods. Pragmatists consider the problems under study and the specific research questions as more important than the underlying philosophical assumptions of the method (Giacobbi Jr., Poczwardowski & Hager, 2005) and that the most important determinant of the philosophy one adopts is the research question (Saunders, Lewis & Thornhill, 2009). Hence pragmatism is not committed to any one system of philosophy and reality (Creswell, 2003) and denies there is single reality and sees no reason for scientists or others to argue whether their theories are closer to the truth than are their colleagues (Giacobbi Jr. et al., 2005).

According to Mertens in Mackenzie and Knipe (2006) early pragmatists "rejected the scientific notion that social inquiry was able to access the 'truth' about the real world solely by virtue of a single scientific method". With the research question 'central', data collection and analysis methods are chosen as those most likely to provide insights into the question with no philosophical loyalty to any alternative paradigm (Mackenzie & Knipe, 2006). When pragmatism paradigm is adopted, researchers have freedom to choose the methods, techniques and procedures of research that best meet their needs and purposes (Creswell, 2003) hence the researcher is not

restricted to one approach in carrying his/her research but is at liberty to use pluralistic approaches to derive knowledge about the problem (Mackenzie & Knipe, 2006).

In this study, based on its research question and specific research questions, mixed methods (using both quantitative and qualitative data collection techniques and analysis procedures) which fall under pragmatism research paradigm were used. This is because it is evident through the research questions that the paradigm to be used is neither positivist nor interpretive but is a combination of these two paradigms. There is a combination of philosophies, for example, one used by a “resource” researcher who looks for ‘facts’ or what is undisputed reality on the ground (positivist philosophy) and another philosophy used by a “feelings” researcher who seeks to gather information on feelings, attitudes or personal judgement of participants which is an interpretive philosophy (Saunders *et al.*, 2009). Positivist and interpretative philosophies use quantitative and qualitative data collection and analysis techniques respectively. This is one of the reasons why both quantitative and qualitative data collection techniques and analysis procedures were used in this study.

Data were collected using a self-administered questionnaire (both postal or mail questionnaire, and delivery and collection questionnaires) and through document review. Through document review, both quantitative and qualitative data were collected. For example, on the one hand through these questionnaires information was gathered based on feelings, attitudes or personal judgement of respondents on MPC’s performance which is an interpretive philosophy. According to Kumar, Hussey and Hussey in Mhango (2013) a questionnaire is a method for collecting data in which participants are asked to complete a written set of structured questions to find out what they do, think or feel. The responses given based on feelings or what respondents think are generally subjective an interpretive philosophy and not necessarily based on facts which is positivist philosophy. On the other hand through document review, the researcher gathered data based on facts from financial statements of MPC on some variables for instance on the level of gearing, liquidity and profitability which is positivist philosophy and also collected data from management memos of MPC to understand management espoused reasons for some of their decisions (Saunders *et al.*, 2009) which is an interpretative philosophy.

Further, though stratified random sampling was used, in some cases data were not collected from the whole population in some of the strata. This is because in some strata the population was big necessitating the need to use survey strategy. In view of the above, it is clear that there was freedom to use whatever methods that was deemed appropriate to the research question and the specific research questions in order to come up with practical answers to the research problem or question (Giacobbi Jr. et al., 2005) which is a pragmatist view.

3.2 Research approach

The research used both deductive and inductive approaches because it used both qualitative and quantitative performance measures in the BSC. When using the BSC as a tool for measuring organization performance, there must be a balance between the types of measures used. Kaplan and Norton suggested that there must be a balance with respect to the types of measures included in the scorecard, for instance, leading and lagging indicators, financial and non- financial measures, and quantitative and qualitative measures (Soderberg, 2006).

3.3 Research strategy

Research strategy is a general plan of how the researcher will go about fulfilling research objectives and answering the research questions. According to Leedy and Ormrod (2010) research strategy is a research design and research design simply put is planning. The research design is the blueprint for fulfilling research objectives and answering research questions (Cooper & Schindler, 2003). Research strategy forms the framework of the entire research process. It details the most suitable methods of investigation, the nature of the research instruments; the sampling plan, and the types of data, i.e. quantitative or qualitative or both (Chisnall, 2001). It provides an overall direction of the research including the process by which the research is conducted (Remenyi, Williams, Money & Swartz, 2003). In brief, research strategy provides the overall structure for the procedures the researcher follows, the data the researcher collects, and the data analyses the researcher conducts (Leedy & Ormrod, 2010).

There are various different research strategies which a researcher may choose for use in a particular research. According to Easterby-Smith et al., Saunders et al., Collis and Hussey in Wedawatta (2011) some of the common research strategies used in business and management are experiment, survey, case study, action research, grounded theory, ethnography, archival research, cross sectional studies, longitudinal studies and participative inquiry. However, the choice of which research strategy to use is guided by ones research questions and objectives, the extent of existing knowledge, the amount of time and resources available, as well as one's philosophical underpinnings (Saunders *et al.*, 2009).

In this study survey strategy was used. A survey is a method of collecting primary data based on communication with a representative sample of individuals. Though the term survey is associated with quantitative findings, it can be used for collection of both quantitative and qualitative data as some aspects of the survey may also be qualitative (Zikmund, Babin, Carr & Griffin, 2010). Survey is efficient and economical (Cooper & Schindler, 2003) and provides a quick, inexpensive, efficient, and accurate means of assessing information about population (Zikmund, Babin, Carr & Griffin, 2010). According to Cooper and Schindler (2003) a survey that uses the telephone, mail, or the internet as the medium of communication can expand geographic coverage at a fraction of the cost and time required by observation.

In this study survey strategy was used on some strata because the population in these strata was big justifying the use of this strategy. In addition the population was geographically dispersed across the country and there was not enough time and money to reach it. It was not going to be economical for the researcher to collect data from the whole population as it was going to be expensive and time consuming. When population size is big usage of survey strategy is appropriate because it allows the collection of data from a sizeable population in a highly economical way and in addition when sampling is used (which was used in this research) it is possible to generate findings that are representative of the whole population at a lower cost than collecting data for the whole population (Saunders *et al.*, 2009).

3.4 Sampling

Stratified random sampling was used in coming up with the sample. Stratified random sampling is a sampling technique in which the population to be surveyed is divided into groups or strata with similar attributes (Chisnall, 2001). According to Collis and Hussey (2009) a population is a body of people or collection of items under consideration for statistical purposes. In stratified random sampling, the population in each group or stratum is more nearly homogeneous than in the total population and this contributes to the accuracy of the sampling process (Chisnall, 2001). According to Cooper and Schindler (2003) a researcher chooses a stratified random sampling to increase a sample's statistical efficiency, to provide adequate data for analysing the various subpopulations, and to enable different research methods and procedures to be used in different strata.

In this study the population comprised only targeted stakeholders of MPC and was divided into eight strata. Though the total population, for example, comprised of only stakeholders of MPC, its composition was heterogeneous as some were courier customers others were board of directors but the composition of the population within each stratum was homogeneous for example board of directors. Further as already discussed by Cooper and Schindler (2003) different research methods and procedures were used in different strata in this study. In some strata the whole population was used while in others random sampling technique was used to come up with a representative sample.

MPC's stakeholders included the regulator Malawi Communications Regulatory Authority (MACRA), board of directors of MPC, executive management, senior management of grades M4-M5 and M6-M7 respectively and junior staff of MPC of grades M8-M9; courier customers and large business mailers. These groups were selected because they interact frequently with MPC and or have experience in dealing with MPC and have knowledge of the postal sector. However, random sampling technique was used when coming up with a sample size for senior management of grade M6-M7, junior staff and courier customers because the population size in these strata is big. According to Morris (2000) the random sampling technique, allows the researcher to select the sample fairly without not being biased towards any particular part of the

population as every member of the population has exactly the same chance of being included in the sample and the sample selected can be said to be representative of the whole population.

In total, a sample size of 95 participants was used representing 27.86 % of the population. The details of the distribution of sample size are presented in Table 3.1.

Table 3: 1 Distribution of sample size.

| | Participants | Population or Sample frame | Sample size |
|--------------|------------------------------|-----------------------------------|--------------------|
| 1 | Regulator (MACRA) | 4 | 4 |
| 2 | Board of Directors | 8 | 8 |
| 3 | Executive Management (M1-M3) | 11 | 10 |
| 4 | Senior Management (M4 – M5) | 16 | 16 |
| 5 | Senior Management (M6 – M7) | 74 | 15 |
| 6 | Junior Staff (M8 – 9) | 132 | 15 |
| 7 | Courier customers | 84 | 15 |
| 8 | Large business mailers | 12 | 12 |
| Total | | 341 | 95 |

It was not economical to use the whole population in these strata because of time constraints. For the rest of the categories, the whole population was used except for executive management category. The whole population was used in these categories because most of them have less than 50 cases. According to Henry as cited by Saunders *et al.* (2009) the population that has less than 50 cases, data must be collected on the entire population as the influence of a single extreme case on subsequent statistical analyses is more pronounced than for larger samples.

The random numbers were selected in groups of two for senior management of grades M6-M7 and courier customers respectively and in groups of three for junior staff because the population size in these strata has two and three digits respectively but the first number was selected at random in each stratum. According to Cooper and Schindler (2003) assuming a researcher wants a simple sample from a population of 95 and a random start from the random number table has been identified in the column, researchers agree to read the first two digits in this column

downward. Similarly if the numbers assigned to our population have three digits then we read off the numbers from the table in three digit sets (Morris, 2000).

3.5 Data collection

Documents Review and structured self-administered questionnaire (both postal or mail questionnaire, and delivery and collection questionnaires) were data collection methods that this study used.

3.5.1 Documents review

Documents are sources of secondary data and were reviewed as they helped in validation or triangulation of the quantitative data that were collected from some variables on financial perspective of the BSC. According to Saunders *et al.* (2009) document review can be used to help to triangulate findings based on other data such as written documents and primary data collected through observation, interviews or questionnaires. In this study MPC's financial documents were reviewed as they were easy to find by virtue of the researcher being the employee of MPC. According to Thomas (2004) routine company documents are of benefit to the researcher because they are usually plentiful and are relatively inexpensive to acquire for research purposes. In addition many of the ethical issues that arise when dealing face to face with people in the context of research can be avoided.

3.5.2 Questionnaire

Structured questionnaires were administered to all the respondents. This was done to reduce the risk of respondent's answers from being contaminated and distorted. According to Anderson and Arsenault, in Mhango (2013) a questionnaire technique is used because it reduces the risk of respondent's answers from being contaminated and distorted, hence increasing the degree of data reliability.

In this study, structured self-administered postal questionnaires were administered to the regulator (MACRA), board of directors of MPC, large business mailers, courier customers, senior management and junior management and to some members of executive management of MPC. The self-administered postal questionnaires were chosen because they provide geographic flexibility, can reach a geographically dispersed sample simultaneously because interviewers are not required and are relatively inexpensive compared with personal interviews though they are not cheap (Zikmund *et al.*, 2010). In this study, the samples (especially courier customers, senior management and junior staff) are geographically dispersed across the country and therefore structured self-administered postal questionnaires were used as they helped to easily reach the respondents simultaneously at a relatively low cost. Secondly personally administered questionnaires were used for some executive management members based at Head Office and self-administered questionnaires were administered to other executive management members located outside Blantyre. The determinant factor on the type of questionnaire to be used was the distance or location of the respondent and availability of respondent at the time of data collection. In this research, personally administered questionnaires were used especially at Head Office to avoid executive management members from colluding to give similar or same answers to the research questions.

The questionnaire was structured in three sections namely A, B and C. In section A, data on demographics of respondents according to category, gender and work experience were collected. Data on the assessment of performance of MPC from four perspectives of BSC was collected in section B and finally data on views of respondents regarding Universal service Fund were collected in section C of the questionnaire.

The questionnaire was pilot tested before being administered. According to Chisnall (2001) a well organized piloting reveals possible misinterpretations owing to ignorance or misunderstanding of questions, and indicates differences in the frames of reference between the researchers and respondents. This helps in refining the questionnaire so that respondents have no problems in answering the questions and there will be no problems in recording the data (Saunders *et al.*, 2009). In this study the questionnaire was pilot tested to the regulator (MACRA), and at MPC to Financial Controller, Controller Philately, Controller Retail and

Financial Services, and one officer representing senior management (M6 – M7) and junior staff (M8 - M9) respectively. In the pilot, it was observed that the instruction on the questionnaire asked the respondents not to provide their name or any form of their identification on the questionnaire. However, one question that sort to gather information on status of respondents had already specified categories of the respondents for example Board of Directors of MPC, Directors of MPC, Employee of MPC. This was felt that it eroded away the spirit of maintaining confidentiality and was taken off.

3.5.2.1 Questionnaires distribution

The questionnaires were distributed through the post and in some insistence because of proximity by hand (both postal or mail questionnaire, and delivery and collection questionnaires). They were distributed through the post on account of the cheapness of this method (Chisnall, 2001) and because of convenience to the respondent (Zikmund et al., 2010).

There were three set of questionnaires that were distributed. One set of questionnaires was used to collect data from board of directors, executive management, senior management and junior management of MPC. This set of questionnaires had questions based on all four perspectives of the BSC and on universal service fund. The second set of questionnaires was used to collect data from large business mailers and courier customers. The questionnaires for this set had questions based on customer perspective of the BSC. The third set of questionnaires was used to collect data from the regulator. The questionnaires for this set had questions based on internal business processes, customer perspective and financial perspective of BSC respectively and also on universal service fund.

The questionnaires were split because it was felt that stakeholders like large business mailers and courier customers would not have information pertaining to other three perspectives of the BSC and on universal service fund apart from customer perspective. For the regulator it was felt that they may not have detailed information on the learning and growth perspective of MPC. Some questions were scored on a 5 point Likert Scale with 1 expressing strongly disagree, 2 expressing disagree, 3 expressing not sure, 4 expressing agree and 5 expressing strongly agree and others

were scored on a Likert Scale rating of 1 to 5 where 1 expresses very poor performance, 2 poor performance, 3 average performance, 4 high performance and 5 expresses very high performance. The Likert scale was used as it is relatively easy to construct, makes data easy to collect and analyse, thereby making it suitable for surveys (Kothari, 2008).

3.6 Data analysis

Data analysis usually involves reducing accumulated data to a manageable size, developing summaries, looking for patterns, and applying statistical techniques (Cooper & Schindler, 2003). In this study data were analysed or processed using descriptive statistics. Descriptive statistics summarises and describes the characteristics of the data in a simple and understandable manner (Zikmund *et al.*,2010) by showing where their center or midpoint is, how broadly they are spread, how closely certain variables within the data are correlated with one another, and so on (Leedy & Ormrod, 2010). The information for the analysis was generated from a Statistical Package for Social Scientists (SPSS) and Microsoft Excel. The SPSS was chosen because it easily handles large data sets, multiple variables, and missing data points and the results are presented in an easy to read format (Leedy & Ormrod, 2010). Data presentation has been done using descriptive statistics namely graphs, mean, frequencies.

The data were analysed based on performance variables presented in all perspectives of the balanced scorecard in figure 3:1.

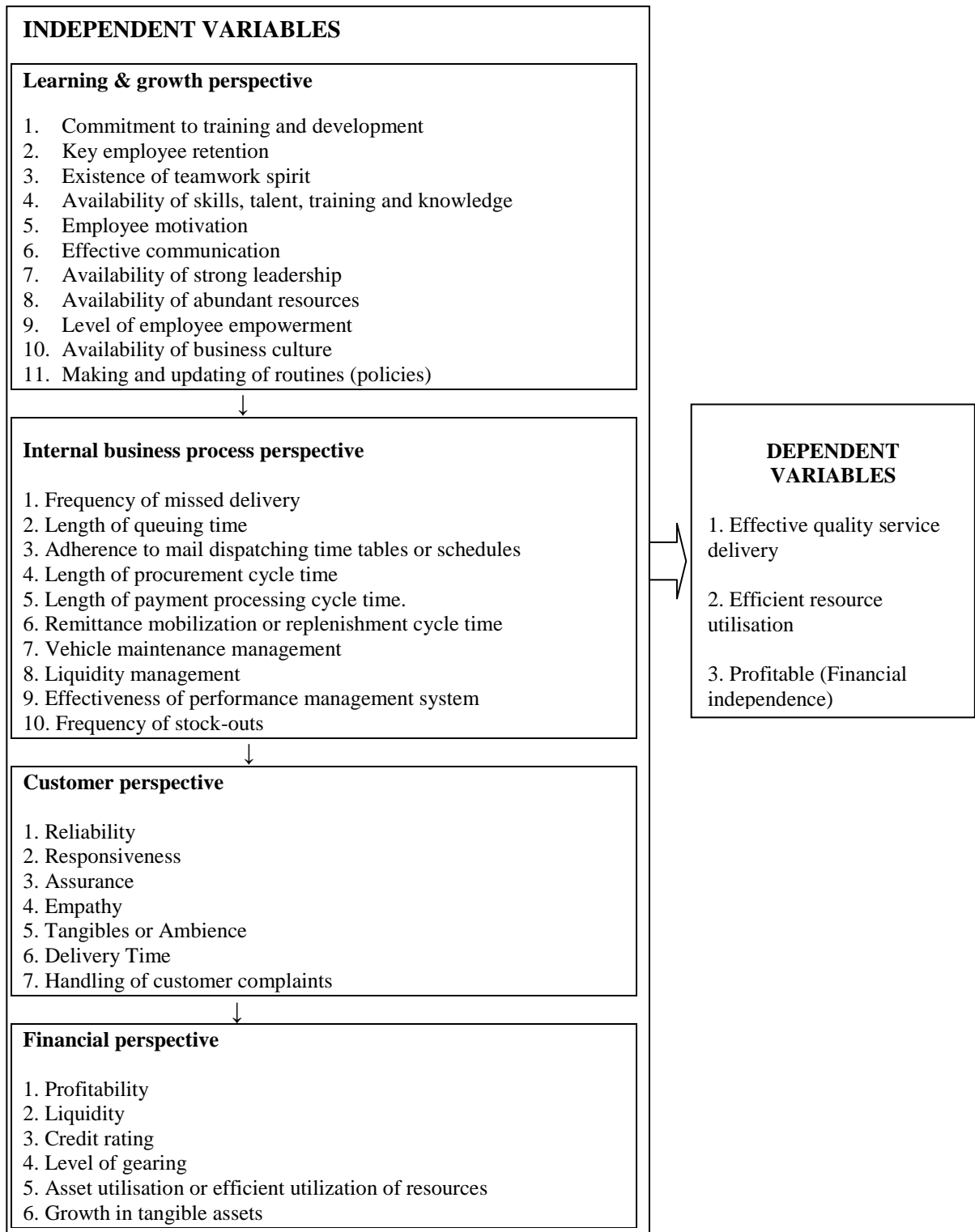


Figure 3: 1 Performance variables of BSC for data analysis

3.7 Research ethics

The word ethics is derived from the Greek word ‘ethos’, which means custom, morals or character. It refers to systems of moral principles or values, principles of right or good behaviour in relating to others, and the rules and standards of conduct binding together members of a profession. In the context of research, research ethics refers to the principles of appropriate conduct that govern research (University of Sheffield, 2015). In every society there are social norms that people practice. The social norms give a clue as to what type of behavior one ought to adopt or demonstrate in a particular situation (Robson, 2002). In general terms, people need privacy, confidentiality and consent just to mention but a few. In this research, consent was sought from those (participants or respondents) that took part. This means that all participants took part in this research voluntarily without coercion. Further to this, no names or designation of respondents was put on the questionnaire to maintain privacy or confidentiality and anonymity of participants. Data gathered was not doctored to meet the needs or wishes of the researcher.

3.8 Limitations of the study

The study has a number of limitations. Firstly, the results cannot be generalized to the population outside the selected strata. This is because the sample was drawn only from the selected strata as the research did not include all stakeholders of MPC but only the targeted stakeholders based on their knowledge of the postal sector and frequent interaction with MPC. Secondly, proxy respondents might have been used to fill in the questionnaire and some of the responses may not be reliable. The Board of Directors and Executive Management might not have time to fill the questionnaire or might have used someone else for example their secretary or personal assistant to fill the questionnaire. According to Saunders *et al.* (2009) even if you address a postal questionnaire to a company’s manager by name, you have no way of ensuring that the manager will be a respondent. In this research, there was no mitigation to that situation. Thirdly, the members of board of directors were replaced before the research was done due to expiry of their term. In this research responses were sought from old or outgoing ordinary members of board of directors because of their experience with MPC; and current ex-official members from government because of their experience of government issues including the post. However, there

was some resistance as only two out of four old ordinary members filled the questionnaire and one out of four ex-official from government filled the questionnaire. Lastly data collected may be unreliable. According to Alexiades and Bernard *et al.* as cited in Tongco (2007) informants may give unreliable data voluntarily or involuntarily because they are eager to please, may have hidden purposes and intentions and have their own emotional issues, principles or viewpoints. This was mitigated through the appeal or the imploration in the covering letter.

3.9 Chapter summary

Pragmatism research philosophy, deductive and inductive approaches, and survey strategy were used in this research. The population was divided into strata or groups based on the respondents experience and interaction with MPC, and knowledge of the postal sector. In some strata, respondents to the study were selected by using the stratified random sampling technique. Quantitative and qualitative data collection techniques and analysis procedures were used. The data were collected through document review and structured postal questionnaires and were analysed using descriptive statistics using Statistical Packages for Social Sciences (SPSS) and Microsoft Excel package. Research ethics to do with privacy, confidentiality and consent were observed. Finally research limitations were presented.

CHAPTER 4

RESULTS AND DISCUSSIONS

4.0 Introduction

In this chapter the results of the research are presented and discussed. The discussions are centered on the results on the assessment of performance of MPC using BSC model and respondents' views regarding USF. The results of each perspective are discussed individually and then the overall results from all four perspectives are discussed. Finally chapter summary is presented at the end.

4.1 Respondents demographics

In this section, the respondents' demographics are presented according to category of respondents, gender and work experience.

4.1.1 Respondents categories

The respondents' categories are shown in figure 4:1. From this figure, it is shown that 18.8% of respondents were senior managers of grade M4-M5, 17.6% were senior managers of grade M6-M7, 17.6% were MPC managers of grade M8-M9, 15.3% were courier customers, 14.1 were large business mailers, 3.5% were from the regulator (MACRA) and finally 3.5% were members of board of directors of MPC. This means that in total 54% of respondents were employees of MPC and 46% were other stakeholders of MPC. This implies that 54% of the responses were well informed responses as the employees are involved in daily operations of MPC. This means the results could be a true reflection of the situation in MPC as they came from respondents who know MPC well. In addition, since 46% of respondents were not direct employees of MPC, it meant that the results could be regarded as not being biased as these respondents provided the checks and balance as their assessment was somehow from a neutral position.

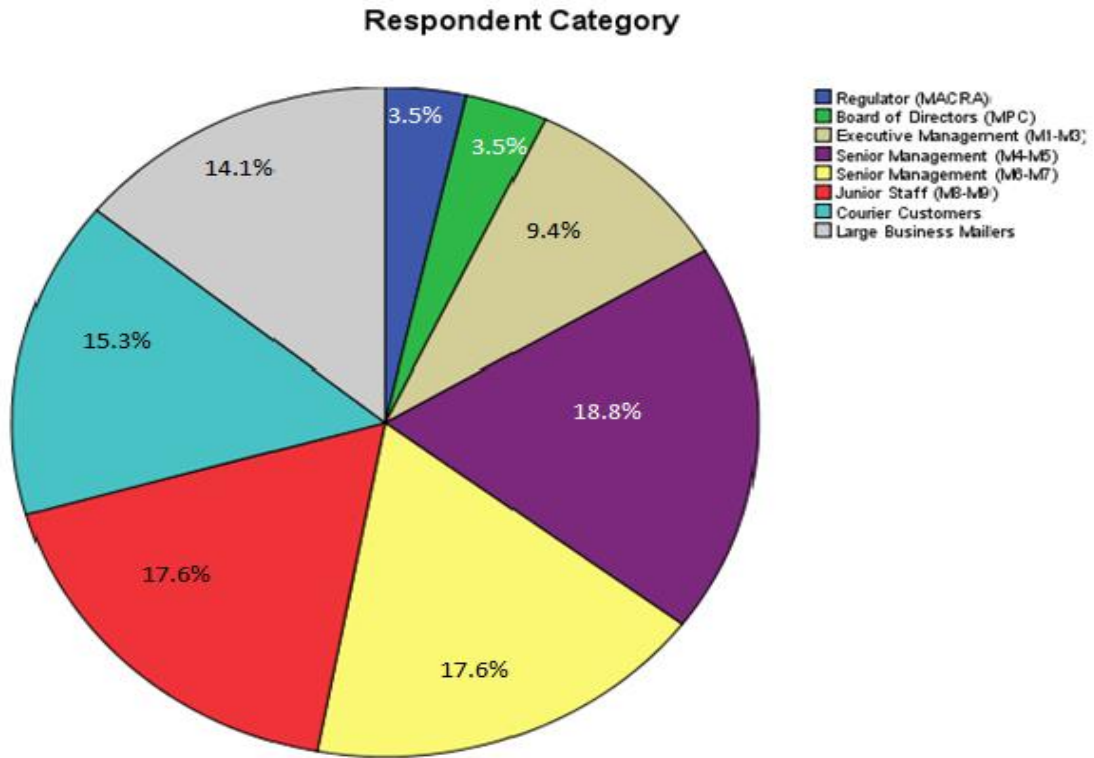


Figure 4: 1 Categories of respondents

4.1.2 Respondents gender

Figure 4:2 shows the respondents' demographics in form of gender. The results show that 56% of respondents were male and that 44% were female. These results show that there was good representation according to gender in this research and the results can be said to be neither male nor female dominated going by the percentages.

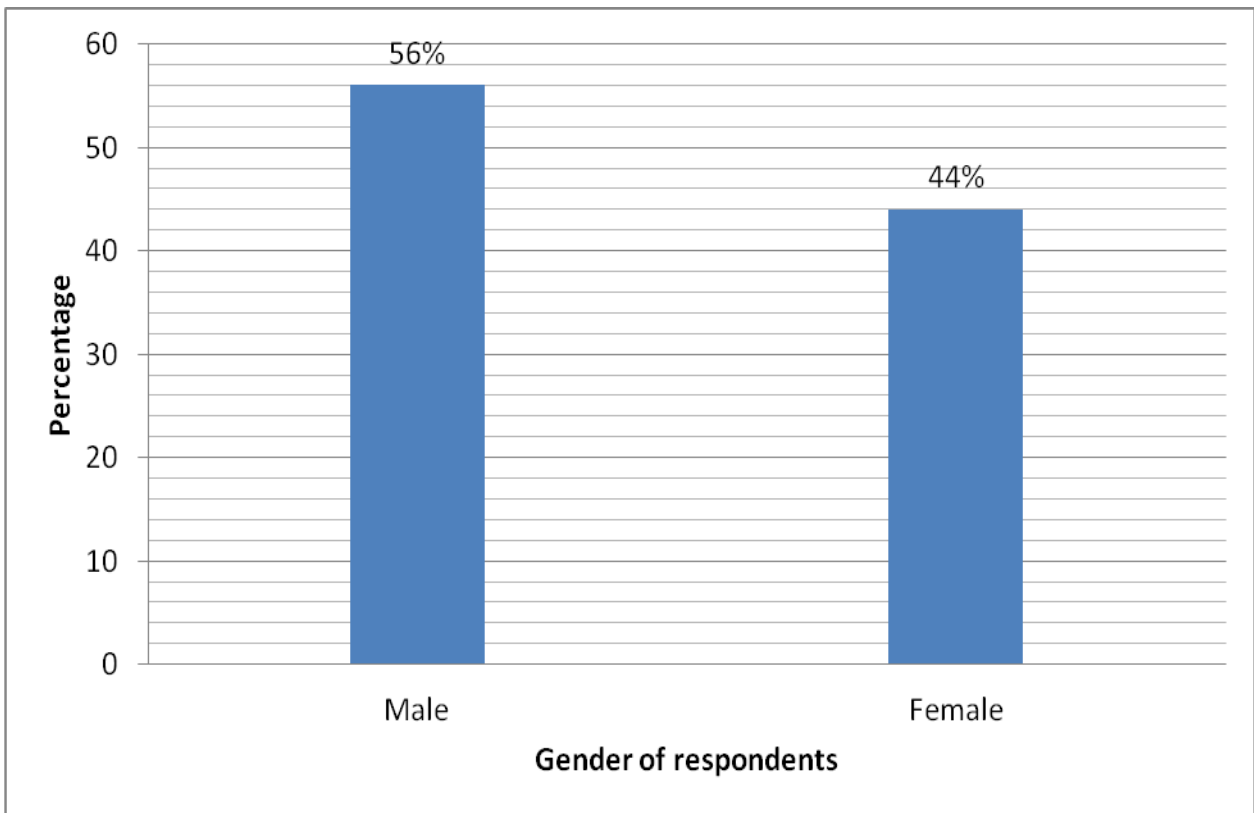


Figure 4: 2 Gender of respondents

4.1.3 Respondents work experience

Figure 4:3 shows a graphical representation of work experience of respondents. From this figure, it is shown that 68% of respondents worked for their respective organisations for a period of 6 years and above and only 32% of respondents worked for a period of less than 6 years. This implies that the results are based on well informed, genuine and objective assessment of MPC performance and assertions regarding Universal Service Fund going by the understanding that the longer the length of service, the more likely the employee will be knowledgeable about issues surrounding his or her organisation.

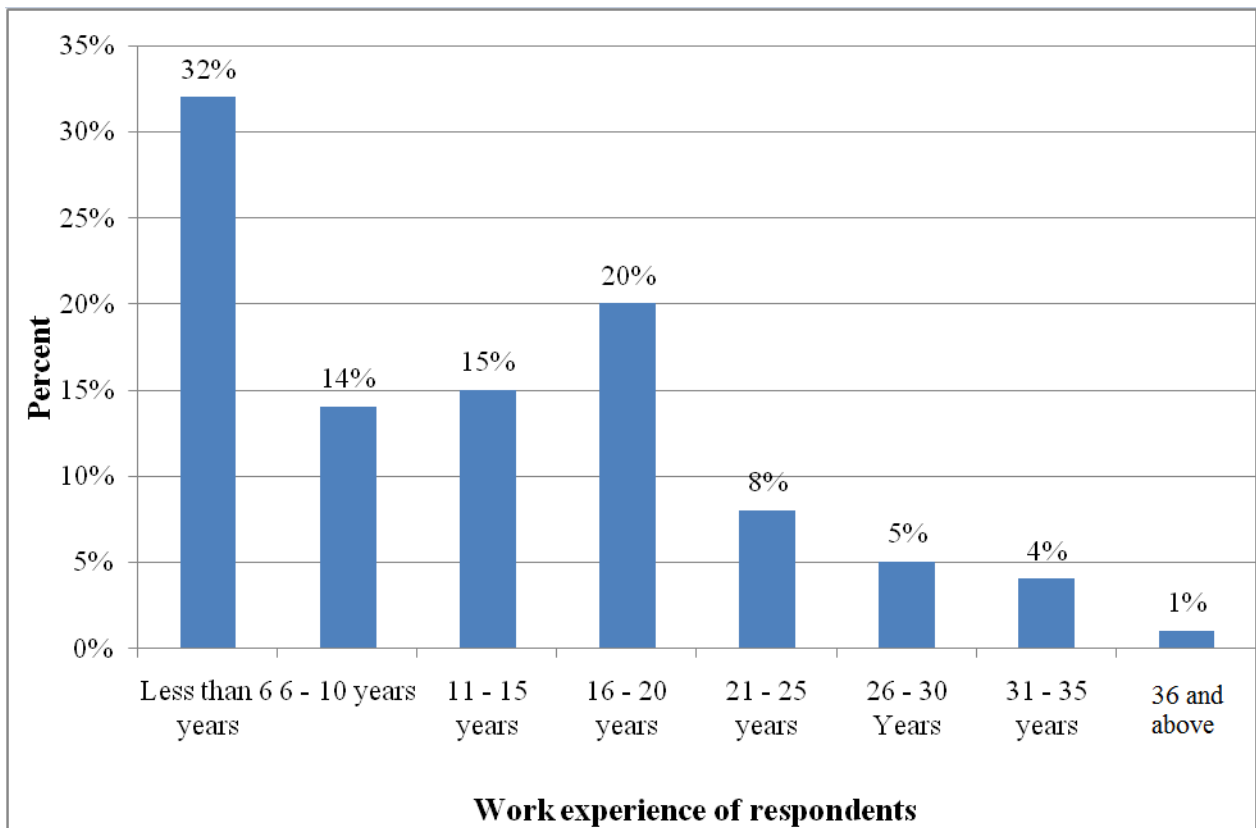


Figure 4: 3 Respondents work experience

4.2 Results and discussions on performance of MPC based on four perspectives of the balanced scorecard.

In this section the results of performance of MPC from four perspectives of the BSC are presented for each individual perspective of the BSC and subsequently the overall performance of MPC from all the four perspectives of the BSC is presented.

The research assessed the performance of MPC on Likert scale of 1 – 5 where 1 denotes very poor performance, 2 denotes poor performance, 3 denotes average performance, 4 denotes high performance and 5 denotes very high performance. The Likert scale was used as it is relatively easy to construct, makes data easy to collect and analyse, thereby making it suitable for surveys (Kothari, 2008). This scale was used on learning and growth perspective, customer perspective, financial perspective and category (a) of internal business process perspective while category (b)

of internal business process perspective assessed the performance of MPC on Likert scale of 1-5 where 1 was Very Low, 2 Low, 3 Average, 4 High and 5 Very High. However, in this category when a variable was assessed as 1 (Very Low), it meant very high performance and 5 (Very high) meant very low performance. For example when frequency of missed delivery variable was assessed as 1 (Very Low), it meant very good performance. This difference was due to the nature of variable being assessed and also to help respondents understand the meaning of the scale against the variables easily. Therefore when entering data of variables in category (b) for analysis using SPSS, where the respondent circled 1, it was substituted for 5 to reflect high performance. The rest of the variables were treated accordingly in line with this thinking.

The mean and frequency were used to depict the performance of MPC. On the assessment of performance of MPC using the balanced scorecard, any mean result that is less than or equal to 3 or average was regarded as not being satisfactory or poor performance. This is because in a competitive and dynamic business environment, average performance is not good enough. According to Porter (1980) in his discussions on his three generic strategies, organizations must stay above their competitors always if they are to gain and sustain their competitive advantage. An organisation cannot stay above its competitors by being average. In summary an organization or firm must consistently outclass the others or must have superiority in a particular area or field. Therefore, though the performance of MPC has not been compared with any other organization, mediocrity or average performance in this research has been categorized as poor performance or not good enough for survival in a dynamic and competitive business environment.

4.2.1 Results and discussions on learning and growth perspective

In this section, the research assessed the performance of MPC from Learning and Growth Perspective of the Balanced Scorecard. Table 4.1 presents the results based on mean score of each independent variable tested, shows number of questionnaires that were returned and number of questions that were not answered denoted by 'missing' in the table. The bar chart in figure 4:4 shows the mean score results graphically and table 4.2 presents the results based on frequency of responses. All these data presentation tools were used for ease of analysis and comparison.

Table 4: 1 Mean Score performance of MPC from learning and growth perspective

| | Commitment to training | Retention of key employees | Existence of team spirit | Availability of skills, talent, training and knowledge | Employee Motivation | Effective Communication | Availability of strong leadership | Availability of abundant resources | Level of employee empowerment | Availability of business culture | Making and updating of routines (policies) | Innovation | Overall Mean Score |
|-------------------------|------------------------|----------------------------|--------------------------|--|---------------------|-------------------------|-----------------------------------|------------------------------------|-------------------------------|----------------------------------|--|-------------|--------------------|
| Questionnaires returned | 57 | 57 | 57 | 57 | 57 | 57 | 57 | 57 | 57 | 57 | 57 | 57 | |
| N - Valid | 56 | 55 | 56 | 55 | 56 | 56 | 56 | 57 | 55 | 57 | 55 | 55 | |
| Missing | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 0 | 2 | 0 | 2 | 2 | |
| Mean Score | 2.95 | 2.82 | 2.77 | 3.18 | 2.38 | 2.73 | 3.11 | 2.39 | 2.69 | 2.56 | 2.80 | 2.73 | 2.76 |

A total of 64 questionnaires were distributed for this perspective and 57 were returned representing 89.06% response rate. According to Baruch's assertions as cited in Saunders *et al.* (2009) for most academic studies involving top management or organization's representatives, a response rate of approximately 35 percent is reasonable. Hence with this response rate the results could be said to be representative of the sample tested. However the results as presented in Table 4.1 have also shown that out of 57 questionnaires returned a total of 15 questions were not answered. The reasons for this were not established but it could be either the respondents lacked knowledge of the subject matter or because it was a mere omission or oversight.

From this mean score table 4.1 the results have shown that the overall mean score from the respondents on performance of MPC from Learning and Growth Perspective is 2.76. Using the performance measurement scale of 1-5 as explained above, this means the majority of respondents have assessed the performance of MPC from the Learning and Growth Perspective as being poor. The mean score of 2.76 is below the average score which is denoted by the scale of 3. This result is also validated by the results in the frequency table 4.2.

Table 4: 2 Frequency table on performance of MPC from learning and growth perspective

| Item | Independent Variable | Frequency (Percentage) | | |
|----------------------|--|---------------------------------|----------------------------------|-------------------------------|
| | | Very Poor – to Poor Performance | Very Poor to Average Performance | High to Very High Performance |
| 1 | Commitment to training | 28.6 | 76.8 | 23.2 |
| 2 | Retention of key employee | 38.2 | 74.5 | 25.5 |
| 3 | Existence of team sprit | 37.5 | 80.4 | 19.6 |
| 4 | Availability of skills, talent, training and knowledge | 20.0 | 63.6 | 36.4 |
| 5 | Employee Motivation | 51.8 | 91.1 | 8.9 |
| 6 | Effective Communication | 35.7 | 83.9 | 16.1 |
| 7 | Availability of strong leadership | 23.2 | 75.0 | 25.0 |
| 8 | Availability of abundant resources | 57.9 | 89.5 | 10.5 |
| 9 | Level of employee empowerment | 43.6 | 83.6 | 16.4 |
| 10 | Availability of business culture | 49.1 | 84.2 | 15.8 |
| 11 | Making and updating of routines (policies) | 38.2 | 78.2 | 21.8 |
| 12 | Innovation | 36.4 | 81.8 | 18.2 |
| Average Score | | 38.4 | 80.2 | 19.8 |

From this frequency table, it is revealed that 80.2 % of respondents on average have assessed MPC performance on this Learning and Growth Perspective as being poor (average and or below average). MPC average frequency score rating of just 19.8% as being above average or depicting high performance in this perspective is not good for survival.

The results have also shown as presented in figure 4:4 that out of twelve learning and growth perspective variables assessed, MPC has scored above mean only on two variables namely availability of skills, talent, training and knowledge; and availability of strong leadership with a mean score of 3.18 and 3.11.

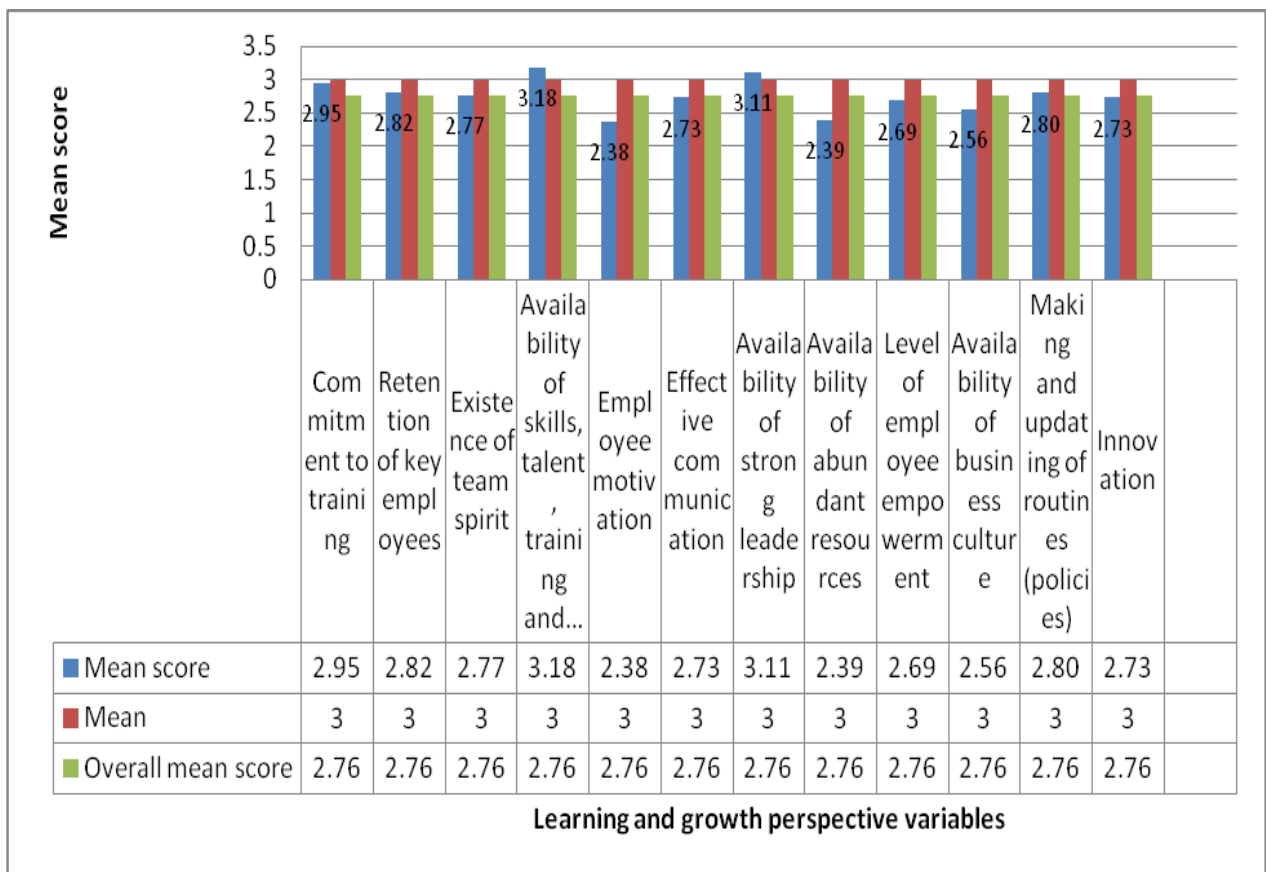


Figure 4:4 Bar chart showing mean score performance of MPC from learning and growth perspective.

This means that MPC has failed to score above mean in ten variables. This very disappointing considering that it is assumed according to literature already discussed that performance measures in these perspectives are linked in cause and effect relationship. This means that the overall performance of MPC is likely to be poor on account of the fact that it has performed badly on the first critical perspective whose outcome is supposed to be the driver according to literature of the next perspective and so on in a chain of cause and effect relationship.

Analysing the results further from figure 4:4 it has been shown that out of the ten variables that MPC has failed to score above average or mean, four variables namely commitment to training, retention of key employees, existence of team spirit making and updating of routines (policies), MPC has managed to score above overall mean of 2.76 while the remaining six variables namely employee motivation, effective communication, availability of abundant resources, level of

employee empowerment, availability of business culture, and innovation, MPC's performance has been worse as not only has it scored below the mean (denoted by 3) but also below the overall mean score of 2.76. While MPC must make improvements in all these ten variables, it must focus critically first on these six variables as they are very fundamental in organizational growth according to literature already discussed.

Overall MPC must work hard in learning and growth perspective if it is to be relevant in business. This perspective is very critical for business success. According to literature on BSC, this perspective is very fundamental because it is through this perspective that companies can grow and thereby increase shareholder value (Kaplan & Norton, 2004). Certainly MPC will struggle to grow and create shareholder value if the state of affairs will remain the same as established in this research.

It is also inexplicable to note that overall performance of MPC in this perspective has been poor when in fact MPC has a good score above mean of 3.18 and 3.11 on availability of skills, talent, training and knowledge; and availability of strong leadership respectively. According to literature, when employees are trained effectively, have talent and knowledge, everything being equal, are likely to be more productive than those without these attributes. Any organisation with such employees is likely to be more successful than the ones without such employees and this could be one of the sources of its competitive advantage. However, ironically it is shocking to note that MPC has scored badly on the other ten variables when it was expected that the skills and talent, and the level of training and knowledge that employees have were going to turn things around for the better. Therefore, what is the missing link?

According to Cater and Pucko in their study involving 172 Slovenian companies, as cited in Rajasekar (2014) demonstrated that the biggest obstacle to strategy implementation and execution is poor leadership. Cater and Pucko argue that while a well formulated strategy, a strong and effective pool of skills and human capital are extremely important resources for strategy success, poor leadership is one of the main obstacles in successful strategy implementation. For instance leaders formulate strategies, communicate strategies and more importantly provide the necessary resources when implementing strategies. Leaders help to keep

the momentum going. If leadership is weak organisation can fail even if it can have a pool of skilled employees (Rajasekar, 2014). In view of this literature, the poor performance of MPC from Learning and Growth Perspective could be attributed to among many other factors poor leadership. This is because though MPC's mean score on availability of strong leadership variable is 3.11 as depicted by table 4.1, this is not good enough as it is just a few points above average. This assertion is supported by results from frequency table 4.2. From this frequency table it is clear that 75% of respondents have assessed the performance of MPC on this variable as being poor while it is only 25% who have assessed it as good. However, this reasoning is subject to another study to establish whether this assertion is a true reflection of the state of affairs in MPC. Worth noting also is MPC's rating on employee motivation and availability of abundant resources variables. MPC has a least mean score of 2.38 and 2.39 on these variables respectively. Similarly using frequency table 4.2, MPC's performance has been assessed very poorly on these variables too. As depicted by this frequency table, 91.1% and 89.5% of respondents have assessed MPC's performance on these variables respectively as being poor. Is there a relationship between availability of resources and motivation in MPC? This is subject to another study.

4.2.2 Results and discussions on internal business processes perspective

In this section, the research assessed the performance of MPC from internal business process perspective of the Balanced Scorecard and the results are presented in table 4.3, table 4.4 and figure 4:5.

Table 4: 3 Mean Score performance of MPC from internal business processes perspective

| Section A | | | | | Section B | | | | | | |
|-------------------------|--|--------------------------------|----------------------|---|------------------------------|------------------------|----------------------------------|-----------------------------------|---|-------------------------|--------------------|
| | Adherence to mail dispatching time tables or schedules | Vehicle maintenance management | Liquidity Management | Effectiveness of performance management | Frequency of missed delivery | Length of queuing time | Length of procurement cycle time | Length of payment processing time | Remittance mobilization or replenishment cycle time | Frequency of stock outs | Overall Mean Score |
| Questionnaires returned | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | |
| N – Valid | 60 | 59 | 56 | 60 | 60 | 59 | 59 | 60 | 58 | 59 | |
| Missing | 0 | 1 | 4 | 0 | 0 | 1 | 1 | 0 | 2 | 1 | |
| Mean Score | 3.68 | 3.07 | 2.62 | 2.62 | 3.63 | 3.47 | 2.75 | 2.73 | 3.10 | 2.78 | 3.05 |

In table 4.3 the number of questionnaires that were returned and number of questions that were not answered denoted by ‘missing’ in the table have been presented. The results based on mean score of each independent variable tested in categories (a) and (b) have also been presented. The bar chart in Figure 4:5 shows the mean score results graphically and table 4.4 presents the results based on frequency of responses.

The performance was assessed in two categories (a) and (b) as already discussed earlier. A total of 68 questionnaires were distributed in each category and 60 were returned respectively representing 88.24% response rate respectively. With this response rate the results could be said to be representative of the sample tested. However the results have also shown that out of 60 questionnaires returned a total of 5 questions were not answered in category (a) and (b) respectively.

The bar chart in figure 4:5 shows that the overall mean score from the respondents on performance of MPC from internal business process perspective is 3.05.

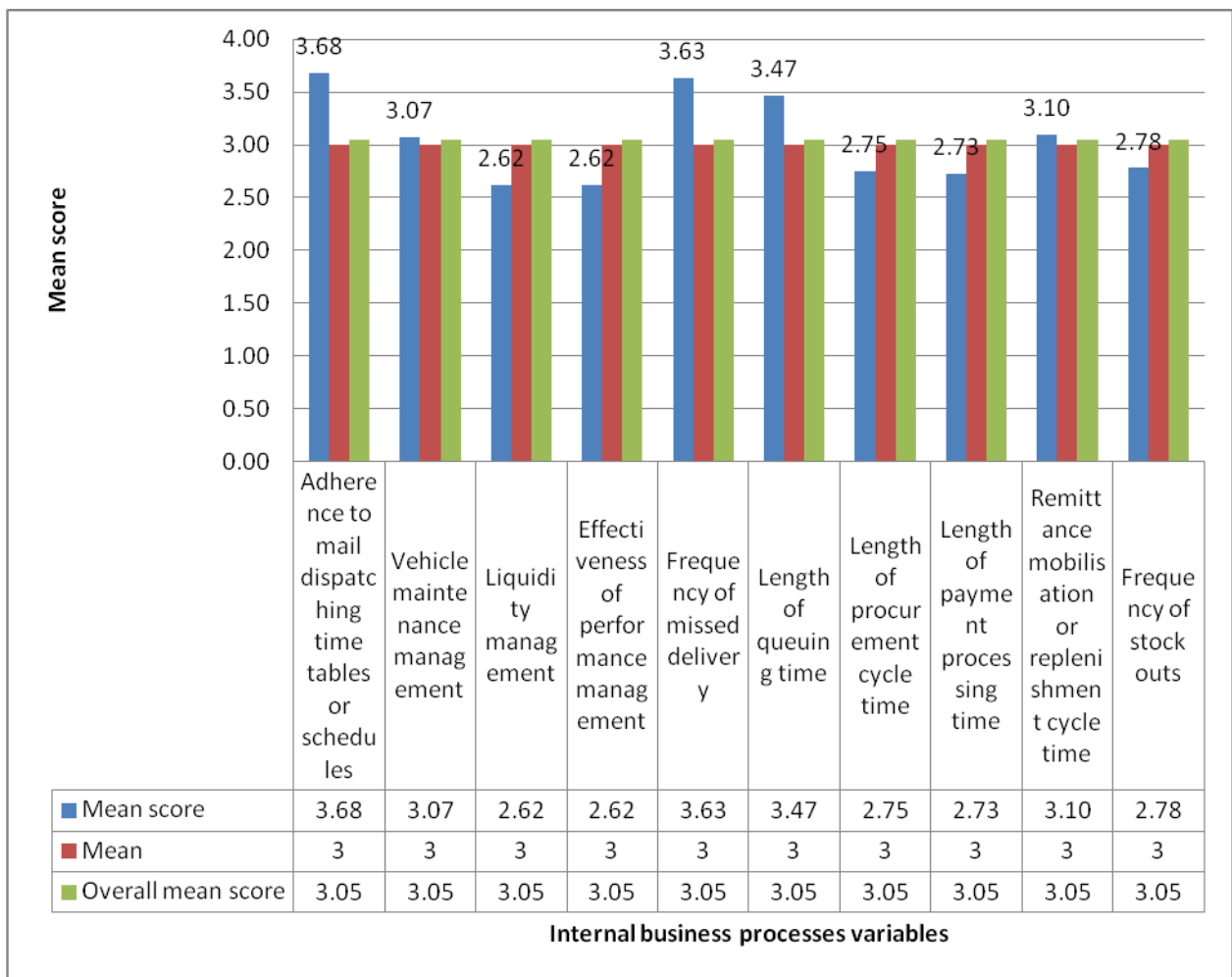


Figure 4:5 Bar chart showing mean score performance of MPC from internal business processes perspective

Using the performance assessment scale of 1-5 as explained earlier, the results show that the respondent assessed the overall performance of MPC from internal business process perspective as good. Though the overall performance of MPC has been depicted as good using the mean score as the performance assessment criteria in this research, MPC must work hard on this perspective as its performance is just slightly above average by a negligible margin of .05. Therefore, with this margin the overall performance of MPC could equally be said to be poor. This argument is supported by the frequency table 4.4.

Table 4: 4 Frequency table on performance of MPC from internal business processes perspective

| Item | Independent Variable | Frequency (Percentage) | | |
|----------------------|--|---------------------------------|----------------------------------|-------------------------------|
| | | Very Poor – to Poor Performance | Very Poor to Average Performance | High to Very High Performance |
| 1 | Adherence to mail dispatching time tables or schedules | 6.7 | 38.3 | 61.7 |
| 2 | Vehicle maintenance management | 23.7 | 74.6 | 25.4 |
| 3 | Liquidity Management | 44.6 | 83.9 | 16.1 |
| 4 | Effectiveness of performance management | 46.7 | 81.7 | 18.3 |
| 5 | Frequency of missed delivery | 10.0 | 46.7 | 53.3 |
| 6 | Length of queuing time | 11.9 | 49.2 | 50.8 |
| 7 | Length of procurement cycle time | 42.4 | 72.9 | 27.1 |
| 8 | Length of payment processing time | 46.7 | 70.0 | 30.0 |
| 9 | Remittance mobilization or replenishment cycle time | 20.7 | 74.1 | 25.9 |
| 10 | Frequency of stock outs | 40.7 | 74.6 | 25.4 |
| Average Score | | 29.4 | 66.6 | 33.4 |

From this frequency table 4.4, using the performance criteria where anything up to average (mean of 3) and below average is regarded as poor, it is clear that overall performance of MPC is poor in this perspective as 66.6% of respondents have assessed it as being poor while it is only 33.4% that have assessed it as being good. From this frequency table too, it is noted that only three variables (Adherence to mail dispatching time tables or schedules, Frequency of missed delivery, Length of queuing time) whose functions are performed by operations section or department the core function of MPC have been assessed as being good 61.7%, 53.3% and 50.8% respectively

while all the variables whose functions are performed by the support departments or sections have been assessed as being poor. These results depict that the performance of support functions of MPC in this perspective is poor while the performance of operations section is good or high. This means that MPC must make improvements in support functions of its departments if its overall performance is to improve in this perspective.

The results from figure 4:5 have also revealed that out of seven internal business processes variables namely vehicle maintenance management, liquidity management, effectiveness of performance management, length of procurement cycle time, length of payment processing time, remittance mobilization or replenishment cycle time and frequency of stock outs which fall under support departments of MPC, it is only on vehicle maintenance management and remittance mobilization or replenishment cycle time variables where MPC has scored above mean. MPC core business is mail conveyance and is seconded by financial services. All these two products or services require a good fleet of vehicles. This could be the reason why effort is put in this area by the support departments. Secondly financial services require speedy remittance mobilization if MPC is to maintain its customers from financial services. This could be the reason why effort is also put in this area by support departments. It is clear from this discussion that effort is only put in areas which are seen to have direct positive impact on financial performance of MPC whereas areas such as length of procurement cycle time, effectiveness of performance management just to mention but a few which do not have direct impact on financial position of MPC but derived impact are given less attention.

Analysing the results further, using both the mean and frequency score presented in figure 4:5 and table 4.4, it is clear that MPC has scored very poorly on liquidity management and effectiveness of performance management that is 2.62 respectively using the mean score and 16.1% and 18.3% respectively using the frequency score. This signals that there are problems in MPC that needs to be addressed quickly. Plausible liquidity management is very fundamental in every organisation. If an organizations liquidity management is poor, even if there could be an injection of funds into its system whether it is Government subventions or from Universal Service Fund, it cannot thrive. In addition, if performance management system is poor, it will be difficult to turn around things. Employees do not get motivated if performance assessment system

is based on mediocre criteria, is full of inconsistency and is full of flaws. This could be another study to establish whether MPC's performance management system has been assessed as being poor as a result of these shortfalls.

4.2.3 Results and discussions on customer perspective

In this section, the research assessed the performance of MPC from Customer Perspective of the Balanced Scorecard. A total of 95 questionnaires were distributed for this perspective and 85 were returned representing 89.47% response rate. With this response rate the results could be said to be representative of the sample tested. However the results have also shown that out of 85 questionnaires returned a total of 7 questions were not answered. The reasons for this were not established but it could be either the respondents lacked knowledge of the subject matter or because it was a mere omission or oversight. Figure 4:6 presents the results based on mean score of each independent variable tested and table 4.5 presents the results based on frequency of responses.

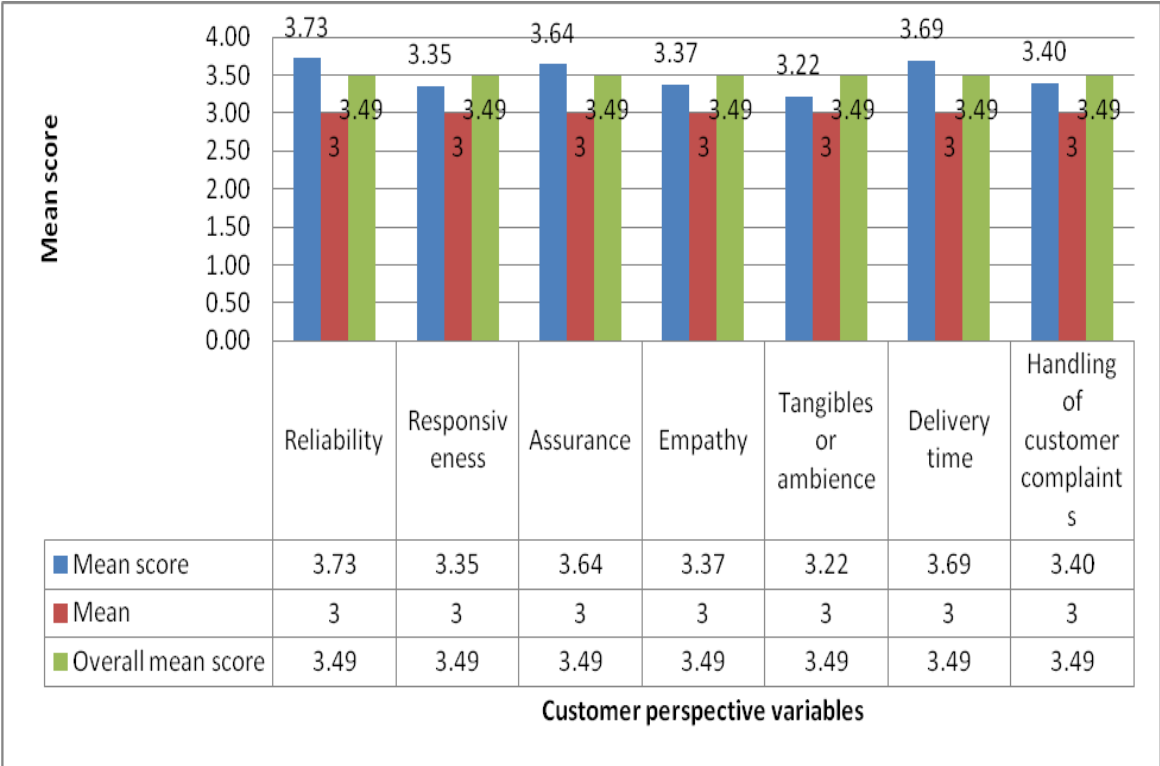


Figure 4:6 Bar chart showing mean score performance of MPC from customer perspective

Figure 4:6 shows that the overall mean score from the respondents on performance of MPC from Customer Perspective is 3.49. The mean score of 3.49 is above average which is denoted by 3 using the performance measurement scale of 1-5 as explained above, the results show that the respondents assessed the performance of MPC from customer perspective overall as being above average or being good though not good enough if the same results are analysed using the frequency table 4.5.

Table 4: 5 Frequency table on performance of MPC from customer perspective

| | | Frequency (Percentage) | | |
|----------------------|---------------------------------|---------------------------------|----------------------------------|-------------------------------|
| Item | Independent Variable | Very Poor – to Poor Performance | Very Poor to Average Performance | High to Very High Performance |
| 1 | Reliability | 4.7 | 40.0 | 60.0 |
| 2 | Responsiveness | 18.8 | 52.9 | 47.1 |
| 3 | Empathy | 12.2 | 57.3 | 42.7 |
| 4 | Assurance | 7.1 | 45.9 | 54.1 |
| 5 | Tangibles or Ambience | 22.0 | 62.2 | 37.8 |
| 6 | Delivery Time | 4.7 | 36.5 | 63.5 |
| 7 | Handling of Customer Complaints | 20.2 | 53.6 | 46.4 |
| Average Score | | 12.8 | 49.8 | 50.2 |

From this frequency table, it is revealed that overall 49.8 % of respondents have assessed MPC performance on customer perspective as being average and or below average. It is only 50.2 % that have assessed MPC’s performance in this perspective as being high and or very high. The results are almost neutral. This means that MPC has a lot of work to do to push the needle from neutral further to plus or positive side. In this competitive business environment, companies or

organizations must be well above average not just slightly above average if they are to stay in business. However, irrespective of this dismal performance as depicted by the frequency table 4.5, it is pleasing to note from mean score in figure 4:6 that MPC has scored above average in all seven variables assessed in customer perspective. These results are bringing hope to MPC. Therefore MPC must continue to do right things right for its customers. In addition, the results as depicted also by the frequency table 4.5 have shown that MPC has highest scores 60% and 63.5% on reliability and delivery time respectively. This is an encouraging result considering that the core of MPC’s business centres on speedy delivery and completeness of delivery. Since MPC is doing well on its core business it may stay in business because it is delivering its service in the way its customers want. However, although MPC has scored above average in all of seven customer perspective variables assessed, the results as depicted by the mean score in figure 4:6 and frequency table 4.5 respectively have shown that MPC has the lowest mean score of 3.22 and also the lowest above average frequency of 37.8% on tangibles or ambiance. MPC needs to pull up its socks in this area as ambiance and aesthetics are very important in service industry where MPC belongs.

4.2.4 Results and discussions on financial perspective

In this section, the research assessed the performance of MPC from Financial Perspective of the Balanced Scorecard. The results are presented in figure 4:7 below.

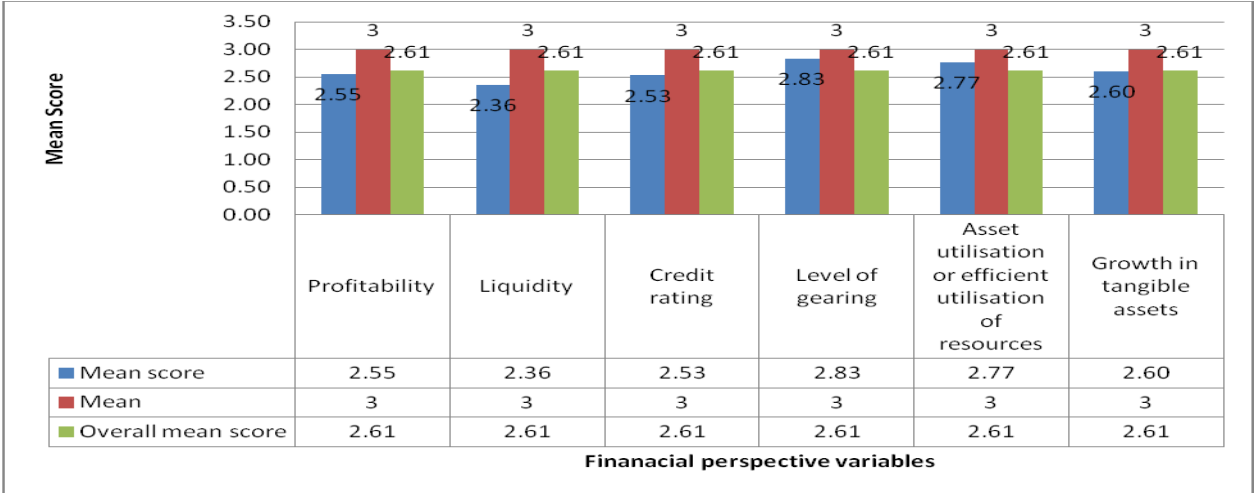


Figure 4:7 Bar chart showing mean score performance of MPC from financial perspective

A total of 68 questionnaires were distributed for this perspective and 60 were returned representing 88.24% response rate. With this response rate the results could be said to be representative of the sample tested. However the results have also shown that out of 60 questionnaires returned a total of 4 questions were not answered. The reasons for this were not established but it could be either the respondents lacked knowledge of the subject matter or because it was a mere omission or oversight. Figure 4:7 presents the results based on mean score of each independent variable tested and Table 4.6 presents the results based on frequency of responses.

Figure 4:7 shows that the overall mean score from the respondents on performance of MPC from Financial Perspective is 2.61. Using the performance measurement scale of 1-5 as explained above, the results show that the respondents assessed the overall performance of MPC from financial perspective as being poor. The mean score of 2.61 is below the average score which is denoted by the scale of 3. MPC has scored very poorly in this category as there is no single independent variable in which MPC has managed to perform above average. This argument is validated by the results in the frequency Table 4.6.

Table 4: 6 Frequency table on performance of MPC from financial perspective

| Item | Independent Variable | Frequency (Percentage) | | |
|----------------------|---|-------------------------------|---------------------------------|-------------------------------|
| | | Very Low – to Low Performance | Very Low to Average Performance | High to Very High Performance |
| 1 | Profitability | 48.3 | 86.7 | 13.3 |
| 2 | Liquidity | 52.5 | 96.6 | 3.40 |
| 3 | Credit rating | 55.9 | 81.4 | 18.6 |
| 4 | Level of gearing | 36.2 | 79.3 | 20.7 |
| 5 | Asset utilization or efficient utilization of resources | 35.0 | 83.3 | 16.7 |
| 6 | Growth in tangible assets | 40.0 | 86.7 | 13.3 |
| Average Score | | 44.7 | 85.7 | 14.3 |

From this frequency table 4.6, it is revealed that on average only 14.3% of the respondents have assessed MPC's performance from financial perspective as being high and or very high. This is not satisfactory considering that on average 85.7% of respondents have assessed MPC as being either average or below average. This argument is supported further through MPC's documents review, through MPC's financial statement (statement of comprehensive income) and statement of financial position from 2011 to 2014, it is apparent that MPC performance financially is inconsistent. From these documents, MPC managed to make profits in year 2011 and 2013 only and made losses in 2012 and 2014. From the same documents it is revealed that MPC's current ratio has been below the traditionally satisfactory norm of 2:1. For instance in 2014 it was almost 1.7:2.5. This means that MPC short-term financial position for all these years has not been healthy. This confirms management conviction in MPC (2010) and MPC (2013) that without external financial or government support, its performance will be challenged. It also shows that MPC is failing to achieve its commercial goal and confirms the literature that goals that are difficult or impossible to achieve given your available resources no matter how hard you try or how much effort is exerted; such goals should not be set (Robbins & Coulter, 2003). This means MPC has a lot of work to do in this perspective in view of its other social service goal. If nothing is done to improve the situation, the other perspectives are likely to suffer as well.

According to Niven (2000) this perspective is very important because it helps management in assessing whether the initiatives from learning and innovation perspective, internal processes perspective and customer perspective are contributing to the bottom line and also that without this perspective, the other perspectives cannot take place, as they will need funds from this perspective. It is expected with these results that MPC will keep on struggling overall because it will not be able to fund other perspectives due to its limitations in this financial perspective.

4.3 Overall mean performance of MPC from all four perspectives of the BSC

The overall results of the performance of MPC from all the four perspectives of the BSC model are presented in figure 4:8 below.

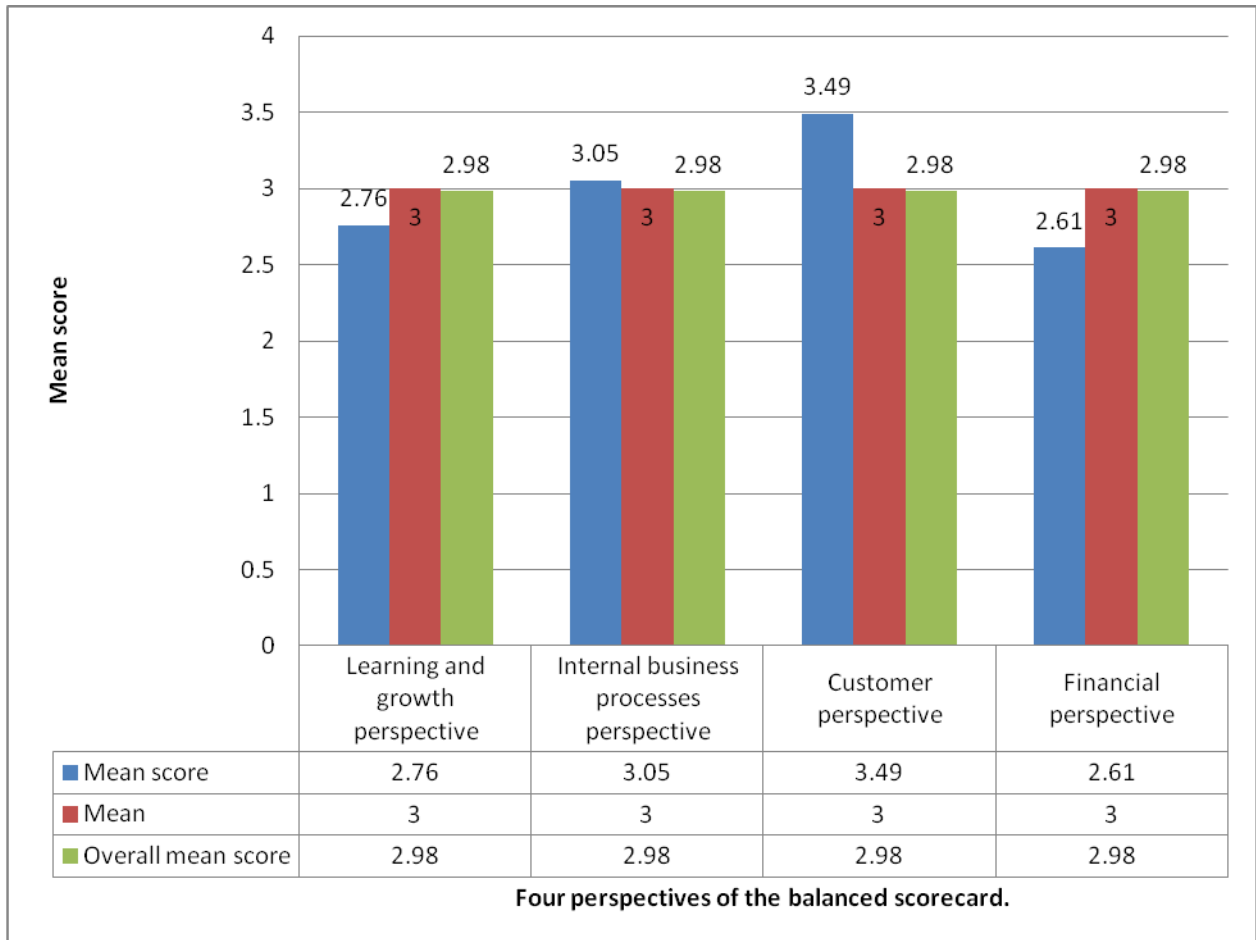


Figure 4.8. Bar chart showing overall results of MPC performance from all four perspectives of BSC

From the bar chart in figure 4:8 it is shown that MPC has an overall mean score of 2.98 from all the four perspectives of BSC. A mean score of 2.98 is below average performance. This means that overall the respondents have assessed MPC's performance as being poor according to performance assessment criteria in this research where anything that is below or equal to 3 is regarded as poor performance. This means that MPC needs to work extremely hard to make improvements in learning and growth perspective and financial perspective as the results in these

perspectives are below average or poor. It also needs to work hard in customer perspective and internal business process perspective. The result in customer perspective though above average using the mean score, is almost neutral using the frequency table 4.5. From this frequency table 4.5, it is revealed that overall 49.8 % of respondents have assessed MPC performance on customer perspective as being average and or below average. It is only 50.2 % that have assessed MPC's performance in this perspective as being high and or very high. Statistically this difference of .02% is negligible.

The overall poor performance of MPC could be contributed by the fact that MPC does not use a robust performance assessment tool like the BSC Model when assessing its performance. It is more likely, because of the absence of such a tool that the performance of certain areas could go unnoticed while their performance are declining and no corrective action is taken because of lack of information. While the DPOs of Germany, Netherlands and Sweden liberalized their postal market and do not get USF or direct Government subvention, the results have shown that MPC cannot operate independently at the moment without external financial support. There are a number of shortfalls that will certainly need financing if MPC is to bounce back and begin making positive strides.

4.4 Results and discussions on universal service fund and performance

In this section the study wanted to investigate whether the absence of Universal Service Fund compromises MPC's performance and affects the postal industry in Malawi in general. The respondents were asked to express their views on this topic using a Likert Scale of 1 – 5 where 1 denotes strongly disagree, 2 disagree, 3 not sure, 4 agree and 5 strongly agree. The results are presented in table 4.7.

Table 4.7 Overall mean score table on assessment of variables on USF

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | Overall Mean Score |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|
| N Valid | 60 | 60 | 59 | 60 | 60 | 60 | 58 | 59 | 59 | 60 | 60 | 59 | 60 | |
| Missing | 0 | 0 | 1 | 0 | 0 | 0 | 2 | 1 | 1 | 0 | 0 | 1 | 0 | |
| Mean Score | 4.40 | 4.08 | 3.42 | 3.45 | 3.90 | 3.42 | 3.24 | 3.51 | 3.31 | 3.33 | 3.92 | 3.83 | 3.48 | 3.64 |

A total of 68 questionnaires were distributed for this perspective and 60 were returned representing 88.24% response rate. With this response rate the results could be said to be representative of the sample tested. However the results have also shown that out of 60 questionnaires returned a total of 6 questions were not answered. Table 4.7 presents the results on this topic. However, the variables that were assessed have not been written down in the table but have just been numbered. This was due to limited space in the table. However, the variables to which each number represents have been explained in table 4.8.

Table 4: 8 List of variables assessed on USF

| Variable | Description |
|----------|--|
| 1 | Government must create Universal Service Fund to assist the Designated Postal Operator (Malawi Posts Corporation) mitigate high cost arising from Universal Service Obligation |
| 2 | The absence of Universal Service Fund prevents Malawi Posts Corporation from carrying its Universal Service Obligation effectively. |
| 3 | The absence of Universal Service Fund contributes overall to failure of Malawi Posts corporation to sustain its operations financially. |
| 4 | The absence of Universal Service Fund hampers Malawi Posts corporation in its modernization effort. |
| 5 | The absence of Universal Service Fund leaves Malawi Posts Corporation with limited financial resources for re-investment |
| 6 | Without Universal Service Fund innovation in Malawi Posts Corporation will be done at a snail's pace. |
| 7 | The absence of Universal Service Fund compromises the quality of service delivery by Malawi Posts Corporation |
| 8 | The absence of Universal Service Fund is contributing to overall higher national postal tariff. |
| 9 | The absence of Universal Service Fund and the insistence on reserved service could contribute to inefficiency of the postal industry in Malawi |
| 10 | Universal service fund must be created first and then open up the postal market to competition |
| 11 | The opening of postal market to competition will give customers a wide choice between products and service providers. |
| 12 | The opening of postal market to competition will bring efficiency in the postal industry. |
| 13 | Efficiency in the postal industry will bring down prices and this will improve the welfare of people. |

According to results as presented in table 4:7 the overall mean score from the respondents on this topic is 3.64 well above the average of 3 according to the scale, this means that the majority of respondents are of the view that the absence of Universal Service Fund compromises MPC's performance and affects the postal industry in Malawi in general. This implies that GoM must

create Universal Service Fund if the performance of MPC is not to be compromised and if the postal industry in Malawi in general is not to be affected. As depicted by a mean score of 4.4 in table 4:7, the majority of respondents agree that GoM must create Universal Service Fund to assist the Designated Postal Operator (Malawi Posts Corporation) mitigate high cost arising from Universal Service Obligation. This variable is represented by 1 in table 4.8. In addition the majority of respondents agree that the absence of Universal Service Fund prevents MPC from carrying out its Universal Service Obligation effectively and that this leaves MPC with limited financial resources for re-investment as depicted by mean scores of 4.0 and 3.9 respectively on variables represented by 2 and 5 in table 4:8. Further to this, the majority of respondents agree that the opening of postal market to competition will give customers a wide choice between products and service providers as depicted by mean score of 3.92 whose variable is represented by 11 in table 4.8 and that the creation of USF will also bring efficiency in the postal industry as depicted by mean score of 3.83 whose variable is represented by 12 in table 4:8.

4.5 Chapter Summary

In this chapter the results of the study were presented and discussed. The results were presented using pie chart, tables and bar charts. Respondents demographics were presented according to category of respondents, gender and work experience. The results on performance of MPC from all perspective of the BSC were first presented, analysed and discussed separately for each individual perspective. Then the overall performance of MPC from all four perspectives was presented, analysed and discussed. Finally a presentation, analysis and discussion was made on findings on universal service fund.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The research overall objective was to assess using the BSC model as a performance and strategic management tool the level of performance of MPC from all four perspectives. In addition, it investigated whether the absence of Universal Service Fund compromises MPC's performance and affects the postal industry in Malawi in general. Literature on BSC, performance and postal business (reserved service and universal service fund) was reviewed. Pragmatic research philosophy and survey strategy were adopted. Stratified random sampling technique was used. The data (both quantitative and qualitative) were collected through document review and structured postal questionnaires. Data were analysed using descriptive statistics using Statistical Packages for Social Sciences (SPSS) and Microsoft Excel package. Research ethics to do with privacy, confidentiality and consent were observed. The results were presented through pie chart, tables and bar charts. The results of the research have shown that MPC is rated poorly overall from all the four perspectives of the BSC and also that the absence of Universal Service Fund (USF) is contributing negatively to overall performance of MPC.

In this chapter, the results of the research are summarized, recommendations or proposed solutions to some areas where MPC's performance is challenged are made and also areas worth carrying future research have been highlighted.

5.1 Conclusion

In conclusion, the results of the research have addressed the research objectives and questions. The objectives of the research have been met by the study. The results of the research have shown that MPC is rated poorly overall from all the four perspectives of the BSC and also that the absence of Universal Service Fund (USF) is contributing negatively to overall performance of

MPC. On specific objectives, in the first place, the study has revealed that the performance of MPC on learning and growth perspective is poor. Secondly the study has revealed that there are gaps in its internal business process perspective especially in the following variables: liquidity management, effectiveness of performance management, length of procurement cycle time, length of payment processing time and frequency of stock outs. Thirdly the study has brought to light that MPC is rated highly by all its customers. In the fourth place MPC's effectiveness and efficiency from its financial perspective has been rated as very poor. Lastly the study has revealed that the absence of USF compromises MPC's performance and the postal industry in Malawi in general.

The results have shown using the mean score that MPC has scored very poorly on financial perspective, poor on learning and growth perspective and slightly above average on internal business process perspective and well above average on customer perspective. On individual variables, the research has shown that MPC has been rated very poorly on liquidity management and very highly on reliability. The results have also revealed that the performance of support functions of MPC is poorer compared to performance of the core function (operations Department). The results have also shown that even if MPC starts receiving USF or direct Government subvention, there is no guarantee that things at MPC can be turned around and become profitable. This is because the results have shown that MPC has been rated very poorly even in some performance areas where no money or funding is required. For instance on learning and growth perspective, variables such as existence of team spirit, employee motivation, effective communication, level of employee empowerment, availability of business culture and making and updating of routines (policies), MPC has been rated very poorly. Similarly on internal business process perspective, MPC has been rated poorly on liquidity management and effectiveness of performance management variables. Certainly, an organisation does not need funding to enable it manage these areas well. Unfortunately, MPC has scored poorly in these areas yet these variables are very fundamental in growth and sustainability of the company.

It is pleasing to note that MPC's best score is on customer perspective. Using the mean score MPC has score above average on each individual variable in this perspective. This means that irrespective of its other shortfalls, MPC knows what it stands for that is satisfaction of its

customers. This gives hope to MPC as customers are very crucial to every organisation and in this instance; customers still regard MPC as performing well to their satisfaction. This is the strongest point for MPC.

The absence of a robust performance assessment tool like the BSC Model could be contributing to declining performance of MPC in certain areas as it is more likely that such areas go unchecked as a result no corrective action is taken because of lack of information. While the DPOs of Germany, Netherlands and Sweden liberalized their postal market and do not get USF or direct Government subvention, the results have shown that MPC cannot operate independently at the moment without external financial support. There are a number of shortfalls that will certainly need financing if MPC is to bounce back and begin making positive strides. Through document review management's conviction in MPC (2010) and MPC (2013) has been confirmed. This clearly shows that MPC is failing to achieve its commercial goal and confirms the literature that goals that are difficult or impossible to achieve given your available resources no matter how hard you try or how much effort is exerted; such goals should not be set (Robbins & Coulter, 2003). This is in view of the fact that MPC has also a social service motive goal.

5.2 Recommendations

In view of the results of the research and the literature reviewed, the following recommendations are made to MPC management and by extension to GoM.

5.2.1 Adopt BSC

MPC must adopt the use of BSC in the assessment of its performance. This will help it analyse more areas of importance for timely remedial action than now where it is focusing all its efforts on assessing its performance mainly from financial perspective. In this way, there will not be certain grey areas that will go unnoticed.

5.2.2 Create USF

MPC is encouraged to persistently press GoM for timely creation of USF. It is common knowledge that without finance the other perspectives cannot take off. The results of the research could be used as a back up to support MPC's arguments for funding. However, MPC management must also ensure that its house is put in order as creation of USF is not in itself a solution to all MPC's challenges.

5.2.3 Enhance liquidity management

MPC must have a deliberate policy on liquidity management. The policy must be respected and adhered to. The policy must spell out clearly what needs to be done and when. It is recommended that MPC must put in place good credit policy and effective cash flow management procedures. In times of plenty, MPC must ensure that it has enough liquidity to guarantee the orderly funding of its operations in lean periods. It must provide for a prudent cushion for unforeseen liquidity needs; and must invest its liquid funds in a manner which will safeguard the need for security and liquidity.

5.2.4 Create performance charters

MPC must ensure that it creates performance or quality service charters for every operation, service or function. It must be estimated, known and documented as to how long for example procurement of certain items takes, processing of payment for suppliers take. Variances must be analysed, reasons or factors for variances identified and presented in every management meeting and corrective action taken. This will help improve MPC's internal business process perspective variables such as length of procurement cycle time and length of payment processing time.

5.2.5 Make performance management effective

MPC must ensure consistence and fairness in treatment of all employees. Employee performance must be based on merit. Where possible MPC must consider introducing a system where employees say working in same section must be able to assess one another's performance and not

leave the entire assessment to one supervisor. Rewards for good performance must be spelt out clearly for each performance level achieved. Little should be left to management discretion when deciding on rewards for employees to avoid bias.

5.2.6 Improve on tangibles or ambience

MPC must facelift its offices. A rehabilitation or maintenance policy must be put in place to ensure that offices are repaired, painted and re-painted within a specified time. Cleanliness must be enhanced. Modern office accessories and furniture must be procured to replace the old one.

5.2.7 Provide adequate resources

MPC must realign its priorities. Income generating resources must always be provided irrespective of the financial position. MPC must not be afraid to invest in income generating activities as long as all the risks have been properly or diligently calculated.

5.2.8 Encourage innovation

MPC must encourage creativity and begin to reward employees for creative ideas. It must also be willing to invest in market research to test the feasibility of the new ideas. MPC must not rush to invest in new product or service lines without doing a thorough cost benefit analysis as doing so can also erode the limited financial resources it has.

5.2.9 Champion business culture

MPC must have a clear policy on recruitment, rewards, promotions, fringe benefits, performance management, service delivery, training and development. The leadership or management must ensure consistence in implementation of these functions. MPC must formulate well regulated performance targets for its staff and objectively implement them. In addition, MPC must introduce ongoing business sensitization forums for all its staff and not just selected staff.

Everybody must be put in the loop and this could be done through either meetings or electronic means. Salaries or rewards must be in tandem or commensurate with the officers' contributions and not just mere rank. All new positions must be created based on need and not mere job creation.

5.2.10 Decentralise some support functions

MPC must ensure that some of its support functions where it has performed very poorly according to the results of this study are decentralized to its core functions. The research results have shown that where the core function or department does not need direct support from other support functions or departments, its performance on certain variables peculiar to the department has been good. It must also examine inter-departmental relationship between operations (core function of MPC) and support functions of MPC and try to improve on coordination between or among these departments. Otherwise it will be difficult for MPC to achieve its vision, mission and objectives under the current situation.

5.3 Possible research areas

It would be wrong to conclude that MPC's poor performance is all the result of weak or limited financial resources especially that even in certain areas where no direct financial injection are needed for their smooth operations, MPC has scored poorly. In view of this it would not be a waste of effort to investigate whether the quality of MPC leadership contributes also to this poor performance.

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APPENDIX 1: QUESTIONNAIRE

Assessing the performance of Malawi Posts Corporation (MPC) using the Balanced Scorecard (BSC) Model

UNIVERSITY OF MALAWI – THE POLYTECHNIC

**QUESTIONNAIRE FOR MASTER OF BUSINESS ADMINISTRATION DEGREE
RESEARCH STUDY**

To Respondent:

This questionnaire is designed to collect data for dissertation purpose in fulfillment of the Master of Business Administration Degree requirement. The purpose of the study is to assess the performance of Malawi Posts Corporation (MPC) using the Balanced Scorecard Model as a performance assessment tool and also to investigate whether the absence of Universal Service Fund affects MPC's performance and the postal industry in Malawi in general. The data that you will provide will be used for academic purpose only and will be treated with the level of confidentiality that it deserves. To affirm to this assertion, please **DO NOT** provide your name or any form of your identification on this questionnaire. Therefore you are encouraged to be sincere with your responses. Thank you in advance for sparing your invaluable time to fill this questionnaire.

SECTION A

Questionnaire Seal: **MBA15/12/PG/024E**

Name of interviewer: SHADRECK E. VOKHIWA

Questionnaire number

| | | |
|---|---------------------|---------------------|
| 1. Please indicate your gender by putting a circle where appropriate | | |
| (i) Male | (ii) Female | |
| 2. Please fill the name of your organization in space provided below | | |
| | | |
| 3. How long have you been in service with the organization? Please circle where appropriate. | | |
| (i) Less than – 6 years | (ii) 6 – 10 years | (iii) 11 – 15 years |
| (iv) 16 – 20 years | (v) 21 – 25 years | (vi) 26 – 30 years |
| (vii) 31 – 35 years | (Viii) 36 and above | |

SECTION B

| |
|--|
| 1. Please assess MPC’s performance on the following Learning and Growth Perspective variables using the key or criteria provided below. |
| 1- Very poor performance 2 – Poor performance 3 – average performance 4 – High Performance 5 – Very high performance |

| Learning and Growth Variables | Circle only one option 1 – 5 | | | | |
|---|-------------------------------------|---|---|---|---|
| 1 Commitment to training and development | 1 | 2 | 3 | 4 | 5 |
| 2 Retention of key employee | 1 | 2 | 3 | 4 | 5 |
| 3 Existence of teamwork spirit | 1 | 2 | 3 | 4 | 5 |
| 4 Availability of skills, talent, training and knowledge | 1 | 2 | 3 | 4 | 5 |
| 5 Employee Motivation | 1 | 2 | 3 | 4 | 5 |
| 6 Effective communication | 1 | 2 | 3 | 4 | 5 |
| 7 Availability of strong leadership | 1 | 2 | 3 | 4 | 5 |
| 8 Availability of abundant resources | 1 | 2 | 3 | 4 | 5 |
| 9 Level of employee empowerment | 1 | 2 | 3 | 4 | 5 |
| 10 Availability of business culture | 1 | 2 | 3 | 4 | 5 |
| 11 Making and updating of routines (policies) | 1 | 2 | 3 | 4 | 5 |
| 12 Innovation | 1 | 2 | 3 | 4 | 5 |

2. (a)

Please assess MPC’s performance on the following Internal Business Process Perspective variables using the key or criteria provided below

| | | |
|---------------------------|---------------------------|-------------------------|
| 1 - Very poor performance | 2 – Poor performance | 3 - Average performance |
| 4-High Performance | 5 – Very high performance | |

| Internal Business Process Perspective variables | Circle only one option 1- 5 | | | | |
|---|------------------------------------|---|---|---|---|
| 1 Adherence to mail dispatching time tables or schedules | 1 | 2 | 3 | 4 | 5 |
| 2 Vehicle maintenance management | 1 | 2 | 3 | 4 | 5 |
| 3 Liquidity management | 1 | 2 | 3 | 4 | 5 |
| 4 Effectiveness of performance management system | 1 | 2 | 3 | 4 | 5 |

2 (b)

Please assess MPC's performance on the following Internal Business Process Perspective variables using the key or criteria provided below.

1- Very Low 2 – Low 3 – average 4 – High 5 – Very high

| Internal Business Process Perspective variables | | Circle only one option 1 – 5 | | | | |
|--|---|-------------------------------------|---|---|---|---|
| 1 | Frequency of missed delivery | 1 | 2 | 3 | 4 | 5 |
| 2 | Length of queuing time | 1 | 2 | 3 | 4 | 5 |
| 3 | Length of procurement cycle time | 1 | 2 | 3 | 4 | 5 |
| 4 | Length of payment processing time | 1 | 2 | 3 | 4 | 5 |
| 5 | Remittance mobilization or replenishment cycle time | 1 | 2 | 3 | 4 | 5 |
| 6 | Frequency of stock outs | 1 | 2 | 3 | 4 | 5 |

3. Please assess MPC's performance on the following Customer Perspective variables using the key or criteria provided below.

1 - Very poor performance 2 – Poor performance 3 - Average performance
4 - High Performance 5 – Very high performance

| Customer Perspective Variables | | Circle only one option 1 – 5 | | | | |
|---------------------------------------|---------------------------------|-------------------------------------|---|---|---|---|
| 1 | Reliability | 1 | 2 | 3 | 4 | 5 |
| 2 | Responsiveness | 1 | 2 | 3 | 4 | 5 |
| 3 | Assurance | 1 | 2 | 3 | 4 | 5 |
| 4 | Empathy | 1 | 2 | 3 | 4 | 5 |
| 5 | Tangibles or Ambience | 1 | 2 | 3 | 4 | 5 |
| 6 | Delivery time | 1 | 2 | 3 | 4 | 5 |
| 7 | Handling of customer complaints | 1 | 2 | 3 | 4 | 5 |

4. Please assess MPC's performance on the following Financial Perspective variables using the key or criteria provided below.

1 - Very Low 2 – Low 3 – average 4 – High 5 – Very high

| Financial Perspective Variables | | Circle only one option 1 – 5 | | | | |
|--|---|-------------------------------------|---|---|---|---|
| 1 | Profitability | 1 | 2 | 3 | 4 | 5 |
| 2 | Liquidity | 1 | 2 | 3 | 4 | 5 |
| 3 | Credit rating | 1 | 2 | 3 | 4 | 5 |
| 4 | Level of gearing | 1 | 2 | 3 | 4 | 5 |
| 5 | Asset utilization or efficient utilization of resources | 1 | 2 | 3 | 4 | 5 |
| 6 | Growth in tangible assets | 1 | 2 | 3 | 4 | 5 |

SECTION C

- 1. What are your views on the following statements regarding Universal Service Fund? (The fund that is set up by Government to assist the Designated Postal Operator or the provider of Universal Service mitigate the effect of high cost arising from its Universal service Obligation). Please express your views using the key or criteria provided below.**

1- Strongly Disagree 2 – Disagree 3 – Not Sure 4 – Agree 5 – Strongly agree

| Universal Service Fund | Circle only one option 1– 5 | | | | |
|--|------------------------------------|---|---|---|---|
| 1 Government must create Universal Service Fund to assist the Designated Postal Operator (Malawi Posts Corporation) mitigate high cost arising from Universal Service Obligation. | 1 | 2 | 3 | 4 | 5 |
| 2 The absence of Universal Service Fund prevents Malawi Posts Corporation from carrying its Universal Service Obligation effectively. | 1 | 2 | 3 | 4 | 5 |
| 3 The absence of Universal Service Fund contributes overall to failure of Malawi Posts corporation to sustain its operations financially. | 1 | 2 | 3 | 4 | 5 |
| 4 The absence of Universal Service Fund hampers Malawi Posts corporation in its modernization effort. | 1 | 2 | 3 | 4 | 5 |
| 5 The absence of Universal Service leaves Malawi Posts Corporation with limited financial resources for re-investment. | 1 | 2 | 3 | 4 | 5 |
| 6 Without Universal Service Fund innovation in Malawi Posts Corporation will be done at a snail's pace. | 1 | 2 | 3 | 4 | 5 |
| 7 The absence of Universal Service Fund compromises the quality of service delivery by Malawi Posts Corporation | 1 | 2 | 3 | 4 | 5 |
| 8 The absence of Universal Service Fund is contributing to overall higher national postal tariff. | 1 | 2 | 3 | 4 | 5 |
| 9 The absence of Universal Service Fund and the insistence on reserved service could contribute to inefficiency of the postal industry in Malawi | 1 | 2 | 3 | 4 | 5 |
| 10 Universal service fund must be created first and then open up the postal market to competition | 1 | 2 | 3 | 4 | 5 |
| 11 The opening of postal market to competition will give customers a wide choice between products and service providers. | 1 | 2 | 3 | 4 | 5 |
| 12 The opening of postal market to competition will bring efficiency in the postal industry. | 1 | 2 | 3 | 4 | 5 |
| 13 Efficiency in the postal industry will bring down prices and this will improve the welfare of people. | 1 | 2 | 3 | 4 | 5 |

Please use my contacts below after completion of the questionnaire.

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