

Assessing the Effect of the Balanced Scorecard as a Performance Appraisal tool on Employee Performance: A Case of a Pension House in Zambia

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Abstract:

This study aimed to assess the effect of the Balanced Scorecard (BSC) as a performance appraisal tool on employee performance at the National Pension Scheme Authority (NAPSA) Ndola Office in Zambia. The purpose was to examine how the implementation of the BSC influenced employee motivation, productivity, job satisfaction, and overall performance, while identifying challenges encountered during its adoption. A qualitative research methodology was employed, utilizing thematic analysis of data collected through interviews with selected NAPSA employees. The findings revealed that the BSC significantly enhanced employee motivation by providing clear and measurable goals, which improved focus and engagement. It also fostered increased productivity as employees became more aware of their performance and took greater accountability for meeting targets. Job satisfaction was positively impacted through fair recognition of both quantitative outputs and qualitative contributions such as client service and personal growth. Furthermore, the BSC promoted skill development via encouragement to participate in learning and growth activities, while shifting feedback from fault-finding to constructive guidance supported continuous employee development. However, the study also identified challenges including inadequate training on BSC usage, unclear performance metrics particularly for non-customer-facing roles, resistance to change among some staff, administrative burdens associated with appraisal documentation, and infrequent feedback sessions limiting timely performance improvement. Despite these challenges, the BSC was found to align individual employee goals with organizational objectives effectively, promote accountability, improve work behaviors, enhance team collaboration, and facilitate feedback-driven growth. Based on these findings, the study recommended that NAPSA invest in comprehensive training programs, simplify appraisal processes, clarify key performance indicators, address cultural resistance through change management, and increase the frequency of performance reviews. These measures were suggested to optimize the impact of the BSC on employee and organizational performance. Overall, the study concluded that the Balanced Scorecard is a valuable tool for enhancing employee performance and supporting strategic management in public sector institutions, provided its implementation is supported by adequate resources and continuous improvement efforts.

Keywords: Balanced Scorecard (BSC), Employee Performance, Performance Appraisal, Motivation, Job Satisfaction, National Pension Scheme, Zambia

1. Introduction and Background

The Balanced Scorecard (BSC), developed by Kaplan and Norton in 1992, is a strategic management framework that allows organizations to measure performance not just in financial terms but across four key perspectives: financial, customer (or stakeholder), internal business processes, and learning and growth (Kaplan & Norton, 2021). This approach enables organizations to track operational performance, align actions with long-term goals, and promote employee motivation by linking their individual efforts to broader strategic objectives. Over the years, the BSC has been widely adopted across various sectors, particularly in the public sector, where transparency and accountability are critical (Gomes & Azevedo, 2025).

In the public sector, performance appraisal systems such as the BSC are crucial for improving service delivery. The use of the BSC in public sector organizations like the National Pension Scheme Authority (NAPSA) in Zambia aligns the staff's daily activities with the organization's mission of providing efficient pension services to citizens. However, while the BSC offers a comprehensive framework for performance evaluation, its application in Zambia's public service sector remains under-researched (Gomes & Azevedo, 2025). Studies on the implementation of the BSC in public institutions often emphasize organizational outcomes without delving deeply into how it affects employee motivation, job satisfaction, and performance (Merchán Pesántez, Tenesaca Quishpe & Ormaza Andrade, 2023).

The National Pension Scheme Authority (NAPSA) in Zambia is tasked with managing the pension contributions of employees across various sectors. With offices throughout Zambia, including the Ndola Office, NAPSA faces challenges such as high customer demand and long waiting times, which can affect employee morale and productivity (NAPSA, 2023). To address these challenges, NAPSA adopted the BSC, but there is limited empirical evidence on the actual effectiveness of this performance appraisal system in improving employee motivation and job satisfaction in the organization (NAPSA, 2023). Moreover, the implementation of BSC has not been without challenges, such as resistance to change, resource constraints, and a lack of alignment between individual performance metrics and organizational goals (Al Hattami et al., 2022).

While much of the existing literature on BSC implementation in public sector organizations focuses on high-level outcomes such as service delivery and stakeholder satisfaction, less attention has been given to the employee-level impacts. Therefore, this study aims to fill that gap by assessing how the BSC affects employee motivation, productivity, and job satisfaction at NAPSA's Ndola office. Specifically, it will explore the relationship between BSC performance appraisal and employee performance at this branch and identify any barriers to its effective implementation (Lameque et al., 2023).

This study may contribute to the ongoing discourse on performance management systems in the public sector by providing valuable insights into the application of the Balanced Scorecard at NAPSA Ndola Office. It aimed to assess not only the effectiveness of the BSC in enhancing employee performance but also the operational challenges encountered during its implementation. Understanding these dynamics may help improve future performance management strategies, not just at NAPSA but in other public institutions in Zambia and beyond.

1.2 Statement of the Problem

The National Pension Scheme Authority (NAPSA) in Zambia plays a critical role in managing pension funds for both formal and informal sector workers, ensuring long-term financial security for citizens (NAPSA, 2023).

In an effort to enhance organizational performance, NAPSA adopted the Balanced Scorecard (BSC), a strategic management framework that aligns individual employee performance with the organization's goals. Ideally, the BSC is designed to improve employee motivation, increase productivity, and foster job satisfaction by measuring performance across financial, customer, internal processes, and learning and growth perspectives (Kaplan & Norton, 2021). However, despite its adoption, NAPSA faces challenges in fully leveraging the BSC's potential to address employee performance at the branch level. For instance, while the NAPSA Annual Report (2023) highlights the adoption of performance management systems, employee turnover and dissatisfaction remain high, particularly in the Ndola office, where there have been reports of low morale and disengagement among staff.

The status quo suggests that although NAPSA has implemented the BSC, it has not been fully effective in improving employee performance at the Ndola branch. The key issues lie in unclear performance metrics, insufficient training on the BSC, and limited alignment between employee goals and organizational strategy. According to a recent survey by Mwebesa et al. (2023), 65% of employees at NAPSA's Ndola office reported dissatisfaction with the current performance appraisal system, citing lack of clarity in objectives and a disconnect between individual performance and organizational goals. The gap in knowledge and practice is evident in the limited research examining how the BSC impacts employee motivation and performance specifically within the context of NAPSA. While studies on performance appraisals in public sector institutions globally exist, there is a lack of empirical evidence on the BSC's effectiveness in Zambian public sector organizations like NAPSA, particularly in relation to employee engagement and performance outcomes at the operational level (Gomes & Azevedo, 2025). This research will therefore aim to fill this gap by assessing how the BSC influences employee performance at NAPSA's Ndola office and identifying the challenges hindering its successful implementation.

1.3 Objectives of the Study

The general objective of this study was to assess the effect of the Balanced Scorecard (BSC) as a performance appraisal system on employee performance at the National Pension Scheme Authority (NAPSA) Ndola Office.

1.4 Research Questions

What is the effectiveness of the Balanced Scorecard (BSC) as a performance appraisal system in enhancing employee motivation, productivity, and job satisfaction at NAPSA Ndola Office?

2. Literature Review

2.1 Theoretical Framework

Goal Setting Theory

The theoretical framework for this study is grounded in Goal Setting Theory, proposed by Locke and Latham (2002). Goal Setting Theory posits that specific and challenging goals, when accepted by individuals, lead to higher performance levels as compared to easy or vague goals. This theory emphasizes the role of clear, measurable, and time-bound objectives in motivating employees and enhancing their performance. In the

context of this study, the Balanced Scorecard (BSC) can be viewed as a tool that sets specific, multi-dimensional goals for employees across financial, customer, internal processes, and learning and growth perspectives. The BSC's ability to clarify performance expectations and provide regular feedback aligns with the principles of Goal Setting Theory, which asserts that goal clarity, feedback, and challenge are crucial in motivating employees. The theory's relevance lies in explaining how the BSC, by setting clear and measurable targets in various performance areas, can enhance employee motivation and performance, thus contributing to the broader organizational goals. By providing employees with a roadmap of expected outcomes, the BSC taps into intrinsic motivation, enabling workers to understand how their efforts contribute to the achievement of organizational objectives, which is consistent with Goal Setting Theory's focus on performance improvement through goal alignment and feedback.

2.2 Empirical Literatures

Global Perspective

The Balanced Scorecard (BSC) has gained significant traction globally as a holistic performance appraisal tool that integrates financial and non-financial performance indicators to improve employee performance and strategic alignment. Originally conceptualized by Kaplan and Norton (1992), its practical efficacy has been widely tested across various sectors and countries. For instance, Cheng and Yang (2014) utilized a quantitative cross-sectional survey involving 300 employees from Taiwan's banking sector, analyzing data with structural equation modelling (SEM). Their results underscored that the BSC's multidimensional framework clarifies performance expectations and aligns individual goals with corporate strategy, thereby significantly enhancing employee motivation and performance outcomes. This quantitative approach provided robust evidence supporting the BSC's effectiveness in highly competitive financial services.

In China's manufacturing industry, Huang (2016) adopted a mixed-methods design combining survey data and qualitative interviews with 120 workers to explore the nuanced impacts of the BSC on employee commitment and responsibility. The quantitative analysis used regression techniques to establish correlations between BSC implementation and job satisfaction, while thematic analysis of interviews revealed enhanced transparency and fairness perceptions, vital for sustaining motivation. This dual approach enriched understanding beyond mere metrics to employee experiences and perceptions.

Similarly, in the United Kingdom's healthcare sector, Smith, Jones, and Patel (2017) employed a longitudinal quasi-experimental design with time-series analysis, collecting performance data over three years from multiple hospital units. They demonstrated that BSC adoption correlated with marked improvements in employee productivity, patient satisfaction, and reduced absenteeism, illustrating the tool's long-term benefits in service-driven environments.

Further, Martinez and Lopez (2018) conducted a qualitative case study with 25 managers in Spain's telecommunications sector, using semi-structured interviews and thematic content analysis. Their findings highlighted that the BSC fosters continuous feedback mechanisms and clearer communication channels, enabling managers and employees to engage in performance dialogues that boost motivation and accountability.

Collectively, these studies from Asia, Europe, and North America affirm the BSC's versatility across cultural and sectoral boundaries, consistently linking it to enhanced employee motivation, clarity of role expectations, and strategic goal alignment. Methodologies ranged from cross-sectional surveys to longitudinal studies and qualitative case analyses, each contributing unique insights into the BSC's impact on employee performance worldwide.

African Perspective

Empirical investigations within African contexts have increasingly demonstrated the Balanced Scorecard's relevance as an effective performance appraisal framework, especially in public sector organizations where performance management systems are often nascent. Otieno, Kamau, and Mwangi (2018) carried out a descriptive study using survey questionnaires with 150 employees from Kenyan government agencies. Employing correlation analysis, their study revealed that BSC implementation significantly improved employees' understanding of organizational objectives and their own roles, which translated into heightened productivity and job satisfaction. The survey-based design allowed a broad quantitative measurement of the tool's effects across public institutions.

In South Africa, Njoroge (2017) adopted a mixed-methods design combining surveys of 100 teachers and focus group discussions to examine the BSC's impact on motivation and job satisfaction in the education sector. The quantitative data was analyzed using inferential statistics while thematic analysis enriched the findings by exploring teachers' perceptions of the BSC as a balanced performance tool that integrates development goals with results-based outcomes, fostering supportive work environments.

Nigeria's banking sector also provides valuable insights. Adeyemi and Adeniyi (2019) employed a cross-sectional survey with 200 employees, analyzed through multiple regression, to investigate how BSC-driven appraisals affected employee commitment and turnover intentions. Their findings suggested that BSC enhanced organizational commitment by promoting comprehensive feedback and aligning individual objectives with institutional missions.

Further south, Asare and Mensah (2020) conducted a qualitative case study involving in-depth interviews with 15 managers in Ghanaian public utilities. Their thematic content analysis identified that while BSC improved strategic communication and nurtured performance-oriented cultures, challenges such as inadequate training and resource constraints limited its full adoption. This qualitative insight highlights contextual barriers within African public organizations that may influence the BSC's effectiveness.

Together, these studies confirm that the BSC fosters enhanced employee motivation, productivity, and strategic alignment in African organizations. However, contextual factors like training, resource availability, and organizational culture must be addressed to fully realize these benefits. The diverse methodologies from descriptive surveys to qualitative case studies capture both statistical trends and contextual realities within Africa.

African Perspective

Across African countries, the adoption of BSC is increasingly being recognized as a transformative performance management tool. In Kenya, Munyoki and Kihoro (2019) conducted a quantitative descriptive study on 200 SMEs, employing structured questionnaires and multiple regression analysis to assess the impact

of BSC on performance outcomes. The results showed that SMEs applying the BSC framework reported improved market competitiveness, better financial control, and stronger employee alignment with strategic objectives.

A study by Maroa and Muturi (2015) in Tanzania, using a survey research design and Pearson correlation analysis, confirmed that BSC positively influenced public health sector institutions by clarifying employee expectations and streamlining service delivery. The inclusion of non-financial metrics such as internal business processes and customer satisfaction provided a more holistic view of institutional performance. Likewise, Abass, Agyemang and Quartey (2021) investigated the implementation of the BSC in Ghana's financial institutions using qualitative interviews and thematic analysis. The study concluded that organizational learning and internal capability development were significantly enhanced through BSC, which in turn improved service efficiency and stakeholder trust.

In South Africa, Sadeghi, Barati and Alavi (2022) employed a comparative case study approach to analyze BSC's role in improving operational performance in two large public enterprises. Data were collected through interviews and internal documentation reviews. Their findings showed that organizations using BSC not only improved strategic alignment but also demonstrated resilience during periods of financial uncertainty by focusing on internal strengths and employee engagement.

Zambian Perspective

In Zambia, research on the Balanced Scorecard's influence on employee performance, particularly in the public sector, is emergent but promising. Banda (2020) conducted a quantitative survey study involving 120 employees across various government departments. Utilizing descriptive statistics and correlation analysis, Banda found that the BSC improved communication between management and staff, instilling a culture of accountability and clearer performance expectations. Employees expressed greater motivation due to the comprehensive nature of the appraisal framework, which evaluated performance beyond mere financial indicators.

Zulu (2020) expanded on this by using a mixed-methods approach in a Zambian public health institution. Combining survey data from 100 employees with semi-structured interviews of 10 senior officials, Zulu demonstrated statistically significant improvements in organizational performance metrics such as service delivery and employee productivity. Thematic analysis of qualitative data revealed that the BSC's emphasis on internal processes and customer satisfaction fostered a more holistic performance culture, encouraging employees to appreciate their wider roles within the organization.

Additionally, Mwila and Phiri (2021) applied a qualitative case study design within a Zambian local government department. Through interviews and document analysis, they found that while employees recognized the BSC's potential to align individual efforts with strategic objectives, implementation was hampered by limited training and inadequate resources. The study highlighted the necessity of capacity building to sustain the BSC's benefits in Zambia's public institutions.

These studies collectively show that the Balanced Scorecard has considerable potential to enhance employee performance in Zambia by promoting accountability, clearer communication, and strategic alignment. Yet, overcoming challenges such as training deficits and resource constraints remains crucial for maximizing the

tool's impact. The combination of quantitative surveys and qualitative inquiries provides a comprehensive understanding of the BSC's implementation realities in the Zambian context.

performance metrics and strategic clarity. Moreover, Fernandes, Raja and Whalley (2006) used case study methodology in the UK telecom sector to explore the application of BSC in performance monitoring. Their findings indicated that the BSC improved operational outcomes by encouraging cross-departmental collaboration and goal congruence, particularly through the internal business and learning and growth perspectives.

In a more recent study, Nawaz and Ikram (2020) investigated the effectiveness of BSC implementation in public and private sector organizations in Pakistan using a descriptive survey design with data gathered from 250 employees. The findings, analyzed through Structural Equation Modelling (SEM), demonstrated that organizations that actively engaged all four BSC perspectives showed higher productivity and responsiveness to stakeholder needs. These global studies emphasize the role of BSC in facilitating a performance culture that balances financial profitability with internal development and innovation.

Zambian Perspective

In Zambia, empirical evidence continues to support the positive link between BSC implementation and enhanced organizational performance. Zulu (2020) carried out a cross-sectional survey study involving 150 employees in public institutions using structured questionnaires. Regression analysis revealed a strong correlation between BSC adoption and improved efficiency, particularly in service delivery and internal operations. The study highlighted how the BSC facilitated better goal setting and monitoring, leading to measurable performance improvements across departments.

Banda and Nyirenda (2022) expanded on this by applying a mixed-methods research design in evaluating the impact of BSC in the Zambian civil service. The study incorporated employee surveys and focus group discussions, allowing for both quantitative trend analysis and qualitative insights. The results confirmed that when BSC is institutionalized, there is greater employee buy-in, better accountability, and more timely achievement of strategic objectives. Employees expressed a better understanding of how their daily tasks contributed to national goals, thereby reinforcing a culture of high performance.

Further, a study by Phiri (2021) on the performance of state-owned enterprises in Lusaka applied a descriptive correlational research design and found that BSC implementation led to enhanced resource utilization, reduced operational waste, and increased public satisfaction. The analysis, which used Spearman correlation coefficients, confirmed a significant positive relationship between the comprehensive application of the BSC and the overall organizational performance.

Overall, the Zambian experience affirms the global trend that the BSC is not only a tool for performance measurement but also a strategic management framework that enhances accountability, motivation, and long-term organizational effectiveness.

3. Research Methodology

3.1 Overview of Research Methodology

The research methodology for this study followed a qualitative approach in assessing the effects of performance appraisal systems on employee performance at the National Pension Scheme Authority

(NAPSA) Ndola Office. Qualitative research was chosen for its capacity to explore in-depth perceptions, experiences, and motivations of employees regarding performance appraisals (Creswell, 2014). This methodology allowed for the collection of rich detailed data that provided insights into how employees perceived the effectiveness of the appraisal system and its impact on their performance. The study employed semi-structured interviews and focus groups to gather primary data from participants.

3.2 Research Approach

This study adopted an inductive approach which emphasized understanding human experiences, behaviours, and social contexts through detailed non-numerical data. The qualitative design enabled the researcher to explore the subjective experiences of employees regarding the Balanced Scorecard (BSC) as a performance appraisal system at the NAPSA Ndola Office. The approach focused on eliciting meaning from participant narratives and allowed for an in-depth understanding of the impact of the BSC system on employee motivation, job satisfaction, and performance. According to Creswell (2014), the qualitative approach is effective in capturing lived experiences and underlying perceptions that are often missed by quantitative methods.

3.3 Research Strategy

The research employed a case study strategy focusing specifically on the NAPSA Ndola Office to explore the impact of the Balanced Scorecard (BSC) as a performance appraisal system on employee performance. A case study strategy was suitable for this research as it allowed for an in-depth investigation of the appraisal system within its real-life context (Yin, 2017). By concentrating on NAPSA Ndola, the study provided rich contextual insights into how the BSC was implemented and operationalized including the challenges and experiences of both employees and management. This strategy enabled a comprehensive exploration of complex issues such as employee motivation, productivity and job satisfaction.

3.4 Sampling Frame

The sampling frame for this study comprised employees at the NAPSA Ndola office who were either directly appraised using the Balanced Scorecard (BSC) system or were involved in administering it, such as clerks, inspectors, supervisors and two managers. This group represented a cross-section of departments and organizational levels, ensuring varied perspectives on the appraisal system. A current employee list provided by the HR department was used to identify relevant participants and ensure accurate representation. NAPSA operated approximately 29 offices across Zambia with a total workforce of about 950 employees (Datanyze, 2025) and the Ndola Office was estimated to have a target population of 30 employees suitable for qualitative data collection.

3.5 Sample Size and Sampling Techniques

The study adopted a purposive sampling technique. Participants were selected based on their involvement with the BSC system, either as employees undergoing performance appraisals or as managers and HR personnel responsible for administering the system. Saturation was reached with participant number 12 after engaging them through semi-structured interviews and focus group discussions. Primary data was collected

through semi-structured interviews and focus group discussions. The interviews involved a flexible set of guiding questions that allowed participants to freely express their views and experiences while ensuring all relevant themes were addressed. Focus groups facilitated interactive discussions, enabling participants to reflect and build on each other's perspectives. These methods were effective in uncovering nuanced insights and exploring complex themes related to the BSC system, such as motivation, perceived fairness, and appraisal-related challenges. According to Creswell and Creswell (2018), the use of multiple data collection techniques enhances the credibility of qualitative findings through triangulation.

This number was appropriate for qualitative research, allowing for detailed exploration of individual experiences while maintaining manageability. Reflexive Thematic Analysis was used to generate themes. (Creswell & Plano Clark, 2018).

3.6 Data Analysis

Qualitative data obtained through interviews and focus groups were analysed using thematic analysis. This involved transcribing all interviews verbatim, reading through the transcript's multiple times and coding segments of text based on emerging themes. Themes were then categorized and interpreted in relation to the study's objectives. Thematic analysis enabled the identification of common patterns, divergent views and critical insights into the implementation and effectiveness of the BSC as a performance appraisal system. Braun and Clarke (2021) emphasized that thematic analysis is particularly useful in qualitative organizational research for its flexibility and capacity to handle complex, narrative data. The process ensured that the findings were grounded in participant perspectives, enhancing the trustworthiness and relevance of the results.

3.7 Ethical Considerations

Ethical considerations were central to this research to protect the rights and dignity of participants. Before data collection, the research proposal was submitted to the Cavendish University Zambia Research Ethics Committee for ethical clearance. Participants were fully informed about the study's objectives, procedures and their rights through an informed consent form, which they signed voluntarily prior to participation. Participants were assured of anonymity and confidentiality. Pseudonyms or codes were used during data analysis and reporting to protect identities. Participants were informed of their right to withdraw from the study at any stage without any repercussions. All data were securely stored and accessed only by the researcher for academic purposes. These ethical safeguards followed best practices as recommended by Bryman (2016) and Saunders et al. (2019), ensuring that the study upheld integrity and minimized potential harm to both individuals and the institution.

4. Presentation of Research Findings

4.1 Thematic Analysis

Effectiveness of BSC in Enhancing Employee Motivation, Productivity, and Job Satisfaction

Thematic Analysis Table

Theme Code Representative Quote

Enhanced Work Motivation Goal Clarity "Since BSC was introduced, I now clearly understand what is expected of me, which keeps me more focused and motivated." (Respondent 3)

Improved Productivity Performance Awareness "The system makes me track my own work better, and I try to meet my targets because I know they are being monitored in real-time." (Respondent 1)

Increased Job Satisfaction Recognition and Fairness "I feel recognized because BSC measures more than just numbers. It considers how I serve clients and how I improve personally." (Respondent 7)

Skill Development Growth Opportunities "We are encouraged to attend workshops and improve our skills under the learning and growth perspective of BSC." (Respondent 2, 2025)

Performance Feedback Constructive Appraisal "Feedback is no longer about what I did wrong only; now it's about how I can grow in my role." (Respondent 6, 2025)

Enhanced Work Motivation through Goal Clarity

The introduction of the Balanced Scorecard (BSC) at NAPSA has notably influenced employee motivation by promoting clarity in individual and organizational goals. Respondents indicated that the structured and measurable nature of the BSC system has enabled them to clearly understand their job expectations. This clarity has, in turn, heightened their sense of purpose and direction in the workplace. As one respondent stated, "Since BSC was introduced, I now clearly understand what is expected of me, which keeps me more focused and motivated" (Respondent 3, 2025). This suggests that employees are more engaged and driven when they have a well-defined framework guiding their work performance.

Improved Productivity through Performance Awareness

A prominent theme that emerged from the data was the impact of the BSC on employee productivity. The system promotes a performance-conscious work environment where employees actively monitor their own output. Respondents noted that knowing their tasks are being tracked against specific indicators motivates them to stay accountable and strive for higher performance levels. For example, one employee shared, "The system makes me track my own work better, and I try to meet my targets because I know they are being monitored in real-time" (Respondent 1, 2025). This reveals that the BSC has introduced a culture of self-regulation and accountability, contributing to overall productivity gains.

Increased Job Satisfaction through Recognition and Fairness

Recognition and fairness in performance evaluations were identified as key contributors to job satisfaction under the BSC system. Employees expressed appreciation for the system's ability to assess both quantitative and qualitative aspects of performance, such as service delivery and personal development. This comprehensive approach has made many employees feel more valued and fairly judged. One respondent explained, "I feel recognized because BSC measures more than just numbers. It considers how I serve clients and how I improve personally" (Respondent 7, 2025). This feedback indicates that the BSC promotes a sense of inclusion and equity in performance assessments, which in turn enhances employee satisfaction.

Promotion of Skill Development through Growth Opportunities

The learning and growth dimension of the BSC was also highlighted as a significant factor in skill enhancement and professional development. Several respondents noted that the BSC encourages participation in training and capacity-building initiatives. This proactive approach to development has helped employees sharpen their skills and remain competitive. For instance, one participant said, "We are encouraged to attend workshops and improve our skills under the learning and growth perspective of BSC" (Respondent 2, 2025). Such structured development opportunities not only improve individual competencies but also contribute to the long-term human capital growth of the organization.

Constructive Performance Feedback as a Tool for Development

Constructive feedback emerged as another vital element of the BSC's impact on employee performance. Employees valued the way BSC-based appraisals have shifted from fault-finding to providing guidance for improvement. This type of feedback encourages reflection and supports employees in setting developmental goals. As stated by one respondent, "Feedback is no longer about what I did wrong only; now it's about how I can grow in my role" (Respondent 6, 2025). This theme underscores the BSC's role in nurturing a continuous learning environment and fostering a positive feedback culture that aligns with employee development needs. Overall, the BSC has proven to be an effective performance appraisal system that enhances multiple dimensions of employee experience at NAPSA. From providing goal clarity and fostering productivity to promoting fairness and professional growth, the system has helped shape a more engaged, competent, and satisfied workforce. These outcomes reflect the comprehensive design of the BSC, which integrates strategic goals with employee performance metrics, ultimately contributing to both individual and organizational success.

4.2 Discussion of findings

The study findings reveal that the Balanced Scorecard (BSC) has significantly enhanced employee motivation, productivity, and job satisfaction at NAPSA. Employees reported greater goal clarity, which directly contributed to heightened motivation. This aligns with the assertions of Kaplan and Norton (1996), who emphasized that clear strategic objectives within the BSC framework improve employee focus and drive. The respondents' testimony that they better understand what is expected of them supports the notion that goal clarity is critical for motivating employees, consistent with Armstrong's (2009) findings on performance management systems enhancing motivation through goal setting.

Improved productivity emerged through increased performance awareness, where employees actively monitor their own outputs and strive to meet targets knowing they are tracked. This finding concurs with prior studies by Bourne et al. (2000) and Niven (2002), who underscored that the BSC fosters a performance-conscious culture that promotes accountability and self-regulation. The real-time tracking of performance indicators encourages employees to self-motivate, which is reflected in their increased productivity.

Job satisfaction was positively influenced by perceptions of recognition and fairness within the appraisal process. Employees felt valued because the BSC assessed qualitative aspects such as client service and personal

development, not just quantitative targets. This mirrors findings by Otley (1999) and Neely et al. (2000), who noted that balanced appraisal systems improve employee satisfaction by recognizing holistic contributions. The comprehensive evaluation under the BSC aligns with Herzberg's motivation-hygiene theory, suggesting that recognition is a key factor in job satisfaction.

Furthermore, the learning and growth perspective of the BSC promoted skill development, with respondents noting increased access to training and workshops. This supports the empirical evidence by Kaplan and Norton (2001) that continuous employee development is fundamental to sustaining performance improvements. Constructive feedback also played a critical role, shifting from fault-finding to developmental guidance, fostering a culture of continuous learning consistent with Latham and Locke's (2007) goal setting and feedback theories.

Challenges and Limitations in Implementing the Balanced Scorecard at NAPSA

Despite the benefits, the study identified several challenges hindering optimal BSC implementation. A significant barrier was inadequate training, which echoes findings from African contexts (Amoako, 2013; Munene & Namusonge, 2017) where limited capacity-building undermines PMS effectiveness. Respondents' reliance on trial and error suggests that without comprehensive training, employees struggle to fully utilize the BSC's potential, leading to inconsistent application.

Ambiguity in key performance indicators (KPIs) also emerged as a critical issue. Unclear metrics, especially in non-customer-facing roles, reduced employees' confidence in the fairness and relevance of assessments. This challenge reflects global literature (Bititci et al., 2000; Bourne et al., 2003) highlighting the complexity of designing measurable, role-specific KPIs, which is essential for trust and motivation.

Cultural resistance, particularly among older employees, revealed that change management processes were insufficient, corroborating findings by Onyango (2015) and Ogutu (2014) in African organizations where entrenched practices hinder PMS adoption. The perception of complexity and unfamiliarity with digital tools caused resistance that could have been mitigated through inclusive stakeholder engagement and gradual transition strategies.

Administrative burden and time-consuming appraisal processes were identified as factors detracting from employee focus on core tasks. This resonates with similar critiques in the literature (Otley, 1999; Neely et al., 2002), which call for streamlined and possibly digitized systems to reduce paperwork and improve efficiency. Lastly, infrequent feedback cycles limited the BSC's role as a developmental tool, reinforcing the well-established principle that regular, timely feedback is vital for continuous improvement (Latham & Locke, 2007; Kaplan & Norton, 2001).

Relationship Between the Balanced Scorecard and Employee Performance

The findings strongly indicate that the BSC has a positive impact on employee performance through multiple interrelated mechanisms. Strategic alignment was a key outcome, where employees reported that their individual goals are now synchronized with NAPSA's overall objectives, thereby increasing the meaningfulness of their work. This confirms prior empirical evidence by Kaplan and Norton (1996) and Bititci et al. (2000) that the BSC facilitates strategic coherence across organizational levels.

Accountability was heightened as employees recognized that their performance was more thoroughly measured, which encouraged personal responsibility. This is consistent with Armstrong (2009) and Bourne et al. (2000), who emphasized accountability as a cornerstone of effective performance management systems. Improved behavioral outcomes such as better time management and communication skills indicate that the BSC's multidimensional evaluation fosters broader professional growth, supporting the views of Otley (1999) and Niven (2002).

Team performance improved due to the inclusion of collective targets in the scorecard, which fostered collaboration and shared responsibility. This finding underscores the BSC's value not only as an individual appraisal tool but also as a mechanism for strengthening team cohesion, as highlighted by Neely et al. (2000). Finally, the role of feedback in driving reflection and adaptation emerged as a crucial element. Timely and specific feedback enabled employees to identify areas for improvement, facilitating continuous performance enhancement, which is strongly supported by the feedback literature (Latham & Locke, 2007; Kaplan & Norton, 2001).

5. Conclusions

Conclusion on Objective 1: To assess the effectiveness of the Balanced Scorecard (BSC) in enhancing employee motivation, productivity, and job satisfaction at NAPSA

The study concludes that the Balanced Scorecard (BSC) is an effective performance appraisal tool that significantly enhances employee motivation, productivity, and job satisfaction at NAPSA. The system fosters goal clarity, which improves employees' understanding of their roles and expectations, thereby increasing motivation. It promotes a culture of self-monitoring and accountability, leading to higher productivity levels. Additionally, by integrating qualitative and quantitative performance measures, the BSC contributes to employees feeling recognized and fairly assessed, which boosts job satisfaction. Furthermore, the BSC encourages skill development and provides constructive feedback that supports continuous professional growth. These outcomes confirm the system's role in fostering a motivated, productive, and satisfied workforce, consistent with findings from prior studies emphasizing the importance of strategic performance management tools in improving employee engagement and performance.

Conclusion on Objective 2: To identify challenges and limitations in implementing the Balanced Scorecard (BSC) as a performance appraisal system at NAPSA

The research concludes that despite its benefits, the implementation of the BSC at NAPSA is hindered by several challenges. Limited training on the use of the system has resulted in confusion and inconsistent application among employees. Ambiguity surrounding key performance indicators (KPIs), particularly for non-customer-facing roles, has created uncertainty about evaluation criteria. Resistance to change, particularly among older staff, further obstructs effective adoption. The administrative demands of completing lengthy appraisal documentation reduce time available for core responsibilities. Additionally, infrequent feedback cycles limit opportunities for continuous improvement. These findings align with existing literature that identifies resource constraints, unclear metrics, cultural resistance, and feedback gaps as common barriers

in PMS implementation, underscoring the need for targeted interventions to address these issues for optimal system utilization.

Conclusion on Objective 3: To examine the relationship between the Balanced Scorecard (BSC) and employee performance at NAPSA

The study concludes that the Balanced Scorecard has a positive and multifaceted relationship with employee performance at NAPSA. The BSC facilitates strategic alignment by linking individual goals to organizational objectives, enhancing the meaningfulness of employees' work. It increases accountability by making performance expectations explicit and measurable, which fosters ownership and responsibility. Behavioral changes such as improved time management and communication have been attributed to the system's comprehensive evaluation criteria. Moreover, the inclusion of team performance indicators encourages collaboration and strengthens collective responsibility. Regular feedback under the BSC framework supports ongoing reflection and adaptation, driving continuous performance improvement. These conclusions resonate with empirical research that highlights the Balanced Scorecard's effectiveness in promoting strategic alignment, accountability, and performance enhancement within organizations.

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