

Original Article

Balanced Score Card and Performance of Private Chartered Universities in Kenya¹ AMBUBI Geoffrey Ochola, ² ODOLLO Lawrence, ³ NJEJE Doreen^{1,2,3}The Catholic University of Eastern Africa (CUEA) Department of Graduate Business Studies School of Business & Economics

Abstract: The performance in private chartered universities in Kenya has been poor showing the need to use strategic management tools to appraise and monitor performance. This study focused on the performance of the private chartered universities in the country, examining the impacts of the BSC on the institutions' performance. It explored the different perspectives-financial, internal processes, learning and growth and customer processes- and how they influence such success. Theoretical frameworks like institutional theory, stakeholder and the resource-based theory were also studied. Using a mixed method approach, the study included 383 participants from 14 accredited private universities. Data analysis was performed with SPSS v.27, with descriptive and inferential statistics drawing conclusions and recommendations. The study had 268 respondents through questionnaires and 27 through interviews (78.2%; 62.8% response rates respectively). The findings showed positive and significant relationship between the finance, and internal business process; as supported by coefficients ($r = .785^{**}$, $p = .000$; $\beta = 0.314$, $p = 0.001$), and ($r = 0.756^{**}$, $p = 0.000$; $\beta = 0.305$, $p = 0.001$) respectively. The study concluded that the perspectives of the BSC and its adoption as a strategic management tool had significant impacts on the performance of chartered private universities in Kenya. Based on the study's findings, it is recommended that chartered private universities in Kenya implement robust financial management policies, establish operational and quality assurance policies, and foster a culture of and inclusivity among their stakeholders to ensure sustainability and continuous improvement.

Keywords: *Balanced Scorecard, performance, learning and growth, internal process, and customer perspective*

I. INTRODUCTION

A. Background of the Study

The balanced scorecard, as described by Kaplan and Norton (1992) is a strategic framework in strategic management that attempts to translate the goals and objectives of an organization into a comprehensive set of performance metrics (Faraji, Ezadpour, Dastjerdi & Dolatzarei, 2022). In addition to typical financial data, the BSC takes into account perspectives like learning and growth, internal procedures, and customer satisfaction in order to offer a complete picture of organizational performance. Across many industries, the BSC has been widely adopted as a methodical and comprehensive approach to performance management. Subsequent studies have deepened the understanding and utilization of the BSC, investigating its efficacy in a variety of organizational contexts. This research focused on the details of two perspectives to show how they influence performance of chartered private universities in Kenya, and the reason the BSC should be a tool of choice for the institutions to remain competitive in the educational sector.

Globally, whether a corporation is run for profit or not, achieving good organizational performance is still its core objective. Camilleri (2021) investigates the performance of private institutions in Europe. The study showed the lack of embrace for strategic management tools in institutions of higher learning leading to poor and undesirable performance based on four aspects associated with the BSC. The researcher showed negative outcomes of performance measures such as student retention; performance based on financial and non-financial measures and overall efficiency. The study prompted an investigation on the impact the BSC on performance a strategic management tool. Focusing on the role of leadership, Camilleri's study urges a focus on the identification of institutional value-creating activities that eventually propel performance of such institutions.

In Africa, Jingura et al. (2022) focus on how inconsiderate private universities have grown over time, leading to inefficiency and poor performance. Despite the growing demand for education in private institutions, constraints related to financial management and stakeholder management in the institutions has affected overall performance. The authors show that private universities garner low satisfaction scores from their stakeholders. The authors focus on South African private universities showing how high fees and costs of obtaining education are related to high student dissatisfaction rates. The authors show the necessity of strategic management tools to control elements such as costs and to manage stakeholder expectations. Lemma (2018) shows that inefficient administrative processes, lack of strategic planning, and inadequate governance structures can impede institutional effectiveness and hinder efforts to achieve excellence.

Private universities in Kenya face multiple challenges, including concerns over the quality of education compared to public institutions (Mang'anyi & Govender, 2017) and financial instability, which directly impacts their performance and development (Ondieki, 2017). Additionally, poor management of technology and online studies hampers their competitiveness (Kibuku, Ochieng, & Wausi, 2020). Muchemi (2019) highlights issues related to student retention and satisfaction due to high tuition fees, limited academic support, and weak engagement strategies. For example, Riara University has a retention rate below 67%, while St. Lawrence University has a graduation rate of only 47%. Muchemi also notes a decline in graduating students at the Catholic

University of Eastern Africa since 2017. The Balanced Scorecard (BSC) framework is proposed as a tool to address these challenges by promoting strategic employee growth and enhancing institutional performance.

B. Statement of the Problem

Significant performance problems threaten Kenya's private universities' long-term viability and capacity to deliver high-quality education. These difficulties make it hard to maintain infrastructure and draw in qualified educators. The challenges include insufficient funding, high operating costs, and an excessive reliance on tuition fees (Mwiria et al., 2017; Onsongo, 2017). Falling enrolment and increased dropout rates are made worse by perceptions of poorer educational quality, competition from public universities, and governance problems such as poor strategic management (Falola, 2022).

In addition, they are unable to satisfy industry demands because of outmoded curricula, subpar facilities, and insufficient funds for research. Muchemi (2019) draws attention to issues with student retention, noting that St. Lawrence University had a graduation rate of 47% and Riara University had a rate below 67% as per time of study. Kajawo (2019) and Ramasamy and Abdullah (2017) confirm similar problems in other African private institutions, emphasizing financial struggles and faculty turnover. The Balanced Scorecard (BSC) framework is suggested as a potential solution to address these gaps and improve the performance of private universities.

C. Research Objectives

- i. To explore the effect of financial perspective on performance of private chartered universities in Kenya
- ii. To examine the effect of internal processes on the performance of chartered private universities in Kenya.

D. Research Hypotheses

- i. (H₀₁): The financial perspective has no significant positive effect on the performance of chartered private universities in Kenya.
- ii. (H₀₂): The internal processes do not have a significant positive effect on the efficiency and overall performance of chartered private universities in Kenya.

II. LITERATURE REVIEW

A. Theoretical Framework

a. The Resource Based-View Theory (RBV)

The RBV theory is based on the work of Wernerfelt (1984) who explain how the external factors and resources of an organization influence the organizations behavior. Earlier proponents of the theory such as Penrose (1950) show in their book the importance of business using its resources to create a competitive advantage. In the 1990s, Prahalad, Hamel, Rumelt and Barney (1991) also made contributions to this theory (Yang & Morgan, 2011). They discussed on tenets of the theory such as core competencies of organizations and their major contributions towards organizational profits and competitive advantage. The theory relates to the financial perspective and internal process perspective as they are part of what creates organizational resources. For instance, under the financial perspective, the revenue, expenditure and return on investments determine what the organization has to manage its operations and also determines its competitiveness in the market. The independent variables in turn affect the dependent variable, private universities performance thus the importance of the theory in understanding impacts of the BSC. In relation to this research, the RBV theory shows that private universities in Kenya create a competitive advantage depending on how they interact with their resource environments. Collins (2021) shows their understanding of the theory by showing how an organization should develop unique sets of resources to create a competitive advantage.

b. Stakeholders' Theory

Freeman (1984) describes a framework in strategic management that emphasizes the importance of stakeholders in organizational success. The proponent of the stakeholder theory shows that the organizations should have the interest of all stakeholders at heart, creating value for stakeholders and not only the shareholders (Freeman, Phillips, & Sisodia, 2020). The interests and concerns of stakeholders need to be taken care of to create sustainable business and ethical practices that ensure survival of the organizations in competitive environments (Fadel, Necib, Rouaski, Challal & Bouaicha, 2021). The stakeholder's theory has created an understanding of the organizational stakeholders, creating an emphasis on satisfying the needs of the diverse stakeholders. The theory is instrumental in shaping the organizational strategies employed by private universities in Kenya. Fadel et al. (2021) explores in their research the intricacies of the theory and their relevance to modern institutions. The theory relates to the internal process theory as the internal stakeholders of the organization ensure the success of the organization and its performance.

c. Institutional Theory

The institutional theory is an organizational theory that describes the procedures via which corporate cultures and social behavior's authoritative rules, conventions, and routines are formed. The theory traces its roots to the legitimacy and authority theories as defined by Max Weber (Wolin, 1981). The tenets and perspectives associated with institutional theory originate from the work of Philip, Talcott, and Alvin, on organization-environment relations (1950-1960s). The theory focuses on the social elements and how they influence the adaptation of structure or organizational changes. The theory shares much with the legitimacy theory showing that the organization has to interact with its social environment to cope and remain competitive (Peters, 2022).

The institutional Theory is important in understanding the BSC as it focuses on the internal processes, showing the impact they have on the overall performance of the organization. The theory anchors the study objective and question that focuses on internal processes and operational strategies and their impact on the efficiency and overall performance of chartered private universities in Kenya. For instance, the perspective of internal processes within private universities can be explained using the theory as the norms, and cultures of the organization impact its strategic management decisions and thus its performance.

B. Empirical Review

a. Financial perspective on performance

Reducing expenses and raising revenue is the goal of the financial perspective, which is a gauge of sustainable financial success. Financial indicators are typically historical and cannot always reflect the organization's climate as it is currently or the outlook for performance prospects in the future (Krylov, 2019).

Al-Hosaini et al., (2023) studied the impact that the perspectives of the BSC had on the financial perspectives. In their study 'The Impact of the Balanced Scorecard (BSC) Non-Financial Perspectives on the Financial Performance of Private Universities', the authors based their focus on private universities in Yemen. In order to ascertain the influence that the three non-financial viewpoints of the BSC had on the financial perspective of the BSC, their study gathered data from 136 faculties. The study included deans and deputy deans from 136 PU faculties, with the exception of surveys that were not retrieved. A validated, structured, four-section questionnaire with a total of twenty-four items was employed by the researchers. Participants answered on a five-point Likert scale, where 1 meant "strongly disagree" and 5 meant "strongly agree." Each survey section examined one of the four BSC viewpoints: the learning and growth, internal process, financial, and customer perspectives. It also examined the relationship between these viewpoints and organizational performance. PLS and SPSS were used to evaluate the data collected; PLS-SEM regression approaches were particularly useful. The results indicated a positive statistical significance in correlation between the internal processes the financial perspective. There was a favorable correlation between a 2.341 improvement in financial efficiency. The study shows the essence of a balance between the different variables of the BSC to help control the financial variable.

Mutai (2019) explored the relationship between the BSC perspectives such as the financial perspective and the performance of learning institutions in in Nandi County, Kenya. The study was anchored on the performance theory and the BSC theory and used a descriptive research design to obtain findings and conclusions. The research had a target population of 174 from which a sample of 68 respondents were selected. Questionnaires were used to gather data from primary sources. The descriptive and inferential statistics were crucial in analyzing data (SPSS tool). Pie charts and frequency distribution tables were used to display the data that had been evaluated.

A very weak positive correlation between the association's presentation and the financial perspective was evident in the study. As a result, it was observed that there was no significant relationship between the financial perspective and the decisions made by public secondary school organizations. Regression analysis results indicate that financial factors have a significant but unfavorable effect on secondary school organizations' performance. This sheds a different light in the field of strategic management in the study of the impact of the financial perspective where the BSC strategy when employed in secondary school education, does not prove the financial perspective's impact on the overall organizational performance. This creates room for more research as it is not the case for public universities in Kenya, where finances play a crucial role.

Another study by Karisa and Wainaina (2020) on 'Balanced Scorecard Perspectives and Organizational Performance: Case of Kenyatta National Hospital, Kenya' tried to understand the impact that the different perspectives had on the performance of the institution. According to the researchers, the institution had received bad press due to performance issues in many of its departments necessitating the need for a strategic plan and strategic management tools to improve on performance. The researchers employed a stratified random sampling approach to choose the sample, which had a size of 67, from the intended population. Structured questionnaires were used to collect data, which allowed for the capturing of participant opinions regarding the application of the BSC as a strategic management tool within the company. With SPSS version 23, the questionnaire scores were examined, and descriptive statistics were applied to the categorical data.

The findings from the study demonstrated that, when combined, internal business process, learning, and growth were not statistically significant predictors of organizational success, but financial viewpoint and customer perspectives focus were at ($p < 0.05$). An R squared of 0.593 suggested that up to 59.3% of organizational performance might be attributed to concentrating on all of the balanced scorecard viewpoints. The study comes to the conclusion that an emphasis on BSC viewpoints improves organizational effectiveness and performance.

b. Internal processes perspective

Organizations should identify the precise internal procedures that allow them to keep adding value for their clients and, eventually, shareholders (Benková et al., 2020). According to a study by Ondieki (2017), the foundation of the company seems to be an internal perspective. Strong strategic planning is crucial for firms because it demands concentration and direction, according to research. Giving both internal and external consumers excellent service is another advantage of business outcomes. A different study by Intiswar and Rugami (2019) came to the conclusion that most organizations are built on the perspective of internal business processes. According to this research, there is a significant and beneficial relationship between internal business procedures and the provision of services. Studies have indicated that we value the use of productivity ratios, market intelligence reporting, demand flexibility monitoring, quality measurements, and appropriate product timeliness when it comes to internal business procedures that significantly affect service delivery.

Using the Mutai (2019) study as a reference, the study found that participants felt that the internal system perspective lessens the variety of process phases within the company. Furthermore, it hasn't been established if internal procedures have decreased the quantity of institutional communication channels. The internal species angle exhibited a weak but unquestionably integral association with the organization's overall performance, according to the correlation analysis's findings. It is held that an internal process angle is crucial in determining the public high school's overall organizational performance.

Additionally, regression analysis demonstrated that modifications in organizational performance in Kenyan secondary schools might be primarily attributed to internal procedures. As a result, the process' internal dimension significantly affected public high schools' performance. According to the findings of the study by Karisa and Wainaina, there is a moderate relationship between the performance of the organization and the internal approaches' perspective. The authors focus on the perspective that stakeholders have on the organization. Such a perspective is based on the value provided by the organization. Positive perspective and value proposition and proportional to the internal processes employed by an organization. Firms that prioritize internal processes thus can enhance their performance and the general perspective based on value (Karisa & Wainaina, 2020).

c. Knowledge Gaps

The empirical review helped identify the following research gaps hence the need for this study:

Empirical gaps: Through the empirical review, some of these gaps were evident. Geographical gaps were evident as the focus of the studies on the private universities that are serving the urban population. Many researchers are yet to understand strategic management in private chartered universities in the less urban, suburban and rural areas, globally, regionally and locally.

Contextual and methodological gaps: Many of the researchers focus on single stakeholders when employing the balanced score card. The focus is mainly on the management and administrative staff of the institutions thus not touching on the other stakeholders such as the normal private university staff and also the student's population and their view on the BSC. On the institutional settings, most authors base their findings and conclusions on one institution, which fails to bring out the clear picture of the use of the BSC or the generalization of the research findings. The absence of the use of mixed methods to conduct the study. Most authors use the qualitative method only gathering the stakeholder experience as the basis of understanding the impact of the BSC on performance of private universities. Most research lacks the quantitative insights. Insufficient contextualization creates a gap where factors related to Kenya such as economic, cultural and infrastructural factors influence the effectiveness of the BSC as a strategic management tool in chartered private universities in the country.

C. Conceptual Framework

The conceptual framework of the study was based on the independent variables i.e. financial perspective, internal processes perspective, and learning and growth perspective while Performance was the ultimate dependent variable. The diagram below shows the relationship between the two variables:

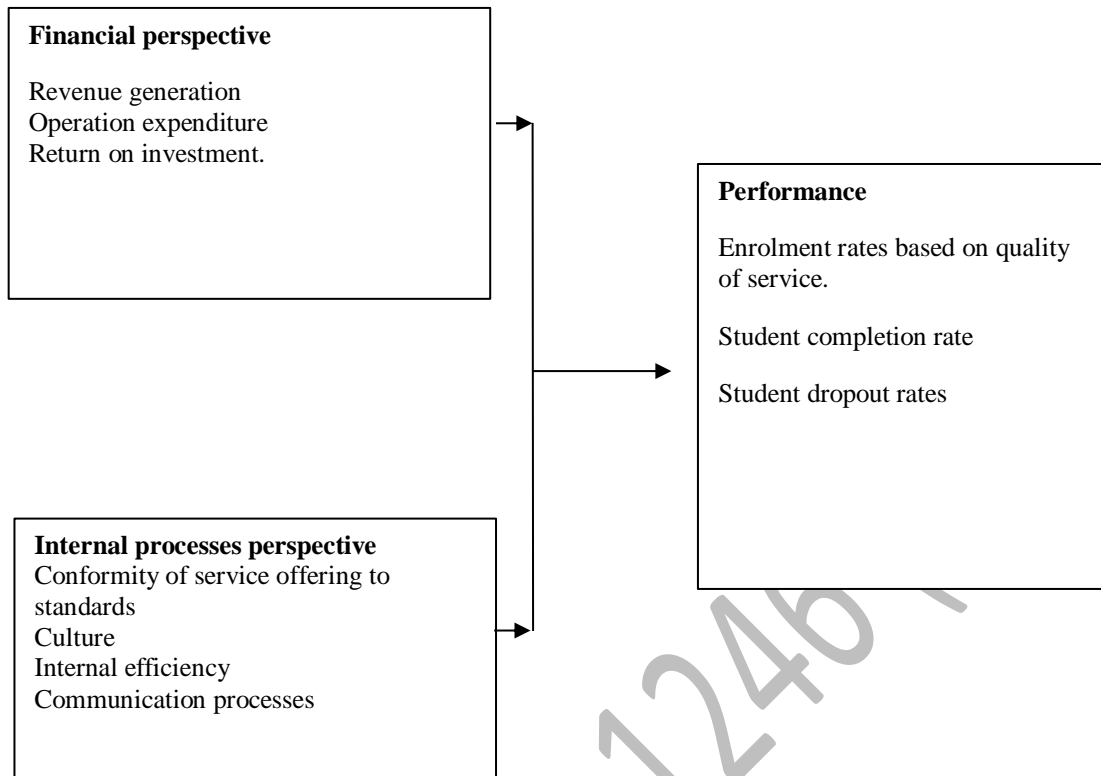
Independent variables**Dependent variable**

Figure 1: Conceptual Framework

III. RESEARCH DESIGN AND METHODOLOGY

A. Research Design

The study adopted convergent parallel design, a mixed method approach. In a single phase, a convergent parallel design simultaneously gathers and evaluates two separate strands of quantitative and qualitative data. As defined by Creswell and Plano (2011), a mixed design is one that attempts to identify patterns of convergence, divergence, contradictions, or relationships between two data sources while maintaining the independence of data analysis and the weighting of qualitative and quantitative methods equally. In this case, the convergent parallel design allowed for the use of a phenomenological research design for the qualitative and quantitative data.

This study benefits from the mixed technique since it offers a thorough grasp of the research problem (Nanthagopan, 2021). While the qualitative approaches offer deeper insights into the contextual factors, experiences, and perceptions of the BSC in the organizations' strategic management practices, the quantitative method offers quantifiable data on the impacts of the BSC on the performance of Kenya's chartered private universities. Second, triangulation is provided by mixed technique, which improves the study results' validity and reliability (Nanthagopan, 2021). By using a hybrid method, the study was able to cross-verify its findings and produce a more thorough analysis.

B. Target Population

Within the field of research technique, the notion of "population" is a basic and essential component that establishes the total extent and relevance of a study. In this sense, the term "population" refers to the entire group of people, objects, or events that are the focus of the study and have particular qualities. In essence, it stands for the complete group that the researcher is trying to figure out or infer anything from (Shukla, 2020). The target institutions were all the 25 chartered private universities in Kenya as per the Commission of University Education Accreditation Charter of August 2023. The members of staff targeted through the study included the DVC Finance and planning, DVC Academic Affairs, and management staff such as finance managers and HR

managers. The rationale for selecting the population was due to their expertise and interactions they might have with strategic management practices specifically the use of the BSC as a strategic management tool.

C. Sample Size and Sampling Procedures

The selection of a suitable sample size is a crucial factor in research technique that can greatly impact the dependability and applicability of study findings. The number of participants, components, or observations chosen for the study's purposes from the broader population under research is referred to as the sample size. Researchers must carefully consider all factors while choosing the ideal sample size (Singh & Masuku, 2014). In this study, stratified and purposive sampling techniques were used to select samples of the study. With a private chartered university staff population being above 5077 (CUE, 2017), the sample size sufficient for the targeted study population was 383.

D. Research Instruments

An essential component of study design, the choice of suitable research equipment has a direct impact on the quality and validity of the data gathered. Depending on the nature of the research issue and the kind of data required, instruments can take many different forms, including as tests, questionnaires, surveys, interviews, and observations (Busetto et al., 2020). Since each instrument is made to record a certain feature of the phenomenon, researchers must carefully select or create instruments that match their research objectives. In conducting the study on the implementation of the BSC in private universities in Kenya, two research instruments were utilized. A questionnaire was developed for collection data from staff and students while structured interviews were used to collect qualitative data from university management. The instruments ensured a comprehensive analysis, and their selection was based on the need to collect qualitative and quantitative data.

E. Validity and Reliability of the research Instruments

Ensuring the validity of research instruments is paramount in any study to guarantee the accuracy and reliability of the data collected (Ruslin et al., 2022). Efforts were made to establish content validity by involving experts in the field of strategic management and higher education administration to review the instruments and provide feedback on their relevance and appropriateness. Their insights helped in ensuring that the questions adequately covered the dimensions of interest and could elicit the desired information from the participants. The Likert scale items in the questionnaire were evaluated for reliability using the Cronbach's Alpha technique. Using the statistical software for social sciences (SPSS), the Cronbach's Alpha value of the questionnaire items and the average coefficient value was calculated. Based on the Cronbach's Alpha value, the research instruments were considered reliable with a score of 0.8 as per the results of the pilot test (Mohajan, 2017).

F. Data Analysis Procedure

The data collection process involved collecting raw data and systematically organizing it to facilitate data analysis. The collected data underwent scrutiny to confirm its accuracy, completeness, and uniformity. Quantitative data was entered into the Statistical Package for Social Sciences (SPSS) data analysis program then analyzed. Qualitative data were condensed into clusters and assigned labels such as themes. The qualitative data was used to support the quantitative data on understanding the impacts of the BSC perspectives on the performance of private chartered universities in Kenya.

IV. PRESENTATION, DISCUSSION, AND INTERPRETATION OF FINDINGS

A. Response Rate

For the qualitative analysis, the study targeted 43 management staff for the interviews to provide wholesome data on the utilization of the BSC in their institutions. The interviews had a response rate of 62.8%, with feedback from 27 respondents out of the targeted 43. On the other hand, for the inferential data, a total of 343 questionnaires were administered during the data collection period. They were aimed at other staff members in the chartered private universities in Kenya (who were not part of the administration or management) and the student population. The individuals would provide valuable insights into their understanding of the BSC as a strategic management tool and evidence of its impact based on the various perspectives. Out of the 343 questionnaires issued, 268 were filled. That gave a response rate of 78.2%, which was adequate to generalize the findings of the study.

Table 1:

Study response rate

Data Collection Method	Targeted Participants	Responded Participants	Response Rate (%)
Interviews	43	27	62.8%
Questionnaires	343	268	78.2%

a. Qualitative Analysis

The data that was focused on in the analysis was that received through the open-ended questions that were availed to participants through the interviews as per the interview schedule. After interviewing the participants, the data was grouped according to themes to create an understanding of strategic management tools employed in chartered private universities in Kenya, focusing specifically on the BSC.

The study targeted 43 management staff for the interviews to provide wholesome data on the utilization of the BSC in their institutions. The management staff included the DVCs in Academics, finance, and other appropriate departments that provide insights into organizational strategic management. Respondents registered their names and those of their institutions, ensuring that the information obtained was from a diverse range of chartered private universities in the country. Participants shared a brief overview of their institutions, mission, vision, and educational objectives. The student and staff populations shared by the institutions ranged from 1000 to over 10,000 individuals.

The interview shed light on the adoption of the BSC in the institutions under study. The interviews had a response rate of 62.8%, with feedback from 27 respondents out of the targeted 43. From the respondents, it was clear that more than 85% of the institutions adopted strategic management practices with strategic planning sessions, continuous strategic plans, and performance reviews. The participants also had experience in dealing with strategic management practices, with 40% having been involved in strategic management practices for 1-3 years, 35% for 4-6 years, and the remaining 25% for more than seven years. The findings on the impacts of the BSC on the performance of the institutions are based on the responses from the 27 respondents in the study and are arranged thematically.

Over 85% of the respondents expressed satisfaction with the use of the BSC as a strategic management tool and similar acceptance with other stakeholders of their institutions. They cited the improved strategic alignment and performance monitoring as the benefits that promote the acceptance and use of the BSC. Less than 15% of the participants elicited mixed feelings about the adoption of the BSC, citing various issues that arise from its use as a strategic management tool. All participants, however, perceived the importance of the BSC, regarding it as a crucial component of strategic management practices and organizational performance.

i) Financial perspective.

On the financial perspective, 75% of the respondents reported enhanced financial performance measurement and management with the use of the BSC as compared to other strategic management tools. They stated that the financial management practices led to better- and well-informed budgeting practices and resource allocation decisions. Most participants cited a Budget efficiency increase of between 10-15% and an unnecessary expenditure reduction of over 5%.

ii) Internal process perspective.

The internal process perspective showed that the BSc was a crucial tool for process optimization and performance tracking. Respondents noted enhancement of internal processes, with 80% giving a positive impact of the BSC on the processes.

iii) Descriptive statistics

The table below has the descriptive statistics showing the research variables that were under study. The statistics show the number of respondents under each of the variables, showing the minimum and maximum values used and the mean and standard deviation:

Table 2:

Mean and Standard Deviation

<i>Variable</i>	<i>Respondents</i>	<i>Mean</i>	<i>Min</i>	<i>Max</i>	<i>SD</i>
Financial Perspective	234	4.281	1	5	0.723
Internal process perspective	261	3.021	1	4	0.682
Institutional performance (<i>based on dependent variables</i>)	267	3.811	1	4	0.911

The standard deviations of the study variables and the performance of chartered private universities shows the data is clustered around the mean. It shows that most of the respondent's answers to the questionnaire were closer to the mean which could be used to make statistical inferences and generalize the conclusions from the results. The minimum and maximum values were based on the mapping of the responses where 1 presented the worst feeling or value about a question and 4/5 represented the highest value or the positive score.

On the financial perspective the mean was 4.281 showing that most of the respondents agreed on the role that management had in the collection and the use revenues. A large number also agreed that the tuition amounts that are charges on the students was equivalent to the value that they gained through the institution. On the issue of expenditure, many respondents felt that their institution’s expenditure was higher than other institutions within their caliber. The respondents also felt that investments made by the institutions were for promoting the main work of the institutions thus promoting performance. For the internal process the mean was low compared to the other perspectives, showing despite positive feedback on factors associated with the BSC, respondents were not completely sure of the impacts of internal processes on their institutions. The efficiency of the institutions was above average.

b. Inferential Data Analysis

i) Correlation

The questions in the questionnaire were clustered as per the different perspectives of the BSC. For the quantitative analysis, they were bundled to meet and fit the objectives of the study. The analysis grouped the overall question into the following:

1. Does the financial perspective of the BSC predict positive in chartered private universities in Kenya?
2. Does the internal process perspective predict positive performance and efficiency in chartered private universities in Kenya?

Table 3: Correlation outputs

	Performance	Financial perspective	Internal business
Performance	1.000		
Financial perspective	.785**	1.000	
Internal business process perspective	.776**	.558**	1.000

The results indicated a strong correlation between the independent and dependent variables based on the correlation outputs. The determined predictor values showed that the balanced scorecard perspectives improved the performance of Kenya's chartered private universities. The results revealed that the financial perspective had the greatest correlation to the performance of the private universities ($r = .785^{**}$, $p = .000$). The internal business perspective also had a positive correlation with performance ($r = .756^{**}$, $p = .000$). From the sig. (2-tailed) analysis, it is evident that all the independent variables showed significant correlation where the $p < 0.015$ and 0.05 , hence the ** .

The results further identified a moderate positive correlation between other variables but not a very high correlation to cause multicollinearity concerns. The correlation coefficient of the independent variables was below 0.7, hence not indicative of multicollinearity. For the financial perspective and the internal business process perspective, the correlation coefficient $r = .558$.

ii) Regression Analysis

The study carried out the regression analysis to identify the statistical significance of the relationship between the independent variables and the dependent variable. The following is the model summary that the study used in explaining the study variables:

Table 4: Model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Err of Estimate
1	.814a	0.721	0.71	0.52348

The model described the performance of the regression model. The R value in the model was .814 showing a strong positive correlation between observed and predictable values of the dependent variable. That shows the predictions of the analysis of model data are closely related to the actual data. The R square was 0.721 showing that approximately 72.1% of the variance in

the performance of the chartered private universities in Kenya could be explained using the independent variables (BSC perspectives' factors). The adjusted R square was 0.71 which was based on the number of predictors of the model. The adjustment allowed for the elimination of the overestimation of the explanatory power of the model. The standard of error of estimate suggested that the performance of the values deviated from the predicted values by 0.52348. In conclusion the model used was a strong fit for the data in that there was a strong linear relationship between the dependent and predictor variables.

Table 5: The ANOVA

ANOVA Table					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	71.435	2	35.718	342.204	.000b
Residual	27.555	264	0.1044		
Total	98.990	266			

Based on the residuals and the assumption of the perfect fit of the regression model, the Kolmogorov-Smirnov test was carried out to understand the normality of distribution and skewness of data. The test was the most appropriate for this research since $n > 50$. The results of the K-S test statistic result were 0.0231 and the p-Value = 0.09. The relatively small K-S statistic and the p-value greater than 0.05 suggest that the residuals are consistent with a normal distribution. This supports the assumption of normality in the residuals of the regression model.

The ANOVA was further used to explain the significance of the regression model showing the relationship between the independent variables (BSC perspectives) and the dependent variable which was the performance of the private universities in Kenya. The regression sum of squares shows the variations that are explained by the financial perspective, customer perspective, internal business perspective and learning and growth perspectives. The ANOVA supported the above notion by having an F value of 342.204 and a $p < 0.000$. As per the table, there were 2 independent variables that were being tested and there were 264 observations in the study.

Table 6: Regression coefficients

Variable	Unstandardized Beta (B)	Standard Error	Standardized Beta (β)	t-value	p-value
Intercept	0.123	0.023	-	8.24	0.000
Financial perspective	0.074	0.019	0.314	3.82	0.001
Internal business process perspective	0.071	0.020	0.305	3.56	0.002

The formula for the regression equation is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon \quad \text{or} \quad Y = 0.123 + 0.074 X_1 + 0.071 X_2$$

Where β_0 is the intercept variable (dependent variable) and β_1, β_2 , are the independent variables ($X_1 - X_2$). The ϵ is the error term.

The results of the coefficients show the following: The intercept variable shows the value of performance when the independent variables are at Zero. It also shows statistical significance as the p-value was < 0.05 i.e. $p = 0.000$. For the financial perspective, the coefficient of 0.074, standardized $\beta = 0.314$, shows that the perspective has a positive impact on the performance. It is also statistically significant, with a p-value of $0.001 < 0.05$. The internal business process perspective displayed similar positive impacts on the performance of chartered private universities in Kenya with a coefficient of 0.071, standardized $\beta = 0.305$. The perspective was also statistically significant, with a p-value of 0.002.

B. Interpretation of the Findings

a. Financial perspective

The first objective of the study was to explore the effect of the financial perspective on the performance of private chartered universities in Kenya. The results from the correlation indicated that performance and financial perspective were positively and

significantly related ($r = .785^{**}$, $p = .000$). This shows that the financial perspective explained more than 78% of the changes in the performance of the chartered private universities based on the number of observations that were made in the study. The regression analysis also supported the findings, showing a positive and significant relationship between the two variables ($\beta = 0.314$, $p = 0.001$). It implies that any positive changes in the financial perspective elements yielded a similar positive change to the performance of the chartered private universities in Kenya based on the performance KPIs identified in the conceptual framework model.

The results are supported by the qualitative data collected during the interviews with the management staff of various chartered private universities, where over 75% stated the impacts that finances had on the performance of their institutions. The findings showed that better financial practices, such as proper budgeting and adequate resource allocation, increased the efficiency of the institutions and reduced unnecessary expenditures, thus having a positive impact on overall performance. The results are aligned with the study carried out by Oliveira, Rodrigues, Silva, Meirinhos and Franco (2022), who show the impacts of the BSC perspectives on organizational performance. They show that the financial perspective is revered for its value creation, which dictates the direction taken by the organization. The authors also identify that organizations attribute greater importance to the perspective, especially those that have adopted the BSC.

b. Internal process perspective

The third objective was to examine the effect of internal processes on the performance of chartered private universities in Kenya. The results of the study showed a positive and significant relationship between the factors ($r = 0.756^{**}$, $p = 0.000$). The internal processes deal with factors that influence the organizations without external influences from other stakeholders. Further analysis using the regression model supported the findings with coefficients showing a positive and significant relationship ($\beta = 0.305$, $p = 0.001$). The results imply that positive changes in the factors under the internal process perspective have a similar, positive impact on the performance of chartered private universities in Kenya. The conclusion is further supported by the qualitative data, where over 80% of respondents who used the BSC tool stated its positive impact on process optimization and performance tracking.

Alzoubi (2015) supports the results of the study in his research, showing the impacts that internal processes have on performance. The author shows that the two factors have a positive relationship, where a positive increase or improvement in internal business processes leads to an equally positive impact on competitive and operational performance. Similar findings from other authors, such as Weerasooriya (2016), show a significant relationship between the internal process and the performance of institutions, thus supporting the overall conclusions of the significance of the perspective as a factor affecting the overall performance of chartered private universities in Kenya.

V. SUMMARY, CONCLUSION, AND RECOMMENDATIONS

A. Conclusions

The findings of the study support the conclusion that the balanced scorecard is an important tool in the strategic management of chartered private universities in Kenya. The balanced scorecard perspectives had a positive and significant effect on the performance of the chartered private universities. As conceptualized in the framework provided for this study, the analysis focused on the two major perspective elements as the independent variables, i.e., financial and internal processes at the same time, the performance of the institutions was the dependent variable.

The financial perspective, which focused on elements of revenue generation, return on investment, and operational expenditure, was found to be a major driver of the performance of the chartered private universities in Kenya. The effectiveness of the financial management practices determined the success levels of the institution as a whole from many other perspectives, also showing its positive impact on the other perspectives of the BSC. The findings show the necessity of financial management as it provides the resources that allow the institutions to invest in quality services and infrastructure. Such investments foster operational efficiency, enabling the institutions to achieve their goals and objectives.

The internal processes perspectives were integral to understanding how the chartered private universities in Kenya functioned and how the functioning affected their performance. The perspective encompassed elements such as conformity to standards, internal efficiency, organizational culture, and internal communications, which are key performance indicators. These elements contribute to smooth and effective operations in institutions. Conformity to standards ensures that private universities meet the established benchmarks for performance and quality. The institutions needed to adhere to the service standards as a way of improving and maintaining performance. The service standards have a relationship with other perspectives of the BSC, such as the customer perspective, where they influence the satisfaction levels of customers and employees and also foster trust. Adhering to high standards, therefore, creates reliable and predictable services and enhances organizational reputation, making it easier to move toward success.

The study concluded that the balanced scorecard and the integrated approach across the two perspectives are necessary for attaining high organizational performance. Financial prowess is the foundation for the performance of the chartered universities in Kenya. Internal processes create operational effectiveness enhance long-term institutional success. By managing the perspectives, chartered private universities in Kenya enhanced their overall performance, allowing them to meet their goals and objectives.

B. Policy Recommendations

Based on the positive relationship between the BSC perspectives and the performance of chartered private universities in Kenya, as per the study findings, the following recommendations were made: Private universities should diversify their revenue

generation and aim at increasing their streams of income. They should constantly introduce new programs that will ensure a higher number of customers and also include programs that focus on other groups in society, such as those that require informal training. The institutions should also consider entering new markets, which will increase revenues. Private universities should also control their operational expenditure. Rigorous cost management strategies would be effective in ensuring that expenditure is of the needs of the organization and that unnecessary expenditures are eliminated. It is crucial also to have regular financial audits that will keep such expenditures and costs at the most appropriate levels. The audits will also help identify operational expenditure flaws within the organizations and, thus, strategies to deal with them. Adopting the lean management practice will also help eliminate the waste that the chartered private institutions experience when it comes to finances. Chartered private universities in Kenya should create financial management policies that are robust thus allowing the optimization and allocation of resources

Based on the results for the internal process perspective, the institutions should focus on strengthening their conformity to standards, as the perspective has a positive and significant impact on performance. That could be achieved through regular audits and assessments, continuous improvement programs, and the creation of standard operating procedures (SOPs). Having operational, quality assurance policies will ensure continuous improvements on the internal processes.

Future research should promote longitudinal studies when it comes to the study of the BSC as a strategic management tool used by chartered private universities in the country. Longitudinal studies observe the trends and the changes over extended periods, thus providing better insights into the relationship between the different perspectives of the BSC and the performance of the institutions. Researchers should also examine the long-term impacts of specific interventions on organizational performance. That calls for tracking of changes before and after implementing BSC as a strategic management tool, thus allowing a measure of the effectiveness of the tool.

Disclaimer

The views stated in this article are those of the authors and do not necessarily represent those of any of the entities mentioned.

Interest Conflicts

All authors declare that they have no conflicts of interest whatsoever in this publication.

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