## ABSTRACT

Traditional models for determining the performance and effectiveness of employees rely heavily on financial accounting indicators. This study sought to measure the performance of five star hotels in Nairobi County using the balanced scorecard approach. The findings of the study revealed that 36% of the respondents used a balanced scorecard as a method of measuring performance. The use of a balanced scorecard for measuring performance resulted in improved quality of guest profiles for 73% of the managers in five star hotels in Nairobi County whereas 67% of the managers experienced an increase in training hours per employee.