

CHAPTER FIVE

CONCLUSIONS, DISCUSSION AND RECOMMENDATIONS

This chapter presents (1) a summary of the study, (2) a summary of the findings, (3) discussion of the findings, (4) conclusions, and (5) recommendations for further research.

5.1 SUMMARY OF THE STUDY

5.1.1 Objectives of the Study

The study of the reaction of employees to Balanced Scorecard (BSC) was conducted to examine factors that may influence employee reaction to BSC, describe the characteristics of employees who have positive or negative opinions about BSC, describe the understanding of superiors and subordinates about BSC and find out the strategies that the top management should use to enhance the employees to comply with BSC.

5.1.2 Subjects, Materials, and Procedures

The study population was 320 employees at Agility, Thailand. The stratified sampling method was utilized to select the sample of 160 or 50% of total population. The format of the self-administered questionnaire was employed to collect the data from the respondents on December 1-26, 2008.

The questionnaire was developed and divided into 4 parts:

Part 1: Close-ended and open-ended questions to collect demographic information i.e. gender and education.

Part 2: Close-ended and open-ended questions to obtain working information such as experience and department.

Part 3: Likert's 5-point rating scale to measure the respondents' awareness and understanding about BSC i.e. concepts and objectives.

Part 4: Open-ended questions to receive more information from the respondents' comment and suggestion such as expectation from BSC implementation.

This study used both the primary data: the responses to the questionnaires and the secondary data: the information from textbooks, journals and websites. The SPSS program was employed to analyze all the statistical data and the analytical formats were demonstrated in tables.

5.2 SUMMARY OF THE FINDINGS

The results of the study can be summarized as follows:

5.2.1 General Information Results

The study showed that 59.4% of the respondents were female and the age of most of them were between 21-30 years old (45.0%). Moreover, 49.4% of the respondents held bachelor's degrees and 52.5% majored in Business Administration. Most of them were single.

5.2.2 Working Information Results

It was noticed that the respondents have been working at Agility for 3-4 years (26.2%) and the majority of employees have been working in the Operations Department. Most of them were Officer Staff and 115 respondents did not have subordinates. They were informed about BSC information by Manager/Supervisor (44.4%)

5.2.3 BSC Awareness and Understanding

Most of the respondents were aware that the company has been implementing BSC and knew the objectives of this implementation. They were confident BSC

would develop the organization. However, the respondents perceived that BSC has not been communicated throughout the company by using simple language.

5.2.4 Suggestions

The majority of the respondents expected that the internal process will be developed to accomplish the organization's ambitions. They would like the Management to communicate with employee company-wide so that everyone in the organization can understand how important and beneficial is the BSC.

5.3 DISCUSSION

This section concerns how the findings of this study relate to the theories and the earlier research in the following areas: the factors that are perceived as obstacles to complying with BSC, the characteristics of employees who have positive or negative thinking about BSC, the understanding of superiors and subordinates about BSC and the strategies to enable the employees to comply with BSC.

5.3.1 The study revealed the respondents perceived that BSC has not been communicated throughout the company by using simple language. This can imply that communication in the organization is an obstacle for employees. Furthermore, the language should be easy to understand due to the frame of references difference. This is consistent with Hamilton and Parker's (1997) study that the message can be interpreted in different meanings because of different frames of reference e.g. educational background, experience, where the person grew up, attitudes and personality. Therefore, the wording should be clear and concise before relaying BSC information to the employees in the organization.

5.3.2 Most of the respondents agreed to implement BSC in the organization and they were aware of the aims of this project. In other words, the employees had positive thinking and opened their minds to BSC implementation. They were certain that BSC could help them leverage their competency and they expected that BSC

could develop its internal processes. This result corresponds with Vroom's expectancy theory (1964) that work motivation is determined by individual beliefs regarding effort/performance relationships and work outcomes. A person is motivated to the degree he or she believes that effort will yield acceptable performance, performance will be rewarded and the value of the rewards is highly positive.

5.3.3 The study indicated that both superiors and subordinates knew the concept and process of BSC implementation and agreed that BSC could decrease the number of internal processes. These can imply that both parties had an understanding of BSC and the benefits they would gain from this implementation. This result conforms to Schiffmann's study perception research (as cited in Schermerhorn, Hunt, and Osborn, 2005, p. 100). He defines perception as the process by which people select, organize, interpret, retrieve and respond to information from the world around them. Both superiors and subordinates select the information about BSC they should pay attention to. After interpreting, they found BSC implementation could give them some advantages.

5.3.4 From the study, it was found that the respondents would like the Management to communicate with company-wide employees so that everyone in the organization can understand how important and beneficial BSC will be to them. Although the BSC information is conveyed from the executives to the lower level managements as downward communication, the language of the message might be formal wording which lower level management might not clearly understand the intended meaning of this message. Consequently, they can roughly inform the BSC concept and process to their subordinates. This also corresponds with the progress level of BSC implementation at Agility Thailand. Currently, the progress level has been 60% complete because the employees may not know what and how to take action for the next step. This is partly consistent with Schneiderman's study in 1999 (as cited in Molleman, 2007, p. 5). He states the significant process improvements throughout the organization fail to generate bottom line results if there is no deployment system that brings high level goals down to the sub-process level where actual improvement activities reside. As the implementation involves the whole

organization, so top management should ensure that all lower level employees have a clear understanding.

According to Norton and Kaplan's study (as cited in Rousseau, 2004, p. 96) about BSC Implementation, the management team should set up communication and education programs for all employees. Thus, the organizational communication should be a strategy that executives select to encourage the employees to comply with BSC. The organization communication strategy covers everything from clarity of vision, employee relations, language and material used for BSC implementation. The management should concentrate on upward and lateral communication to listen to employee feedback and set up face-to-face meetings with the employees to review the implementation plan weekly. Furthermore, sometimes the management may hold the meeting somewhere out of the office e.g. a restaurant or conference room in a hotel. Besides the meetings, the information about the BSC such as concept, process and plan should be publicized on company news boards to help all the employees be aware and familiar with this strategic tool.

5.4 CONCLUSIONS

The following conclusions can be drawn from the discussion above:

5.4.1 The obstacle for employees to implement the Balanced Scorecard was communication in the organization and the language used.

5.4.2 The respondents had positive thoughts about BSC implementation since they were confident that BSC could help them to leverage their competency. Both superiors and subordinates understood the concept and process. They expected that the internal processes would be developed after implementing this project.

5.4.3 The respondents would like the executives to communicate with the employees throughout the organization so that everyone could understand how important and beneficial it would be from this implementation. Thus, management should focus on organizational communication to support the employees.

5.5 RECOMMENDATIONS FOR FURTHER RESEARCH

Based on the findings and conclusions of this study, the following recommendations are made for future research.

5.5.1 Due to time limitations, the findings from this study may not represent the entire amount of employee opinion in this organization. The sample size of future research should be at a larger scale to make the research more valid and reliable.

5.5.2 The future research should include management interviews so that the researcher can compare the different aspects between executives and employees.

5.5.3 An in depth information report about the companies which are implemented BSC in Thailand is rarely found in public since the details are confidential for each organization. Therefore, future research should include some primary information by interviewing the experts who have experience of BSC e.g. a BSC consultant.