KNOWLEDGE, ATTITUDE AND PRACTICE TOWARDS THE APPLICATION OF PERFORMANCE MANAGEMENT SYSTEM USING BALANCED SCORE CARD AT TRA

By

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A Dissertation Submitted in Partial Fulfillment of the Requirements for Award of the Degree of Master of Science Human Resource Management (MSC/HRM) of Mzumbe University

2013
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled: *Knowledge, Attitude and Practice towards the Application of Performance Management System Using Balanced Score Card at TRA*, in partial fulfillment of the requirements for award of the degree of Master of Science in Human Resource Management of Mzumbe University.

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I, MinnaDaffa, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other University for similar or any other degree award.

Signature………………………………………

Date……………………………………………

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ABBREVIATIONS

BSC  _  Balanced Score Card
CACRS  _  Closed Annual Confidential Report System
HOD  _  Head of Department
HRD  _  Human Resources and Administration Department
ICT  _  Information and communication Technology
ITA  _  Institute of Tax Administration
KPIs  _  Key Performance Indicators
MYR  _  Mid-Year Review
OPRAS  _  Open Performance Appraisal and Review System
PA  _  Performance Appraisal
PM  _  Performance Management
PRP  _  Performance Related Pay
SMADC  _  Senior Management and Disciplinary Committee
TQM  _  Total Quality Management
TRA  _  Tanzania Revenue Authority
ABSTRACT

Performance management is one of the control measures used by organizations to evaluate individual performance towards attainment of its strategic objectives. The aim of introducing BSC system at TRA was to measure performance of the staff by aligning the performance of individual employees to the organizational strategic goal.

The management expected that, following the strategic alignment, transparency, and automation of the system, employees could apply it successfully to acquire its’ benefits while the organization realizing its mission. However, the study revealed that management expectations were not met. Employee’s knowledge, attitude and practice towards application of BSC were reflected in the way staff participated in setting goals, planning and hence performing the related work.

The objective of this research was to assess the knowledge, attitude and practice of BSC as a tool for performance management at TRA. Firstly it identified the extent that lack of knowledge in BSC has contributed to the failure in application of the system. Secondly, it assessed the impact of lack of knowledge to employees’ attitude over the system and lastly find out from employees if they were provided with adequate resources to implement the system and if the system have an impact in performance.

Research findings indicated that training conducted on BSC was not enough to make employees conversant with the system. Furthermore, availability of resources for implementing the system was inadequate.

Having poor knowledge and negative attitude over the system ended with poor practice. Therefore the study recommends the management to conduct a formal training of trainers’ course for TRA Senior HR Officers to create a group of internal trainers who will impart enough knowledge to employees through group trainings. This will change employees’ attitude to positive and practice will be improved to the required level that will ensure better performance and productivity.
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CHAPTER ONE
INTRODUCTION

1.0 Introduction
This chapter consists of background to the problem, statement of the problem, general objective of the study, specific objectives, research questions, and significance of the study, limitation of the study and de-limitation of the study.

1.1 Background Information
Over the years, global political, social, technological environmental and legal situation has been changing very fast. Thus organizations are facing numerous challenges in fast changing internal and domestic environment. The advent of information age means organizational performance is driven by relevant, timely and accurate information. This kind of development leads to the need for performance management system in organizations.

Tanzania has undergone several public service reforms since independence due to the number of factors including political, economic, and social reforms. There had been some achievements in the government performance as a result of reforms however there were a lot of challenges too. The need for performance management raised out of several facts including pressure for results, transparency and accountability, budget limitations and cuts, rapid technological changes, changing customer tastes having knowledgeable and informed customers and diverse operations.

Performance management (PM) is the systematic approach by which an organization involves its employees as individuals and members of a group in improving organizational effectiveness in the accomplishment of its mission and goals. It can be used to optimize the productivity of individual, teams and ultimately an entire organization. Performance management can be one of the most challenging areas for supervisors, managers, and organization. To maximize success, organizations must motivate employees toward a common goal. It is performance management that can be used for this purpose.
1.2 Problem Statement

Performance management processes have become prominent in recent years as means of providing a more integrated and continuous approach to the management of performance than was provided by previous isolated and often inadequate merit rating or performance appraisal schemes. Performance management is based on the principle of management by agreement or contract rather than management by command. It emphasizes development and the initiation of self-managed learning plans as well as the integration of individual and corporate objectives. It can, in fact, play a major role in providing for an integrated and coherent range of human resource management processes which are mutually supportive and contribute as a whole to improving organizational effectiveness. (Armstrong, 2006)

Human Resources’ (HR) Scientists have developed different types of performance management systems. One of the focuses of HR activity is that of achieving high quality performance by developing the skills and knowledge of staff and aligning staff development to the needs of the organization. Assessing these needs is often dependent upon data gathered from performance management systems. The strategically focused performance outcomes are highly dependent upon securing employees’ commitment to the organization’s goals.

Each organization deploys a preferred performance management system as a tool to ensure quality performance. For example, Tanzania central government has adopted an open performance appraisal system (OPRAS) while Tanzania Revenue Authority (TRA) has introduced and adopted performance management system known as the Balanced Scorecard (BSC) since 2007. This is clearly stipulated in TRA Staff regulation, Part vii, 73 saying ‘The Authority shall plan and manage performance by using the Balanced Scorecard planning and performance management system. Sec. 74 provide for the objectives of performance appraisal as follows:

(i) Set and agree with staff on performance objectives, standards and personal development plans for the employee for the following appraisal period,

(ii) Manage the performance of the employees to achieve higher levels of efficiency and effectiveness in performance of their work,
Identify the training and development needs of employees, and
Assist in making objective decisions on promotions, salary increments and disciplinary actions (TRA).

In introducing the system, TRA management initiated employees’ group trainings in order to impart the knowledge of the system. At the beginning, application of the system started from top management to line managers. In the year 2012, almost all employees were trained and encouraged to use BSC in performance evaluation. The system provides for managers to plan and agree on performance target with their subordinates through dialogue. After agreement, managers and subordinates prepare a performance strategy as guidance to achieve the target. BSC system requires that individual performance be aligned to organizational strategic objectives by way of top down cascading process. Each objective was strategically aligned to the organizational strategic objectives. This means that in order to achieve effective performance management results, both management and staff should be knowledgeable and committed to effective application of the system.

To date, besides all training sessions and coaching, TRA employees are not conversant to application of the system.

The overall research problem addressed in this study is that despite of the fact that, TRA has been allocating a lot of funds to facilitate training to its employees on the newly introduced performance management system, yet the application of the system is very low. Thus, this raised an interest to the researcher to assess the knowledge, attitude and practice of employees towards the application of BSC in TRA.

1.3 Research Question

Research questions are used in qualitative research as means of interrogating the research problem. However depending on the nature of the research, a researcher can combine both research hypotheses and research questions in order to get answers to the research problem.
1.3.1 Main Research Question
What is the knowledge, attitude and practice towards the application of performance management system using balanced score card at Tanzania Revenue Authority?

1.3.2 Specific Research Questions
i. What is the employees’ knowledge towards BSC as a tool for performance management?
ii. What is the employees attitude towards the application of performance management system using balanced score card
iii. Does the BSC performance tool have an impact on organization performance?
iv. Does the organization communicate the “why” of the balanced scorecard at TRA?

1.4 Objective of the Study
This study was guided by general objective and specific objectives.

1.4.1 General Objective
This study assessed knowledge; attitude and practice towards the application of performance management system using balanced score card in TRA.

1.4.2 Specific Objectives
i. To find out employees’ knowledge towards BSC as a tool for performance management
ii. To find out employees attitude towards the application of performance management system using balanced score card
iii. To find out whether the BSC performance tool used had an impact on organizational performance
iv. To evaluate whether the communication of the “why” of the balanced scorecard is implemented at TRA

1.5 Hypothesis
Ho: There is a significant relationship between effective communication and performance improvement.
Hi: There is no significant relationship between effective communication and performance improvement.

1.6 Significance of the Study
Performance management in any organization is vital important as it is the measure of productivity. Almost every organization has the way of measuring the performance of their employees. Since this is a process to achieve organizational strategic goals it is important that the system brings an impact on organizational performance and hence attracts more customers and company financial growth. The balance Scorecard has goals set in four perspectives being financial, customer, internal business process and learning and growth. The four perspectives need to be balanced and achieved so that employees can offer their maximum performance contributions leading to more customers attracted by the services offered as well as improving employee’s knowledge attitude and practice.

The study intends to reveal the employee’s knowledge, attitude and practice towards balanced score card as a tool to performance management in TRA. The study is expected to be of much value to a number of people as follows:

(i) It will help the management of organizations to appreciate the implications of identified factors on employees knowledge attitude and practice of performance management system – BSC

(ii) It will help researchers to identify viable arrears for further research. Also it will be used as an additional reference to researchers on BSC as a tool for performance management.

(iii) More specifically, the study is done to enable the researcher to fulfill the requirement for the Degree of Master of Science in Human Resources Management of Mzumbe University

1.7 Scope of the Study
The research covered only one organization, The Tanzania Revenue Authority – TRA. The study was conducted In Dar es Salaam Region. TRA upcountry offices were purposely excluded in the sample given the limitation in time and finance. In
Dar es Salaam the Headquarter office, ITA, Kinondoni and Ilala Tax Regions were researchers’ source of data.

1.8 Limitation (anticipated limitation)
Generalization was a limitation to this study. The findings could be generalized since the study did not cover the whole TRA in Tanzania. This is due to the fact that the researcher faced financial constrains to collect data from all over the country. To elude this constraint, the research design and methodology considered the financial capacity of the researcher, while ensuring that the quality of work was not jeopardized. In addition, the time available to conduct the study was relatively limited. The researcher effectively carried on research activities as under the time schedule to ensure that all study activities were completed within the time frame.

1.9 Organization of the Dissertation
This proposal consists of three chapters. Chapter one, presents the background of this research including the problem statement, research questions, and the objective of the research, significant of the study, Limitation and Delimitation will be outlined. Chapter Two, deals with literature review which covers, the introduction and background, overview of the performance management and performance appraisal, Performance Management System at TRA, performance management cycle, and an overview of the Balanced Scorecard as used by TRA to enhance productivity. Chapter Three, describes the research methodology used in data collection, document review, sampling and sample size and data analysis plan.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
Literature review is an important process in a report project. According to (Adam and Kamuzora, 2008) this chapter involves many activities including identifying, reading, evaluating, describing, summarizing, discussing, citing and synthesizing various documents with information related to the problem under investigation with an intention to incorporating them in the study. The literature review for this study not only provides a background to performance management system using BSC at TRA but also helps the researcher to understand various studies and views relating to (BSC) system, and characteristics which influence employees’ knowledge, attitude, and practice towards the system.

2.2 Definition of terms
This study is guided with few definitions relating to performance management using balanced scored card.

2.2.1 Performance management
Many scholars have defined Performance Management (PM) over a period of time. Armstrong (2006) defines Performance management as a systematic process for improving organizational performance by developing the performance of individuals and teams.

Performance means both behaviors and results. Behaviors emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviors are also outcomes in their own right – the product of mental and physical effort applied to tasks – and can be judged apart from results. This definition of performance leads to the conclusion that when managing performance both inputs (behavior) and outputs (results) need to be considered. It is not question of simply considering the achievement of targets, as used to happen in ‘management by objectives’ schemes. Competency factors need to be included in the process. This is the so-called ‘mixed model’ of performance management, which
covers the achievement of expected levels of competence as well as objective setting and review.

Performance management plays an important role in measuring both individual and organizational performance. It involves joint goal setting and continued review of performance in relation to the agreed objectives (Armstrong, 1994). A fair and efficient performance management system will help to improve organizational effectiveness, motivate employees, improve organizational culture, attract and retain skilled staff and support total quality management, All workers expected to be rewarded and recognized for their efforts (Tippins and Coverdale, 2009).

Performance management system is often used in the determination of such rewards. To this end, it can be said that performance management as a process, affects the livelihood of employees. It is therefore important that a performance management system is perceived as being fair and effective in its implementation. Also Armstrong and Baron 2004, provides that PM is a process which contributes to the effective management of individuals and teams in order to achieve high level of organizational performance.

The overall aim of performance management is to establish a high performance culture in which individuals and teams take responsibility for the continuous improvement of business processes and for their own skills and contributions within a framework provided by effective leadership.

Specifically, performance management is about aligning individual objectives to organizational objectives and ensuring that individuals uphold corporate core values. It provides for expectations to be defined and agreed in terms of role responsibilities and accountabilities (expected to do), skills (expected to have) and behaviors (expected to be). The aim is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Importantly, performance management is concerned with ensuring that the support and guidance people need to develop and improve are readily available.
**Managing expectations**

Performance management is essentially about the management of expectations. It creates a shared understanding of what is required to improve performance and how this will be achieved by clarifying and agreeing what people are expected to do and how they are expected to behave. It uses these agreements as the basis for measurement and review, and the preparation of plans for performance improvement and development.

**Performance management and discretionary behavior**

Performance management is concerned with the encouragement of productive discretionary behavior. As defined by Purcell and his team at Bath University, School of Management (2003): ‘Discretionary behavior refers to the choices that people make about how they carry out their work and the amount of effort, care, innovation and productive behavior they display.’ Purcell and his team, while researching the relationship between Human Resources (HR) practice and business performance, noted that ‘the experience of success seen in performance outcomes helps reinforce positive attitude (Armstrong, 2006).

Rao (2004), PM involves thinking through various facets of performance, identifying crucial dimensions of performance, planning reviewing, developing and enhancing performance and related competences.

**2.2.2 Balanced scorecard**

Public service organizations across the globe in general and Africa in particular have adopted different approaches to performance management in their organization aiming at higher productivity.

Balanced Scorecard is a new idea in performance management and applies to the department's evaluation team. Its core idea is implementation of organizational strategy. It is a tool which is divided in to four perspectives being finance, customer, internal processes and learning and development, to show a relationship between the organization's strategic track to achieve performance appraisal - performance improvement, as well as the implementation of the strategy - the strategic objectives,
process of the strategy amended, and raise the status of performance appraisal organizations to the strategic level (Zhang1 and Li, 2009).

BSC is a strategic performance management tool that can be used by managers to keep track of the execution of activities by the staff within their control and to monitor the consequences arising from these actions (Wikipedia, the free encyclopedia, 2013).

2.2.3 Performance Management as a Cycle

Performance management can be described as a continuous self-renewing cycle, as Illustrated in Figure 2.1

Figure 2.1 Performance Management Cycle

Source: Researcher’s own formulation, 2013

Planning phase: concluding a performance and development agreement. This is done between employee and employer (appraiser) and agreed on time scale for each activity.
Acting phase: managing performance throughout the year. The employee implementation of what was agreed in a smart way and timely

Reviewing phase: assessing progress and achievements so that action plans can be prepared and agreed and, in many schemes, performance can be rated.

Performance management is a strategic and integrated process that delivers sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of individual contributors and teams (Armstrong, 1994). Performance management focuses on future performance planning and improvement rather than on retrospective performance appraisal. It functions as a continuous and evolutionary process, in which performance improves over time. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs. It is mainly concerned with individual performance but it can also be applied to teams.

The emphasis is on development, although performance management is an important part of the reward system through the provision of feedback and recognition and the identification of opportunities for growth. It may be associated with performance or contribution-related pay, but its developmental aspects are much more important.

According to Rohm (2005), Building and implementing a scorecard system is one thing, turning the scorecard into a used and useful management system is something else entirely. One of the management practices that we have seen lead to success in imbedding the scorecard philosophy into an organization and enhancing the results achieved from the scorecard system is to continue to link incentive reward system to performance and scorecard measures. It is strongly recommended that, reward systems reflect the scorecard objectives and do so as quickly as is reasonable. Of course, it is prudent to take time to ensure that the measures are properly defined, captured, validated and calibrated before using them to provide significant portions of people’s compensation, but it is the most powerful way of getting people’s attention and focusing on the things that matter (ibid).
2.3 Theoretical Literature Review

The theoretical review shows the knowledge, attitude of employees, assess the employees perception towards performance management using balanced score card.

2.4 Tanzania Revenue Authority

One of the most significant landmarks in tax administration during the fifty years of Tanzanian independence was the establishment of Tanzania Revenue Authority (TRA), which is a semi-autonomous body tasked with the assessment, collection and accounting for Central Government revenue since 1996. Tanzania Revenue Authority (TRA) was established by Act of parliament No.11 of 1995 and started its operation in July 1996. It was formed in order to bring the functions of government revenue collections under one umbrella; impart some degree of autonomy to the function with the expectation of increasing revenue collections, improving voluntary compliance, minimizing collection cost, widening the tax base and controlling tax evasions and frauds. It was therefore mandated to perform the following functions:

(i) Assess, Collect and account for government revenue
(ii) Administer effectively and efficiently all the revenue laws of the central Government
(iii) Advice the Government on all matters related to physical policy
(iv) Promote voluntary tax compliance
(v) Improve the quality of service to Taxpayers
(vi) Counteract fraud and other forms of tax evasion
(vii) Provide trade statistics and publications to the government.

Since its inception a number of objectives have been implemented by TRA every year with intent to modernize its operations. Its mission is to be an effective and efficient Tax Administration that promotes voluntary tax compliance by providing high quality customer service with fairness and integrity through competent and motivated staff.
One of such initiatives is to enhance staff performance through improving staff capacity, welfare and motivation. This is as well supported by writers as shown below,

One of the managers and supervisors most important functions is to oversee resources of the organization, human capital being one of them. Performance management can be used to optimize the productivity of individual, teams and ultimately an entire organization. Performance management is been defined as a systematic process for improving organizational performance by developing the performance of individual (Armstrong, 2006).

2.4 Open Performance Appraisal and Review System (OPRAS)
A new innovation for managing individual performance in the public service institutions was the introduction of the Open Performance Review and Appraisal System (OPRAS) in 2004. This was a distinctive tool in the history of Human Resource Management (HRM) in the Tanzanian public service.

The OPRAS is one of the major tools that are critical to the adoption and nurturing of the performance management culture in the public Service. The tool which aligns the objectives of the individual officer with that of the department/division/ unit/section to the objectives of the organization is used in all public service institutions.

The open Performance and Review appraisal system replaced the ‘Closed Annual Confidential Report System (CACRS) which was used before in order to assess the performance of employees in the public service institutions.

The CACRS was limited and largely generated one-sided information on the performance of employees in the public service. The OPRAS requires all public servants and their managers to develop their personal objectives based on strategic planning process and the organizations’ respective service delivery targets. To develop the individual performance plan both the supervisor and subordinate have to agree on performance objectives, performance targets, performance criteria and required resources in order to achieve the set targets and objectives. Moreover, there must be Mid-Year Review (MYR), which is important in order to keep track of the
employee-cum appraises progress in terms of meeting the annual personal objectives and to identify the resources needs that will be required to carry out the remaining six-month plan

2.5 Performance Appraisal and Performance Management

It is sometimes assumed that performance appraisal is the same thing as performance management. But there are significant differences. Performance appraisal can be defined as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting. In contrast, performance management is a continuous and much wider, more comprehensive and more natural process of management that clarifies mutual expectations, emphasizes the support role of managers who are expected to act as coaches rather than judges, and focuses on the future.

Performance appraisal has been discredited because too often it has been operated as a top-down and largely bureaucratic system owned by the HR department rather than by line managers. It has been perceived by many commentators such as Townley, (1989) as solely a means of exercising managerial control. Performance appraisal intended to be backward looking, concentrating on what had gone wrong, rather than looking forward to future development needs. Performance appraisal schemes existed in isolation. There was little or no link between them and the needs of the business. Line managers have frequently rejected performance appraisal schemes as being time-consuming and irrelevant.

Employees have resented the superficial nature with which appraisals have been conducted by managers who lack the skills required, tend to be biased and are simply going through the motions. As Armstrong and Murlis, (1998) assert, performance appraisal too often degenerated into a ‘dishonest annual ritual’. The differences between them as summed up by Armstrong and Baron (2004) are set out in Table 2.1
Table 2.1 Performance Appraisal Compared with Performance Management

<table>
<thead>
<tr>
<th>Performance Appraisal</th>
<th>Performance Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top –down assessment</td>
<td>Joint process through dialogue</td>
</tr>
<tr>
<td>Annual appraisal meeting</td>
<td>Continuous review with one or more formal reviews</td>
</tr>
<tr>
<td>Use of ratings</td>
<td>Ratings less common</td>
</tr>
<tr>
<td>Monolithic system</td>
<td>Flexible process</td>
</tr>
<tr>
<td>Focus on quantified objective</td>
<td>Focus on values and behaviors as well as objectives</td>
</tr>
<tr>
<td>Often linked to pay</td>
<td>Less likely to be a direct link to pay</td>
</tr>
<tr>
<td>Bureaucratic –paper work</td>
<td>Documentation kept to a minimum</td>
</tr>
<tr>
<td>Owned by the HR department</td>
<td>Owned by line managers</td>
</tr>
</tbody>
</table>

**Source: Armstrong and Baron (2004)**

Employee performance appraisal should, among other things serve as a tool for identification of the employees’ training needs. Performance appraisal should serve as a means to an end, hence should not become an end in itself. Training and development plans for employees should be developed and implemented in order to enhance their capacity. This would enable employees to perceive appraisal as a useful tool in their career and a source of healthy ‘psychological contract. They should know what is in the OPRAS for them.

Lastly, meaningful performance appraisal should also provide a means to recognize and reward good performance as well as to manage under-performance. Recognition or reward for performance, including Performance Related Pay (PRP), salary progression guided by performance or non-pay reward system should be used as positive reinforcements in order to enable employee buy into the imperatives of OPRAS.
2.6 Is Performance Appraisal (PA) Synonymous to Performance Management?

The analysis below shows the applicability of the two performance management systems namely PA and PM. From the analysis it indicates a great deviation between the two as shown below:

**Performance Appraisal**

The PA is a top down assessment model owned by the management under HR department. It is a monolithic system, bureaucratic and rigid in nature with a use of a lot of paperwork. It focuses on quantified objectives and it is directly linked to pay system. It uses ratings and evaluated annually in an annual appraisal meeting. In short the system is very expensive, time consuming, strategic and unrealistic. It is not developmental to both an individual as well as to the organization.

**Performance Management**

The PM uses a joint process through dialogue owned by line managers. It is a flexible system and documentation is kept to minimum; it focuses on values and behaviors as well as objectives and less likely to be a direct link to pay system. It does not commonly use ratings and there is a continuous review with one or more formal reviews. In short the system is less expensive, adhere to coaching, guiding, motivating and rewarding staff to help unleash potential and improve organizational performance.

From the above, we can conclude that PA and PM are different, while the old PA system has already been replaced by the PM for better and strategic reasons as shown above.

2.7 Conceptual Framework

Whenever new systems are introduced in organizations such as the public service, sufficient time is required before they are internalized, fully understood, accepted, and used with sufficient quality. As such, institutionalization of new systems in organizations requires constant efforts geared at continuous training, learning and follow up. This is in line to Storey, 2005 who defines PM as includes the whole circle of agreeing goals and objectives (which may vary in their degree of specificity)
providing feedback, offering coaching and advice, and motivating staff to perform at high level.

Figure 2.2 Conceptual Framework of Performance Management using Scorecard

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSC-TOOL</td>
<td>Effectiveness of performance management</td>
</tr>
<tr>
<td>Employee’s attitude</td>
<td></td>
</tr>
<tr>
<td>Employee’s Knowledge</td>
<td></td>
</tr>
<tr>
<td>Employee’s training</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s own formulation, 2013

The **Variable** can be defined as an individual element or attribute upon which data have been collected (Ghauri and Gronhaug, 2005).

There is three relationships that exist between variables which are:

(i) A variable is dependent- that is; it changes in response to changes in other variables. Dependent variables are not controlled or manipulated in any way, but instead are simply measured or registered.
(ii) A variable is independent- that is; it causes changes in dependent variables. These variables are ones that are more or less controlled.

(iii) A variable is extraneous-that is, it might also cause changes in independent variables, thereby providing an alternative explanation to your independent variable or variables.

From the study two independent variables are to be tested in order to obtain dependent variable. BSC tool and Employees attitude act as independent variables whereas effectiveness of performance management will be dependent variable

2.8 Techniques for Appraising Performance
Before appraising performance the manager should understand basic concept of performance management and appraisal. Performance appraisal involves setting work standards, assessing the employees’ actual performance to those standards, and providing feedback to employee. Manager should appraise employees based on the criteria previously assigned and the actual standards should be specific, measurable, attainable, and timely.

Most of Indians firms consider performance management and appraisal to be very important component of their HRM framework. The nature and approach to performance appraisal system as adopted by different organizations vary depending on the type and size of the organization. i.e. whether it is public or private (Dessler and Varkkey, 2011). In addition to the common application of the performance appraisal system such as goal setting tracking performance, identifying performance gap areas, and rewarding employees, many organization have used the system as a tool for organizational transformation (Dessler and Varkkey, 2011).

Performance Management as Practice in India
Balanced Scorecard (BSC) is a strategic management method for aligning business activities with the vision and mission of the organization. BSC- practice helps
establishing a common language within your company that people at all levels can understand and communicate while you drive through the strategic initiatives for sustainability.

BSC, one of the most influential strategic management tools, is an approach to performance measurement that combines traditional financial measures with non-financial measures to provide with the most relevant information about the activities companies are managing.

2.9.1 Performance Agreements
Performance agreements form the basis for development, assessment and feedback in the performance management process. They define expectations in the form of a role profile that sets out role requirements in terms of key result areas and the competencies required for effective performance. The role profile provides the basis for agreeing objectives and methods of measuring performance and assessing the level of competency reached. The performance agreement incorporates any performance improvement plans that may be necessary, and a personal development plan. It describes what individuals are expected to do but also indicates what support they will receive from their manager.

Performance agreements emerge from the analysis of role requirements and the performance review. An assessment of past performance leads to an analysis of future requirements.

According to Dessler and Varkkey (2011), the Jindal Steel and Power Limited has named performance management system as Performance Development and Review Process. It starts with the annual goal setting process by the employee and reporting officer, with the objective to set the right direction for performance for next year. The employee and the manager have to agree on the goals. The company uses the outcome to develop a training calendar and nominate employees to offset their deficiencies. This is in line with author Malcom (2007), defined Performance Management as a planned and systematic approach to managing the performance of
individuals ensuring their personal development and contribution towards organization goal.

Another company Moser Baer India, Tata Motors and Dabur India have Balance Scorecard linked system for employees performance management. At Moser Baer India, direct linkage with business and functional score card is made for levels above assistant manager. The balance Scorecard has goals set in four parameters financial, customer, internal process and learning and development (Dessler and Varkkey, 2011).

Management Practice in Tanzania

The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit 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.

Taking the example of The Bank of Tanzania, according to its’ tender no. PA/082/2013-14/AHQ/C/01 calling for provision of consultancy services for development and implementation of balanced scorecard strategic management system for the bank of Tanzania specifies that the bank has been implementing its strategic plan using Management by Objectives (MBO), as its performance management tool for ten years. Starting 2013/14, the Bank has decided to introduce the balanced scorecard in place of MBO. This consultancy services will deal with training and development of the system up to year 2018/19.

2.10.1 Performance Management System at TRA

Performance management system in TRA has been changing from time to time due to changes occurred in political and socio – economic environments as earlier indicated. During the year 1997 to 2007, TRA used Performance Appraisal (PA) system. This was conducted between staff, immediate supervisor and the officer in charge. The final decision was done by the senior management and disciplinary
committee (SMADC) under the human resources and administration department (HRD). The following steps were followed:

(a) Filling of proper forms initiated by the staff every end of the year. The forms were distributed to all regions from TRA headquarters HR Department based in DSM.

(b) The staff explains the duties he performed throughout the year and evaluates his performance by grading each function.

(c) The immediate supervisor evaluates performance and appraises the employee by grading his performance as he sees it.

(d) The supervisor meets for discussion with his subordinate and agree or disagree with the ratings providing reasons.

(e) The Officer in charge revisits the grading as a reviewer and awards grade.

(f) Forms are been submitted to SMADC for approval and reward.

(g) The reward is communicated and issued to employee as feedback.

2.11 Balanced Score Card (BSC)

Balanced score card is a strategic management tool used to evaluate performance of the staff.

According to Harvard Business review Article in 1992 BSC is a strategic performance management framework that allows organizations to manage and measure the delivery of their strategy.

The Balanced Score Card software defines BSC as a strategic planning and management system that is used extensively in business and industry, government and nonprofit organization worldwide to align business activities to the vision and strategy of the organization communication and monitor organization performance against strategic goals.

The balanced scorecard is not only a measurement system but also a framework that enables organizations to clarify their vision and strategy and translate them into action. The balanced scorecard approach suggests that we view the organization from four perspectives: customer, financial, internal business process and learning and
growth. For each of these perspectives, the scorecard suggests that we should develop metric and collect and analyze data (Lysons and Farrington, 2006)

Think of the balanced scorecard as the dials and indicators in an airplane cockpit. For the complex task of navigating and flying a plane, pilots need detailed information about many aspects of the flight. They need information on fuel, airspeed, altitude, bearing, destination, and other indicators that summarize the current and predicted environment. Reliance on one instrument can be fatal. Similarly, the complexity of managing an organization today requires that managers be able to view performance in several areas at once (Kaplan and Norton, 1992).

2.12 From Performance Measurement to Strategic Management

The balanced scorecard is a management framework which, since its inception by Kaplan and Norton in the early 1990s, has been adopted, modified and applied by hundreds of organizations worldwide. If understood thoroughly and implemented appropriately, its potential contribution to organizational success – however measured – is fundamental. The scorecard translates vision and strategy into four notional quadrants.

2.13 An Overview of the Balanced Scorecard

The key to the popularity of the scorecard may lie in its flexibility and adaptability. Whether for commercial organizations, governed by profits, public sector operations governed by service delivery, or not-for-profit organizations driven by commitment to a particular cause, a scorecard that improves performance (either through performance measurement, or via strategy refinement), can be developed.

When first developed, the scorecard was positioned as a holistic performance-measurement framework, which could provide management with useful information relating to financial performance, internal processes, customer perceptions and internal learning and growth.

These second-generation scorecards allow individuals and teams to define what they must do well to contribute to higher-level goals. They are found most frequently in manufacturing and healthcare organizations, especially those that have been
implementing total quality management programs (TQM, Malcolm Baldridge award Initiatives), which generate many measures to monitor processes and progress. Such stakeholder scorecards were criticized by some, as being little more than an extended list of key performance indicators (KPIs).

As organizations developed their own scorecards to measure performance, each generated valuable information, relating to many aspects of organizational activity. Close analysis of this information, added to organizational knowledge of operations and their impacts, made people aware of the potential of the framework from a performance management perspective rather than one of performance measurement.

The underlying premise of the strategic scorecard is straightforward: that all the actions determined by management decisions and implemented to promote strategy realization, have an impact. To successfully contribute to achievement of an organization’s mission, the scorecard must effectively interpret strategy into operational terms.

Strategy is thus ‘operationalized’ through the assumed relationship between actions and their impacts. By measuring these impacts (via the scorecard’s identified key performance indicators), management information which informs decision making is created. Importantly, by introducing this concept of ‘causality’ into scorecard design, more recent refinements to balanced scorecard use have exploited its potential value as a framework for strategic management.

2.14 The Four Perspectives of the Balanced Scorecard
According to Kaplan and Norton (1992) suggest that, the balanced scorecard allows managers to look at the business from four important perspectives. It provides answers to four basic questions:

i). How do we look to shareholders? (Financial perspective)
ii). How do customers see us? (customer perspective)
iii). What must we excel at? (internal business perspective)
iv). Can we continue to improve and create value? (innovation and learning perspective)
2.14.1 Financial Perspectives
Financial performance indicates whether the company strategy, implementation and execution are contributing to bottom line improvement. Typical financial goals have to do with profitability, growth, and shareholder value. A disappointing financial measure sometimes occurs because companies don’t follow up their operational improvement with another round of action.

2.14.2 Customer Perspectives
Many companies today have a corporate mission that focuses on the customers. How a company is performing from its customers perspective has become, therefore a priority for top management. A manager should translate their general mission statement on customer service into specific measure that reflects the factors that really matter to customers. Customer’s concern tend to fall into four categories: time, quality, performance and service and cost.
To put balanced scorecard to work companies should articulate goals for time, quality and performance and service and then translate these goals into specific measures.

2.14.3 Internal Business Perspectives
Costumer-based measures are important, but they must be translated into measure of what the company must do internally to meet its customers’ expectations. Managers should focus on the critical internal operations that enable them to satisfy customer needs.

2.14.4 Innovation and Learning Perspectives
The customers based and internal business process measures on the balanced scorecard identify the parameters that the company consider most important for competitive success. Intense global competition requires that companies make continual improvement to their existing products and process and have ability to introduce entirely new products with expanded capabilities. A company’s ability to innovate, improve and learn ties directly to the company’s value. That is, only through the ability to launch new products, create more value for customers, and
improve operating efficiencies continually can a company penetrate new markets and increase revenues and margins in short grow and thereby increase shareholder value

2.3 The Balanced Scorecard Framework

The integration of these four perspectives into a graphical appealing picture has made the Balanced Scorecard Method a very successful methodology.

2.16 Impact of Balanced Scorecard Tool on Organization Performance

The impact of the BSC system can be clearly exemplified in TRA Customs and Excise Duty Department where clearing of imported goods is undertaken using an automated clearance system. Automated systems in Customs provide one of the most important tools for facilitation of revenue collection. Customs automation results in increased transparency in the assessment of duties and taxes, substantial reduction in
customs clearance times, and predictability, all leading to direct and indirect savings for both government and traders. The higher the automation levels of customs procedures in the country, the greater the detailed inspections, detection of fraud, and firm action including prosecution in court.

Early versions of ‘ASYCUDA’, the preferred customs IT system in Africa, have limited functionality compared to contemporary versions such as ‘ASYCUDA++’. One of the findings of the Tanzania Time Release Study revealed that there was higher customs processing efficiency in stations where ‘ASYCUDA++’ has been implemented such as Mwalimu Julius Nyerere International Airport (Dar es Salaam) compared to other stations that were still operating with ‘ASYCUDA 2.7’. ‘ASYCUDA++’ supports electronic data interchange. Implementation of new customs IT systems is often done without adequate internal and external consultation. This support the Kaplan and Norton internal business process perspective in meeting its customers’ expectations.

2.17 Employees Knowledge and Attitude towards Implementation of BSC
Before BSC introduced at TRA the only key managers were trained on how to link departmental activities with organizational strategy. This was because they are key responsible officers to oversee the organizational strategy are implemented so as to attain organization performance. For example employee responsible for customer care, would perform their responsibilities as they were cascaded into their area. The manager was expecting the employees at particular area of organization to look at the business from customer perspectives. The employees should provide answers to questions “How do our customers see us?” Where employees do not have enough training and knowledge on customer perspective scorecard indicator, then implementation of performance management in organization becomes meaningless.

In customer’s perspective, issues such as responsiveness (on time delivery) have been a problem to many operation organizations. The scorecard puts strategy and vision, not control, at the center. It establishes goals but assumes that people will adopt whatever behaviors and take whatever actions necessary to arrive at those
goals. Senior managers may know what the end result should be, but they cannot tell employees exactly how to achieve that result, if only because the conditions in which employees operate are constantly changing (Kaplan and Norton, 1992).

2.18 Understanding and communicating the “why” of the balanced scorecard
Niven, (2011) argues that, the senior leaders’ determination of why the balanced scorecard is the right tool for organization at that juncture; what we will refer to as the guiding rationale for developing a scorecard system. Clearly communicating that guiding rationale to employees, ensuring they understand it and support it. Once the organization has developed guiding rationale for the balanced scorecard it becomes a well-conceived justification that solves a pressing issue or issues endemic to your particular situation. People will only support what they understand, thus the importance of communicating your justification for investing in a balanced scorecard. Share the rationale with employees, engage them in discussions, listen to their feedback good or bad, and whenever possible incorporate it (Niven, 2011).

2.19 Kaplan and Norton’s guiding principles
In their original exposition of the ‘strategy-focused’ scorecard Kaplan and Norton identified ‘key principles’ to successful development and implementation of a strategic scorecard, as outlined below:

2.19.1 Translate strategy into operational terms
The balanced scorecard is not a strategy-formulation tool. Strategy formulation may be viewed as an art, although the description of strategy, (through the balanced scorecard), is not. For organizational performance to be of a value exceeding that of the sum of its parts, the activities of each functions must be linked, and mutually reinforcing, via the organizational strategy.

2.19.2 Make Strategy everyone’s Job
For the balanced scorecard to be fully effective as a strategic and communication tool, it is imperative that all employees understand the strategy and conduct their business in a way that contributes to its mission and objectives. Where higher-level
scorecards are ‘cascaded’ to lower-level department and even where individual scorecards are used – employees must ‘buy in’ to the organizational strategy for effective implementation.

2.19.3 Make strategy a Continual Process– Strategy Management Meetings and the Learning Process
As operating conditions change continuously, so must the business strategy, and hence a process for strategy management is required. Successful balanced scorecard companies implement a process for strategy management, which integrates the management of tactics, and the management of strategy into a seamless and continual process

2.19.4 Mobilize Change through Executive Leadership
A pre-requisite for the success of a scorecard program, or indeed any other performance measurement framework, is the absolute and explicit commitment of management at the most senior level.
However, where such commitment is secured, and despite expending considerable effort and resource, not all organizations have been successful in developing and deploying a balanced scorecard approach.

2.20 Introduction of the Balance Scorecard as a Performance Tool at TRA
BSC was introduced at TRA in the 2007 to replace the former performance appraisal system. It was introduced step by step through conducting trainings and seminars to different employee’s cadres. It started from the top management level whereby commissioners were trained on BSC as new approach to PM. The management fully supported the system.

2.21 Implementation of the System
Even though the balanced scorecard (BSC) has become a highly popular performance management tool, usage in government sector is still rare. This paper conditionally outlines some grounds in supporting such usage. In particular underlying conceptual concerns with the BSC system and its implementation pitfalls
require full consideration. This paper then outlines some factors to be taken into account for “successful” BSC implementation in TRA.

2.21.1 The Elements of a Balanced Scorecard System

According to Rohm, (2008), Developing Balanced Scorecard system is like putting a puzzle together, where different pieces come together to form a complete mosaic. In the Balanced Scorecard the pieces are strategic components that are building individually, checked for fit against other strategic components, and assembled into a complete system. One of the major components of a balanced scorecard system is to engage leadership, Interactive Communications and Change Management.

Developing a scorecard system is transformational for an organization; it’s about changing hearts and minds of employees. Leaders who are engaged in the discovery process, communication via two-way dialogue, and planning, managing change are important first steps in the process. The implementation of BSC at TRA started at the management level. The commissioners entered into performance contract with the CG. The contracts explain in details the specific objectives and the initiatives that the commissioner expect to perform during the year. The implementation process was considered very challenging because TRA was among the first organization to adopt the system hence benchmarking was near to impossible.

These objectives are aligned directly to the TRA strategic goal. The strategies are as well stipulated in the organizational corporate plan. This makes the whole system very systematic and strategic. He put forward the objectives, the initiatives to be taken in every perspective whether financial, customer, organizational or internal process. He as well put a level of performance measure and time for accomplishment of those objectives; In short it is considered that the objectives must be SMART i.e. Specific, Measurable, Achievable, Relevant and Time framed. From the commissioner’s contracts the managers entered into performance contracts with their respective commissioners to whom they reports by way of cascading the set objectives. The cascading process goes down to the level of operation staff.
Following the implementation strategy above, TRA was able to start implementation of BSC in 2009. In this year only management staff was able to use the new system of performance evaluation. Therefore dual systems i.e. the PA and the BSC were both used to measure performance in that year. Trainings continued to be conducted at all levels. A lot of consultations were done during the exercise and at the quarterly review sessions. In 2010 TRA was able to measure performance using BSC at some operational levels. The following procedures were followed:

(a) Every staff enters into performance contract with his immediate supervisor and conduct a continuous performance assessment
(b) Quarterly review been conducted
(c) Goals been confirmed or reviewed if found not achievable due to unanticipated constrains
(d) Retrieve the BSC form online from the TRA website
(e) Fill the forms according to the agreed performance contract.
(f) Evaluation of performance
(g) Feedback in terms of acknowledgement, reward or punishment

2.22 Performance Management Using Balanced Scorecard in year 2012

This is characterized by the automation of BSC through HR Management system known as ARUTI.

Through this system some of activities mentioned above have changed as follows:

(h) Every staff enters into performance contract with his immediate supervisor by filing a form online through ARUTI System.
(i) Quarterly review been conducted
(j) Goals been confirmed or reviewed if found not achievable due to unanticipated constrains
(k) Access the BSC form online from the ARUTI System
(l) Fill the forms online according to the agreed performance contract.
(m) Evaluation of performance
(n) Feedback in terms of acknowledgement, reward or punishment.
2.23 Quality improvement of Performance Management System

To enhance quality of the performance management process, HR departments have taken many initiatives. In many firms training program for both appraisers and subordinates are conducted so that both are aware of their roles. To ensure that no biases and personal prejudices multiple level of appraisal and reviews are conducted. If the appraiser and subordinate fail to reach an agreement, then a second reviewer, who is higher in the hierarchy, step in to resolve conflicts.

Also some firms conducted surveys among employees to gauge their satisfaction about the system and process. For example in Gujarat Gas Company, results from the survey prompted the HR department to realign the Performance Management System and process and the subsequent year’s survey showed the employee satisfaction with the process has increased (Dessler and Varkkey, 2011).
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter describes how the study was carried out towards data collection, analysis and presentation. The chapter also provides assurance that appropriate procedures were deployed by considering several sub topics: research design philosophy, approaches, study area, sample, sampling procedure, sample size, strategies, data collection methods, data processing and analysis in order to understand the knowledge attitude and practice of TRA employees as a way to make assessment of the effectiveness of performance management system using balanced score card as perceived by employees. A research design is basically a chosen plan for achieving a particular study or research and it gives details on the type of data to be collected and the techniques that will be used in data collection (Kothari, 2004).

3.2 Study Area
The study was conducted at TRA –Dar es Salaam Customs Department, Kinondoni and Ilala Tax Regions with 800 Employees. The reasons for choosing these areas as case study were, easier to gather data; it saves cost of transportation since researcher will not travel long distance to collect data.

The organization is divided into various departments for achieving organizational strategy. These include the followings:
(a) Customs and Excise Department
(b) Domestic Revenue Department
(c) Human Resources Department
(d) Finance Department
(e) Taxpayer Services and Education Department
(f) Research and Policy Department
(g) Tax Investigation Department
(h) Legal Department
(i) The Institute of Tax Administration under HR Department
3.3 Research Design

Research design, is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure, it includes an outline of what the researcher will do from writing the research proposal and its operational implication to final analysis of data. So it is a conceptual structure within which a research is conducted, it constitutes a blueprint for the collection measurement and analysis of data (Kothari, 2004).

Research design depends on the type of problem that would be studied and the knowledge of the facts available about the problem. The function of the research design will be to observe and provide plan for the collection of relevant evidence with minimal expenditure of efforts, time and funds which enabled a research to fulfill the plan to the problem selected (Kothari, 2004).

Generally, a research design refers to processes (typical steps) which may include a series of steps. Some of these stages were irrelevant, ignored in real-world situations in order to save time, reduce cost, or because they may be redundant in the situation (Malhotra, 2005).

The research adopted a case study design to assess the knowledge, attitude and practice towards the application of performance management system using balanced scorecard by deploying different set of independent variable cluster at TRA. The application of each one of the process was determined by the type and size of the problem being investigated.

For purpose of this study a case study research design was chosen due to the following merits outlined by (Kothari, 2005), is fairly exhaustive method which enables the study to go deeply and thoroughly different aspects of the phenomenon, it is flexible in respect to data collection methods and it saves both time and costs. It also included some issues which answer the two questions why and how of the research (Bobbie, 1983). Since two types of questions answered about what is going on and why is it going on in connection with BSC implementation at TRA, this work was basically an exploratory research.
3.4 Targeted Population

The population for this study was defined as all employees working at TRA involved during the sampling period. The sampling plan for this study was randomly selected employee’s N=100 including top managers and that the results were assumed to be for the whole population.

The study was considered to be undertaken at Tanzania Revenue Authority based on the following reasons:

The researcher understood that by choosing Dar es Salaam region it would be easier to collect data from all cadres of TRA staff from managerial to non-managerial levels. Also would be able to collect the required data at minimum cost and time available to complete this work.

Another important reason for selecting this region was that most of the TRA strategic operations are centralized at the headquarters.

Categories of the employees who were going to be interviewed were Regional managers, Head of sections, Operational staff and Support staff. Regional managers and Head of sections were purposively selected due to the fact that they are experts in Taxation, and supervisors of the subordinates who participated in their performance evaluation. The HR managers were also purposively selected because they are expert in HR management system using BSC. The operational and Support staffs were randomly selected to represent all other staff that falls under this category.

The research ensured that all categories of employees were included in a sample, that is, managers and non-managers; therefore a stratified random sampling technique was used. It was considered that 40% of managerial cadre, that is 15 managers, and 60% of non-managerial cadre that is 85 non-managers, formed a representative sample.

In order to ensure that there was an equal proportional representation from each department, proportional representation technique was used, thus, the 60% or 85 non-managers came from each department. Managers and non-managers were selected randomly. Managers were selected for the reason that they are the ones who evaluate employees’ performance and recommend for award.
The Head of sections included a group of Lectures/academic staff from the institute of Tax Administration. The researcher considered the ability of this group of trainers in analyzing issues and practices through their knowledge, attitude and practice on the BSC. It was presumed that data collection from this group would be easier and timely.

3.5 Sample size and Sampling Procedures
Sample size is the exact number of items selected from a population to constitute a sample. It is recommended to use a large sample size to be able to generalize your findings. This is because the larger the sample size, the lower the likely error in generalizing the population. But there is a trade off as the large sample size will also mean more resources such as money and time Adam and Kamuzora, (2008).

Researcher selected the sample size which is neither excessively large nor too small, also has considered parameter of interest in order to satisfy the requirement of efficiency, representation, reliability and flexibility. Since it was difficult to cover the whole population of TRA, the study covered the total respondents of 100 out of 800 TRA Dar es salaam employees.

This covered 15 managerial employees and 85 non managerial employees including ITA lecturers at 70 and 15 respectively, as shown detailed in table below.

<table>
<thead>
<tr>
<th>Department</th>
<th>Population</th>
<th>Sample size</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRA Dar es Salaam employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managerial staff</td>
<td>75</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Non managerial staff</td>
<td>700</td>
<td>70</td>
<td>10</td>
</tr>
<tr>
<td>ITA lectures</td>
<td>25</td>
<td>15</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>800</td>
<td>100</td>
<td>90</td>
</tr>
</tbody>
</table>

Source: Researcher’s own formulation, 2013

3.6 Sampling techniques/procedures
Sampling is the procedure whereby the researcher uses to gather people, places, or things to study (Barbie, 1992). The sampling methods are classified as either
probability or non-probability (Nachmias and Nachmias, 1981). Probability sampling is a compromise between the accuracy of your findings and the amount of time and money you invest in collecting, checking and analyzing the data (Saunders et al, 2000).

Kothari (2004) indicates two basic ways of choosing a sample sometimes referred to as types of sampling. Therefore sampling procedures were techniques that were used to determine the number of respondents that were involved in the study so as to provide necessary knowledge. In this research purposive and random sampling techniques were used in determining the required sample (100) of the study.

3.6.1 Purposive sampling
According to Cooper et al (2003), purposive sampling is sometimes known as judgmental sampling, the researcher chooses only those elements which he believes will be able to deliver the required data. In this regard respondents have been selected purposively due to the positions they hold such as Human resource officers, Managers and lecturers. The purposive sampling is useful in this study because it ensures the balance of group sizes when multiple groups are to be selected Smith, (2000). In this method the researcher deliberately includes/excludes some of the elements in the sample. The major criterion for including a person in a sample is possession of expertise or experience about the problem under investigation. This method is less expensive and quick for selecting a sample (Adam and Kamuzora, 2008).

The researcher purposively selected ITA lecturers as they have knowledge in BSC and therefore data collected from this group are reliable. Being a training Institute, ITA has a modern computer lab where verification of data could be done. The HR managers have been as well purposively selected since they are expert in BSC system.
3.6.2 Simple random sampling
The simple random sampling refers to a probability sampling where by all members in the population has equal chance of being selected to form a sample (Saunders et al, 2000). This would help the researcher to select a sample at random from the sampling frame without replacement. Other employees in each department named as non-managerial cadre were randomly selected to make a sample and this based on those staff who are not purposively selected. This technique is appropriate where the sampling frame is not too large and each unit is easily accessible (White, 2002).

3.7 Data Collection Techniques and Instrumentation
There are various methods used to collect data depending on research type: descriptive research; explanatory research; constructive research empirical research and explanatory research (Creswell, 2003). For the purpose of this study there are two types of data to be used namely primary and secondary data.

3.7.1 Primary data
These are additional data that researcher will collect for the first time to answer research questions. This are the information gathered directly from respondents. This is through questionnaires, interviews, focused group discussions, observation and experimental studies. It involves creating new data. Data is collected from existing sources (Kombo and Tromp, 2006).

3.7.1.1 Questionnaires
These are questionnaires that the respondent complete on his/her own. The questionnaires method is simple to use as compared to interview and observation. The method is also free from biases and gives more freedom to respondents to express their feelings in the absence of the researcher (Kothari, 2004).

3.7.1.2 Observations
The researcher being the employee of TRA observed what was going on towards the effectiveness of performance management system using Balanced Score Card as well
as identifying Planning phase whereby employee and employer (appraiser) were agreed on time scale for each organizational goal.

Also deduced the Acting phase on whether the progress was followed as agreed during setting of goals between employee and employer and methods that were used to measure the agreed objectives in a smart way.

Reviewing phase indicated how the employees were assessed on the progress and achievements so that action plans can be prepared and agreed.

3.7.1.3 Interviewing

Interview guide was another tool used to collect primary data in this study. This entailed face to face conversation between interviewer and interviewees, with the aim of gathering certain data. This method was preferred because it enabled the interviewer to understand the respondents’ inner feeling about the problem (Kothari, 1990). The method also gives respondents freedom to ask for clarification in case of any difficulty. In addition the method also ensures a high response rate as compared to questionnaires as earlier provided by Babbie (1986). The main requirement for good interviewers during data collection is the ability to approach identified respondents in person or by telephone and persuade them to participate in the study (Kombo and Tromp, 2006).

The main advantages of the interview method of data collection are (Genise, 2002; Shneiderman and Plaisant, 2005) that:

(a) Direct contact with the user often leads to specific, constructive suggestions;
(b) They are good at obtaining detailed information;
(c) Few participants are needed to gather rich and detailed data.

Unstructured interview allows greater flexibility in the questioning process. Commenting on the advantages of the method, White (2002) writes: ‘the real benefits of the interview is that you are face to face with the interviewee, so you can clear up any misunderstandings immediately’. He further argues that either side can question what they do not understand or during the interview the researcher can re-word or re-order the questions if something unexpected happen.
According Creswell, 2003 argues that depending on the need and design, interviews can be unstructured, structured, and semi-structured with individuals or may be focus group interviews.

i. **Unstructured interviews**
   The unstructured type of interviews allows the interviewer to pose some open-ended questions and the interviewee to express his/her own opinion freely. This requires both the interviewer and the interviewee to be at ease because it is like a discussion or brainstorming on the given topic. It is time consuming and since there is no set format for conducting these interviews, it is difficult to systematize and analyze data. The study did not use this type of the interviews as it is most used in topics that fall in social or political nature.

ii. **Structured interviews**
   In structured interviews, the interviewer uses a set of predetermined questions which are short and clearly worded. In most cases, these questions are close and therefore, require precise answers in the form of a set of options read out or presented on paper. This type of interviewing is specific, systematic, comprehensive, easy to conduct and time-saving. It is more reliable because similar questions are asked to all participants. The data collected using this type of interview is quantifiable and will be easily manipulated. The researcher, in most cases used this type of interview.

iii. **Semi-structured interviews**
   This method of interview is flexible because it contains features of both structured and unstructured interviews and therefore uses both open and closed-ended questions. This helps the researcher to get a complete and detailed understanding of the issue under research. In order to create consistence among the participants, the interviewer prepares a set of pre-planned core questions for guidance such that the same area is covered with each interviewee. However this type of interview can be time consuming.
due to the open-ended questions. Reliability of data obtained may be questionable hence creating problems in data analysis.

iv. Focus – group interviews
Focus group interviews are less structured compared to the three categories of the interviews discussed above. This is a special group in terms of its purpose, size, composition and procedures. It is usually composed of 6-8 individuals who share certain characteristics which are relevant to the study. It requires thorough planning and training of group moderators. However the researcher has less control over the flow of the discussion and results are hard to analyze. Besides that, rich data can emerge through interaction within the group, for example sensitive issues that could have been missed in individual interviews may be revealed.

3.7.2 Secondary Data
Secondary Data is readily available data or information. Secondary data are cheap to find, inexpensive, easily accessible, saves time and efforts. Disadvantages of this type of data are related to the credibility of the source of this information and the small degree that may not fit into the research objectives, the data might be outdated also it is not easy to control over the quality of data and it is not easy how authentic the measures is applied. In this study the secondary data was used to get information and it was from various sources like: Books, Magazines, websites, already published reports, Journals and publications, Research papers etc. (Kothari, 2004).

3.8 Reliability
Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made (Malhotra, 2005). Questions will be designed to probe sense and reliability from raw data. If a measurement device or procedure consistently assigns the same score to individuals or objects with equal values, the instrument is considered reliable. Reliability involves the consistency, or reproducibility, of test
scores i.e., the degree to which one can expect relatively constant deviation scores of individuals across testing situations on the same, or parallel, testing instruments. All threats related to reliability will be observed by considering subject or participant error, subject or participant bias (Saunders et al, 2005). The data collected from both employees and manager will be valid to avoid inconsistence of the information derived. However, an instrument must be reliable in order to be valid and it must also measure what it is intended to measure.

3.9 Validity
Validity refers to whether the findings are really about what they appear to be about (Saunders et al, 2005). A great care will be made to ensure that findings are the reflection of the reality at TRA. Validity has been defined by “the extent to which [a test] measures what it claims to measure” (Gregory, 1992, p.117). A measure is valid if it measures what it is supposed to measure, and does so cleanly – without accidentally including other factors. The focus here is not necessarily on scores or items, but rather inferences made from the instrument i.e. the behavioral inferences that one can extrapolate from test scores is of immediate focus. In order to be valid, the inferences made from scores need to be “appropriate, meaningful, and useful” (Gregory, 1992, p. 117). The validity focus on whether the means of measurement are accurate and they are actually measuring what they are intended to measure.

3.10 Data Analysis plan
Data analysis refers to the computation of certain measures along with searching for patterns of relationship that exist among data groups (Kothari 2004) Thus the process of Analysis aims at determining whether our observations support the hypotheses we formulated before going into the field to collect the information or reject them. The data was entered into the computer using a data base created in Ms. Excel. Then the data were transferred directly into SPSS DATA editor which provided both data and variable views. The data processing was initiated by invoking the analysis, the descriptive statistics and focusing on frequencies. The output contains graphical presentations (Histograms and pie chart) as well as tabulated
information. The researcher’s choice was determined by research objective and research questions.
CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction
Data analysis refers to the computation of certain measures along with searching for patterns of relationship that exist among data groups (Kothari, 2004). Thus the process of analysis aims at determining whether our observations support the hypotheses we formulated before going into the field to collect the information, or reject them. This chapter presents analysis and discussion about the findings from the collected data guided by research problem, research objectives and research questions outlined in chapter one.

4.2 Employees’ knowledge towards BSC as a tool for performance management
The specific objective was intended to determine the employee’s knowledge towards BSC as a tool for performance management. Research questions were distributed to both employees and managers to determine the knowledge on Balanced score card. The responds are indicated on Figure 4.1.
Figure 4.1 Employees’ knowledge towards BSC as a tool for performance management

Source: Researcher’s own formulation, 2013

Figure 4.1 reveals that 46 (46%) reported that they do not have knowledge on BSC as a tool for performance management because they were not involved in setting performance targets and they do not understand how do managers came up with readymade performance targets for their subordinates. Whenever new systems are introduced in organizations, sufficient time is required before they are internalized, fully understood, accepted, and used with sufficient quality. As such, institutionalization of new systems in organizations requires constant efforts geared at continuous training, learning and follow up. This is in line to Storey, 2005 who defines PM as includes the whole circle of agreeing goals and objectives (which may vary in their degree of specificity) providing feedback, offering coaching, advice, and motivating staff to perform at higher level.
On the other hand, 27 (27%) of the respondents which are managers agreed to understand and have little knowledge on BSC used at TRA as a tool of performance management. This gives an indication that only managers are the ones who were better trained. This group however cannot perform alone to meet the required target, all employees are duty bound to work as a team in order to ensure high results. 16(16%) agreed somehow they have knowledge on BSC. This group is comprised of the newly employed staff and clerical staff who did not attend any training when BSC was introduced at TRA.

Also 11(11%) reported that they understand on BSC because they attended short course training. However they reported that the system is too technical for them to understand and especially on how to cascade the objectives from their managers. This is as well supported by TRA management when admitting in one of their correspondences by saying that;

“…………………”the performance management system is automated and all staffs with access to computers and intranet are supposed to complete their performance appraisal through the system. However, there is an exception for staff only working in unconnected offices (specifically) in upcountry regions, office assistants and drivers across the Authority who are computer illiterate to submit their appraisal results in the previous format”;

From such statement it means the organization has fail to use the BSC tool for performance management to all staff thus opting to use dual system in the same organization thus fairness in the performance evaluation is questionable.

Table 4.1 indicated that most of TRA staff obtained on the job BSC training this is represented as 68(68%) while 18(18%) obtained formal training and 9(9%) attended seminars, only 5(5%) attended workshop on balanced score card.
Table 4.1 Training on BSC

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formal training</td>
<td>18</td>
<td>18.0</td>
</tr>
<tr>
<td>job training</td>
<td>68</td>
<td>68.0</td>
</tr>
<tr>
<td>seminars</td>
<td>9</td>
<td>9.0</td>
</tr>
<tr>
<td>workshop</td>
<td>5</td>
<td>5.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s own formulation, 2013

Table 4.1 above shows that number of staff who attended formal training is lower than those who attended informal training. This is reported to be 18% as compared to 68% respectively. The finding is attached to inadequate resources whereby with limited training budget the organization failed to take every staff for training. Considering this as a fact, some respondents do not understand why TRA should implement Balanced Score Card system.

Those who attended formal training reported that they have difficult in integrating the four perspectives of the balanced score card while distinguishing the KPIs, thus making balanced score card system not well understood and hence unsuccessful at TRA. Continuous training on balanced score card system to staff at all levels is necessary for an institution so that they both move together towards achieving organizational goals. This is supported by Kaplan and Norton, (1992) argument above that for the balanced scorecard to be fully effective as a strategic and communication tool, it is imperative that all employees understand the strategy and conduct their business in a way that contributes to its mission and objectives.
4.3 Employees attitude towards the application of performance management system using balanced score card

It is argued that most employees want direction, freedom, and encouragement to get their work done not control. The performance management system should be a control system only by exception. The solution is to make it a collaborative development system, in two ways. First, the entire performance management process – coaching, counseling, feedback, tracking, recognition, and so forth – should encourage development. Ideally, team members grow and develop through these interactions. Second, when managers and team members ask what they need to be able to do bigger and better things, they move to strategic development (Armstrong, 2006).

Employees have attitudes or viewpoints about many aspects of their jobs, their careers, and their organizations. However, from the perspective of research and practice, the most focal employee attitude is job satisfaction. Thus, for the purpose of this research, employee attitudes broadly, focused on balanced score card as a tool for their performance management and evaluation.

Attitude toward application of balanced score card at the organization reflects on how staff participated in setting goals, planning, reviewing, developing and enhancing performance and related competences at work.
Figure 4.2 Employees attitude towards the application of performance management

Source: Researcher’s own formulation, 2013

55% of respondent reported to have negative attitude towards application of the system because they were not involved in the introduction process. Their argument is therefore that they cannot distinguish between the old performance appraisal system and the new introduced system. One of them said, *Performance appraisal refers to employees while BSC refers to the corporate (TRA) level.* This indicates that some of employees have excluded themselves in BSC system.

However 29% reported neutral because they understand their objectives and tries to accomplish their tasks with time due to little knowledge on BSC, whereas 16% reported to expect positive attitude on using balanced score card because they understand and they normally use the system in evaluating their subordinates. One of the respondents has this to say
“BSC stores employee’s records in a database where information can be retrieved in a very short time compared to the previous manual system where some of the employee’s records were getting lost. It is a perfect record keeping system”.

This finding supports various authors’ views that, employee attitude affect behavior and also that employee attitudes are important levers of organizational performance (Saari and Judge, 2004).

Effective analysis and interpretation of employee attitude survey data is necessary in order to understand the results and, in turn, take appropriate actions to improve employee attitudes towards performance management of the organization.

The program for introducing performance management should take into account the fact that one of the main reasons why it fails is that line managers are not interested, or they don’t have the skills, or both. It is important to get buy-in from top management so that their leadership can encourage line managers to play their part.

To ensure buy-in, the process has to be simple (not too much paper) and managers have to be convinced that the time they spend will pay off in terms of improved performance. The demanding skills of concluding performance agreements, setting objectives, assessing performance, giving feedback and coaching need to be developed by formal training supplemented by coaching and the use of mentors Armstrong (2006).
When establishing whether there were enough resources to implement organizational strategic goals, 63% of the respondents reported that there are poor resources; this is in contrast to the definition of performance management as defined by Armstrong (2006) who defines Performance management as a systematic process for improving organizational performance by developing the performance of individuals and teams. TRA management cannot get the expected performance results from employees without first developing them in terms of capabilities and work facilitations. 27% reported that the organization has moderate resources such as machines with new technology but lack of working tools as main problem to some sections of TRA. One responded reported that:

“the problem is the tools we use to enter data. ARUTI system is not user friendly, it is almost like a simplified Microsoft excel”.

Also 10% reported to have adequate working tools and financial resources as indicated on Figure 4.3. This percentage is very small compared to the majority. It
gives an indicator that knowledge attitude and practice of BSC in TRA is still far from expectations.

4.4 Impact of BSC performance tool on organization performance

The performance of organization depends on four important perspectives mainly; financial, customers, internal business perspective, innovation and learning perspectives. If the organization fulfills all perspectives then it will excel at its strategic goals. Customs automation results in increased transparency in the assessment of duties and taxes, substantial reduction in customs clearance times, and predictability, all leading to direct and indirect savings for both government and traders. This is one area of innovation perspective that enabled an organization to operate electronically and minimize long queues as it was before introducing balanced score card.

Figure 4.4 Impact of BSC systems on organization performance

Source: Researcher’s own formulation, 2013
From figure 4.4, the 63% respondents reported that BSC performance tool has not improved performance in TRA whereby 23% reported that there is little improvement in performance attached to the system. This group emphasize that performance in TRA has been growing since then before the introduction of the system therefore it has been difficult for them to ascertain on this argument. To cement this idea 14% reported that the set targets were usually met because there are numbers of automated systems introduced at TRA such as ASYCUDA++.

4.5 Communication of the “why” of the balanced scorecard as implemented at TRA

Ensuring employees participate in decision making is more important for improving organizational performance than setting performance goals. Most of managers concentrate on setting performance goals for the organization leaving behind the employees who do not understand what it means. Communication is the way to disseminate the information from top to down or vice versa for the aim of understanding each other on matters/issues related at workplace. This has to be clear throughout in-order to improve organization goals.
61% of respondents reported that the balance score card is complicated such that they cannot understand it and how to run the system electronically. This reflects that there was no proper communication from the introduction point of the system to explain what is it, what does it do and why is it selected as the best or suitable system among the many other. When asked if there are any significant different with the previous system one respondent said I cannot compare the two because the outcomes were not properly reported to me in either of the systems.

Whereas 31% of respondents reported that the system is not very much complicated they insisted that more training is required for them to implement the system smoothly. This is supported by Kaplan and Norton when said ‘for the balanced scorecard to be fully effective as a strategic and communication tool, it is imperative
that all employees understand the strategy and conduct their business in a way that contributes to its mission and objectives’

Also 8% of respondents reported that the system is very strategic and simple to use. The researcher observed that majority of staff who reported these were managers. This gives an indicator that line managers were given enough training but they did little in imparting the knowledge to others, or this task was not their priority number one. Again this is supported by founders of the system when said ‘a pre-requisite for the success of a scorecard program, or indeed any other performance measurement framework, is the absolute and explicit commitment of management at the most senior level’.

However, where such commitment is secured, and despite expending considerable effort and resource, not all organizations have been successful in developing and deploying a balanced scorecard approach.

4.6 BSC Practice as applied at TRA

47% of the staff reported that they have no idea on how best to practice the BSC knowledge according to management expectations. This is because they do not participate in setting objectives with supervisors. One responded reported that;

“Some jobs are not included at the time of signing the contract with subordinates. But during execution they occupy substantial time, as they just arise in between the period under assessment”.

On the other hand 25% reported that the system is complicated such that without proper knowledge, the practice and procedures in BSC become cumbersome. Respondent said a 100% implementation of BSC is difficult, it needs total management commitment.

However the other group of managers 28% reported that the procedure in establishing the goals, cascading objectives and setting KPIs is simplified due to the alignment of individual performance to the strategic goal. It is geared to increase
performance of the organization. The researcher noted that this group is the one with enough knowledge on the system.

**Table 4.6 BSC Practice as applied in TRA**

<table>
<thead>
<tr>
<th>Percent</th>
<th>Cooperated</th>
<th>No idea</th>
<th>Simplified</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Source: Researcher’s own formulation, 2013**

The key players in BSC practice in TRA are employees, supervisors and the head of department (HOD) responsible for HR.

Sections 78 – 82 of TRA staff regulations provide for procedures in practicing BSC:

i. Every employee shall be responsible for completing the performance appraisal form annually, rating himself objectively and discussing his own performance objectives and development plans with the supervisor.

ii. The supervisor shall be responsible for rating the performance of the employee against set objectives and discuss with the employee the performance objective for the following review period.
iii. Completed forms shall be submitted to the respective reviewer. The HOD shall be required to assess whether the appraisal has been conducted in a fair and objective manner.

iv. The HOD shall sign the appraisal form and submit it to the HOD responsible for HR for standardization, and implementation of all actions approved including processing of salary increment, promotions, demotions and arranging training sessions.

The researcher revealed that feedback communication to employees after performance appraisal exercise is not provided in the regulation. The question when an employee should envisage for his performance review results is left unanswered. This has been one of the reasons for 47% respondent claimed to have no idea on the practice of BSC in TRA.

The 25% who find the practice complicated, are concerned with the long procedures which requires devotion of time and consultations regardless how big is the workload one has at a particular moment. Most of these respondents are senior tax officers and tax auditors whose roles are mostly done outside their offices. The 28% are managers and supervisors whose roles are mostly supervisory and reporters. They always want to make sure that goals are met by applying various enforcements measures.
CHAPTER FIVE
CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter presents observation drawn from the findings of the study in relation to research objectives, the chapter is composed of three sections including summary of findings in terms of research problem and objectives, conclusion and recommendations that the researcher found important to improve the role of training, communication improved performance towards goal achievement.

Summary
From the research findings, it shows that 11% of TRA employees have knowledge on BSC system. However this group consists of managers and senior officers who belong to managerial level. Majority of lower cadres do not have proper knowledge on the system this is represented by 46%. The finding on employees’ attitude towards the system is concluded to be negative by 55%. The positive attitude is as well for managerial cadre who are motivated by having proper knowledge. The practice is also satisfactory to this group, while the majority have poor practice. The practice of BSC in TRA is not well defined as represented by 47%. Operational staff considers BSC system as unnecessary evil, while putting all their efforts to ensure revenue targets are met and if possible surpassed for fear of its consequences if goals are not met. This marks 25%. Managers are comfortable with the practice as it has facilitated the task of performance evaluation.

5.2 Conclusion
In this study, I have examined possible relationships between knowledge, attitude and practice. Main indicators have been the concepts of training, communication, and participation. As analyzed throughout this paper by investigating the role of training in introducing and promoting the knowledge of BSC amongst employees, the analysis has shown that, although there is positive perception towards training on part of managers and few senior officers, it is evident that training on BSC has not
been given the first priority, the reasons been budget constraints, poor communication, and inadequate working tools.

The researcher understands that one may wonder to be told that there is poor communication while the BSC system in TRA is been communicated electronically using ARUTI HR system. Explaining this researcher points out that analysis on this is qualitative and not quantitative while considering the effectiveness of such communication as against using a sophisticated means. In the field researcher found out that employees do not get timely feedback, and if they get is after requesting or some do not get completely. This creates communication breakdowns hence poor performance. The commitment of line managers towards making BSC a success is also questionable. For any organization to prosper training and development should be given first priority despite that it is costing, lack of seriousness and commitment to most organizations seem to be the cause of ignoring training.

Although the study admits that BSC is a strategic tool to measure performance of individual employees and in return increases efficiency in the performance of organization, the study reported 55% of TRA employees who have negative attitude towards the system. The management anticipated that BSC would increase productivity; however there are 63% of employees who responded that BSC has not in itself improved productivity. In addition, there are about 46 percent of the employees who have never attended any training, so this percent should not be ignored, thus why there is a need for the organization to increase efforts and strategies in training to ensure effective communication and common understanding of the required practice.

The study has identified factors hindering training as budget constraints and inadequate working tools, despite the facts that training costs a lot of financial resources of the organization and sometimes may interrupt the organization’s production schedules, the study calls for organization to overcome that challenge by having a proper annual training plan. Ad hoc trainings must be minimized to the lowest level.
5.3 Recommendations
From the above findings and basing on the specific objectives of this research, the researcher makes various recommendations aiming at improving performance of TRA by effective use of the BSC system. This will only be possible if effort is done by management and employees to ensure full knowledge on BSC.

5.3.1 The employees
The employees should be given enough knowledge on the system and be imposed with positive perception towards BSC, since the study shows that 55% of the total employees had negative perception towards the system despite of its importance, and disregard the belief that training consumes the organizations funds unnecessarily, because training is the most important element for the survival of the organization.

5.3.2 The management
The management should seriously invest in training for its employees despite the facts that it is costing because of the rapid technological changes. It should prepare a realistic budget to carter for both trainings and trainers; however efforts to seek funds from private institutions and donors should not be neglected following a meager distribution of expenditure budget from the central government. Again, management should empower its HR officers equally to strengthen a team and create a group of HR expert on BSC to ensure the system becomes a success sooner than it was expected. Management should realize that the survival of any organization, depends on efficiency in quality service delivery to its customers and this is possible only if the organization has competent, motivated, and well trained employees. Moreover, the management should ensure competence recruitment is in place, where by computer literacy will be one of minimum qualification required. With all the modernization and automation taking place in TRA one could not understand to hear that there are TRA staffs in 2013 who are computer illiterate.

5.6 Areas for Further Research
This research is not a representative of all organizations in Tanzania. Some other organizations could have produced the same or different results. Since the sample
covered in this study was limited only to TRA Dar es Salaam offices. It is therefore recommended that for more reliable generalization of findings, a similar study be carried out on large scale involving comparison between public and private sectors on the same topic, this will bring out the wide understanding on the BSC system as management tool for performance management and how proper utilization of this system can add value in organizational performance.
REFERENCES


TRA Staff Regulation, June 2009

[www.cimaglobal.com](http://www.cimaglobal.com) retrieved on 20th January 2013
INTERVIEW GUIDE

i. Assessing the employees’ knowledge towards BSC as a tool for performance management
   - Alignment of job description with organizational goals
   - Knowledge of the system
   - Whether there was any initial training

ii. What is the employees attitude towards the application of performance management system using balanced score card and not other tool
   - Strength and weakness of the BSC
   - Is there adequate resources including financial and working tools

iii. Any impact of BSC performance tool on organization performance?
    - Any improvement in organization performance
    - Improving competency and motivation among TRA staff

iv. How TRA communicate the “why” of the balanced scorecard?
    - Involvement of employees in planning phase
    - The reason why choose BSC and not other performance tool
QUESTIONNAIRES

Dear respondents
My name is MinnaDaffa, a student from Mzumbe University Dar es salaam Campus
I am conducting a study on the ‘Knowledge, Attitude and Practice towards the
Application of Performance Management System Using Balanced Score Card at
TRA, as a partial fulfillment for the award of Master of science Degree in Human
Resource Management, This research is purely for academic purposes, your
information will remain confidential and there is no need of mentioning your name.
Here below is a set of questions requesting your genuine answers and full
participation
You are kindly requested to answer all questions with high gratitude and
transparency

OBJECTIVE NO 1: To find out employees’ knowledge towards BSC as a tool for
performance management

For Managerial cadre

1. Explain why Performance management is a process, that may affects the
   livelihood of employees

2. What is your knowledge towards BSC as a tool for performance management?
3. Performance Management can be related to a cycle that is planning, performance and reviewing of strategic goals of organization. Give your comments on this

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4. How do you align your job description to the strategic performance of your duties

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5. Explain the difference between BSC and the previous performance evaluation system in TRA

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6. Give your comments on the way TRA used to introduce BSC system to employees

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7. Give your opinion on how best the system could be introduced for better results

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8. BSC consists of four perspectives, which one is in line with your performance?
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9. What types of tools used for performance management at TRA?
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10. TRA has embarked on using balanced scorecard as a tool of performance what do you understand about strength and weakness of the system?
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OBJECTIVE NO 2
To find out employees attitude towards the application of performance management system using balanced score card

For Head of Sections and Academic Staff

1. You are now using BSC system in performance evaluation, how suitable is the system compared to any other system you know
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2. If you are not comfortable with the BSC system, what type of performance management system would you prefer?
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3. It is presumed that you had enough training on BSC, what measures do you think will be important to be taken by TRA to make you comfortable to the application of the system?
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4. It is argued that BSC is a fair play because it allows dialogue with your supervisor, what is the importance of these dialogues?
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5. In order to apply BSC strategically you need to cascade the organizational objectives from your immediate supervisor. What problems have you encountered in applying this?
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6. One of your requirements is to get the objectives which are clearly defined. What is your contribution in realization of this notion?

7. The customer perspective calls for customer satisfaction. Are your customer satisfied with your service? Yes/No If no why?

8. You are always been guided by the internal business process. What do you think are the obstacles toward your smooth operations?

9. The defined objectives must be SMAT. (Systematic, measurable, achievable, and time framed.) What are the stumbling blocks which affect you in attaining your objectives as required? How does the BSC system motivate you?
OBJECTIVE NO 3

To find out whether the BSC performance tool used had an impact on organizational performance

For Operational Staff

1. What is the relationship between BSC and TRA performance?
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2. To what extent does the BSC as performance management tool contributes to the improvement of your performance?
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   ……………………………………………………………………………………………
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3. How can the BSC act as a control measure to your performance?
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4. Mention the positive rewards that TRA employee can benefit from BSC system
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   ……………………………………………………………………………………………

5. How can the BSC help you to discover your training needs
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   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………

6. By using BSC you can redefine your objectives. Explain the reason for this.
7. In order to meet your objective you need to have adequate resources including financial and working tools. What is your contribution in ensuring this?

8. The vision of TRA is to become a modern Tax Administration. What do you think is the contribution of BSC towards achievement of this vision?

9. One of TRA mission is to have competent and motivated staff. How can the BSC improve competency and motivation among TRA staff?

10. BSC can cause a change in internal business process. Why do you think this is possible?

11. How do you put BSC into practice?

12. Describe the procedure in implementing BSC in your section
OBJECTIVE 4
Does the organization communicate the “why” of the balanced scorecard to employees at TRA?

For Support Staff/Non Managerial

1. As a stakeholder of TRA, how were you involved in planning phase when a new Performance system was introduced?

2. The top management oversee the organization mission and vision, at your level how do you look at company mission and vision

3. Why did TRA decide to use BSC instead of other performance tool used in other organization

4. TRA employees are conversant to application of the BSC system, what are your views regarding to this?
5. Feedback is vital element in performance management what is your views and suggestions.

6. At what time after your performance appraisal exercise do you get feedback?

7. What channel does the management use to give you feedback?

8. The previous performance appraisal system contained a lot of papers that made the exercise cumbersome. Comment with comparison to BSC.

9. It is very easy to understand and apply BSC. Give your opinions.

10. There is enough fairness and transparency in using BSC. Explain.