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Evaluating Performance Contracting as a Tool for Evaluating State-Owned Enterprises in Two Developing Countries: A Look at the Performance Dimensions

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Abstract
This paper is concerned about the performance evaluation aspect of performance contracting (PC), particularly, the performance dimensions used in performance contract system for evaluating the performance of State-Owned Enterprises (SOEs). The paper draws on evidence from the Ghanaian and Kenyan SOE sectors. The performance indicators under each broad performance dimension of the performance contract system were reviewed. This was achieved using data collected from multiple secondary sources including policy documents, government reports and publications. The findings of the paper revealed a number of insights into the evaluation of performance contracting as a tool for evaluating SOEs.
Keywords: performance evaluation system, performance contracting, State-owned enterprises, performance dimensions, Ghana, Kenya

1.0 Introduction

The system of performance contracting dates back to the 1960s, but was introduced as part of the sponsored reform experimentations by the World Bank and the International Monetary Fund (IMF) in the 1980s to governments in developing countries (Islam, 1993; Mallon, 1994; Nellis, 1988; Shirley and Nellis, 1991; World Bank, 1995). Though the system is concerned with relationship based on mutually agreed responsibilities and obligations between two parties; namely, government at one hand and SOEs on the other, the system also has several objectives including accountability, corporate planning, performance monitoring and evaluation, and improved performance in any respect (Islam, 1993; Trivedi, 2008; Shirley, 1989; Shirley and Xu, 1998, 2001).

Over the years, there have been studies examining the nature of the system, the sets of activities that the system entails, and the impact of the system on the SOEs practices and performance (e.g. Larbi, 2001; Shirley & Xu, 1998, 2001; Simpson & Onumah, 2010). However, studies examining the impact of the system on the performance of SOEs seem- to have dominated the literature despite the mixed results (Larbi, 2001; Shirley & Xu, 1998, 2001). This study argues that the mixed results on the impact of the system can be explained by the nature of the performance evaluation aspect of the PC system. Indeed for studies with positive results, scholars argue that the targets negotiated are easy (soft), resulting in what is known as "ratchet effect" (Weitzman, 1980). Specifically, the targets are said to be weak, manipulated and distorted arising from SOE managers' information advantage (see e.g. Larbi, 2001; Shirley & Xu, 1998, 2001). However, these assertions are not supported with any empirics (Shirley & Xu, 1998).

The foregoing makes the performance evaluation aspect of the performance contracting system an area of interest. Moreover, the issues that may be of interest are the institutional arrangements for performance evaluation, the processes of performance evaluation, and the performance evaluation indicators. The purpose of this study is to focus only the performance dimensions used in the PC system for evaluating the performance SOEs.

To achieve the objective of this paper, evidence is gathered from two countries which adopted and implemented the PC system under different circumstance and at different time periods: Ghana and Kenya. For instance, Ghana was the first Anglophone nation to adopt the performance contracting system in Africa and the operation of the system has overtime undergone a myriad of changes. On the other hand, Kenya implemented performance contract in her SOEs sector in 2004 and by 2007, the operation of the system has earned the country a place among the top 20 countries in the world per the United Nation's award for excellence in public service and public sector reform introduced in 2003. In fact, the performance contracting system of Kenya won the first position in the category of accountability, transparency and responsiveness in delivering public service (Government of Kenya, 2010).

In light of the above, evidence from the two countries does not only provide useful lessons to other developing countries, but also engender debate on whether the length of experimenting the performance contract system affects its operation. The rest of the paper is organized as follow. The next section provides an overview of the literature in relation to the purpose of this study. This is followed with the research method adopted for the study, including an overview of the research settings. The next section presents results in relation to the two

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cases, and the penultimate section discusses the results from the cross-case analysis. Conclusions are presented in the final section.

2.0 Overview of the literature

Performance contracting can be traced to the French who invented what they referred to as contract program in the 1960s and has evolved to be known as contract plan (Islam, 1993; Shirley, 1989; Nellis, 1988). Nellis (1988) explained that, the invention was spurred by reports of poor financial performance of SOEs which dominated the French economy following her reaction to the World wars (I and II) and policy of nationalisations. He added that, based on the diagnosis of the problem of poor performance, contracting was designed to clarify goal and objectives of SOEs, set targets on inputs and outputs, subventions, wage bills, pricing and tariffs, etc., so as to ensure a balanced autonomy between government who are owners of the SOEs and the managers/board of directors of SOEs.

By nature, contract plan comprises an arrangements where two parties, namely, the owner of a SOE enterprises represented by government and the SOE represented by its board/management, mutually agree on some obligations and responsibilities (Nellis, 1989), hence the term contract. Generally, the contract outlines of rights, obligations and responsibilities of both parties, but from the above studies, the contract period historically spanned for 5 years. The duration of the contract from the late 1970s to early 1980s was reduced to 3 and 2 years with provisions that allow annual reviews and revisions to reflect actual and potential changes that affect the operation of the SOEs. Moreover, the plans were restructured to promote transparency with respect to the financial obligations of parties to the contract, publication of SOE performance, and investment decisions.

The foregoing changes have over the years been consolidated into four broad objectives identified with the contract plan (Nellis, 1988, p, 19):

- To assure coordination between the medium term objectives of the enterprise and the policy of the State;
- To associate the enterprise in the realization of objectives of national interest;
- To mobilize the personnel of the enterprise to support the defined objectives;
- To allow autonomy of management; and
- To define and specify the financial relations of the enterprise and the State.

Based on some recorded success stories, the French extended the principles of the contract plan to her colonies (e.g. Tunisia, Senegal, and Morocco), and others developing countries also imported the system relying on the general underpinnings to develop their own and as part of the World Bank sponsored reform programmes under various tags (Nellis, 1988). The most common include India's memorandum of understanding (MOU), Korea's performance evaluation and monitoring systems, Pakistanis' signalling system, and Philippines' performance monitoring and evaluation system, performance agreement, results framework, performance contract, and many more (Islam, 1993, Trivedi, 2005; Shirley, 1989; Shirley & Xu, 1998).

The afore-mentioned versions of performance contracting highlights the inappropriateness of the term contract since that suggests that the content are enforceable at the law court. In practice, contract plans are unenforceable in the judicial system (see e.g. Nillis, 1988). Furthermore, performance evaluation is emphasized in later versions of post France's contract plan. In the signalling system for instance, the objectives are to ensure performance evaluation system that promoted socially desirable performance; create Performance Information System for reliable measure of public enterprise economic performance; and provide an incentive/rewarding system for management and staff of public enterprises if targets are met. Similarly in India's MOU, performance evaluation is rooted in that mechanism to compel improvement of performance management (Trivedi, 2005).

With regards to World Bank sponsored performance contracts also, Shirley and Nellis (1991) note that the objectives include setting explicit and realistic objectives consistent with commercial operations, allowing greater managerial autonomy in all areas of decision making (operations, engaging managers), clarifying and streamlining the extent of government involvement in SOE decision making, holding managers accountable by negotiating targets, monitoring and evaluating results, and rewarding managers and staff on the basis of performance.

In all of the above, performance monitoring and evaluation is considered critical because it involves assessing the extent to which mutually agreed objectives and targets are achieved, and also informs the quantum of incentive to be offered (Islam, 1993; Shirley, 1989; Shirley & Xu, 1998, 2001; Nellis, 1988, 1989; Trivedi, 2005). However, studies on the performance evaluation aspect of performance contracting relative to the other elements have minimal attention. Indeed, although many of the studies on performance contracting highlight the performance monitoring and evaluation aspect of performance contract, there is little evidence in the literature focusing on the performance indicators and the quality of those indicators, and methods and arrangements for performance evaluation, hence the current study focusing on the performance indicators.

Traditionally, the evaluation system of performance contracting has been based on quantitative performance indicators (Nellis, 1988, 1989; Shirley, 1989) and later, some qualitative indicators introduced (Shirley & Xu, 1998, 2001; Trivedi, 2005). Review of the common version of performance contracting shows that the performance evaluation system of India's MOU entails four broad performance indicators: financial, productivity and cost reductions, technical dynamism and project implementations (Trivedi, 2005). Drawing on evidence from China, South Korea and other developing countries, Shirley and Xu (1998, 2001) established that profitability[1] (i.e. return on assets) and productivity (i.e. labour and total factor) dominate the performance indicators in operation with the latter taking an average of two-thirds of the total weight assigned (see also Shirley, 1989). It is on the basis of these performance indicators that studies assessing the impact of performance contract on the performance of SOEs have been undertaken and mixed results reported (Larbi, 2001; Mallon, 1994; Shirley & Xu, 1998, 2001; Simpson & Onumah, 2010). There are even those who assert that performance contracting have not succeeded in improving the performance of SOEs (see e.g. Shirley, 1996, 1998). This instigates further studies examining the nature and types of performance indicators used in the performance contracting systems of two countries who adopted the system at different time periods and under different circumstances: Ghana and Kenya.

From the foregoing, it is clearly established that performance evaluation and perhaps performance management is an integral part of performance contracting. However recent studies suggest the need for integrated and interconnected framework to improving performance of public sector organizations via performance contracting (Chaturvedi & Gautam, 2013). This call resonates with established attributes of quality performance evaluation system and performance indicators in particular. For instance, performance indicators as per the most cited performance management framework, balanced scorecard (BSC), comprise four financial and non-financial performance management dimensions (see Table 1) which have causal relationship with each other: innovation and learning, internal business process, customer, and financial (Kaplan and Norton, 1996).

Indeed, the foregoing performance indicators must be such that organisational learning will lead to growth measures of internal business process, followed by customer satisfaction and finally, the financial results (see also Kaplan & Norton, 1996; Nørreklit, 2000). Other scholars emphasize the need for performance indicators to be interconnected and have causal relationship in providing a comprehensive performance management system for any settings (public and private sectors) (Chaturvedi & Gautam, 2013; Ferreira & Otley, 2009; Fryer, et al, 2009; De Vries, 2010; Fryer, et al., 2008). These attributes are therefore relied upon in evaluating performance contracting as a performance evaluation tool.

Table 1: Perspectives of Balance Scorecard

Perspectives	**financial**	**customers**	**internal business process**	**Innovation, learning and Growth**
Thematic Questions	How does the firm look to shareholders?	How do customers see the firm?	What must the firm improve or excel at?	How can the firm continue to improve & create value?
Indicators	profitability ratios	customer satisfaction	lead time for procurements	productivity ratios
	liquidity ratios	market share	Product development	employee cost to revenue ratios
	change in revenues growth	waiting time between order and delivery	labour cost control	employee commitment
	Change in expenses	customer retention	internal governance	sales of new products and services
	solvency ratios			No. of new products developed

3.0 Research method

This study adopts case study strategy in achieving the objectives of this study. Despite criticisms of the efficacy of case study strategy for generalization of findings, it is useful for theoretical, interpretative, hypothesis-generating, theory confirming, supporting internal validity and providing causal insight and depth of field (Bennett 2004; Gerring 2007). Also, the strategy aids an in-depth investigation and understanding of the relevant contextual factors, provision of insight into grey and complex issues, issues of context-specific nature, and tracing processes and patterns holistically over a period of time (George & Bennett 2004; Gerring 2007; Yin 2003).

[1] Also referred to as economic perspective

In this study, the case study strategy was applied in identifying the unit of analysis at different levels. At country level, two countries were chosen for the study, Ghana and Kenya. Moreover, the SOE sector was the focus in relation to performance contracting, and finally, the analysis was restricted to performance indicators in the performance contracting system.

Moreover, this strategy allows triangulation of data collection method, sources of data and types of data; however, in this study, data collected are mainly from secondary sources. The study relied on multiple secondary data including policy documents on the implementation and management of performance contracting, government reports and publications, SOE performance evaluation reports, and sample performance contracts. These documentary evidences provided the background and objectives of performance contracting documents.

4.0 Findings from the Cases Adopted

4.1 The Ghanaian Case: Background to SOE sector and Performance Contracting

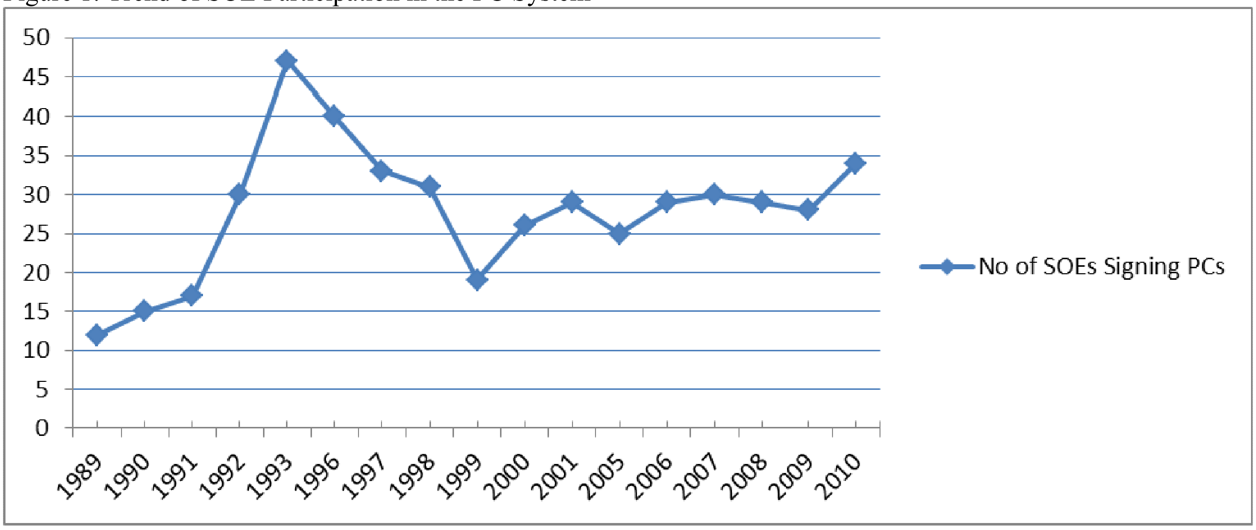
The Ghanaian SOE sector predates her political independence from the British in 1957, but the sector began to grow after independence under the leadership of the first president, Dr. Kwame Nkrumah. This was evident by an increase in the number of SOEs from 4 to 53 within a decade (1957 to 1966), operating in the strategic aspects of the economy as monopolies and monopsonies (SEC, 1992, 1995). Performance of the sector was considered as impressive following the significant contribution it made to Ghana's GDP (about 26%) and formal employment (86%) (SEC, 1992).

However, the impressive performance could not be sustained due to problems – such as poor management of SOEs, political instability through militarily interventions, and failure of successive government to continue initiatives that seek to develop the sector by predecessor governments (SEC 1992, 1995). These challenges coupled with global economic crisis led to the SOEs becoming budgetary burdens draining about 12% of total government expenditure, and causing budget deficit of over 3% of Ghana's GDP (Adda, 1989; Tangri, 1991).

Following from the foregoing, Ghana had to subscribe to the World Bank/IMF sponsored Economic Recovery programme (ERP) in 1983 (SEC, 1992, 1995). As part of this programme was the SOE reform programme of which performance contracting was introduced to the Ghanaian SOE sector to be managed by a rebirth State Enterprises Commission (SEC) under the State Enterprises Commission Law, 1987 (PNDCL 170).

From the SEC reports cited above, the processes of implementing the performance contracting system began in 1988 but the first versions were piloted in 1989 by 11 core SOEs (e.g. SEC, 1992). The process was expanded to include other SOEs described at non-core, and following reported increases in the revenues and profitability of the SOEs, the number of participating SOEs began to rise, so as at 1992, there were 47 SOEs operating under the performance contract system in Ghana (SEC, 1995). As at end of 2010, the number participating SOEs has reduced to 34 (see Figure 1 for the pattern of participating SOEs in the performance contract system).

Figure 1: Trend of SOE Participation in the PC System



Source: Author's Research

4.1.1 Performance Dimensions for Evaluating Performance

In Ghana, it is the responsibility of the State Enterprises Commission (SEC) to evaluate the performance of SOEs in addition to all the activities and processes associated with performance contracting. The performance evaluation is preceded by performance monitoring which takes the form of quarterly financial and operational report from SOEs, and onsite visits for physical verification of capital projects set as targets.

Actual performance evaluation is based on mutually agreed targets developed along both financial and non-financial performance indicators. Content analysis of performance contracts and performance evaluation reports since inception show broad performance dimensions which had been in use until 1999 when a fourth dimension referred to as Dynamic effect was introduced (see Table 2). The inclusion of this fourth dimension can be traced to a recommendation by consultants engaged under the sponsorship of the World Bank in 1998 (Boston Institute for Developing Economies (BIDE) report, 1998). This is to, among other things allow the evaluation of SOEs to take cognisance of their long term viability.

Table 2: Performance Dimensions and Indicators for Evaluating SOEs

1990	1999	2009
Financial/Economic: **Gross profit** **NPBT** **Staff cost/Sales** **Admn. cost/revenue**	**Financial/Economic:** Total revenue, operating income, net profit after tax (NPAT), return on assets, dividend declared, increased and efficient use of internally generated funds (for those PE that receive financial support from government)	**Financial/Economic:** Total revenue, operating income, net profit after tax (NPAT), return on assets, dividend declared, increased and efficient use of internally generated funds (for those PE that receive financial support from government)
Efficiency/productivity: **Staff strength** **Output** **Running cost** **Accounts receivable** **Labour productivity**	**Efficiency/productivity:** Daily/weekly/ monthly outputs, staff strength, the ratio of administration expense and revenue, the ratio of staff cost and revenue	**Efficiency/productivity:** Daily/weekly/ monthly outputs, staff strength, the ratio of administration expense and revenue, the ratio of staff cost and revenue
Management improvement: **Completion of accounts** **Completion of projects** **Training of staff** **Submission of corporate plans** **Submission of quarterly report**	**Management improvement:** Conformance to SEC quarterly reports format, timely submission of quarterly reports, annual audited accounts, draft budget and PC, approved board minutes, filled-out integrated PE database forms, fulfilment of dividend obligations, etc	**Management improvement:** Conformance to SEC quarterly reports format, timely submission of quarterly reports, annual audited accounts, draft budget and PC, approved board minutes, filled-out integrated PE database forms, fulfilment of dividend obligations, etc
	Dynamic effect: Staff Training (submission of budgeted and implementation of training programme); Corporate Planning (submission of updated corporate plan for at least 2 years); Maintenance (submission of maintenance programme and implementation schedule); Safety Management (submission of Safety Management Programme and implementation); Research and development; and marketing	**Dynamic effect:** Staff Training (submission of budgeted and implementation of training programme); Corporate Planning (submission of updated corporate plan for at least 2 years); Maintenance (submission of maintenance programme and implementation schedule); Safety Management (submission of Safety Management Programme and implementation); Research and development; and marketing

Review of the performance indicators under each broad performance dimension reveals that there are few changes which appear to be an issue of reclassification. For instance, ratios of staff cost to revenue, and administrative expenses to revenue, which hitherto were classified under the Financial/economic indicators, presently falls under efficiency/productivity.

Moreover, weights assigned to each dimensions have changed over the years. Historically, the Financial/ economic dimensions attracted 50%; Efficiency/productivity (35%); and Management improvements/ projects (15%). Since 1999, the performance indicators and weights have changed to Financial/ economic (50%)[1]; Dynamic effect (30%) and Management improvements/ projects (20%).

4.2 The Kenyan Case: Background to SOE sector and Performance Contracting

Kenya is said to have inherited its SOEs from the British (Grosh, 1991) and like many countries in Africa, the

[1] Efficiency/productivity is used for sub-vented SOEs.

number of SOEs in Kenya began to increase after gaining independence in December 1963, in pursuit of the drive by leaders in the sub-region for African socialism (see also Nellis, 2005). Similarly, the contribution of SOEs to the Kenyan economy was short-lived, hence request for financial assistance from the World Bank in 1980 (Grosh, 1991; Swamy, 1994). Citing World Bank reports on the Kenyan economy, Swamy (1994) for instance reported that, the public sector of Kenya was overly extended due to massive creation of public sector organization operating in the main stream civil service and as state corporations. He adds that those parastatals had directly and indirectly drained the state budget and the banking system.

Despite accessing the World Bank structural adjustment loan, the Kenya government was passive in the implementing of the programs associated with the loan facility like other countries in Africa. In fact, Kenya is said to have been active only from the 1990s, hence, evidence of privatization and divestitures programs in that period as well as the restructuring of some notable state corporations (Government of Kenya, 2010). In fact, different reform strategies were implemented but performance of the public service did not improve, hence the Economic Recovery Strategy (ERS) Plan, where performance contracting system was introduced in 2003 as a management tool of public resources (Government of Kenya, 2010).

Unlike most countries, the Kenyan performance contract system was locally inspired, drawing on best practices from across the globe. Moreover, it is considered the only system enjoying the most political support, and apparently one of few systems covering the entire public sector: government departments, state-owned enterprises, municipalities and tertiary institution (Trivedi, 2008).

Starting with 16 Kenyan state corporations in 2004, impressive and unprecedented results influenced its extension to all state corporations, ministries, local government, and many more. As at 2010, the system have been implemented in 462 public institutions (see further detail in Table 4). Indeed, the profit before tax of the SOEs involved in the initial signing of performance contracting increased by over 282% in the 2004/2005 fiscal year. Similarly in the 2005/2006 year, dividend from SOEs went up to over 200% of what was budgeted (Trivedi, 2008). In addition, there are reports of improved service delivery and culture of performance, increased accountability for results and transparency in the management of state results (Performance Contract Steering Committee Reports, 2007; Trivedi, 2008).

Table 3: Pattern of Growth of Performance Contracting

Year/ Type of Public institution	**State Corporation**	**Ministries & dept.**	**Local Authority**	**Tertiary Institutions**
2003/2004	16	-	-	**-**
2005/2006	116	35	5	**-**
2006/2007	127	35	175	**-**
2007/2008	130	38	175	**-**
2008/2009	**139**	**45**	**175**	**68**

4.2.1 Performance Dimensions for Evaluating Performance

With regards to performance dimensions for evaluating performance, the Kenyan case is said to be one of the most comprehensive in the world (Trivedi, 2008). They cover five broad areas: financials/economic, service delivery, non-financial, operations, and dynamic/qualitative issues. Weights assigned to each dimension depends on the type of public sector organization, but often, the dimension on service delivery receives the highest (see table 4 for details).

Table 4: Performance Evaluation Dimensions under the Kenya PC system

Performance Dimensions	**Performance Indicators**
Financial/Economic (20%)	Compliance to agreed budget levels Cost reductions/savings Profitability Dividend Efficiency in utilizing funds
Service delivery (30%)	Implementation of service delivery charter Customer satisfaction
Non-financial (10%)	Compliance to corporate/strategic plans Ensuring ISO certification Management of idle assets
Operations (25%)	Policy and legal reviews on operations Information disclosure on products and services Research and development Project and program implementation Innovative goods and services
Dynamic/Qualitative (15%)	Organizational capacity (skills development via training and use of IT) Innovations in service delivery Employee satisfaction Safety measures Meeting statutory obligation Education on behavioral change (HIV/AIDS, etc) Reducing corruptions

5.0 Discussions and Conclusion: Comparing Ghana and Kenya

A comparison of the performance evaluation dimensions used in the performance contracts of the countries on this study shows some differences and similarities. Starting with the similarities, it can be seen from Tables 2 and 4 that the performance dimensions, financials/economic and dynamic are common in both countries. Interestingly, both dimensions are positioned first and last respectively. Further, analysis of the performance indicators under the common categories shows some common performance indicators. For instance in both cases (see Tables 2 and 4), profitability, dividend, and efficient utilization of funds are the common indicators, and to some extent, the indicator on changes in revenue and expenses. Moreover, staff trainings and development, health and safety issues are the common performance indicators under the dynamic performance dimension.

Focusing on the performance indicators generally, also, shows that there are some performance indicators used in both cases, but fall under different categorization of performance dimensions. For instance, performance indicators relating to corporate plans and management of idle assets fall under non-financials in the Kenyan case, but they can be identified under the dynamic effect in the case of Ghana. Furthermore, the indicators relating to research and development, project planning and implementations found under the operation performance dimension can be traced to the dynamic effect in the case of Ghana. In addition, the performance indicator relating to submissions and compliance to budget which falls under the financial dimension in Kenya rather falls under management improvement in the case of Ghana

Despite the foregoing similarities, there are a few notable differences identified in both cases. First, there are differences in weights assigned to each performance dimensions in both cases. Whilst in the case of Ghana, the financial/ economic dimension is allocated the highest weight, service delivery is key in the case of SOEs in Kenya. Secondly, there is neither a performance dimension nor performance indicator under the Ghanaian performance contracting system evaluating SOEs based on customer satisfaction. The third noticeable difference is the performance dimension on management improvement.

Also, in the Kenyan case, the submission of audited annual reports, quarterly reports and draft budgets and performance contract are mandatory in the performance contracting system, but these documentations are not used in the evaluation of SOEs as in the Ghanaian case. In fact, timely submission of these documents are critical in the evaluation of SOEs in Ghana, hence are given the appropriate score based on the agreed target. Furthermore, the demand for information about the activities of the boards of SOEs in the case of Ghana (board minutes) suggest evaluating the governance practices, which is apparently absent in the Kenyan case.

Relating the above to the BSC framework and other best practices shows some notable strengths and weaknesses so far as the practices of the two countries are concerned (see Table 5). In both countries, there are evidences of the use of performance indicators which fall under three out of the four main performance dimensions under the BSC framework- the financial and internal business process, and innovation, learning and growth perspectives.

A few items - that are classified under the various indicators such as research and development for both countries can be traced to BSC's internal business process even though they have been classified differently under dynamic effect and operations for Ghana and Kenya respectively. This is also similar to BSC's indicator of labour cost control which is represented differently under efficiency and productivity for the Ghanaian case and under financial/economic for the Kenyan case.

Internal governance on the other hand, as represented in BSC appears to be absent. The only instance where there is evidence of internal governance is in the area of submission of approved board minutes, dividend obligations, annual audited accounts and other compliance issues.

Table 5: Comparison of Performance Dimensions vis-à-vis BSC

Dimension	Kenya	Ghana	BSC dimension represented
Financial/Economic	present	present	Financial
Efficiency/productivity	absent	present	**internal business** process/ innovation, learning & growth
Management improvement	absent	present	internal business process **Ghana: timely submission of reports (annual and quarterly), audited accounts, board minutes, etc.**
Operations	present	absent	**internal business** process/ innovation, learning & growth
Service delivery	present	absent	Customers **Kenya: customer service charter in the form of customer satisfaction, service delivery charter**
Non-financial	present	absent	internal business process
Dynamic Effect	present	present	internal business process/ innovation, learning & growth

With regard to innovation, learning and growth, the indicator that dominates the two cases is number of new products developed under the BSC. Kenya, for instance, represented this indicator by innovations in service delivery, and research and development, whereas Ghana's case was represented by only research and development. Sale of new products and services was also only represented in the Kenyan case as reflected in the BSC but not in the Ghanaian case. This was also the same for productivity ratios (as in the BSC) which was classified under efficiency/productivity in the Ghanaian case, and under operations in the Kenyan case. In all, under the innovation, learning and growth perspective, employee commitment was not well represented in both cases.

Overall, the Ghanaian case seems to show significant weakness in relation to customer satisfaction. Studies confirm that whilst learning and growth drives the internal business processes of an organisation, customer satisfaction drives the foregoing, and the end results are improved financial performance (Kaplan & Norton, 1996; Nørreklit, 2000).

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