

BUILDING EMPLOYEE TRUST IN PERFORMANCE MANAGEMENT: THE CASE OF A MINING COMPANY IN ZIMBABWE

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ABSTRACT

Many organizations install performance management systems to better manage and steer operations and the execution of strategy. An important precondition for a successful implementation of a performance management system is to involve employees in the development and implementation. In order to obtain employees' participation, management has to first gain their trust because building trust in the workplace is crucial to successful change and organizational performance. In this article, a trust-building cycle is proposed which helps organizations build or rebuild trust when implementing performance management. This trust-building cycle is successfully applied during the implementation of the balanced scorecard at a mining company in Zimbabwe.

Keywords: performance management, trust, balanced scorecard, performance-driven behaviour

INTRODUCTION

Many private sector businesses still focus their performance measurement on bottom-line financial measures, like return-on-investment, market share, and earnings-per-share. However, these measures do not provide the full overview of an organization's performance that a manager needs to manage effectively. By combining internal and process measures with results and financial measures, managers can obtain a more complete picture and better insight into where to make improvements. This in turn will increase the results of the organization (Davis & Albright, 2004; Moriarty & Kennedy 2002; Propper & Wilson 2003; Said et al. 2003).

Kaplan and Norton (1996) developed a set of measures that they refer to as a 'balanced scorecard' (BSC). This scorecard gives managers a comprehensive view of the organization's results and includes both process and results measures. Kaplan and Norton compare the BSC to the dials and indicators in an airplane cockpit. For the complex task of flying an airplane, pilots need detailed information about fuel, air speed, altitude, bearing, and other indicators: reliance on a single instrument can be fatal. Similarly, the complexity of managing an organization requires that managers are able to view performance in several areas simultaneously. A BSC provides that view.

In practice, many organizations find the implementation of a BSC more difficult than they initially expected. An important precondition for any successful implementation is to involve employees in the development and implementation of the scorecard. When a company undergoes a change that will affect everyone in the organization (from shop floor to boardroom), such as implementing a BSC, there is an even greater need to involve the employees (Waal 2002; 2004). In order to obtain employees' participation, management has to first gain their trust because building trust in the workplace is crucial to successful change

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and organizational performance (Costigan et al. 2004; Erdem & Ozen, 2003; McEvily et al. 2003; Morgan & Zeffane, 2003; Perry & Mankin, 2004). The argument of this paper is that a precondition for a successful implementation of a BSC is that management has to consciously and consistently work towards building employee trust before, during and after the implementation process. Based on the literature, a trust-building model is developed that can be applied during the implementation of the BSC. The model is then applied at a mining company in Zimbabwe, which was in the process of implementing a BSC. The exploratory case study confirms that the proposed trust-building model can be used during the implementation of the BSC to build employees' trust in the BSC, which in turn increases the acceptance of the BSC tool in the organization.

This article first briefly discusses the theoretical bases of the BSC and various aspects of trust (its dimensions, its building process) and subsequently proposes a revised trust-building model. Then, the research at the mining company is described and the study results are discussed. The article ends with an analysis, the conclusion, and suggestions for future research.

THE BALANCED SCORECARD

Monitoring financial figures may show that the adopted strategy has worked and that value was created in the past, but they do not show if this also will be the case in the future. Financial measurements that show what happened in the past are called lagging indicators. To complement these lagging indicators, an organization also needs leading indicators that forecast future results. The leading indicators are expressed in the form of critical success factors and key performance indicators. A critical success factor (CSF) provides a qualitative description of an element of the strategy in which the organization has to excel in order to be successful. The CSF is made measurable by a key performance indicator (KPI). The use of CSFs and KPIs enables measurement, and thus control, of strategic objectives. If performance indicators that measure the execution of the strategy and the creation of value are not included in the performance management process, it will be uncertain whether strategic objectives and value creation are being achieved. The balanced scorecard is used to represent the financial and non-financial KPIs in a user-friendly format. Traditionally, a balanced scorecard has four 'perspectives':

- The *innovative perspective* measures how often an organization introduces new products, services or (production) techniques. By innovating, the organization makes sure it does not become complacent, but continuously renews itself. Some organizations augment this perspective with 'people' aspects, which measure the well-being, commitment and competence of people in the organization.
- The *internal perspective* measures the effectiveness of the processes by which the organization creates value. It comes after the innovative perspective because innovation and people influence the ability of the organization to create value by implementing and managing effective processes.
- The *customer perspective* measures performance in terms of how the customer experiences the value created by the organization. It comes after the internal perspective, because efficient processes enable the organization to provide better service to its customers.
- The *financial perspective* measures the 'bottom line', such as growth, return on investment and the other traditional measures of business performance. It comes after the customer perspective because higher appreciation by the customers translates in higher financial

results. It is the last of the four perspectives because it is the final result of good, committed people, of implementing and operating effective processes, of the ability to renew and innovate, and of the ability to create for its customers.

In different organizations, the perspectives and the leading indicators can be different, but the idea of a BSC is to combine lagging and leading indicators to give an understanding of where the organization was and where it is going. A ‘balanced’ set of measurements allows an organization to measure the cause and effect chain by which customer and shareholder value is created. Exhibit 1 gives an example of the four perspectives of a balanced scorecard which has been enhanced, compared to the traditional format, with some extra columns. For each of the four perspectives, it shows the actual performance compared to budget in the first column (indicators: +, - and 0, with traffic light colouring), the CSFs (in a shade of grey) and accompanying KPIs in the centre column, and the expected future performance in the right hand column (indicators: ↗, → and ↘, with traffic light colouring). For instance, the KPI ‘multiskilled employees’, belonging to the CSF ‘quality employees’ in the internal perspective, could be coded + and green in the first column, meaning the actual result is better than budget for this period. However, there could be a red arrow pointing downward in the right column, meaning that the organization expects to do worse in the next period. This is a clear signal for the organization that it should act now, to prevent negative developments from happening.

Exhibit 1: An example of the balanced scorecard (Waal 2001)

Financial perspective		
Top line growth		
0	NSV growth	↗
0	Sales volume growth	↗
Successful new products		
+	New product sales	↘

Customer perspective		
Trade customer satisfaction		
+	Customer satisfaction	↗
-	Days sales outstanding	↘
Trade spend		
0	Trade spend rate	↗

Internal perspective		
Effective processes		
+	Process goal achievement	↗
"Quality" employees		
+	Multiskilled employees	↘
Productivity		
0	Qualified employees	↗

Innovative perspective		
Quality brand portfolio		
-	Big brands	↗
0	Brand reduction	↗
Quality investments		
+	Big brand investment	↗

A balanced set of key financial and non-financial indicators enables management to focus on the really important issues that drive business performance, and to monitor the achievement of strategic goals more closely. Using non-financial information improves the analytical ability of managers because it allows them to identify the root causes of financial performance. The non-financials can include external information, which makes it possible for management to compare the internal results with external trends and drivers.

TRUST

Employees are undoubtedly the most affected entity in any organization when changes, such as the introduction of a BSC, occur (Nickols 2003). Therefore, it is important to investigate the effects that a particular change has on employees. According to Nickols (2003), employees are people who think of themselves as members of the organization. This view suggests that employees are people who commit themselves to achieve the objectives of the organization and, in exchange, the organization offers them pay and a good working environment. During any major change, the first challenge managers need to deal with is employees' (potential) lack of trust in that change. Managers need to apply management techniques that allow them to coach the employees through the change. They need to understand the needs of employees and address their concerns while managing their performance during the change. This kind of support by managers helps to build trust in the change and increases employees' loyalty (Calabrese 2002; Korsgaard et al. 2002).

In the literature, many different definitions of trust can be found (Mayer et al. 1995) as 'trust is a multifaceted concept' (McEvily et al. 2003). Robinson (1996) defines trust as '...one's expectations, assumptions or beliefs about the likelihood that another's future actions will be beneficial, favourable, or at least not detrimental to one's interest'. Fukuyama (1992) views trust as '...the expectation that arises within a community of regular, honest, and cooperative behaviour, based on commonly shared norms, on the part of other members of that community'. This suggests that people who do not trust one another will end up cooperating only under a system of formal rules and regulations, which have to be negotiated, agreed to, litigated, and sometimes enforced by coercive means. This is not a healthy climate to implement the BSC (Child & Rodrigues 2004). Turner (2002) notes that managerial integrity is the quality that increases employees' trust in new changes. In turn, trust is the basis of strong relationships—without it there can be no good working relationship. Thus, an organization whose employees lack trust will not be able to build the climate of loyalty that is so important for sharing opportunities and creating innovative ideas. In this respect, when introducing a new performance management system such as the BSC, an organization's greatest asset is the loyal support of employees that is based on trust. Trust helps employees to come to terms with change. It helps them to understand that change is necessary and that they can contribute by helping to successfully implement the change. They learn to accept that their role in the company will need to change, and they will be ready to improve themselves in order to adjust to the new situation. It is the job of managers to ensure that employees adjust to such changes. According to Turner (2002), the benefits of building trust during the implementation of the BSC are: improved employee satisfaction; ability to meet stakeholder expectations; employee commitment to the use of the BSC; increased employee trust in management; improved quality of work; improved productivity; increased value; increased access to new capital; and increased number of long-term investors.

Foster et al. (1996) point out that trust is linked with predictability, reliability and mutuality. In order to stimulate predictability, it is important for managers to be consistent in their

behaviour and reactions. It is also crucial to make real personal contact with employees, which requires an attitude of openness. Waal (2001) confirms this when he states that: 'Trust in management requires consistent behaviour on all management levels'. Consistency and transparency in organizations therefore require bringing management and employees together to create mutually beneficial conditions. Calabrese (2002) notes that mistrust is a primary cause for the withholding of support by employees. The majority of organizations which have ignored employee involvement have gone through painful experiences of dealing with unmotivated employees. High absenteeism, high turnover rates, conflicts that proved to be destructive and costly in lawsuits, long grievance processes, and low productivity levels are just a few problems they had to deal with (Tom 1998). By focusing on transparency, an organization's leadership creates conditions in which bias drops, parties set aside their natural defensive reactions, and learning occurs—thus focusing on the process of building trust centres on human relationships and the understanding that goes into building those relationships. It is from relationship building that the process allows parties to work in solidarity and learn to cooperate to achieve mutually beneficial outcomes. Nooteboom and Six (2001) point out that trust does not occur spontaneously inside organizations, but is linked to individual and collective learning. It arises out of the need to determine whether mutual expectations regarding trust are fulfilled and it is the outcome of direct interactions between the actors involved in the process. An organization can promote reliability by doing things together with employees, and taking time to create a secure atmosphere of mutual acceptance (Galford & Drapeau 2004).

Hacker et al. (1999) developed a conceptual model of trust that groups human characteristics into three dimensions: capability, commitment and consistency. Capability is the ability of an individual to produce results or to meet performance expectations. Commitment is the concern of a person for another person, and his intention toward achieving their common success. Consistency has two aspects: the individual's alignment between words and actions, and the individual's capability of producing a similar level of effort over time. These three dimensions provide the basis of the trustworthiness profile of an individual, team or organization.

According to Jones and George (1998), a specific form of trust is knowledge-based trust. Over time, through numerous interactions with other parties (individuals or organizations), the knowledge of these parties leads to a certain level of trustworthiness. Parties weigh the opportunities to be gained from trusting each other against the risks. If the relationship does not yield the expected results, parties may stop believing that the relationship is beneficial. This can lead to a breakdown in trust, or at the least a decline in the willingness to build a higher level of trust.

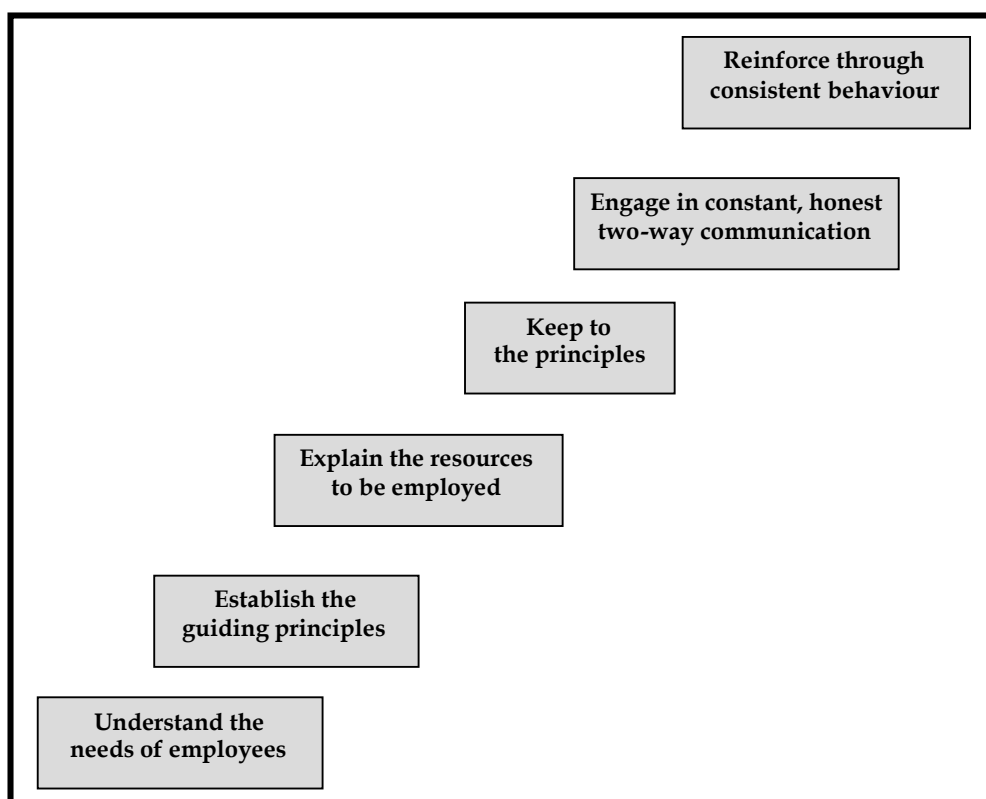
Nooteboom and Six (2001) distinguish four dimensions of trust: ability/competence, benevolence, dedication, and ethics. Ability is that group of skills, competences and characteristics that enable a party to have influence within some specific domain. In implementing the BSC, this would mean that managers should have demonstrated they have the ability to implement the new performance management system successfully. If managers do not have the right competencies and characteristics, they may not be able to incite employees to help with the change. If managers are able to influence employees, it means that the employees have trust in those managers. Benevolence is the extent to which the trustee wants to do good to the trustor, aside from the personal profit motive. The trustee here is the manager, and the trustor is the employee. It should therefore be clear that managers have to

make an effort to improve the well-being of the employees if they are to gain their trust. Dedication is the extent to which the manager is believed to be willing to make an effort to meet the expectations of the employees. It is about commitment, punctuality, making an effort, and reliability. Finally, ethics is the acceptability of a manager's set of values and principles to the employees. If these values and principles are in conflict with those of the employees, then there is no conformity, in which case it is difficult to grow trust between the two parties.

BUILDING OF TRUST

In the literature several models can be found for building trust in an organization (Dwivedi, 1983; Goodman, 2001; Galford and Drapeau, 2004; Herting and Hamon, 2004; Ramchurn et al., 2004). This paper proposes a trust-building model which is based on Goodman's trust-building model. Goodman's model was chosen because it seemed to provide clear and detailed steps that in practice should be relatively easy for an organization to implement. The model consists of six distinct steps that the organization has to take in order to build or restore trust during a change process (Exhibit 2).

Exhibit 2: The steps for (re-)building trust in the Goodman trust-building model (Goodman 2001)



Step 1: Understand the needs of employees

Every employee has his own individual set of needs. Managers must be sensitive to these and make every effort to stay attuned in this respect. This way, a manager can better assign work to the employee most qualified and most suitable for the task in question. Need-satisfaction

motivates employees, which in turn increases employees' productivity and pride in their work. Due to this, a manager creates a win-win situation and builds trust of employees in her.

Step 2: Establish the guiding principles

When introducing a change, the manager should create an environment that actively seeks out employees' ideas to better implement that change. A successful change also depends on having employees see, own and embrace both the need for change and the proposed way forward. In order to achieve this, the manager needs to articulate a set of guiding principles for the change that are closely connected to the organization's core business processes and are supported with deep management commitment and an enterprise-wide discipline. These principles should balance the interests of all stakeholders, ensure employees receive full and timely information about the change project, and ensure that the company compensates employees in accordance with their contributions to the change's success. The manager should also create a process for transparency and disclosure that is appropriate to the company's situation and industry, in both current and future operations. Trust and ethics must be made a board-level corporate governance issue while at the same time a formal system of measuring trust in all parts of the organization has to be established. The guiding principles must be beacons which guide employees' actions as they set about introducing the change.

Step 3: Explain the resources to be employed

When implementing a change, it is important to begin by making sure appropriate resources are deployed at the places where they will have the greatest impact. Explaining to employees which resources are available for the change process has a positive effect on the efficiency and quality of their work. For instance, employees can be trained to give them the skills to deal with the change. This increases the relevance of employees to the new situation, and hence increases their motivation. By training employees, organizations are seen as having genuine interests in them. In turn, employees develop trust in the change because they are given the skills to deal with it. Explaining resources also includes getting input from employees regarding the type of tools and equipment they need to effectively carry out the change.

Step 4: Keep to the principles

Trust is generally something that is earned over time. Managers can build trust by demonstrating that they are guided by ethical standards and beliefs, and then by exhibiting behaviours that are consistent with these standards and beliefs. They should demonstrate an understanding of employees' problems and issues and a willingness to become involved in their resolution. It is also important to show trust toward employees in order to receive it in return. Building trust can be difficult: it's much easier to lose it through inconsistent behaviour and lack of commitment. On top of this, employees will not easily forgive managers about promises made, but not delivered.

Step 5: Engage in constant, honest two-way communication

Clear, honest, open communication is important in keeping employees interested in the success of a change. Employees and managers must have an ongoing, honest dialogue about the change process. Educating employees about the business strategy, market forces and financial realities driving the change will increase employees' understanding of the need for change. Companies with high trust levels give employees unvarnished information about the company's performance, explain the rationale behind decisions, and encourage employee involvement and information sharing. They are also not afraid of sharing bad news and

admitting mistakes. Communication to employees helps ensure accomplishment of change goals, and builds confidence in the minds of employees if the results are favourable. One of the worst communication strategies for a manager is probably pretending to listen to employees and considering their concerns, while having decided in advance what to do. This type of communication will backfire because as soon as employees perceive that they have been manipulated, they will conclude that the change process is dishonest and start to distrust their manager. Thus, for managers to gain trust from employees, they need to involve them in decision-making and make sure they have a voice in how the change gets done.

Step 6: Reinforce through consistent behaviour

During the change, managers can keep the trust from employees by sustaining respectful and trusting relationships and by giving employees freedom and opportunities to excel. Managers have to allow employees to question assumptions, debate ideas, make proposals, and evaluate the change on its merits. Managers need to believe that the best path will emerge from the approach of focusing on the content and not of attacking or sharply criticizing individuals.

REVISED TRUST-BUILDING MODEL

The Goodman (2001) model consists of consecutive steps. However, it could be argued that the building and rebuilding of trust in an organization is not a 'one-off' occasion but rather a continuous, cyclical process. In addition, the steps in the model seem, in practice, to be rather abstract for a practical manager. Finally, when dealing with a far-reaching change process like implementing a BSC, a lot of emphasis should be put on communication to keep employees abreast of developments and to discuss with them the importance of the BSC for their performance. Communication should not only take place in the fifth step of the Goodman model but in every stage (Becerra & Gupta 2003). Therefore, a revised trust-building model is proposed in this article, from now on referred to as the 'trust-building cycle', to be used during the implementation of a BSC. It is based on the Goodman model, with this difference that it has the shape of a cycle instead of steps, and on additional literature sources (Exhibit 3).

Stage 1: Appreciate the current situation

Managers need to understand how employees perceive the BSC as their new performance management system (Waal 2002; 2004). They need to know the opinions of employees because otherwise they end up working on assumptions which could be misleading (Reina & Reina 1999). In appreciating the current situation, the main focus of the manager is to find out what employees know and do not know about the BSC, how they feel about this new system and what their concerns are (Korsgaard et al. 2002; Preston & Hayward 1999; Vosselman 1999).

Stage 2: Formulate change objectives

The manager formulates, in consultation with employees, objectives for the BSC implementation. These objectives are meant to spell out which results the organization wishes to achieve during and after the BSC implementation (Eagleson & Waldersee 2000). By setting objectives, the manager is attempting to create an atmosphere of trust by making crystal clear the objectives of the change. Once the objectives are known, everyone is aware of the intentions of the organization so no one operates in the dark (Creelman 1998).

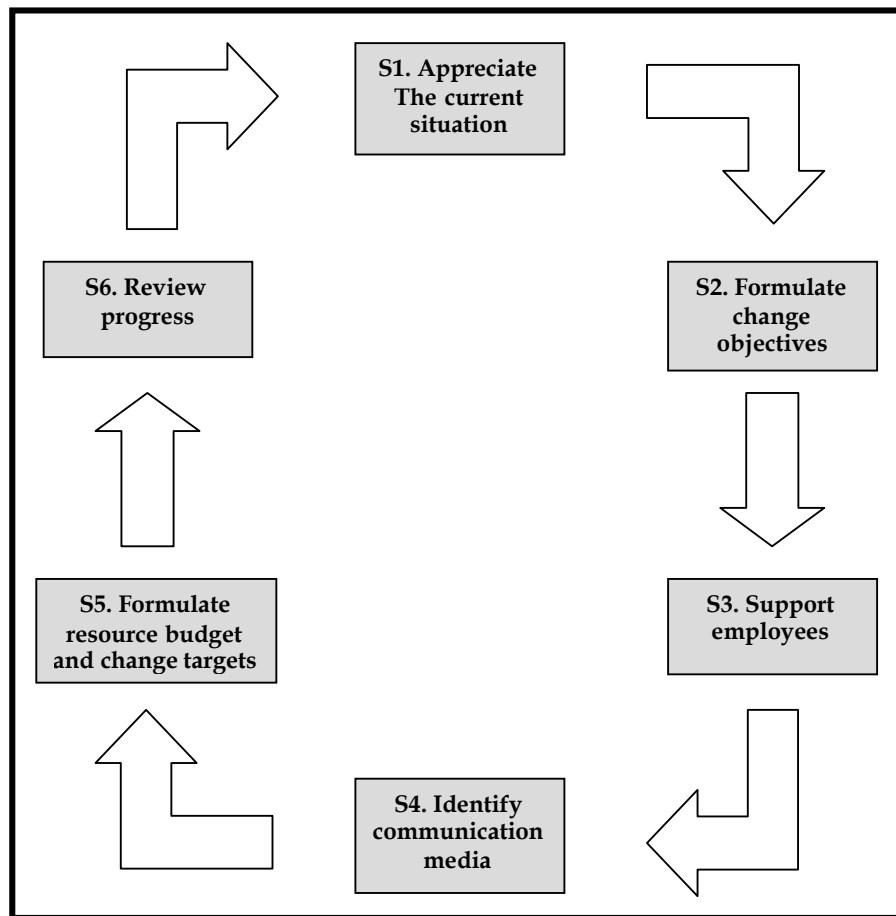


Exhibit 3: The trust-building cycle when implementing a BSC

Stage 3: Support employees

The employees greatly influence operations of the company and are in turn greatly affected by the operations of the company. Hence the effect of the new performance management system on them, and their interests, have to be taken into account (Nickols 2003; Schneiderman 1999; Reina & Reina 1999). On the basis of the formulated change objectives, the significance of the change is explained to and discussed with the employees. Managers also make clear how they will support them through the change. This support should be based on the manager's credibility, competence and enthusiasm (Costigan et al. 2004).

Stage 4: Identify communication media

The manager makes sure that everyone continuously receives information on the progress of the BSC implementation and the results achieved so far (Morgan & Zeffane 2003; Perry & Mankin 2004). Such information can be communicated through meetings, notice boards, emails, workers' representatives, or a combination of these. Continuous communication ensures that employees do not spread rumours about the BSC (its purpose, its results, its consequences) that cause tension within the organization (Becerra & Gupta 2003; Beslin & Reddin 2004; Reina & Reina 1999). If information is freely available, employees are better able to give feedback to management about any unclear issues and (potential) problems (Child & Rodrigues 2004). Communication also is important after the BSC has been introduced, to

create a free flow of information for decision-making purposes to all concerned (Korsgaard et al. 2002; Schiemann & Lingl, 1999).

Stage 5: Formulate a resource budget and change targets

The resources available to achieve the change successfully are discussed with the employees in order to determine their adequacy, effectiveness and efficiency. Because there almost always is a lack of resources in the budget, employees need to understand the budget so they know what resources are at their disposal (Johnson & Kaplan 1987). On the basis of these resources and the formulated change objectives, targets for the change process are set so everybody knows what has to be achieved during the change process.

Stage 6: Review progress

Performance review entails evaluation of the progress made in achieving the objectives and targets of the change, that is, the implementation of the BSC (Bourne et al. 2000). This means regular assessments of the progress made towards achieving the desired change. This ensures that problems during the change process are identified early, so there can be solved quickly (Vroom & Yetton 1993). It also gives managers the change to regularly communicate with their employees about what is expected from them and to discuss items which went wrong, either through the managers' or the employees' fault (Beslin & Reddin 2004; Reina & Reina 1999;). It also entails checking whether both parties have adhered to promises made, that managers have treated employees in a fair and consistent manner, and that employees have been rewarded for (intermediate) results achieved during the change process (Child & Rodrigues 2004; Kim & Mauborgne 2003; Morgan & Zeffane 2003; Perry & Mankin 2004; Tzafir et al. 2004).

The proposed trust-building cycle differs from the Goodman model in a number of ways. In Exhibit 4, a comparison is made of the two models for the main activities in the trust-building process.

Exhibit 4: Comparison of the trust-building cycle with Goodman's trust-building model

Activity	Trust-building cycle	Goodman model
Research the current situation	Yes	Yes
Formulate objectives of the change	Yes	No
Identify the communication media	Yes	Yes
Support employees in the change	Yes	Partly
Formulate a resource budget and change targets	Yes	No
Review progress	Yes	Yes
Continuous process of trust-building and rebuilding (cycle)	Yes	No
Continuous communication process	Yes	Yes

RESEARCH AT ZIMASCO

The validity of the proposed trust-building cycle is tested through a practical application: the re-introduction of the BSC at a mining company in Zimbabwe. The mining industry plays a major role in the Zimbabwean economy by contributing 4 percent to the country's GDP, supporting 6 percent of employment (Ministry of Information 2003). It is the second major foreign currency earner after agriculture, contributing 13 percent. However, the mining industry in Zimbabwe is currently experiencing a reduction in investments despite the

abundance of mineral resources that can be exploited. Some established mining conglomerates have closed down, while others are threatening to do the same. The Zimbabwe Mining and Smelting Company (Zimasco) is a multinational mining and smelting company which is a major player in the Zimbabwe mining industry. The company consists of four divisions: Shurugwi and South Dyke Division (chrome mining), Middle and North Division (chrome mining), Mimosasa Mining Company (platinum mining), and Zimasco Kwekwe Division (smelting). The vision of Zimasco is to have the lowest cost and to be the leading producer of high quality carbon ferrochrome in the world. The strategy is to continuously look for cost-cutting measures in every activity carried out by all Zimasco's employees. There are some major challenges in the near future for the company. First of all, ferroalloy has to be transported to new outlets such as the ports of Beira (Mozambique) and Durban (South Africa). Then, a new smelting plant has to be established as soon as possible, to start processing high-grade coal originating from South Africa. This new coal is needed because Zimasco's main market, Japan, has stringent quality measures for the coal used in smelting chrome. Finally, in the past the company has not been able to meet employees' expectations such as bonuses and dividends as promised by the company, causing some resentment among the workforce.

Zimasco turned to a new performance management system to get a better grip on current processes and future developments. The company introduced the BSC with the assistance of an American consulting firm. Employees initially accepted the BSC because they were promised that the BSC would help the company realize higher profits. This would make it possible to pay employees bonuses and dividends. However, several of the expected benefits of the BSC had not been materialized. The employees therefore started to question the credibility of the BSC. Zimasco wants to reintroduce the BSC and therefore first has to regain trust in this performance management system among employees.

The aim of the research at Zimasco was to identify the elements in the trust-building cycle which are of importance to rebuild employees' trust in the BSC. For this purpose, a questionnaire was constructed on the basis of the trust-building cycle and the consulted underlying literature (see the Appendix). This questionnaire was sent to ten employees at each of the four divisions of Zimasco; in total forty questionnaires were completed and returned to the researchers. This high response rate (of 100 percent) can be explained by the fact that a senior manager of the company personally chose potential respondents and distributed the survey to them. Simple and direct questions were formulated to make answering the questionnaire within fifteen minutes possible. Open-ended questions were not used (except in the 'background' section) because it was not possible for the researchers to be physically present to discuss any uncertainties in this type of questions.

RESEARCH RESULTS

The findings from the research are discussed per stage of the trust-building cycle, after first giving the background information.

Background Information

The BSC was introduced in Zimasco in the year 2003. Reasons for implementing the new performance management system were to translate company targets into local targets; to align individual, team and process performance to company targets; to generate initiatives and coordinate work along the value chain in order to close performance gaps; to create and sustain better business literacy and knowledge; and to communicate the reward structure and

incentive pool and its relation to desired performance. All respondents agreed that since the implementation of the BSC some of the expected benefits have materialized: up-to-date information on the operations of the company is now available, better discussion of the company's performance by teams and their leaders is possible, more accurate measurement of performance of each business unit against pre-set targets and identification of performance takes place, better and more focused communication on initiatives needed to close performance gaps takes place, and there is more often agreement on forecasts and resulting action plans for improving performance in the coming periods. The respondents state that they have in principle confidence in the BSC because they see it as a strategic business tool to measure the performance of the business at particular points in time, and they acknowledge it clearly defines the accountabilities of employees and all levels of management in relation to business performance. Also, both management and workforce have gained better knowledge about their performance successes and failures, because the BSC promotes effective flow of information within the organization.

Stage 1: Appreciate the current situation

The majority of the respondents find it important that managers show they understand the needs of their subordinates, that managers and employees share common goals, that managers want their employees to succeed, and that if employees do not feel valued they will not be inclined to help the managers meet their goals. These findings indicate that employees appreciate managers who feel with them as they struggle to cope with the changes that are happening in the company. The findings also reflect that employees trust managers who allow them to express their true feelings and who listen to their concerns.

Stage 2: Formulate change objectives

The majority of the respondents agree that Zimasco's management needs to develop challenging but achievable targets. At the same time, they state that they need to be a part of the planning and target-setting processes so they can identify with the outcomes. In their opinion, one of the most crucial elements in achieving successful change is getting input from them. In this way, management can establish what employees consider important so that an environment of trust is created. The respondents all state that in their opinion it is important to keep the overall number of measures of the BSC low, recognizing that it is easier to deal with a limited number of measures. They also agreed that one of the biggest challenges in Zimasco has been the culture change needed to achieve that employees feel and are accountable for results. Therefore, they find it important that they become part of a performance measurement working group which is going to (re-)establish the performance measures in the company's BSC. These findings indicate that involving employees in the planning, target-setting and measurement identification processes is an important success factor for the implementation of a BSC.

Stage 3: Support employees

The majority of the respondents is of the opinion that managers can create trust through consistent behaviours, doing what they promised and what employees expect from them, being candid with their subordinates, showing compassion towards their subordinates, demonstrating personal credibility and integrity, being a role model in behaviour and work ethic, being available to their subordinates, and not only communicating the bare facts and figures, but also what they feel. These findings indicate that trust develops when managers are available and willing to assist employees if necessary and in a credible and honest way.

Stage 4: Identify communication media

The majority of the respondents state that input of employees contributes greatly to the success of a BSC implementation. For this, regular and effective communication is needed about the change process, and employees need to be given opportunity to review and comment on the BSC measures throughout the process. The findings indicate that trust is greatly fostered by constant and honest two-way communication, by sharing information and feedback, and by open dialogue between managers and employees.

Stage 5: Formulate a resource budget and change targets

The majority of the respondents agree that clear periodic targets are needed to focus activities and performance expectations, and that both managers and employees should be accountable for achieving targets. Then, managers and their subordinates have to agree on the resources needed to achieve these targets. This agreement will prevent any misunderstanding between managers and employees about the resources available. The findings indicate that managers should agree with their subordinates on both the targets and the resources needed to achieve these, in order to gain full support from the employees.

Stage 6: Review progress

The majority of the respondents find it important that managers fulfil their promises of compensation made to employees for achieving the agreed targets, and that they are consistent in their treatment of employees. They agree that progress reviews during the implementation of the BSC must be an on-going process and not a once-off event. During a review, their sincerity—by admitting when they are wrong—will greatly increase trust. However, the respondents also state that managers at Zimasco did not (fully) honour their commitments, and because of the detrimental effect of this on trust, they themselves do not necessarily fulfil their promises to the managers. They remarked it is better for managers to give definite promises at the time they are certain about the feasibility of the realization of particular benefits.

ANALYSIS AND CONCLUSION

In this paper it has been argued that employees' trust is an important factor for the successful implementation of far-reaching changes, such as introducing a new performance management system like the BSC. The study results suggest that the revised trust-building model, the trust-building cycle, is useful in creating or recreating this necessary trust. The employees from mining company Zimasco are unanimous in their opinion that all stages of the trust-building cycle help them regain trust in the BSC, indicating that the organization's managers should dedicatedly work on satisfying the requirements of the stages in the cycle. Employees are the medium through which managers and the organization either succeed or fail. To help them perform at peak levels when implementing the BSC, the manager must therefore diligently work to establish trust with them (Child & Rodrigues 2004).

There are several limitations to the research. The researchers were unable to monitor the distribution of the questionnaire because they were in the Netherlands, while the company being studied was in Zimbabwe. This also prevented the researchers from personally conducting interviews in order to obtain other information than that provided by the survey. The fact that Zimasco's senior manager personally chose potential respondents can mean that an objective and representative picture of employees' view has not been achieved. Also the relatively small sample size prevents obtaining an overall picture, and successfully studying one company in Zimbabwe does not necessarily mean the proposed trust-building cycle is

valid for other companies in other countries. It has to be noted that many people employed in the mines in Zimbabwe cannot read or write and, therefore, may have relied on others to fill in the questionnaire for them. Finally, the questionnaire itself may have been too leading, with only limited answering options (yes/no). Despite these limitations, this exploratory research yielded a first promising indication that building trust is important while implementing a BSC. Further research should concentrate on improving the questionnaire and administering it to more companies in more industries and countries. In this way, the trust-building cycle can be validated for more situations so it reliably can support future successful implementations of new performance management systems.

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APPENDIX—THE RESEARCH QUESTIONNAIRE

Introduction

My name is Wedzerai Nhemachena. I am an MBA (Corporate Strategy and Economic Policy) student with the Maastricht School of Management, the Netherlands. I am carrying out a research study entitled: ‘Building Employee Trust in the Balanced Scorecard: The case of a Mining Company in Zimbabwe’ under the supervision of dr. André de Waal MBA, associate professor at the Maastricht School of Management. To this end, we have chosen your company, Zimasco, for our research because it is already employing the balanced scorecard (BSC). The objective of this research is to assist Zimasco in building and restoring employee trust in this BSC. Our research is expected to come with clear steps that Zimasco can follow in rebuilding and restoring the trust of its employees in the BSC. This questionnaire is divided into seven sections. These seven sections constitute background information plus the six basic steps needed in building employee trust in the BSC. By completing this questionnaire, you provide us with information relevant to make recommendations to Zimasco management on how best to build and restore employee trust in the BSC.

BACKGROUND INFORMATION

Please complete the following as briefly as you can.

1. The Balanced Scorecard (BSC) was introduced in Zimasco in the year
2. The BSC was meant to achieve the following benefits for my division/section:
3. Since the inception of the BSC, have benefits been realized? YES/NO
4. If yes, the benefits realized to date are:
5. I have confidence in the BSC because:
6. I have lost confidence in the BSC because:

Please tick YES if you agree, and NO if you do not agree with the following statements.

I. APPRECIATE THE CURRENT SITUATION

		YES	NO
1	It is important to show that managers understand the needs of their subordinates.		
2	Your manager shares your goals.		
3	Your manager wants you to succeed.		
4	If your employees do not feel valued, they will also not be around to help you meet your targets.		

II. FORMULATE OBJECTIVES

		YES	NO
1	One of the most crucial measures needed to achieve success is getting input from employees.		
2	If employees are part of the planning process, then, they identify with the work process.		
3	At corporate level, the drive to establish measures has not really allowed time to conduct extensive consultation with employees.		
4	It is critical to establish what employees consider important so that an environment of trust is created between management and employees.		
5	It is important to keep the overall number of measures low, recognizing that it is easier to deal well with a limited number of measures.		
6	One of the biggest challenges in Zimasco has been the culture change needed to realize that employees are accountable for results.		
7	It is important to create a Performance Measurement Working Group from all divisions within Zimasco to participate in workshops to establish the company’s performance measures.		
8	Management within Zimasco needs to develop challenging, but achievable targets.		

III. SUPPORT EMPLOYEES

		YES	NO
1	It is important to conduct periodic employee satisfaction surveys in order to determine overall satisfaction and the alignment between employees and Zimasco's vision and objectives.		
2	It is important for managers to reinforce their words through consistent behaviours.		
3	It is important that you believe that your manager will do what is expected of him/her.		
4	Consistency in output helps build trust in management.		
5	Employees want a safe and supportive relationship with their managers.		
6	When your manager is not candid with you, or does not show compassion towards you, it reveals a weakness in trust-building.		
7	If your manager shows compassion towards you, it helps you trust him or her.		
8	You develop trust in your work if your manager demonstrates personal credibility and integrity.		
9	It is important for the manager to model the behaviour and work ethic for others to follow.		
10	A key in communicating is to provide more than simple facts and figures. Project your feelings as you communicate. This also helps you to appear more human and approachable, and demonstrates empathy for others.		
11	Being available and willing to assist when necessary shows that you have the goodwill of others in mind. It also sets an environment where others feel comfortable and safe coming to you when things are not going so well, or have ideas for improvement.		

IV. IDENTIFY MEDIA OF COMMUNICATION

		YES	NO
1	To ensure a balanced set of measures, employees need to be given opportunities to review and comment on the measures throughout the process.		
2	The input of the employee contributes to the success of the business.		
3	Zimasco needs to hold regular meetings with its employees and unions in order to effectively communicate its balanced set of measures to ensure understanding.		
4	It is necessary for managers to engage in constant, honest, two-way communication with their employees.		
5	A willingness to communicate is important in building trust.		
6	Employee contributions help build trust in a project?		
7	Willingness to collaborate on a project helps build trust in the BSC.		
8	One way to demonstrate your trust is to share information freely and quickly.		
9	By sharing information and feedback, while at the same time encouraging open dialogue from members of your team, you can foster a reciprocal work environment.		
10	It does not matter how much you know, or think you know, if you cannot communicate your knowledge to others, you will not be effective in convincing them to believe you.		

V. FORMULATE A BUDGET AND TARGETS

		YES	NO
1	Managers need to develop, and make available to employees, clear periodic targets to achieve.		
2	These targets will clearly provide employees with what they are expected to achieve.		
3	For the BSC to truly work, accountability has to be shared by managers and employees.		
4	Managers should agree with their subordinates on the tools and equipment that will be used in achieving their targets.		
5	Such agreement in (4) above will clear any misunderstanding between managers and employees about the suitability of the tools and equipment.		
6	It is important that everyone knows whether a project can be completed on time.		
7	It is important that your manager and subordinates have the skills to reach an agreed goal.		
8	The manager's commitment to achieve agreed targets creates similar commitment of his/her subordinates.		

VI. REVIEW PROGRESS

		YES	NO
1	Managers should fulfil promises made to employees.		
2	Your manager honours commitments.		
3	Your manager tells you what you need to know to achieve your targets.		
4	Commitment to agreements helps build trust in management.		
5	If you tell somebody that you will do something, you always follow up as promised.		
6	Nothing will annoy others faster than showing that you are inconsistent in your treatment of them.		
7	Admitting that you are wrong, or do not know, or that you are sorry, shows that you are sincere with others.		

Your age.....

Your sex: MALE/FEMALE

Thank you for taking the time to fill-in this questionnaire.