



SAINT MARRY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**ASSESSMENT OF BALANCED SCORECARD
IMPLEMENTATION AT BANKS IN ETHIOPIA:**

THE CASE OF NIB INTERNATIONAL BANK

BY: ABEL MOGES

JUNE, 2021
ADDIS ABABA, ETHIOPIA

**ASSESSMENT OF BALANCED SCORECARD IMPLEMENTATION AT
BANKS IN ETHIOPIA: THE CASE OF NIB INTERNATIONAL BANK**

BY

ABEL MOGES BEYENE

ADVISOR: ASMAMAW GETIE(Asst. Professor)

**A THESIS SUBMITTED TO SAINT MARY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES, IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR MBA IN ACCOUNTING AND FINANCE**

JUNE,2021

ADDIS ABABA, ETHIOPIA

**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF BALANCED SCORECARD IMPLEMENTATION AT
BANKS IN ETHIOPIA: THE CASE OF NIB INTERNATIONAL BANK**

**BY: ABEL MOGES BEYENE
ID NO: SGS/0441/2011A**

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate studies

Signature

Advisor

Signature

External examiner

Signature

Internal Examiner

Signature

Letter of Certificate

This is to inform you that Abel Moges has carried out the research work entitled: “Assessment of Balanced Score Card Implementation at Banks in Ethiopia: The case of Nib International Bank”. Accordingly, I assure that this work is appropriate and standard for the submission in partial fulfilment of the requirement for the award of MBA in Accounting and Finance.

Name: Asmamaw Getie (Ass. Prof.)

Signature: -----

St. Mary’s University

Addis Ababa, Ethiopia

June, 2021

Declaration

I hereby declare that this thesis is a record of an original work done by me, prepared under the guidance of Asmamaw Getie (Asst. Prof). All sources of materials used for the thesis have been appropriately acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name: Abel Moges

Signature: -----

**St. Mary's University
Addis Ababa, Ethiopia**

June, 2021

Acknowledgements

First and foremost, I am grateful to the almighty GOD for bestowing Wisdom, Knowledge, and Strength upon me.

It gives me great pleasure to express my heartfelt appreciation to everyone who helped me write this thesis. I'd like to thank my advisor, Asmamaw Getie (Assistant Professor), for his wise counsel and encouragement. I'd also like to express my heartfelt gratitude to my co-workers for their efforts. Finally I want to thank my beautiful family.

Table of Contents

Letter of Certificate.....	i
Declaration.....	ii
Acknowledgements.....	iii
List of Tables.....	vii
List of Figures.....	vii
Acronyms.....	viii
Abstract.....	ix
CHAPTER ONE.....	1
1. INTRODUCTION.....	1
1.1. Background of the Study.....	1
1.2. Background of the Organization.....	3
1.2.1. Vision, Mission and Values at NIB.....	4
1.3. Statement of the Problem.....	5
1.4. Research Questions.....	6
1.5. Objectives of the study.....	7
1.5.1. General Objectives.....	7
1.5.2. Specific Objectives.....	7
1.6. Significance of the Study.....	7
1.7. Scope of the Study.....	7
1.8. Limitation of the Study.....	8
1.9. Organization of the Study.....	8
CHAPTER TWO.....	9
REVIEW OF RELATED LITERATURE.....	9
2.1. Theoretical Literature.....	9
2.1.1. The concept of balanced scorecard.....	9
2.1.2. The Balanced Scorecard perspectives.....	11
2.1.3. Balanced Scorecard Foundation.....	13
2.1.4. Performance Measurement.....	14
2.1.5. BSC and Performance Measurement.....	15
2.1.6. Role of Performance Measures in an organization.....	15
2.1.7. The Role of the BSC as Strategy Implementation and Performance Measurement.....	16
2.1.8. Measuring and Assessing Performance.....	18
2.1.9. Key Performance Indicators.....	19

2.1.10. Some Barriers of BSC Implementation.....	20
2.2. Empirical Review.....	24
2.3. Gap in the existing literature	26
2.4. Frame Work of the Study	27
2.5. Conclusion.....	28
CHAPTER THREE	29
RESEARCH DESIGN AND METHODOLOGY	29
3.1. Research Design and Approach	29
3.2. Source of Data.....	30
3.2.1. Primary data	30
3.2.2. Secondary Data	30
3.3. Data Collection Techniques	30
3.3.1. Questionnaire	31
3.3.2. Interview	31
3.4. Population, Sampling Technique and Sample Size.....	31
3.4.1. Population	31
3.4.2. Sampling Technique and Sample Size.....	31
3.5. Data Analysis Method.....	34
3.6. Validity and Reliability	34
3.7. Ethical Considerations.....	35
CHAPTER FOUR.....	36
DATA ANALYSIS AND INTERPRETATION	36
4.1. Introduction	36
4.2. Demographic Profile of Respondents	36
4.3. Key Performance Improvement due to BSC implementation	38
4.4. Helpfulness of BSC as a Performance Measurement Tool	42
4.5. Attitude of employees regarding the four perspectives of BSC and Contribution for performance.....	46
4.5.1. Financial Perspective	46
4.5.2. Customer Perspective.....	47
4.5.3. Internal Business Process.....	49
4.5.4. Learning and Growth	51
4.6. Challenges of BSC Implementation	53
CHAPTER FIVE	57
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	57

5.1.	Summary of Major Findings	57
5.1.1.	Summary of Findings related to Key Performance Improvement due to BSC implementation	57
5.1.2.	Summary of Findings related to Helpfulness of BSC Implementation as a Performance Measurement Tool	57
5.1.3.	Summary of Findings related to Financial Perspective	58
5.1.4.	Summary of Findings related to Customer Perspective.....	58
5.1.5.	Summary of Findings related to Internal Business Process.....	58
5.1.6.	Summary of Findings related to Learning and Growth	59
5.1.7.	Summary of Findings related to Challenges of BSC Implementation.....	59
5.2.	Conclusions	59
5.3.	Recommendations	60
5.4.	Future Researches	62
	REFERENCES	63
	APPENDECIES	68

List of Tables

Table 3.1: Proportionality of Sample Size.....	33
Table 3.2: Reliability Check.....	35
Table 4.1: Demographic Profile of Respondents.....	37
Table 4.2: Performance Improvement Due to BSC Implementation.....	38
Table 4.3: BSC Implementation as a Performance Measurement Tool.....	42
Table 4.4: Financial Perspective.....	46
Table 4.5: Customer Perspective.....	48
Table 4.6: Internal Business Perspective.....	50
Table 4.7: Learning and Growth Perspective.....	52
Table 4.8: Challenges of BSC Implementation.....	54
Table 4.9: Opinions Ranking on Challenges of BSC Implementation.....	56

List of Figures

Figure -01: Conceptualization Model.....	28
--	----

Acronyms

BSC: Balanced Scorecard

BPR: Business Process Reengineering

IT: Information Technology

KPIs: Key Performance Indicators

NIB: NIB International Bank

SPSS: Statistical Package for Social Science

Abstract

This research entitled “Assessment of Balanced Scorecard implementation at Banks in Ethiopia: The Case of Nib International Bank”. The objective of this study is to assess the implementation of Balanced Scorecard in NIB, to evaluate the key performance improvement areas of the bank using BSC, to evaluate attitude of employees regarding the four perspectives BSC, to assess the importance of BSC to improve employee Performance and to identify the major challenges encountered in the implementation of BSC. The study was carried out by preparing questionnaires and interview questions in order to assess the status of implementation. The study's total population size was 857, which included managerial and non-managerial staff as well as key informants (strategic management experts) from the bank. The study used probability (stratified) sampling to select 132 respondents and purposive sampling to select 7 key informants with working knowledge of the system. The responses of 104 respondents were analyzed using SPSS version 20 and the interview results were thematically analyzed in content wise. In doing so, the findings revealed that service delivery has been improved to the expected level; corporate level key performance indicators (KPIs) are properly measuring the bank performance; after the implementation of the balanced score card, financial performance of the bank achievements in the banking industry increased; on the other hand, individual performance evaluation is carried out without reliable performance data. The study recommended that NIB conduct extensive public awareness campaigns, match individual performance to a compensation system based on accurate performance data, and conduct benchmark reviews based on industry best practices.

Key words: Balanced Scorecard, implementation challenges, performance evaluation

CHAPTER ONE

1. INTRODUCTION

This chapter gives the reader an overview of the research field. The study's context and problem statement are presented in this chapter. Following that, the chapter addresses basic research questions that are related to the study's objectives. The significance of the research, scope of the study, limitations of the study, and organization of the entire paper are then presented.

1.1. Background of the Study

The ability to translate organizational strategy into operational terms, as well as the ability to monitor performance and achieve strategic goals, is critical to organizational success and development. Velnampy & Nimalathason (2007) stated that Balanced Scorecard itself is essentially a performance measurement framework with two key objectives converting strategy into specific goals for different section of organization and communicating that strategy to all parts of organization.

The Balanced Scorecard (BSC) is popularized by Kaplan & Norton (1992, 1993, and 1996) and adopted widely around the world has been offered as a superior combination of non-financial and financial measures of performance. The BSC is intended to direct strategy growth, execution, and communication since it focuses specifically on relations between business decisions and outcomes. A well-designed BSC may also provide accurate input for management control and performance assessment.

In today's competitive climate, several organizations have adopted performance measurement tools to contribute to the organization's stability. Performance management is the use of performance measurement data to help organizations change their culture, systems, and processes for the better by assisting in the development of agreed-upon performance goals, allocating and prioritizing resources, informing managers to confirm or change current policy or program directions to meet those goals, and sharing performance results in achieving those goals. A leading-edge organization seeks to create an efficient and effective performance management system to translate firm vision into clear measurable outcomes that define success, and that are

shared throughout the firm and with customers and stakeholders (Johnson, Scholes, & Whittington, 2006).

Kumar (2016), in this study on, "Awareness regarding contemporary performance measures for measuring performance of Indian banking sector", conclude that both financial and non-financial measures were considered important by public and private sector banks for measuring their performance but a balance between the two measures is needed. For the study, primary data to be gathered through structured questionnaires. A sample of 200 banks, 100 each from public and private sector banks is drawn. Analysis of data had been done by using simple frequencies, percentage, average, weighted average scores, test etc. it was found that bankers from public sector were more aware about various performance measurement system under financial measures as compared to private sector banks and under non-financial measures bankers from both sector were equally aware about various performance measurement systems.

According to James and Evans Brake, (2016) this study is to contribute to the understanding of how BSC is developed using the concept of Kaplan and Norton and also the analysis and finding of the study banks showed that BBGL scored low points on the non-financial especially on its customers perspective this indicates that it places more emphasis on financial measures than the non-financial measures.

Coming to our country, According to Wubeamlak, (2016) in his research report, a number of them have experienced various problems when attempting to apply BSC as a management technique to implement corporate strategy. The vast majority have either adopted the BSC but seen no noticeable change in results, or have given up on the process altogether. What makes the BSC's implementation so difficult? Using this as a starting point, determine if there is a connection between the numerous reasons discovered and the cause defined as causing the balanced scorecard implementation to be questioned on employee performance/appraisal and/or the assigned task to the employees/buyer on procurement department in Ethio telecom.

According to Amsalu, (2014) in his study how balanced scorecard is being implemented in public banks, the banks have implemented the system almost in a similar manner as compared to the standard way of literature except that the automation of the system was not existent in all the

three banks. According to the findings of the report, different mechanisms are used by the various banks in order to sustain their BSC.

As a result, the aim of this study is to assess the implementation of a balanced scorecard in the case of the NIB bank. This was investigated further in order to determine the system's problems. It also aids in determining how the bank's balanced scorecard is planned and implemented. It's also crucial to look at the different issues using the balanced scorecard's basic concepts. This will allow for the resolution of practical issues associated with the implementation of a balanced scorecard. The researcher used five-point likert scale questionnaires and semi-structured interview questions, and reports that the aforementioned significant difficulties remain in BSC implementation at the NIB bank headquarters.

Furthermore, to the best of the researcher's understanding, there is no study report on the assessment of the Nib Bank head office's implementation of the Balanced Scorecard.

1.2. Background of the Organization

Nib International Bank (NIB) was established on 26 May 1999 under license no. LBB/007/99 in accordance with the Commercial Code of Ethiopia and the Proclamation for Licensing and Supervision of Banking Business Proclamation no. 84/1994 with the paid up Capital of birr 27.6 million and authorized capital of Birr 150 million by 717 Shareholders. The Bank commenced its operation in 28 October 1999 by 27 employees. It joined the banking industry as the sixth private bank licensed in the country.

Other than rendering fulfilled Domestic and International Banking services the Bank implemented Mobile and Internet Banking through which it issues NIB cards and has placed its ATM's at various locations throughout the Country to provide its diversified products in convenient ways to our esteemed customers. Moreover, to enhance the application of modern banking technologies and provide competitive service via a wide range of card banking services, the Bank has established a strategic partnership with MasterCard, VISA and Union Pay branded cards which is one of the breakthroughs to provide international payment service.

The development of the 3rd strategic plan is now at implementation phase and putting a new structure formulating policy manuals and cascading the various targets of the strategic plan to the implementing units.

Among others, the Bank has registered a steady growth and achievement in all aspects of its operations since its establishment. At the end of June 2020, its total deposits and loans and advances stood at about Birr 25.1 billion and Birr 17.5 billion respectively. Total assets also grew to about Birr 31.1 billion and paid up capital to Birr 2.5 billion. The level of net profit before tax reached Birr 1.4 billion in June 2020. The Bank's shareholders are close to 4,585 and the total number of customers exceeds 812,627. The Bank's employees reached more than 5,250 as at June 2020.

1.2.1. Vision, Mission and Values at NIB

➤ Vision

To be an icon of service excellence and a leading commercial bank in Ethiopia.

➤ Mission

To provide customer focused, and innovative banking services through motivated staff and state of the art technology.

➤ Values

- Transparent
- Accessible
- Teamwork
- Accountable
- Results-oriented
- Innovative

1.3. Statement of the Problem

Ethiopia's government began reform programs in 2007 G.C. Business Process Reengineering (BPR) was one of the big reform initiatives. The aim of BPR is to improve an organization's productivity and effectiveness through a process-based system. Although BPR has helped most public agencies achieve impressive results, there have been some issues with the implementation process, particularly in terms of measuring the outcome. The Balanced Scorecard System was introduced in 2010 G.C. to address those found problems and to go with those achieved outcomes. Balanced scorecard is a tool for evaluating the performance that also, points to non-financial aspects, aspects of the customer, internal processes and learning and growth and this tool has attracted banks and financial organization's attention (Kaplan and Norton, 1996).

There are several academic papers on balanced scorecards. According to Daniel (2017), there are several difficulties in using BSC in Ethiopian telecom. The most difficult task is the first one, which cascades down to the individual level. Individually, it is essential to engage the workforce's hearts and minds. The lack of effective training is the second problem associated with BSC implementation; effective training is a vital tool for developing and implementing a performance management system. The third issue is a lack of commitment from senior management. The calculation method is the final challenge (Automation). Assess the problems and then solve the problem from a BSC perspective. According to Amsalu M. (2014), who conducted a study on how balanced scorecards are implemented in public banks, the banks have implemented the system in a nearly identical manner to the standard method described in the literature.

According to Gitonga (2014) assess Balanced Scorecard implementation in consolidated bank of Kenya, and found that BSC has been useful tool for bringing attainment of the mission of the bank; and yet some challenges have been faced including resistance to change, lack of sufficient knowledge of the staff aspects of operation that are difficult to measure and lack of objectivity in appraisal of staff. Franco & Bourne (2003) stress there is a lack of empirical evidence that explores BSC impacts especially on employee's performance. Waal (2003) argued that important precondition for successful implementation of BSC is to involve employees in the development and implementation of the scorecard.

According to Lawson, Hatch and Desroches (2008), as cited by MasreshaMulat (2015) by effectively implementing balanced scorecard the organizations can expect two benefits. Communication of strategy to all employees, as well as connecting and aligning the organization around strategy, is among the strategic advantages. Major operational and strategic advantages, on the other hand, include monitoring progress against organizational objectives and evaluating success at different levels from various perspectives.

NIB adopted the BSC in 2019/2020 fiscal year as the key transformation method and as a performance management instrument to achieve the vision of becoming one of Ethiopia's top three banks by 2025. As a result; the measurement has both benefits and disadvantages. This will be more explored to identify the drawbacks of the system. Furthermore, it is important to investigate the different issues using the balanced scorecard's basic concepts. And also, it helps to determine how BSC implementation contributes to improve performance of NIB employees. This will allow solving practical problems associated with the implementation of a BSC.

Furthermore, to the best of the researcher's knowledge, there is no study report on the assessment of Nib Bank's implementation of the Balanced Scorecard.

Therefore, it is essential to assess Balanced Scorecard implementation in Nib Bank. Hence, this study concentrated on assessing the implementation footings and challenges faced by NIB between the theoretical ways of successful implementation of BSC and actual practice undertaken by NIB International Bank. As a result, this research aims to close the gap and tire to study the implementation of BSC in the NIB International Bank.

1.4. Research Questions

The study's aim is to find an answer to the following question:

- What are the achievements of BSC implementation for performance improvement regarding financial, customer, internal business and learning and growth?
- How is BSC helpfulness in NIB bank as a performance management tool?
- What is the attitude of employees concerning implementation of BSC?
- How BSC implementation does contribute to improve performance of NIB employees?
- What are the challenges encountered in the implementation of BSC?

1.5. Objectives of the study

1.5.1. General Objectives

The General objective of the study is to assess implementation BSC at NIB.

1.5.2. Specific Objectives

- ✓ To evaluate the key performance improvement areas of the bank
- ✓ To assess the importance of BSC as a performance measurement Tool.
- ✓ To evaluate attitude of employees regarding the four perspectives Balance Scorecard i.e. Financial, Customer, Internal process, Learning and Growth
- ✓ To assess the importance of BSC to improve employee Performance.
- ✓ To identify the major challenges encountered in the implementation of BSC

1.6. Significance of the Study

Aside from the academic value to the researcher, the study has a direct contribution to NIB regarding the current phenomenon; it serves as a benchmark for BSC implementation in other similar banks; it serves as a reference for individuals with a research interest in BSC in the financial sector; the study establishes possible recommendations for any drawbacks uncovered in the empirical findings and this findings of the study enhance to fulfil knowledge gap to the users of the research.

1.7. Scope of the Study

The analysis is solely focused on Nib International Bank and its BSC implementation. NIB is spread throughout the country, with over 380 branches under the jurisdiction of six districts. Because of the large dispersion of the divisions, shortage of time and budget the researcher decided to focus on head office processes for the sake of manageability. In addition, BSC is useful as a strategic management tool, a communication tool, and a performance measurement tool.

1.8. Limitation of the Study

Since the paper is about assessment of BSC implementation in NIB International banks. One of its drawbacks is that it focuses on a single company, and the results of this study may not be applicable to the entire population because only selected employees' perspectives were obtained, and respondent responses were limited to their perceptions. Other drawbacks include some top managers' inability to be present for an interview at the right time due to job overload. In addition, there is a scarcity of literature in this area. As a result, locating relevant related literature took a long time. Despite these flaws, the study has the potential to stimulate further future studies in the field.

1.9. Organization of the Study

This study is divided into five chapters. The first chapter gives the reader an overview of the research area, the second chapter gives the reader an overview of related theoretical and empirical literatures, the third chapter describes the research methodology to be used for this paper and data collection, chapter four presents the research results and data analysis, and chapter five contains the overall major findings, conclusion and recommendations that can be draw and made from the research.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

The previous chapter covered the study's topic's background and problem discussion, which led to the relevant research questions. This chapter's aim is to provide applicable literature on BSC and its use as a performance assessment tool. Before exploring how organizations could use the balanced scorecard as a performance assessment tool, review theories describing the fundamental elements of the balanced scorecard.

2.1. Theoretical Literature

2.1.1. The concept of balanced scorecard

In a Harvard Business Review article on balanced scorecard measures that drive performance in 1992, Kaplan and Norton introduced the notion of balanced scorecard as an alternative to standard performance measurement. Kaplan and Norton wrote a series of articles and a book to expand the balanced scorecard concept into a strategic management framework, advising organizations on how to translate company goals into action plans (Kaplan and Norton, 1992)

The knowledge, talent, and system that your employees will need (learning and growth) to innovate and establish the correct strategic capabilities and efficiency (internal process) that give unique value to the market (customer) will eventually lead to increased shareholder value (Kaplan & Norton 2002). A balanced scorecard is a corporate management concept that turns financial and non-financial data into a thorough road map that helps an organization measure its performance and achieve long and short-term goals. It compresses the mission and vision statements into a manageable set of goals and performance indicators.

Performance management is about setting standards of performance and business objectives, Performance can be focuses on process, product and people (employees and customer). Unfortunately in practice many organizations focuses on financial performance and pay very little attention to processes and people (Kaplan and Norton, 1992). At a strategic level the fundamental question asked are what business does us want to be in? How are we going to

achieve our mission? What kind of competence and structure do we need to meet our objective? And finally what is the time scale of achievement? Strategic decision determines the direction of business and tactical decision decides the nature and the type of operation (Kemally, 1997). Though the term performance measurement has been used since the late 1970s, there has not been a universally accepted definition for it. Management accounting researchers define performance measures as key instrument in performance measurement system that support management in predicting future fiscal performance in addition to helping to highlight possible changes in operation to maintain congruence with the intended strategy. (Otley, 1999), According to Cheng (2008), performance measures can be defined as the system by which an organization monitors its operations and evaluates whether the organization is attending its goals. Given the aforementioned definition, it can be inferred that performance measurement is multidimensional, comprising of the ways and manners through which the operations of an organization overtime are monitored and assessed with a view to determining whether the organization is attaining its goal in terms of value delivery to customer and other shareholder

The BSC is a performance evaluation tool that compels a company to identify a number of elements that are critical to the company's success. These crucial success elements differ from one organization to the next. Businesses which implemented BSC earned a competitive edge and established an organizational excellence culture (Kaplan & Norton, 1992).

There are several definitions of the phrase Balanced Scorecard from several literatures. Some of the well-known ones are; “The balanced scorecard is a strategic management and measurement system that links strategic objectives to a comprehensive range of key performance indicators, to provide a balanced view. “It is a strategic management system based upon measuring key performance indicators across all aspects and areas of an enterprise: financial; customer; internal process; and learning and growth” (www.Balanced Scorecard institute.com, 2007). Kaplan and Norton, (1992) linked the usefulness of the balanced scorecard to the needs of a pilot steering an aircraft as follows: “Think of the balanced scorecard as the dials and indicators in an airplane cockpit. For the complex task of navigating and flying an airplane, pilots need detailed information about many aspects of the flight. They need information about fuel, air speed, altitude, bearing, destination and other indicators that summarize the current and predicted environment. Reliance on one instrument can be fatal. Similarly, the complexity of managing an

organization today requires that managers be able to view performance in several areas simultaneously'' (Kaplan & Norton 1992, p. 71).

2.1.2. The Balanced Scorecard perspectives

Kaplan and Norton (1996) devised the original Balanced Scorecard, which defined four perspectives. Customers, internal processes, and learning and growth are all included in the Balanced Scorecard, which complements the traditional manner of analysing success with financial indicators. It allows businesses to keep track of the intangible assets they'll require for future expansion. Customer, Internal Process, Learning and Growth, and Financial Perspectives are the four perspectives.

I. Financial Perspective

Despite the fact that the Balanced Scorecard was created in part as a response to an over-reliance on financial metrics, financial measures remain an important feature of the Balanced Scorecard. (Niven, 2006). Measures in the Financial Perspective indicate whether the implementation of the company strategy and its execution are contributing to the improvement of bottom-line results (Kaplan & Norton, 1992; Niven, 2006). Without including indications demonstrating the financial benefits of the firm, focusing resources, energy, and capabilities on customer satisfaction, quality, expertise, and other aspects in other perspectives may yield little added value. (Niven, 2006). According to Niven (2006), the Financial Perspective focuses on actions that aim to increase shareholder value. The most generally used metrics, such as return on equity, return on investment, revenue, gross margin, and other indicators, are generated from revenue growth and productivity targets.

II. Customer Perspective

The goal of the Customer Perspective is to identify the customers and market segments in which the company will compete, as well as the metrics to track their performance (Kaplan and Norton, 1996). In order to achieve the firm's vision and objectives, the Customer Perspective should ask how an organization appears to customers. This reflects the factors that customers value the most (Kaplan & Norton, 1992). The authors recognized these factors in: time, quality, performance, service, and cost. Niven (2006) argues that to achieve positive financial results, organizations

need to create and deliver products and services which customers perceive as adding value. According to him, the measures in the customer perspective should answer three questions: What are our target groups of customer? What do they expect or demand from us? What would the value proposition for us be in serving them? The value proposition may be chosen within three differentiators (Kaplan & Norton, 2000);

- Operational excellence – focus on low price and convenience;
- Product leadership – offer the best product in the market;
- Customer intimacy – focus on long-term customer relationship through a deep knowledge of their needs. The most common measures for this perspective include: customer satisfaction, customer loyalty, and market share (Niven, 2006).

III. Internal Process Perspective

Great customer service is the outcome of processes, decisions, and actions that managers must concentrate on in order to meet the needs of their customers (Kaplan & Norton, 1992). According to Kaplan and Norton (2000), in the Internal Process Perspective, a company determines how it will deliver the value proposition for its customers as well as productivity improvements in order to meet its financial goals and satisfy its shareholders. This viewpoint assesses the business procedures that have the most significant impact on customer satisfaction. It assesses criteria such as quality and employee abilities. Companies should identify and measure their key competencies and technologies that are crucial to maintaining market leadership in this section (Kaplan & Norton, 1992). Inventory turnover, delivery, productivity, cycle time, and R&D expenditure are examples of metrics that can be used to reflect this viewpoint (Niven, 2006).

IV. The Learning and Growth Perspective

The Learning and Growth Perspective represents the next viewpoint. The Learning and Growth Perspective highlights the infrastructure required to support the other three perspectives by measuring the organization's ability to innovate, improve, and learn. The Learning and Growth Perspective metrics, according to Niven (2006), are the enablers of the other perspectives and the cornerstone of the Balanced Scorecard. Continuous improvement and the ability to learn and

develop new products and services, according to Kaplan and Norton (1992), are prerequisites for surviving, expanding in the global marketplace, and increasing the company's worth. Knowledge, employee skills and satisfaction, the availability of information and adequate tools are frequently the source of growth and therefore the most common measures of this perspective (Niven, 2006).

'Learning,' according to Kaplan and Norton, is more than just 'training.' It also encompasses things like internal mentors and tutors, as well as the ease of communication among employees that allows them to quickly receive help with an issue when needed.

2.1.3. Balanced Scorecard Foundation

While there are many reasons for a company to implement a Balanced Scorecard, one of the most important is to effect change that leads to improved performance. As we've seen, the goal of implementing a scorecard is inextricably related to corporate strategy. If the resulting Scorecard is to provide a unified route to its selected objectives, a company must seek clarity in a number of interconnected areas in order to make meaningful changes.

I. Vision and Values

The organization's purpose or mission, as well as the reasons for its existence and the underlying values that will drive its operations, must be clear and unambiguous. It needs a clear vision of how it wants to evolve as well as a strategy for getting there. Kakabadse (2001) discusses a process he calls "visioning," in which key participants in an organization come to an agreement about the company's future. Whether in the commercial or public sector, an organization's capacity to establish a vision without taking into account a diverse set of stakeholders is improbable.

II. Stakeholder Analysis

In the broadest sense, a stakeholder is anyone who has a legitimate interest in an organization's performance. Some will wield more power than others, and the wise organization will identify all of its stakeholders, assign them a hierarchy, and build a strategy to understand their needs and goals. The principal stakeholders for a private sector organization are likely to be its shareholders

and important client groups. According to the research undertaken for this report, strategy formulation is mostly an internal activity for most firms. This presents a challenge to organizations, particularly to the public sector where the Government is keen to establish much more stakeholder participation (Makay, 2004).

III. Strategy Formulation

Once the organization's goal has been defined, the organization's fundamental values will determine how the organization will proceed in achieving that future vision. The organization's strategy formulation then lays forth a thorough plan of "how to get there." The organization may also need to establish its ethical position as part of this endeavour, and it is unlikely that all of the benefits of the Balanced Scorecard method will be realized unless its values reflect a culture of trust, empowerment, and teamwork. While it is beyond the scope of this paper to go through every element of the enormous literature on organizational strategy, there are a few key points to examine before beginning to develop a Scorecard (Makay, 2004).

The first is the on-going discussion over the link between strategy formulation and implementation. Chandler's popularization of the concept of business strategy in 1962 recognized the distinction between "determination of goals" and "the adoption of courses of action necessary for carrying out these goals" (Makay, 2004). The organization's vision sits at the centre, along with the numerous strategic objectives/goals and KPIs for the four main views.

2.1.4. Performance Measurement

Performance measurement, according to Gekonge (2005), is a method of evaluating progress toward reaching pre-determined goals and objectives. It contains data on the efficiency with which resources are transformed into goods and services (outcomes), the quality of those goods and services (how well they are delivered to customers and how satisfied they are), outcomes (the results of the program activity compared to its intended purpose), and the effectiveness of company operations in terms of its scalability..

Performance Measurement systems were developed as a means of monitoring and maintaining organizational control (Nani, Dixton, & Vollman, 1990). Which is the process of ensuring that an organization pursues strategies that lead to the achievement of overall goals and objectives?

A performance measure is a metric that is used to quantify an action's efficiency and/or effectiveness. Performance measuring systems, according to Edson (1988) and Talley (1991), are essential for focusing attention on continual development. An efficient performance measurement system, according to Kaplan and Norton (2001), should give timely and accurate feedback on the efficiency and effectiveness of operations. Sinclair & Zairi (1995) highlighted the following dimensions as the requirement for measurement: planning, regulating and evaluating, managing change, communication, measurement and improvement, resource allocation, and motivating.

2.1.5. BSC and Performance Measurement

The BSC was created by Kaplan and Norton as a performance monitoring system, and it was later extended into a strategic control system to assist organizations in implementing their strategies. The balanced scorecard, it was believed, will aid senior management in effectively communicating their vision and strategy to every member of the organization through standardized criteria that everyone understands. As a result, it can be considered a useful strategic information tool. The practice of assessing the efficiency, effectiveness, and capability of an action, a process, or a system against a particular norm or target is known as performance measurement (Nightingale, 2005).

There are a number of questions that organizations considering implementing the BSC must address. The main question from the customer's perspective is how the company appears to them. The question the business must address from a financial perspective is how it appears to its shareholders. The focus of learning and growth is on how the organization can continuously improve its operations and produce value. Finally, from an internal business perspective, what must the organization excel at in order to give value to its consumers at a lower transaction cost and so boost profitability (Nightingale, 2005).

2.1.6. Role of Performance Measures in an organization

The ability of an organization to function successfully in a business environment is dependent on the decision-making abilities of its managers, who, in turn, are dependent on the availability of useable information on performance. Performance is essential to various stakeholders in a

company in different ways. Managers prioritize resource allocation by looking at the performance of a company's subunits. Performance measurement is viewed as an important technique to keep a company on track in accomplishing its goals and as a monitoring tool used by owners of a company where ownership and management are separated in a more strategic sense (Lipe & Salterio, 2000).

Specifically Pforsich (2005) argues that within the contemporary work environment, a good performance measurement system should be: Supportive and consistent with an organizations goals, actions, people/culture, and key success factors;

- i. Driven by customer;
- ii. Appropriate to the internal and external environment;
- iii. Developed by a combined top-down and bottom-up effort;
- iv. Communicated and integrated through the organization;
- v. Focused more on managing resources and inputs, not just simply costs;
- vi. Committed to providing action-oriented feedback; and
- vii. Supportive of individual and organizational learning

Performance measurement models are thought of as tools for bringing the organization's and organizational participants' interests together (Malina & Selto, 2001). These models are deemed superior to lists of indicators that do not conduct or represent the corporate objectives when they exhibit true cause-and-effect links between the adopted or chosen indicators. However, due to the individual's limited cognitive capability, Norreklit (2003) claims that establishing cause-and-effect relationships between the indicators of various sections of an organization can be difficult.

2.1.7. The Role of the BSC as Strategy Implementation and Performance Measurement

The BSC's proponents emphasize the alignment of important metrics with strategy and the relationships between the measures and desired outcomes. Other features of control systems identified in the management control literature that may be crucial to the successful implementation of strategy and should apply to the BSC are also identified in the management control literature. BSC measures must be accurate, objective, and verifiable in order to be effective. Otherwise, measures will not accurately reflect performance and may be manipulated,

or managers may achieve good measured success while causing harm to the business in good faith. If managers can cheat their way to good measured performance, the system will swiftly lose credibility and the desired incentive effect. Furthermore, the BSC measures chosen should completely represent the organization's critical performance variables while remaining restricted in number in order to keep the measurement system cognitively and administratively simple. Although an extensive variety of performance measures may effectively reflect the complexity of the organization's operations, administering too many measures can be distracting, confusing, and costly (Ittner, Larcker, & Randall, 2003). However, Lipe and Salterio, (2000) did not find evidence of information overload from multiple measures in their experimental study of the BSC.

Managers are motivated to work hard to attain organizational goals when they have a positive motivating influence. While performance measurements that are informative but not controllable are crucial, positive motivation necessitates that at least some of the BSC measures reflect managers' actions. For example, while relative performance evaluation (e.g., across similar business units) can uncover "influence able" but not entirely controlled outcomes, it may not be sufficient in and of itself. Without such specific BSC targets, extensive goal-setting literature supports that performance should be tied to hard but attainable aims; performance would likely be lower than could be legitimately accomplished. Finally, the BSC should be linked to immediate and well-understood rewards and penalties in order to foster goal commitment. Deferred, uncertain, or ambiguous rewards may be inefficient motivational tools (Locke & Latham, 1990).

As a result, even if an organization's BSC represents essential performance variables and ties to desired outcomes, it may fall short as a management control device if it lacks other characteristics. Ittner, (2003) discovered that subjectivity in a bank's BSC resulted in the BSC having little benefit and the bank reverting to short-term financial performance measurements. To summarize, an effective management control device, which is capable of promoting desired organizational outcomes, should have the following, observable management control attributes to, first, attain strategic alignment:

- A comprehensive but parsimonious set of measures of critical performance variables, linked with Strategy · Critical performance measures causally linked to valued organizational outcomes
- Effective – accurate, objective, and verifiable – performance measures Second, to further promote positive motivation, an effective management control device should have attributes of: “Performance measures that reflect managers’ controllable actions and/or influence actions, e.g., measured by absolute and/or relative performance
- Performance targets or appropriate benchmarks that is challenging but attainable
- Performance measures that are related to meaningful rewards Management control theory predicts that, if the BSC has these attributes, it is likely that the BSC will promote strategic alignment and positive motivation and outcomes (Lipe & Salterio, 2000 p 30-32).

2.1.8. Measuring and Assessing Performance

According to Lipe and Salterio (2000), a major consideration in performance improvement involves the creation and use of performance measures or indicators. It further explains performance measures or indicators as measurable characteristics of products, services, processes, and operations the company uses to track and improve performance. It gave the criteria for selecting the measures or indicators as being the ones that best represent the factors that will lead to improved customer, operational, and financial performance. A comprehensive set of measures or indicators tied to a customer and/or company performance requirements, therefore, represents a clear basis for aligning all activities with the company's goals.

Traditionally, the performance measurement of businesses has usually been through the use of mainly financial indicators. But financial measures such as returns on investment and earnings per share are historical and therefore have little predictive value to the management of an organization. This, therefore, becomes insufficient for decision making regarding the future performance of the organization (Yahaya, 2009)

2.1.9. Key Performance Indicators

According to Sutoyo (2011), a key performance indicator (KPI) is a term used in the industry to describe a type of performance measurement. An organization's success or the success of a specific activity in which it engaged is widely measured using KPIs. It is a financial or non-financial measuring methodology such as the Balanced Score Card (BSC) that is used to quantify progress toward strategic objectives defined as part of a strategic business plan. Each group has its own set of indicators, and KPIs are the most effective instruments for measuring indicators in a scorecard. However, this will vary depending on the nature of the organization and its strategic objectives, particularly for operations that are difficult to quantify. KPIs are used to distinguish one organization from another.

A KPI provides the most important performance information that allows organizations or their stakeholders to evaluate whether or not they are on track. It reduces the complex nature of organizational performance to a small number of important indicators, making it easier to understand for employees (Sutoyo, 2011).

The ability to select proper KPIs is contingent on a thorough grasp of their value to the firm. It is frequently dependent on the department that measures performance. The use of various techniques to assess the present status of the business and its core activities is frequently directly related with the need to create a good grasp of what is a significant performance indicator choice due to the requirement to build a good understanding of what is a significant performance indicator (Sutoyo, 2011). Performance indicators are commonly associated with performance improvement projects since these assessments typically lead to the discovery of prospective improvements. Finally, the KPI should represent a clearly defined business process with clear goals or performance requirements, as well as quantitative and qualitative results measurement and comparison to the performance requirements. There should be a method for analyzing differences and adjusting processes to meet objectives (Sutoyo, 2011).

2.1.10. Some Barriers of BSC Implementation

I. Not involving the whole organization

The Balanced Scorecard should incorporate more people than only the project team members. The Scorecard is a tool that can be used to improve communication inside a company. It should cover the entire organization. Many programs have failed because businesses have failed to realize the importance of using the Balanced Scorecard to all points where business logic, goals, and results are discussed (Olve, Roy, & Wetter, 2003). According to Niven (2006), any successful strategy implementation requires understanding and action at all levels of the organization. The Balanced Scorecard, which seeks to be a tool for strategy implementation, should seek to achieve the same goal. The term "cascading" refers to extending the BSC concept throughout the organization and allowing all employees to demonstrate how their everyday activities contribute to the company's overall plan (Niven, 2006).

The value of lower-level engagement in the BSC initiative was proven by an examination of the BSC initiative in the General Electric (GE) Lighting Business Group. According to him, it is critical for BSC success to involve employees at all levels in the formulation of BSC measures. This will motivate people to take ownership of the measures and work hard to meet their goals. "By demonstrating frontline staff how their performance impacts the bottom line, they are inspired to act like owners and safeguard the future of their jobs," he said.

If the value of employee involvement is not recognized, the organization may miss out on the potential to benefit from the employees' knowledge in areas where they have impact. Employees will also be unable to focus on the performance drivers and the design of activities and decisions required to meet the goal if they are not directly involved. According to Niven (2006) cascading the BSC from top to bottom is essential for the success of the initiative in larger organizations where front-line employees are remote from the source of the strategy. If the BSC is not cascaded to them, they will hardly learn about the strategy and will not be motivated to execute it because they will have no opportunity to demonstrate how they contribute to the overall success. Othman (2006) discusses the mistake of implementing and using the BSC in an arbitrary and top-down manner. In his view, this approach will lead to a lack of commitment from the rest of the firm other than the project team and top management, and it will be poorly understood. The

importance of involving front-line employees was further identified by Othman (2009), and reminds us that front-line employees have the most telling and timely inputs. For instance, interacting with customers, they understand their likes and dislikes. Such human judgment can hardly be replaced by an IT system.

II. Inadequate KPIs

“If you can’t measure it, you can’t improve it.”

According to Olve et al. (2003), “When you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind.” One of the most difficult aspects of the effort is deciding which measures should be included in the Balanced Scorecard. This is because, at this time, all of the personnel engaged are aware of the concept's importance as a result of the actions that each of them must take in order to reach the goals. A poor selection of measures, or more accurately, Key Performance Indicators (KPIs), can jeopardize all other BSC efforts.

A chain of cause-and-effect relationships should be created by the measurements used for a Balanced Scorecard to communicate the strategy to all parts of the organization (Kaplan & Norton, 1996). As previously stated, the Balanced Scorecard includes a tool called the strategy map that may be used to show the strategy. Othman (2009) discovered that identifying the strategy's performance drivers was critical to making the BSC effective as a strategy implementation tool. According to him, certain BSC efforts never become tools for strategy implementation because activities that contribute little to the strategy outcome are included in the BSC. The initiative will fail if BSC developers do not grasp this in a timely manner. According to Olve et al. (2003), the Scorecard does not include all measures, only the most significant ones. Other metrics will continue to exist in organizations, but only those that contribute to the execution of the company plan should be included in the Scorecard. Too many may lead people to focus on the KPIs and forget the strategy and its execution. There are also other mistakes related to KPIs. BSC developers, as Olve et al. (2003) state, very often cannot make a distinction among the performance outcomes (lagging indicators) and performance drivers (leading indicators). Lagging indicators are measurements that drive and enable the outcomes measured

by lagging indicators, whereas leading indicators are measures that drive and enable the outcomes recorded by lagging indicators (Niven, 2006). A mix of leading and lagging indicators should be included in the Balanced Scorecard. Lagging indicators can't help you figure out how to meet your goals. Performance drivers are required if we want people to comprehend the activities that should lead to the desired outcomes. Furthermore, leading indicators may indicate potential deficiencies and improvements that must be done in order to meet the desired goal. The importance of generating leading indicators is emphasized by Niven (2006). Profits and sales volume, he claims, are lagging indicators that can be used for benchmarking with other firms and can be obtained from a variety of external sources. All of the processes and actions that are required to obtain lagging indicators are represented by leading indicators. These procedures are the lifeblood of any business and are notoriously difficult to track or duplicate. According to Othman (2009), BSC developers occasionally mix up enablers and performance drivers. Enablers are important, but they aren't sufficient in and of themselves. He uses IT and reengineering as an example. In today's business environment, he believes that the use of technology is critical. However, without reengineering processes to make IT faster and more adaptive, IT will have little impact on performance. It is necessary to comprehend the important success components of corporate outcomes in order for the BSC to function efficiently. Performance drivers must be designed after this is recognized. Enablers would also improve their efficacy and chances of attaining goals. Another blunder made when creating the Balanced Scorecard is using the existing measurements that a company uses and putting them in the new tool (Niven, 2006).

According to Niven (2006), if this is done, the BSC will provide no benefits. Many of the metrics required to illustrate the strategy's story may already exist in the firm. However, in order to carry out the approach, extra and novel measures are frequently required. On the other side, some existing measures may be deemed redundant during the development of the BSC and will be removed from the new tool. This will save time and effort, allowing you to concentrate on the strategy's core (Niven, 2006).

III. Lack of planning and communication

Finally, we come to a roadblock that would likely not derail a Balanced Scorecard program, but would undoubtedly complicate its implementation, lengthen its duration, and leave people confused and dissatisfied. The development of the Balanced Scorecard, according to Niven (2006), necessitates a detailed development strategy to guide the selected team through the BSC journey. There is a risk of confusion if there is no clear plan outlining the implementation process ahead of time. Even if personnel are enthusiastic and willing to collaborate, a lack of organization can lead to failure (Niven, 2005). According to Niven (2006), the BSC plan should disclose to everyone in the organization what is planned to be accomplished, with whom, why, how, and how long it will take. There is no preset methodology or template that shows how to develop a Balanced Scorecard for all organizations. Every organization must be treated as a unique instance, which means that the BSC must be designed and implemented in accordance with the needs and characteristics of the company.

According to Niven (2006), one of the many benefits of the Balanced Scorecard is its flexibility and its adaptability to the constraints of every organization. Very often, for the purpose of introducing the BSC, organizations hire outside consultants (Niven, 2006; Olve et al., 2003). Consultants may provide precious information and knowledge about the BSC and they can assist and guide the organization through to successful implementation. Often, many organizations do not understand the role of consultants who act only as facilitators to the main actors in the process – managers and employees. Relying only on consultants may lead to the development of a BSC which will hardly be applied in practice and will scarcely bring the wanted results.

Managers and staff at a company must first be able to come up with a strong strategy before designing the tools that will allow them to carry it out. They cannot hire a consultant to come up with a strategy for them (Olve et al., 2003). The communication plan, which is closely tied to the BSC development plan, is designed to ensure that everyone in the organization is aware of the Balanced Scorecard project. After all, the Balanced Scorecard is a tool for initiating change. It's difficult to think that everyone in a company is aware of this notion and its goals.

2.2. Empirical Review

Researchers from various disciplinary backgrounds and geographical areas have conducted a number of studies to investigate various aspects of the Balanced Scorecard implementation and have come up with a variety of findings.

BSC is a management and evaluation instrument for strategic planning. It measures performance by taking intangible assets into account, but most banks calculate their performance primarily by looking at their tangible assets, and their growth is often calculated in this way. Fikadu (2009) in his book in its thesis, recommended that CBE is better utilize BSC approach for its performance management in addition to traditional approach because BSC measures performance of the business taking in to account the long run aspects of the business like Customer satisfaction, internal business process and Learning and growth perspective of the business rather than only dwell on financial matters. Some authors even recommend BSC to curb the problem of employee dissatisfaction that emanated from low salary and benefit. Because BSC attaches performance with reward system in order to motivate employees. As Tesfaye & Ataklity (2011) stated absence of reward system and low level of salary in public organization especially in civil service adversely affected employee motivation and caused high labour turn over.” Likewise the employee dissatisfaction of the three organizations MoLSA, CBE and DBE’s is emanated from low salary and benefit ,so in order to solve the problems the authors recommended the introduction of reward system in line with desired result or behaviour. That is introduction of result oriented performance management system (using BSC as a tool) is assumed that it will solve this problem.

Actively supported at the highest levels of governments in Ethiopia, policy makers have adopted the ‘Balanced Scorecard’ , an accounting concept introduced into the management literature in the 1990s (Kaplan and Norton, 1996) to stimulate and inform performance planning and monitoring with the intention of creating a more ‘strategically coordinated’ public service (Adebabay & Perkins: 2010) . According to our ‘insider’ account, Adebabay & Perkins: (2010.83) state that BSC was chosen because of the need to coordinate operation not only vertically between government policies and individual ministries, but also horizontally through public service organizations in order to provide comprehensive performance management driven by a more stakeholder-cantered approach, according to the statement.

According to World Bank data released in 2013, approximately 145 federal and 270 regional offices in Ethiopia have adopted BSC, with the organizations incorporating balanced scorecard initiatives into their strategic plans. In the aforementioned organisations, a system of individual performance agreements linked to team and organizational performance goals resulting from the balanced scorecard approach is also being introduced.

A study conducted by Davis and Albright (2004), In a quasi-experimental study titled "An analysis of the impact of balanced scorecard implementation on financial efficiency," researchers discovered that BSC bank branches outperformed non-BSC bank branches on traditional composite financial measures. If non-financial measures are logically and consistently integrated into the BSC process, financial performance improves. Traditional performance measurement systems focused solely on future examination, and there was no consistent correlation between the performance measures chosen and the targeted financial measure of interest.

However Najjar and kalaf (2012), The value of viewing results from other perspectives in addition to the financial viewpoint was illustrated in their case study on "Designing a Balance Scorecard to Assess a Bank's Performance: A Case Study." The bank's management has recognized the value of the BSC tool as a strategic and useful performance management framework, and has shown an interest in learning and using it in the future. For BSC to be implemented successfully, the bank's top management must demonstrate its commitment to it. They suggest that future research in the banking sector in Iraq be focused on the contingent factors that help or hinder the BSC's implementation, such as organizational culture, structure, and technology. They mentioned in the future that further research is required to define the appropriate BSC measures for the banking sector.

In the country (Tsion,2014) in her research on the perspectives and challenges of implementing a fair scorecard in Ethiopia's development bank. Find out how a balanced score card will assist workers in improving their understanding of their organization's mission and objectives, as well as successful time management, dedication to work, and accountability for their work. This research is primarily focused on secondary data gathered from related literature such as books, journals, statements, and reports. The research is qualitative, quantitative, and empirical in

nature. Finally, the paper concludes that the balanced scorecard has made a significant impact to the company, its staff, and its customers.

Similarly, by (Daniel, 2017) In his research, he used a balanced scorecard to absorb some obstacles in Ethio telecom. The most challenging task is cascading individual level, followed by a lack of effective training or education to enforce the balanced scorecard in Ethiopian telecom, a lack of senior management commitment to apply the balanced scorecard, and finally a measurement method to calculate the balanced scorecard in Ethio telecom. The descriptive analysis approach was used to review available literature sources from text books, journals, newspapers, and other official documents on balanced scorecard that were important to Ethio telecom challenges and problems.

Ittner (2003) found a negative relationship between BSC consumption and financial performance (ROA) in an expensive analysis of the financial services sector, providing the most conflicting evidence from different studies. They also discovered that while 20% of respondents said they use the BSC, over 75% of these companies said they don't use business models that causally relate performance drivers to performance outcomes.

However, in this report, (SakhrBani K, 2018) aimed to recognize the use of balanced scorecard in the housing bank for trade and finance. As a result, employee and customer surveys are conducted to investigate both the internal and external perspectives of operations, development, and learning, as well as to assess customer satisfaction with bank service. The research examines the use of a balanced scorecard in conjunction with the bank's strategic strategy and financial results. Finally, this study suggests that the use of a balanced scorecard be increased in order to maintain customer satisfaction.

2.3. Gap in the existing literature

Markets are rapidly expanding, integrating, and diversifying in the global economy, resulting in a transition to a local balanced scorecard. Money countries use a balanced scorecard because it benefits businesses, countries, private and public banks, and regulators. Balanced scorecards have a range of advantages for an organization's and a bank's success, Thus, the above studies display implementation and define balanced scorecard based on four viewpoints in different organizations (Najjar and Kalaf, 2012), identifying the balance scorecard in house bank for tread

and finance, and so on (Sakhr B. 2018). Perspective of balanced scorecard in development bank, (TSION, 2014) and (Daniel's 2017) improved regulatory of BSC.

The majority of existing balanced scorecard studies (Kaplan and Norton, 1996) look at the effect on performance assessment transparency in developing countries. Despite this, a review of balanced scorecard implementation in the Nib Bank system was performed. It also aids in determining how the bank's balanced scorecard is planned and implemented. It's also crucial to look at the different issues using the balanced scorecard's basic concepts. This will allow for the resolution of practical issues with the balanced scorecard implementation, as well as the lack of a research study on the implementation of the balanced scorecard in the Nib Bank headquarters. As a result, this research aims to close the gap in the literature and address the other issues in 2020/21.

2.4. Frame Work of the Study

Since it helps one to look at results from both sides, the balanced scorecard is an excellent method for assessing and analysing performance. The goal of the balanced scorecard in performance management, according to Kaplan and Norton (1996), is to help organizations understand whether their growth plans are effective or not, and which new measures are needed to achieve their strategic objectives in the future.

A model shows a balanced view of performance measurement using four perspectives which modified use from the authors Kaplan and Norton 1992 -BSC Measures drive performance, model.

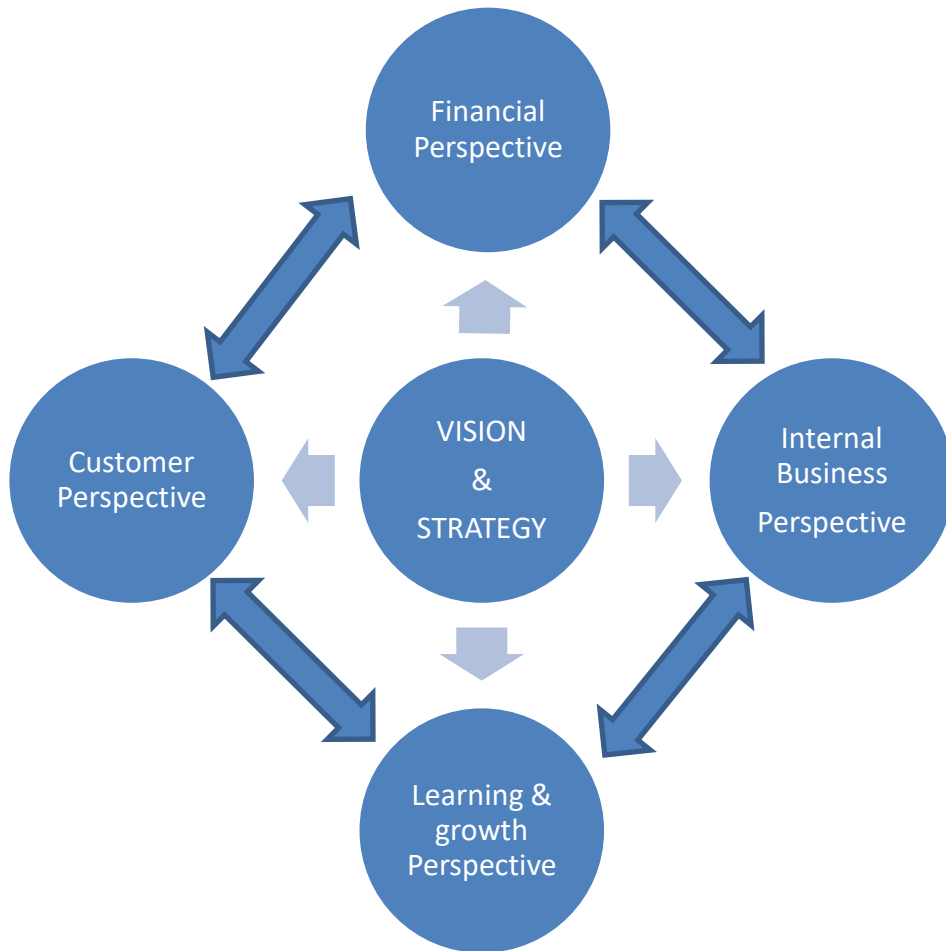


Figure -01: Balanced Scorecard as performance measurement tool

Source: Robert S. Kaplan and David P. Norton, the Balanced Scorecard - Measures That Drive Performance, Harvard Business Review, January-February, 1992

2.5. Conclusion

In conclusion, chapter two provided a brief review of literature related to our research questions (RQ1 – RQ5). This brief chapter also provided a conceptual frame of reference from Kaplan and Norton 1992 -BSC Measures drive performance, model for the study. The aim of this chapter was to select relevant theories and concepts that will be used in the research and it shows the research gap on topic 2.3.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter discusses the analysis methodology used to collect data for the study. It includes the study design, data source, sample size and sampling techniques, data collection techniques, data analysis methods, and ethical concerns.

3.1. Research Design and Approach

Research design is blueprint and strategy of investigation conceived so as to obtain answers to research questions; it is the heart of any study (Kothari, 2004). A research design is a set of conditions for data collection and analysis that aims to balance significance and the research goal. To fulfil the research objective and answer research questions based on the scope, intent, and focus of the study, it was important to use an acceptable research design.

This thesis used a sequentially transformative mixed method research approach to achieve this aim, using a descriptive research design of both qualitative and quantitative methods. According to Bryman and Bell (2003) the term mixed approach refers to those combinations where more than one data collection technique is used with associated analysis. Quantitative and qualitative are used widely in business and management research to differentiate both data collection techniques and data analysis procedures. Quantitative is predominantly used as synonym for any data collection techniques (such as questionnaires) or data analysis procedure (such as graphics or statistics) that generates or uses numerical data. In contrast qualitative is used predominantly as synonym for any data collection technique (such as interview) or data analysis procedure that generates or uses non-numerical data.

The benefit of using descriptive analysis is that it is more effective in defining and analyzing the pattern of events, which is balanced scorecard implementation and current practice at NIB, and it is also needed to meet the study's goal. According to Saunders (2009), descriptive research design explains what exists in a given situation and also seeks to describe measurable facts clearly and unambiguously.

Because the shortcomings of one type of data are balanced by the strengths of the other, using a combination of qualitative and quantitative data allows for descriptive analysis. When qualitative and quantitative methods are combined, a more comprehensive understanding of a research problem is obtained than when either approach is used alone (Creswell, 2009).

3.2. Source of Data

The most sound and reliable information obtained from respondents' practical exposure served as the primary source of evidence for this study. In addition, secondary sources were gathered from unpublished and released bank reports and literatures for the research. The primary data are those that are obtained for the first time and are thus unique in character. Secondary data, on the other hand, is information that has already been compiled by someone else and has gone through the statistical process (Kothari, 2004).

3.2.1. Primary data

This research used a series of closed-ended questionnaires to gather primary data. This form was created with managers and non-managerial employees in mind. The interview approach was used with the help of an interview guide that included a series of semi-structured questions that were directed at strategic management experts who served as key informants for this report.

3.2.2. Secondary Data

The researcher used secondary data such as published and unpublished NIB bank annual reports, available books, research reports, and other related literatures to assess BSC effects on the Bank's organizational performance.

3.3. Data Collection Techniques

This study used a mixture of qualitative and quantitative approaches to collect data. Questionnaires and interviews are used to gather information from a selected small group of people.

3.3.1. Questionnaire

The key instruments used to collect data from the Bank's non-managerial and managerial staffs were 5-point likert scale style questionnaires. These types of questionnaires were chosen over other data collection methods because they allowed for the collection of more reliable and valid information from a larger number of people. As a result the instrument used for the research work was adapted from the works of previous researchers. The questionnaire was chosen because it allows for the collection of data at a lower cost and quicker than any other method.

3.3.2. Interview

The main informants (bank's Strategic Management experts) were prepared for a semi-structured interview. The method was chosen to collect information about topics that needed to be clarified, such as annual reports, regulations, and critical information, which were not intended to be obtained via questionnaires.

3.4. Population, Sampling Technique and Sample Size

3.4.1. Population

The Bank's managerial, non-managerial, and strategic management experts (key informants) made up the study's population pool. Seven key informants from the Office of Strategy were purposefully chosen to play a key role in the implementation of BSC. As per the information from HRM department head office population is 850 people this study's target drawn from the entire process/departments of head office organs.

3.4.2. Sampling Technique and Sample Size

Both stratified random sampling (probability) and purposive (non-probability) sampling methods were used by the researcher. According to Kombo and Tromp (2006), stratified random sampling allows for more precise estimates for each stratum (group) and better overall estimates.

Customer account transaction service, credit management, trade service, human resource management, credit appraisal and portfolio management, finance, facility management, risk and compliance management, information system, business development, internal audit, strategy

management office, and legal loan are among the 13 (thirteen) processes/departments mentioned in the organizational structure. Except for the 7 key informants chosen on purpose and these experts have direct relation to the implementation of BSC; sampling is drawn according to Taro Yamane's (1967) formula for determining a representative sample from a given population. This formula is used because it is the simplest and commonly used in calculating sample size in such research tasks.

$$n = \frac{N}{1 + N(e)^2}$$

Where;

n= Sample size

N=Population size of each variable

e= Level of correctness (sampling error) i.e. 92% confidence level

.

Hence for this study

$$n = \frac{850}{1 + 850(0.08)^2}$$

$$n = 132$$

There were 850 managerial and non-managerial employees in total. A sample size of 132 employees was selected from this population (i.e. 15.5 % of the population).

As a result, the number of elements for each stratum had to be calculated in relation to its proportion in the total population. In terms of the analysis, the sample is cascaded into a number

of Bank Process/Departments to create proportional stratified random sampling, with 15.5 % sample employees from each stratum being chosen.

Table 3.1 proportionality of sample size

Process/Departments	Population	Sample size (15.5%)
Business Development	62	10
Customer accounts transaction Service. (CATS)	252	39
Credit Management	48	7
Credit appraisal & portfolio	30	5
Facility Management	63	10
Finance	50	8
Human Resource Management	59	9
Internal Audit	53	8
Information systems	43	7
Legal loan & Recovery	24	4
Risk & Compliance	36	6
Strategy Management	48	7
Trade service	82	12
Total	850	132

Source: own computation based on the information collected, 2021

3.5. Data Analysis Method

Primary and secondary sources were used to gather qualitative and quantitative data. Closed-ended questionnaire data is entered into the statistical package for social science (SPSS-Version 20) computer program and quantitatively evaluated analyzed using descriptive statistics with a five-point Likert scale in terms of frequency, percentage, mean, and standard deviation. The information gathered from interviews, on the other hand, was analyzed thematically and content-wise. Finally, tables were used to interpret and analyzed the results in relation to the research issue.

3.6. Validity and Reliability

Validity

To perfect the questionnaire items' definition and wordings, which reflect particular areas covered by the analysis, the instruments were pre-tested for validity. Repeated Expert reviews and field tests are used to determine the validity of an instrument.

For this study, the researcher determined if there were any unclear, confusing, or poorly organized items/Questions, and the instruments were checked for validity and suitability by amending as per the recommendations of 20 respondents in collecting the necessary data. The advisor has thoroughly examined each item, offering input and advice on the specifics of the questionnaire that need to be corrected.

Reliability

Reliability is described as being primarily concerned with issues of measurement accuracy. Bryman and Bell (2003) proposed a multiple-item test in which responses to questions were aggregated to form an overall score. The researcher worked hard to make sure that all of our indicators were linked. A pilot test of 41 questionnaires was distributed to employees who are not participated in questioner at various levels before the final questionnaires were distributed (6 managerial and 35 non-managerial staffs). The questionnaires were sent to different groups of

people twice, and the results were the same both times. Cronbach's alpha method with SPSS (version 20) was used to measure the reliability of the research instruments. The reliability statistics resulted in a score of 0.82, which indicates a reasonable degree of reliability.

Table 3.2 Reliability Check

S.no	Variable	Cronbach's Alpha	Number of Items
1	Performance improvements Due to BSC implementation	0.89	10
2	Implementation of Balanced Scorecard as performance measurement tool	0.82	8
3	Financial Perspective	0.79	3
4	Customer Perspective	0.82	3
5	Internal Business Process Perspectives	0.83	4
6	Learning and Growth Perspectives	0.81	4
7	Challenges encountered on BSC implementation	0.84	6
Average		0.82	

Source: own computation based on the data collected from the survey 2021

3.7. Ethical Considerations

As previously mentioned, the researcher uses a variety of data collection methods and instruments from various sources. By ensuring the privacy of the respondents during data collection, the researcher maintains the confidentiality of the information. Furthermore, every material referred for this analysis has been acknowledged to the best of our ability.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1. Introduction

The data collected from respondents is analyzed in this chapter. The chapter further justifies the research issues raised in Chapter One in section 1.4, as well as presenting the main causes of the problems raised in section 1.3.

Prior to discussing the results, it is preferable to first present the respondents in order to gain a clearer understanding of who they are. It may aid in estimating the accuracy of the information they provide, as well as providing an estimation of how many respondents are capable of answering the questions with a reasonable level of reliability. As previously stated, the aim of this study is to assess the balanced scorecard implementation at NIB International Bank. Questionnaires and interviews are used to gather relevant data for the analysis. Interviews with strategic management experts were conducted for primary data, and questionnaires were circulated to a sample of 132 NIB International Bank head office workers. A total of 104 questionnaires have been returned and eligible, accounting for 78.7% of the total response rate. The remaining questionnaires are excluded and not returned; as a result, the information gathered through questionnaires and interviews is presented in tables below.

4.2. Demographic Profile of Respondents

Table 4.1 tabulates and presents a summary of demographic profiles of respondents who completed and returned the questionnaires. The gender, age group, educational status, work experience, and job classification of the study respondents are summarized in this section.

Table 4.1 Demographic profile of respondents

Description		Frequency	Percentage
Gender	Male	53	50.96%
	Female	51	49.04%
	Total	104	100%
Age	20- 25	17	16.35%
	26-40	68	65.38%
	41-49	13	12.5%
	Above 50 years	6	5.77%
	Total	104	100%
Education Background	High School Graduate	0	0.00%
	College Diploma	9	8.65%
	Bachelor Degree	68	65.38%
	Master's Degree & Above	27	25.96%
	Total	104	100%
Year of Experience	Less than 5 years	21	20.19%
	6 to 10 Years	32	30.77%
	11 to 20 years	28	26.92%
	Above 20 years	23	22.12%
	Total	104	100%
Current Job Position	Managerial Staff	15	14.42%
	Non Managerial Staff	85	81.73%
	Professional	4	3.85%
	Others	0	0.00%
	Total	104	100%

Source: Own Survey, 2021

As can be seen simply demographic characteristics of the respondents' are summarized in Table 4.1 Concerning Gender out Of the total respondents 50.96% (N=53) and 49.04% (N=51) respondents were male and female respectively. Regarding age in the study area was indicated that 16.35%, 65.38%, and 12.5% of the population between 20-25, 26-40, and 41-49 years of age respectively and the rest of 5.77% fall under above 50 years. Result from the Table shows about Educational background of the respondents' revealed that the majority (65.38%) of the respond had first degree level. The rests 25.96%, 8.65% had Master's Degree and college

Diploma holders respectively. This implies that the majority of employees under this study area are first degree graduates. In all, the fact that almost all of the respondents being educated though in different levels is believed to contribute for the understanding of the questionnaire as desired by the researcher. On the subject of work experience in NIB International Bank the survey result indicated that of the total majority of the respondents 20.19 % had between less than five years of experience (30.77 % and 26.92 % was between 6-10 and 11-20 years of work experience in the bank respectively). The rest 22.12% of the sampled population had above 20 years of work experience in the bank. Based on current job position of sample respondents the majority 81.73% of non-managerial staffs & 3.85% of respondents were from professionals and 14.42% are managerial staff.

4.3. Key Performance Improvement due to BSC implementation

The use of any change method, such as BSC, does not guarantee that success will be sustained and efficient. It should be backed up by applicable principles all of the time, and enforcement and accuracy should be checked on a regular basis. To this point, the following results on employee views are summarized:

Table 4.2.1 BSC implementation as a performance measurement tool

Items	Statement	Scale							Mean	Stand. Deviatio
			Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total		
1	NIB`S key improvement areas are identified due to BSC implementation	%	10.4%	73.4%	12.2%	4.0%		100%	3.90	0.62
		Freq	11	76	13	4	0	104		
2	BSC identify whether The Bank Is meeting customer requirements	%	4.0%	79.6%	8.2%	8.2%		100%	3.80	0.64
		Freq	4	82	9	9		104		
3	Employees have been share Vision, mission Values of the Organization	%	20.4%	58.9%	16.3%	2.2%	2%	100%	3.94	0.80
		Freq	21	61	18	2	2	104		

4	BSC identify potential strategic initiatives, developed selection criteria analyse and Selected strategic initiatives.	%	16.3%	65.3%	16.3%	2.1%		100%	3.96	0.64
		Freq	17	68	17	2		104		
5	BSC forcing to Changing processes and Procedures	%	8.2%	61.2%	24.5%	6.1%		100%	3.71	0.70
		Freq	9	64	25	6		104		
6	Efficient utilization of Resources	%	6.1%	63.3%	22.3%	8.3%		100%	3.67	0.72
		Freq	6	66	23	9	0	104		
7	Service delivery has been Improved	%	24.5%	61.1%	12.1%	2.2%		100%	4.06	0.72
		Freq	25	64	13	2		104		
8	Day to day activities of each employee`s has been aligned With Bank strategy.	%	18.4%	69.4%	6.1%	4.1%	2%	100%	3.98	0.77
		Freq	19	73	6	4	2	104		
9	Key performance indicators in NIB properly measures the bank`s progress performance of individual effort towards the achievements of the bank strategy	%	6.1%	61.2%	26.5%	6.1%		100%	3.67	0.69
		Freq	6	64	28	6	0	104		
10	BSC encourages learning and continues improvement	%	16.3%	59.2%	16.3%	6.1%	2%	100%	3.82	0.86
		Freq	17	62	17	6	2	104		

Source; own survey, 2021

The highest mean value 4.06 was scored on improving service delivery in the bank phase, as seen in the table above. Based on this viewpoint, we can conclude that implementing BSC in NIB aided in enhancing customer service delivery. The following are the main components extracted from implementing BSC in the bank, according to the study's findings from the interview: Improved awareness among employees concerning the bank's vision, mission and strategy , Improved performance reporting system using both financial and nonfinancial metrics (i.e. better organizational performance evaluation in comparison with the former financial result

based measurement system), Alignment of process, team and individual level activities/performance to the bank's corporate strategy (i.e. it promoted strategic thinking), Work units able to understand what is expected of them to perform, It is instrumental to identify areas of performance improvement, initiated the bank to fulfil regulatory requirements (e.g. in meeting NBE requirements for asset quality profit and human development and internal process efficiency like core banking issues) helps the bank to monitor its performance against strategic targets, Promoted team work culture and improved cooperation and learning within teams (i.e. team members cooperate each other for the success of team level objectives, and learn each other through peer-teaching)

This study sought deeply to establish the impacts of balanced scorecard experienced NIB International Bank in Performance improvement. For the Item-1 above, concerning NIB'S key improvement areas are identified due to BSC. 83.8% of respondents agreed, and the remaining 16.6% had reservation (i.e. 12.2% remained neutral, 4% disagreed). Thus, it can be inferred that working areas desires to improve is identified due to BSC implementation For the Item-2 above, in relation to BSC identify whether The Bank Is meeting customer requirements. 83.6% of respondents agreed, and the remaining 16.4% had reservation (i.e. 8.2% remained neutral, 8.2% disagreed). Thus, it can be inferred that working areas needs to improve is identified due to BSC implementation. Item-3, majority of respondents 79.3% of them were strongly agreed and agree whiles the remaining 20.7% (i.e. 16.3% remained neutral, 2.2% disagreed and 2.2% strongly disagreed) had reservation concerning their reflection Employees have been share Vision, mission Values of the Organization. As it can be seen from the table, Item-4, the respondents were requested to express their level of agreement or disagreement on the statement that BSC identify potential strategic initiatives, developed selection criteria analyze and selected strategic initiatives Majority of them 81.6% (16.3% and 65.3%) strongly agreed and agreed respectively, 16.3% of the respondents remained neutral, and the rest 2.1% is agreed accordingly.

Under Item-5, 69.4% of the respondents agreed that BSC forcing to Changing processes and Procedures, while 24.5% remained neutral and the rest(6.1 %) disagreed with the statement.Item-6" above, 69.4% of respondents agreed, and the remaining 30.6% had reservation (i.e. 22.3% remained neutral, 8.3% disagreed). Thus, it can be inferred that efficient utilization of Resources

in working areas achieved due to BSC implementation. As indicated under (Item-7), 85.6% of respondents agreed or strongly agreed that Service delivery has been Improved 12.2% remained neutral and the rest 2.2% disagreed. Thus, it shows that almost 238 of the respondents agreed or strongly agreed with the statement. This indicates the bank prove improvement in efficient utilization of resources due to BSC implementation. Item-8, the respondents express their level of agreement or disagreement on the statement that Day to day activities of each employee`s has been aligned with Bank strategy greater part of them 87.8% (18.4% and 69.4%)strongly agreed and agreed respectively, 6.1% of the respondents remained neutral, and the rest4.2% and 2.0% is agreed and strongly agreed accordingly. The attitude of the respondents on the statement that of individual effort towards the achievements of the bank strategy under Item-9 reveals that majority of them (67.3%) strongly agreed or agreed, 26.5% had doubt (neutral), 12.2% disagreed and the rest 2.2% strongly disagreed respectively. This indicates that the level of Key performance indicators in NIB properly measures the bank`s progress performance was at its moderate state.

Furthermore, for the statement under Item-10, more than 79 of the respondents (75.5%) agreed or strongly agreed and the remaining 24.4% had reservation (i.e. 16.2. % remained neutral, 6.2% disagreed and 2.0% strongly disagreed) on the statement that BSC encourages learning and continues improvement. This implies that continuous improvements in various process in NIB was very good level, and this has benefited the bank and positively affected the implementation process of BSC in the bank.

This shows that the Balanced Scorecard has a significant impact on almost every aspect of banking, especially those that drive the NIB's growth, performance, and development..

This supports Othman's (2006) assertion that the Balanced Scorecard is both an indicator and a strategic management framework. The use of the Balanced Scorecard disrupts conventional performance measurement approaches that rely on single-use financial indicator. Nonetheless, the study discovered that implementing a balanced scorecard in banks and financial institutions is a difficult task, as there is a strong tendency to concentrate solely on financial metrics. The Balanced Scorecard assesses primary performance indicator from four perspectives: financial, customer, internal processes, learning and growth. . It's difficult to tell which viewpoint is the

most relevant, but financial targets can be said to be contingent on progress in the other three categories.

4.4. Helpfulness of BSC as a Performance Measurement Tool

The linkages of the balanced scorecard's performance measures to strategy, as well as causal relationships among its measures, are at the heart of many of the BSC's claimed benefits. The view that balanced score card is effective as a performance measurement tool was established in the analysis as follows.

Table 4.3 BSC implementation as a performance measurement tool

Items	Statement	Scale							Mean	Stand. Deviation
			Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total		
1	Due to BSC; Performance evaluation feedback increases employees satisfaction	%	12.2%	18.4%	49.0%	18.4%	2.0%	100%	3.51	1.03
		Freq	13	19	51	19	2	104		
2	Due to BSC; Performance evaluation result implicitly reflects the employee's Performance	%	8.2%	51.2%	22.4%	16.3%	2.0%	100%	3.47	0.94
		Freq	9	53	23	17	2	104		
3	Due to BSC Performance results are aligned with compensation plan in NIB	%	4.1%	42.8%	26.5%	18.4%	8.2%	100%	3.16	1.04
		Freq	4	45	28	19	8	104		
4	Due to Implementation; BSC ensures decisions are based on fact, not on subjectivity	%	4.1%	49.0%	28.6%	16.3%	2.0%	100%	3.37	0.89
		Freq	4	51	30	17	2	104		
5	Due to BSC Provides	%	6.1%	63.3%	18.4%	12.2%		100%	3.63	0.78

	the Operations activity with possible solutions	Freq	6	66	19	13	0	104		
6	Due to BSC performance measurement links to the organizations vision through the objectives on the strategic map	%	12.2%	65.3%	14.3%	6.1%	2.0%	100%	3.80	0.82
		Freq	13	68	15	6	2	104		
7	BSC Increases quality of tracking Performance Improvements	%	26.5%	49.0%	16.3%	6.1%	2.0%	100%	3.92	1.09
		Freq	28	51	17	6	2	104		
8	BSC provides sufficient and reliable Data for measurement before Performance evaluation.	%	20.4%	44.9%	16.3%	14.3%	4.1%	100%	3.63	1.09
		Freq	21	47	17	15	4	104		

Source; own survey, 2021

During the interview, a key informant (Strategy experts) from the Office of Strategy Management stated that certain work processes at the head office have performance evaluations based on appropriate and legitimate manually collected performance data. Some work units, which constitute the majority of those found at head offices, are still assessing performance without access to accurate performance data. As a result, the Authority will not approve the last three half-year individual assessment reports due to exaggerated performance evaluations.

The role of the balanced scorecard as a performance assessment method in NIB International Bank was investigated in this study. Item 1 of the study showed that mean of 3.51 and 69.4% of respondents had reservations on whether performance assessment feedback enhances employee satisfaction, and 30.6% said that employee satisfaction is improved by using the NIB performance evaluation framework.

According to the survey results, there is a higher number of reservations and disagreements. The Balanced Scorecard, according to Pearce and Robinson (2004), provides management with a comprehensive image of company activities, the approach promotes collaboration and

comprehension of business priorities and strategies at all levels of an enterprise, and finally, Maximized Cooperation Team members are focused on helping one another succeed. Under Item-2, Performance evaluation result implicitly reflects the employee`s Performance, majority of respondents 59.4.9% of them were strongly agree and agree while the remaining 40.7% (i.e. 22.4% remained neutral, 16.3% disagreed and 2% strongly disagreed) had reservation concerning their reflection of implicit employee performance in BSC implementation.

As indicated under (Item-3), 46.9% of respondents agreed or strongly agreed that performance results were aligned to compensation plan in the bank, 26.5% remained neutral and the rest 26.6% disagreed or strongly disagreed. Thus, it can be inferred that more than half of the respondents (54.1%) remained neutral or disagreed or strongly disagreed with the statement. This indicates that the bank did not aligned performance results to reward or compensation scheme to the required level and expectation of majority of the respondents. Under Item-4, 53.1% of the respondents agreed that the implementation of BSC ensures decisions are based on fact, not on subjectivity in the NIB, while 28.6% remained neutral and the rest (18.3%) disagreed or strongly disagreed with the statement.

In Item-5, statement the study found that the majority of the respondents 69.4% perceived BSC Provides the Operations activity with possible solutions, 18.4% remained neutral regarding the issue and the rest 12.2% had reservation regarding the implementation of BSC make solutions in operation activity problems. As it can be seen from the table, Item-6, the respondents were requested to express their level of agreement or disagreement on the statement that performance measurement links to the organizations visions through the objectives on the strategic map, Majority of them 77.5% (12.2% and 65.3%) strongly agreed and agreed respectively, 14.3% of the respondents remained neutral, and the rest 6.1% and 2.0% disagreed and strongly disagreed accordingly. This means, the bank`s effort to align individual, team and work unit performance measurement to the corporate strategy is in a good condition.

However, it is apparent that more effort is required to fully align the activities, as 8.1% of respondents „opinion reveals they are reluctant or disagree with the statement. Concerning BSC Increases quality of tracking Performance Improvements as depicted under (Item-7) shows more than half of the respondents (75.5%) agreed and strongly agreed, 24.6% remained neutral, and

10.2% of them disagreed and strongly disagreed on improvements of tracking quality performance. As it can be noted from Item-8, 44.9% and 20.4% agreed and strongly agreed, 16.3% remained neutral and the remaining 18.4% disagreed or strongly disagreed on the BSC Implementation provides sufficient and reliable Data for measurement before Performance evaluation.

From the analysis found that how important NIB International Bank is adopted Balanced Score Card (BSC) as a Performance Measurement Tool. The study found from an average mean of 3.56 that balanced scorecard was very highly rated and adopted to identify whether the bank is meeting its objective. The study sought to know the bank adopted BSC to ensure Performance evaluation feedback increases employee's satisfaction and a mean of 3.51 indicated that there was a relationship with such an idea.

A mean of 3.47 indicated that the bank adopted BSC to show Performance evaluation result implicitly reflects the employee's Performance, a mean of 3.16 to indicate that Performance results are aligned with compensation plan in NIB while those who found a mean of 3.37 indicated that BSC ensures decisions are based on fact, not on subjectivity. The study found from 3.63 BSC Provides the Operations activity with possible solutions. While 3.80 performance measurement links to the organizations visions through the objectives on the strategic map it was rated as very high. The analysis further rated BSC as very high in increasing quality of tracking Performance Improvement at mean of 3.92, while a mean of 3.63 indicated that BSC provides sufficient and reliable Data for measurement before Performance evaluation.

The analysis indicated that there are very many reason the importance commercial bank of Ethiopia adopted balanced score card. Those were not aimed at only one reason. The study agrees with another analysis by Niknazar (2009) that modern companies and commercial banks recognize the impact that measures have on performance. Due to a variety of reasons and intended uses, the use of a balance scorecard as a performance measure is strongly recommended and enforced. The scorecard provides managers with four viewpoints from which to choose measures. It adds to traditional financial indicators by measuring customer satisfaction, internal processes, and innovation and development efforts. The balanced scorecard, however, is not a template that can be used by companies or industries in general, according to the study.

4.5. Attitude of employees regarding the four perspectives of BSC and Contribution for performance

This section will look at the measures that should be used to assess employee attitudes toward the four perspectives of the Balance Scorecard, namely financial, customer, internal process, learning, and growth, as well as the value of the BSC in improving employee performance.

4.5.1. Financial Perspective

Without integrating metrics showing an organization's financial returns, focusing time, energy, and capabilities on customer satisfaction, quality, knowledge, and other factors in other perspectives may yield little added value (Niven, 2006). In this way, a successful use of BSC increases plan delivery and execution by improving asset quality, financial resource utilization, improved productivity, and staying within regulatory requirements. The views of respondents up to this stage are shown in the table below.

Table 4.4 Financial Perspective

Items	Statement	Scale							Mean	Stand. Deviation
			Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total		
1	Balanced scorecard implementation brings revenue growth and sustainable market share to NIB	%	18.4%	51.0%	22.4%	6.1%	2.0%	100%	3.78	0.89
		Freq	19	54	23	6	2	104		
2	BSC implementation Improves over all Financial Performance of NIB	%	14.3%	55.1%	24.5%	4.1%	2.0%	10500%	3.76	0.83
		Freq	15	57	26	4	2	104		
3	Due to BSC implementation NIB enhancing shareholders value	%	14.3%	51.1%	26.5%	6.1%	2.0%	100%	3.69	0.87
		Freq	15	53	28	6	2	104		

Source; own survey, 2021

Table 4.4 describes the arithmetic mean and standard deviation of respondents' opinion on the financial perspectives. From the study result the impact of implementing BSC in the bank was not significant difference between the financial perspectives and financial perspectives parameters. The average mean for financial perspectives was 3.74 and mean value for financial perspectives parameters of, revenue growth, enhancing shareholder value, market share and Financial Performance were 3.78, 3.76 and 3.69 respectively.

This implies that the respondents were replying positively regarding financial perspectives improvements after the implementation of BSC in the bank. For comparison by referring the bank of annual financial report in the year before the implementation year 2009/10 fiscal year, and after the implementation of BSC 2011/12, The operating profit of the Bank reached of 7.9billion, this a big jump from the 4.2 billion (87.1%) compared to preceding fiscal year.

Accordingly, Return on asset (ROA) increased from 4.4% in 2010/11 to 5.8% in 2011/12 indicating a large and continued improvement on asset utilization of the bank .Return on Equity(ROE) on the other hand ,increased from 71.9% in 2010/11 to 114% in 2011/12 .The high level of ROA and ROE explain the continued robustness of the bank in its profitability Therefore, from the above demonstration of financial performance of the bank, after balanced scorecard implementation started NIB International Bank achievements in banking industry is increased.

4.5.2. Customer Perspective

A business with very happy customers will build sustainable profitability and high growth value, allowing NIB to thrive and deliver consistently superior financial performance in the areas indicated under the financial perspective above. The business also profits from word-of-mouth ads from pleased customers, which lowers its advertising costs while simultaneously expanding its consumer base (Roger, 2007). As a result, the higher the satisfaction index, the higher an organization's potential profitability will be.

Table 4.5 Customer Perspective

Items	Statement	Scale								
			Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total	Mean	Stand. Deviation
1	The implementation of balanced scorecard improves the service delivery of NIB	%	20.1%	71.6%	6.1%	0.0%	2.2%	100%	4.08	0.67
		Freq	21	75	6	0	2	104		
2	The customer complain is decreasing after balanced scorecard implementation	%	12.2%	51.0%	34.7%	0.0%	2.2%	10500%	3.73	0.70
		Freq	13	53	36	0	2	104		
3	NIB focus on long-term customer relationship through a deep knowledge of their needs	%	16.3%	22.3%	59.2%	0.0%	2.2%	100%	3.88	0.75
		Freq	17	23	62	0	2	104		

Source; own survey, 2021

For the statement under Item-1 above, concerning the implementation of balanced scorecard improves the service delivery of NIB, 91.7% of respondents strongly agreed and agreed; the remaining 8.3% had reservation (i.e. 6.1% remained neutral, and 2.2% of them strongly disagreed). Accordingly, it is an evidence for the attitude of employees regarding improvement of service delivery advanced, more banking services were adequately designed to serve the needs of customers.

Similarly, under Item-2, the employees were requested to express their feelings on the customer complain is decreasing after balanced scorecard implementation. Of the total respondents, 12.2% and 51% very strongly agreed and agreed respectively and the rest 36.9% had reservation (i.e. 34.7% neutral, 2.2% disagreed and 1.8% strongly disagreed). This implies that the Implementation of Balanced core card is effective to minimize the dissatisfaction of customers.

As it can be seen from the table, Item-3, the respondents were requested to express their level of agreement or disagreement on the statement that NIB focus on long-term customer relationship through a deep knowledge of their needs. Majority of them (59.2%) remained neutral, 16.3% and 22.3% strongly agreed and agreed respectively and the rest 2.2% strongly disagreed correspondingly. as a result, it can be evidence for that the level of commitment to sustain strong long term relationships with dynamic needs of customers is less than expectation. The mean for this Item is 3.88 and this implies that NIB strongly focus on long term customer relationship through a deep knowledge of their need. Table 4.5 describes summarized the respondents 'opinion on the customer perspectives. From the study result the impact of implementing BSC in the customer perspectives of the bank indicted that the average mean value is 3.90. Similarly, the mean value of the service delivery time, declined customer compliance was 4.08, and 3.73 respectively. This indicted that the respondent reply positively about the achievements of customer perspectives. However, the rest parameter of customer perspectives showed that the respondents were not agreeing about the achievements of long term customer relationship. When we look at the percentage of respondents in all cases of customer perspectives criteria, however, we can see that the bank achieved success after implementing the BSC.

4.5.3. Internal Business Process

The internal working conditions or inner process are now the main priority areas of business organizations. An organization with good internal processes will increase operating efficiency, add value to consumers and shareholders, and enhance results. It covers core competencies and technologies, as well as speed, efficiency, and cost. With this in mind, the table below summarizes respondents' views on the degree of operational efficiency gained as a result of BSC implementation at NIB.

Table 4.6 Internal Business Perspective

Items	Statement	Scale								Mean	Stand. Deviation
			Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total			
1	BSC is important to align customer expectation with process efficiency to deliver quality service	%	22.4%	71.5%	6.1%	0.0%	0.0%	100%	4.16	0.51	
		Freq	24	74	6	0		104			
2	BSC shows where improvement needs to be made	%	20.5%	77.3%	0.0%	2.2%	0.0%	100%	4.16	0.51	
		Freq	21	81	0	2		104			
3	BSC Implementation Reduced non-value efforts of the company	%	12.2%	65.1%	20.5%	2.2%	0.0%	100%	3.88	0.64	
		Freq	13	68	21	2	0	104			
4	The BSC implementation is adequate in Cascading Goal and Target for employees as per the job position	%	10.2%	69.4%	14.3%	4.1%	2.0%	100%	3.82	0.75	
		Freq	11	72	15	4	2	104			

Source; own survey, 2021

As shown under Item-1 93.9% of respondents agreed or strongly agreed, 6.1% remained neutral on BSC significance to align customer expectation with process efficiency to deliver quality service. Thus, we can infer that the level of interface customer expectation among process efficiency in NIB is very high. Concerning BSC shows where improvement needs to be made. Item-2 majority of the respondents (2.2%) disagreed or strongly disagreed, the remaining (97.8%) agreed or strongly agreed. This implies that the bank's internal business improvement areas was successful identified to keep going its operations efficiency and effectiveness. As depicted with the statement under Item-3, more than half of the respondents (77.3%) agreed or strongly agreed, 20.5% were in doubt, and the rest 2.2% disagreed. This indicates that the bank Reduced non value efforts due to implementation is to a satisfactory level. Regarding the level of

effectiveness BSC implementation is adequate in Cascading Goal and Target for employees as per the job position, as stated under Item-4, majority of respondents (79.6%) strongly agreed and agreed, 14.3% remained neutral and 2.0% disagreed.

Again the above table describes the respondents' opinion on the internal business perspectives. From the study result the impact of implementing BSC in the internal business process of the bank was significant. Hence the averages mean and the mean value of internal business perspectives and internal business perspectives parameters was 4.00. This indicated that they were confident that the bank would improve. However, the mean value of adequate BSC implementation in Cascading Goal and Target for employees as per job position, which was the internal business perspectives parameters, was 3.82. Even though the achievement of implementing BSC in the bank's internal business perspectives was essential on the mean value, the respondents' percentages or frequencies showed that it was not like others significantly different and positively responded.

According to the bank's mission statement, "state of the art" technology is used to minimize waiting times for delivery of services and improve availability of services to customers.

Internal business processes are the mechanisms that enable companies to meet their performance goals. As a result of the above literature and our findings, we can conclude that NIB International Bank correctly defined key business areas and improved their capacity to be financially competitive while also satisfying its customers. According to Niven (2006) the internal business results commonly lead to financial success and satisfied customers. To meet organizational objectives and customers' expectations, organizations must identify the key business processes at which they must excel. Key processes are monitored to ensure that outcomes will be satisfactory.

4.5.4. Learning and Growth

People, processes, and organizational practices are the three main drivers of learning and growth. Organizations also need to invest in re-skilling workers, improving information technology and systems, and aligning organizational procedures and routines (Kaplan & Norton, 1996). The following table summarizes respondents' views on the degree of agreement and disagreement on NIB's implementation of the BSC perspective on learning and growth.

Table 4.7 Learning and Growth Perspective

Items	Statement	Scale								
			Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total	Mean	Stand. Deviation
1	BSC gives much concern to the advancement of your career development	%	12.2%	26.5%	51.1%	10.2%	0.0%	100%	3.65	0.83
		Freq	13	28	53	10	0	104		
2	The training given on BSC implementation is adequate	%	6.2%	22.3%	14.3%	41.0%	16.2%	10500%	3.39	1.18
		Freq	6	23	15	43	17	104		
3	Various training programs given For You is appropriate to enhance performance in work	%	12.2%	18.4%	57.1%	6.1%	6.1%	100%	3.63	0.99
		Freq	13	20	59	6	6	104		
4	Working environment is Suitable to develop my job, knowledge And ability. so that it can advance your career	%	6.1%	12.2%	14.0%	63.3%	4.1%	100%	3.73	0.91
		Freq	6	13	15	66	4	104		

Source; own survey, 2021

The table above summarizes respondents' views on learning and growth perspectives. From the study result indicated the average mean value of learning and growth perspectives was 3.6 likewise, from the table Item 2 result revealed that The training given on balanced score card implementation is adequate the percentage of the all the parameters of learning and growth perspectives lies on the disagreement level (57.2% disagreed and strongly disagreed and the rest 14.3% remains neutral). Similarly, the percentages of the respondent revealed after the

implementation of the BSC in the bank the employees were not given appropriate training on balanced scorecard implementation. As a result, the bank's learning and growth prospects have not changed as much as they had hoped. Furthermore, respondents are uneasy with Item 4: the working atmosphere for developing employees' job skills, knowledge and ability to advance their careers (67.4% disagreed and strongly disagreed and the rest 14 % remains neutral).

This indicated that the respondent had a pessimistic attitude toward the attainment of learning and growth perspectives. People can first learn about the Balanced Scorecard if an NIB International Bank wishes to better enforce it and enjoy all of the advantages this idea has to offer. According to Niven (2006), due to limited budgets or because of the perceived simplicity of the tool, BSC education and training are very often preserved only for high -level managers or only for project team members. The essence of any BSC initiative is to lead people throughout the organization to implement the strategy. If those people do not understand the tool in depth, there is no chance that they will find the right path to do this. The interviewees' responses reveal that an organization's ability to innovate, improve, and learn is heavily reliant on the quality of its human resources, especially in today's fast-paced business environment. As a consequence, it is important to continually improve employees' knowledge, skill, abilities, and competency. It is critical to stress the importance of maintaining employee satisfaction by coaching, motivating, rewarding, and other methods.

The study concluded that NIB International Bank fails to give adequate training on the implementation of the balanced scorecard, as well as other training or educational programs to upgrade employees' skills and improve their performance. BSC implementation at NIB International Bank makes career growth less of a concern, allowing employees to focus more on their assigned tasks. The working environment at NIB International Bank, on the other hand, is not conducive to the development of employees' knowledge and ability to advance their careers. As a result, the bank pays less attention to the improvements of learning and growth perspective.

4.6. Challenges of BSC Implementation

According to Kaplan and Norton (1992), the project participants discovered that they couldn't introduce BSC without the participation of senior managers who had the fullest image of the company's vision and goals within the first couple of years of implementing the BSC to their

organization. Since most current performance measurement systems have been designed and overseen by financial professionals, this was eye-opening. While Kaplan and Norton (2001) describe numerous successful BSC implementations, they also identify sources of BSC implementation failure.

In the fifth section of the questionnaire, the participants were asked to provide information on the challenges of BSC implementation in the study area.

Table 4.8 Challenges of BSC Implementation

Items	Statement	Scale							Total	Mean	Stand. Deviation
			Strongly Agree	Agree	Neutral	Disagree	Strongly disagree				
1	Failure to get sufficient information on BSC Design and Implementation	%	16.3%	65.3%	14.3%	4.1%	0.0%	100%	3.94	0.68	
		Freq	17	68	15	4	0	104			
2	lack of effective Information technology support	%	30.6%	40.8%	18.4%	8.2%	2.0%	100%	3.90	1.005	
		Freq	32	42	19	9	2	104			
3	Poor office infrastructure and shortage of Resources	%	14.3%	57.1%	14.3%	12.2%	2.0%	100%	3.69	0.94	
		Freq	15	59	15	13	2	104			
4	Lack of Knowledge, skill and ethical Behaviour	%	6.1%	59.2%	14.3%	16.3%	4.1%	100%	3.47	0.98	
		Freq	6	62	15	17	4	104			
5	Poor work system & culture backed by bureaucratic & delayed decision making, etc.	%	8.2%	61.2%	18.4%	12.2%		100%	3.65	0.80	
		Freq	9	63	19	13	0	104			

6	Lack of commitment, sense of ownership and less attention to customers & employees,, needs and expectations by management members	%	12.2%	51.0%	18.4%	14.3%	4.1%	100%	3.53	1.02
		Freq	13	53	19	15	4	104		

Source; own survey, 2021

The study discovered that failure to sufficient adequate information on BSC Design and Implementation is one of the difficulties in implementing BSC as a success score card, with a mean of 3.94, implying that there was a strong relationship. A mean of 3.90 indicated that lack of effective Information technology support while a mean of 3.69 indicated Poor office infrastructure and shortage of Resources. The analysis further found from a mean of 3.47 that Lack of Knowledge, skill and ethical behaviour BSC is a challenge to the implementation while a mean of 3.65 indicated Poor work system & culture backed by bureaucratic & delayed decision making, etc. during implementation of BSC. The analysis also found the introduction of BSC as a measure of performance measurement tool is affected by management members' lack of commitment, sense of ownership, and less attention to customers' and employees' needs and expectations, as indicated by a mean of 3.53.

Table 4.9 Opinions Rankings on Challenges of BSC Implementation

Item	Statement	Mean	Rank
1	Failure to get sufficient information on BSC Design and Implementation	3.94	1
2	Lack of effective Information technology support	3.90	2
3	Poor office infrastructure and shortage of Resources	3.69	3
4	Lack of Knowledge, skill and ethical Behaviour	3.47	6
5	Poor work system & culture backed by bureaucratic & delayed decision making, etc.	3.65	4
6	Lack of commitment, sense of ownership and less attention to customers & employees,, needs and expectations by management members	3.53	5

Source; Source: own computation based on the data collected from the survey, 2021

The most serious challenges and impedimental factors for successful implementation of BSC in the bank have been rated in order of severity by the mean value respondents, as shown in the table above. Failure to get information on BSC and a lack of effective information technology assistance has hampered the NIB's BSC implementation process.

This is supported by the interview results, which revealed that one of the issues in evaluating the individual performance was a concern with information technology. The researcher tried to see this part of the problem as necessary for the smooth implementation of BSC because employee support for change is critical. Employee resistance to change, on the other hand, is a roadblock to successful implementation.

Furthermore, the most of the interviewees' results revealed a low level of transparency in promotion and transfer, a lack of alignment of reward systems to performance results, a lack of human resource management, a lack of coordination among work units, a long chain of decision-making, a lack of continuous assessment, a weak feedback and control system, and a delayed/absence of corrective measures for future improvement. Contributed to internal and external stakeholders' disappointment, and thus were among the most challenging factors in the NIB International Bank's BSC implementation process. In general, failures to obtain information on BSC and a lack of effective information technology support have hampered the implementation process and led to the NIB's low level of achievement of BSC objectives and implementation.

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The study's findings are systematically outlined in this chapter, based on the data examined and interpreted in the previous chapter. The findings are used to draw relevant conclusions, as well as to make relevant recommendations.

5.1. Summary of Major Findings

The study's main purpose was to assess the overall implementation and challenges faced by using a balanced score card as a performance measurement tool. It also attempted to compare the challenges faced to the common literature on balanced score cards. With the aid of theoretical assertions and empirical evidences, the definition of performance measurement, balanced scorecard and its four perspectives, features/principles, and so on were also discussed.

This study gathered relevant data through a questionnaire and interviews with 104 managerial and non-managerial employees at head office (i.e. 78.7% response rate) and 7 bank strategy management experts, respectively. SPSS version 20 was used to analyze the information. The following summaries of findings are taken from the data discussion:

5.1.1. Summary of Findings related to Key Performance Improvement due to BSC implementation

According to the findings of the questionnaire and interviews, the bank has benefited from BSC implementation in a variety of ways. The level of key performance indicators properly measures the bank's progress, and the alignment of processes, departments, and individual level activities to the corporate strategy has increased. Overall, the findings indicate that implementing BSC in NIB was beneficial in delivering the highest level of customer expected service.

5.1.2. Summary of Findings related to Helpfulness of BSC Implementation as a Performance Measurement Tool

The study indicated that there are Processes at the Head Office, each with its own performance evaluation based on manually collected actual performance data. On the other hand, the fact that

there are work units at Head Office, representing the majority, evaluating performances without reliable performance data. As a result, individual evaluation reports are unclear, including performance results that aren't in line with the compensation plan. As a consequence of the inflated recordings, the authorities are refusing to consider the performance results. In addition, the Bank's efforts to align employee, team, and work unit performance measurement with the corporate strategy are progressing well. However, it appears that a lot of passionate effort is needed to completely align activities.

5.1.3. Summary of Findings related to Financial Perspective

The high levels of Return on Asset (ROA) and Return on Equity (ROE) explain the Bank's continued robustness in its pursuit of justified profitability, according to the analysis. The Bank's financial performance statements, which were released after the introduction of the Balanced Scorecard, indisputably illustrate the bank's leadership position in the banking industry.

The average mean for financial perspectives was 3.74, with mean values of 3.78, 3.76, and 3.69 for financial perspectives parameters (revenue growth, increasing shareholder value, increasing market share). This indicates that all respondents saw the Bank's financial prospects improving after the BSC was implemented positively.

5.1.4. Summary of Findings related to Customer Perspective

As a result, bank employees' work spirit and sense of belonging are strengthened as a result of a significant change in service delivery; innovative and customer-focused banking services are adequately implemented. On the other hand, according to the findings of the study, the level of commitment to maintaining strong and long-term relationships with customers who have changing needs is lower than anticipated.

5.1.5. Summary of Findings related to Internal Business Process

The analysis of the research findings implies that the Bank's internal business development areas were meticulously defined in order to keep overall operations moving efficiently and effectively. Similarly, among processes, the level of customer expectation interface efficiency was found to be high.

According to NIB's Mission Statement, the Bank uses state-of-the-art devices, such as E-commerce, Internet Banking, SMS Banking, ATM services, as well as quick loan processing and international banking services, to minimize waiting times for its delivery and increase availability of its services to customers.

5.1.6. Summary of Findings related to Learning and Growth

The study respondents emphasized that an organization's true ability to innovate, improve, and learn is largely dependent on the quality of its human resource.

Based on the above, it can be concluded that the Bank's track record of delivering balanced scorecard implementation instruction, as well as other training or educational programs/skilling in general, is woefully inadequate.

5.1.7. Summary of Findings related to Challenges of BSC Implementation

The lack of support in information technology was found to be the major challenge in evaluating individual performance, as shown by the interview and questionnaire results. According to the findings of the study, failure to get information on BSC and ineffective information technology support have affected and led to the low level of achievement of the objectives and the BSC implementation process in NIB.

5.2. Conclusions

The implementation of the Balanced Scorecard in the NIB International Bank has resulted in significant improvements in operational excellence; however, it is yet under achieved process due to different challenges and impedimental factors. The following conclusion can be taken from the study's summary of findings in general.

According to the findings of the opinion poll, the use of the Balanced Scorecard BSC has resulted in improved performance at NIB International Bank, which is a good predictor of the best methods for improving performance. However, NIB's performance improvement cannot be sustained unless key performance indicators are validated on a regular basis and are linked to changing customer and/or bank performance requirements.

It is most fitting to use the Balanced Scorecard to assess the effectiveness of any set of performance measures, with the participation of almost all employees. According to the findings, BSC would be appropriate for measuring both the bank's and individual's performance. In terms of implementation, it was in a decent stage at the corporate and process levels; however, it was still in the early stages at the individual level due to a lack of transparency in each performer's measurement.

Due to the implementation of BSC, NIB International Bank was able to identify business areas in need of improvement and increase process capability. Since the Balanced Scorecard approach is intended to overcome some of the weaknesses in other performance management system, such as the tendency for competing goals or objectives within an organization. The findings show that NIB has good internal business processes that enable it to respond quickly to customer inquiries and meet customer needs through new product development with fast time-to-market.

Based on the findings, the study concludes that NIB International Bank fail to provide sufficient training on the implementation of the Balanced Scorecard, as well as other training or educational programs to upgrade employees' skills and improve their performance. BSC implementation at NIB International Bank gives less concern for career development to enhance employee's effort to their assigned task. On the other hand, the working environment at NIB International Bank is not conducive to the development of managerial and non-managerial employees' knowledge and abilities in order to advance their careers. Therefore, the Bank seems to be paying less attention to the issue in the current environment of rapid technological change, when becoming necessary for knowledge workers to be in a continuous learning mode.

5.3. Recommendations

In light of the study's main findings and conclusions, efforts were made to forward potential recommendations for improving the Balanced Scorecard system's end result at NIB International Bank. The most important recommendations are mentioned below.

- **Improve Training and Communication:** It would be difficult for management and employees to internalize the concept and achieve the desired goals unless they are made aware of and understand the concept and objectives of BSC. Improving performers' and

management members' awareness is vital to fostering a positive mind-set and reducing resistance. To this end, the bank should continually and regularly increase the level of awareness of both current and newly hired employees through expert and consultant training and education.

- **Improve IT Support:** Information technology support of the performance evaluation system is given the utmost importance by monitoring every activity of the performers in order to measure achievements with reliable and visible data.
- **Learning and Growth:** As discovered from the findings, NIB International Bank should design a better learning and growth program for its employees through training and educational programs for the four balanced scorecard perspectives of financial, internal business process, and customer perspectives, while there are no significant improvements on learning and growth perspectives. Since learning and growth are essential foundation for any knowledge-worker organization's success.
- **Align Individual performance to Reward System:** Retention strategies in the public sector rely heavily on recognition for the importance of one's work. The BSC structure should be used by the bank's management to connect individual and team achievements to a compensation system based on accurate performance data. This enables the bank to establish ground for competition and encourage best performance through motivation, recognition and incentive.
- **Carry out Benchmark Assessments:** To address the difficulties faced during the BSC implementation process, the bank's top management should initiate and scan industry-wide progress of the BSC, as well as learn from best practices of those who have successfully implemented it through collaboration and knowledge sharing.
- **“You can't improve what you can't measure”** (Olve et al., 2003): In all four perspectives, NIB International Bank have to persistently engages the Balanced Scorecard as their primary performance measurement tool to maximize performance, increase competitive advantage, and improve customer satisfaction.

5.4. Future Researches

For strategic planning, strategic results reporting, and success assessment, BSC is a better tool. This study focused on the assessment of balanced scorecard implementation in the case of NIB International Bank. Therefore, future research on the consistency and quality of bank performance measurement after BSC implementation will be highly relevant. Researchers should conduct further research on the implementation of BSC in all private banks, as well as explore other potential alternatives for performance management systems in order to better execute strategic plans in the banking industry.

REFERENCES

- Adebabay ,A. & Perkins, S. (2010). Employee capacity building and performance in Ethiopian public service, 2nd European Reward Management Conference, EIASM, Brussels.
- Balanced Scorecard Institute, (2007). *What is the Balanced Scorecard?* Balanced Scorecard Institute: A strategy management group company. Available from: <http://www.balancedscorecard.org/BSCResources/AbouttheBalancedScorecard/tabid/55/Default.aspx> (accessed 28/09/16).
- Bryman, A. and Bell, E. (2003). *Business research methods*,. New York: Oxford.
- Chandler, A., (1962). *Strategy and structure: Chapters in the history of the industrial enterprise*, Cambridge MA: The M.I.T Press Edition, Prentice Hall, London.
- Daniel Commche. (2017). Practice and challenges of balanced scorecard implementation in Ethio telecom.
- Edson, N.W. (1988), 'Performance measurement: key to world class manufacturing', APICS 31st Annual Conference Proceedings, APICS, Falls Church, VA, pp. 629-32.
- Fikadu, H. (2009) Evaluation of the performance of CBE: A balanced scorecard Approach: A research thesis prepared for partial fulfilment of the requirement of MA degree in accounting and finance.
- Gekonge, C. O. (2005). 'What a system!' *The Professional Journal of KASNEB, Issue No. 4*
- Gitonga .R (2014). *Balanced score card and performance in consolidated bank of Kenya*, Unpublished MBA thesis, University of Nairobi.
- Ittner, C, Larcker, D. & Randall, T. (2003). Performance implications of strategic performance measures in financial services firms. *Accounting, Organizations & Society* PP715-741

- Johnson, G., Scholes, K. & Whittington, J.L. (2006). *Exploring corporate strategy*, 7th edition, Prentice Hall, London
- Kakabadse, D (2001). *Putting Tools to the Test: Senior executives rate 25 top management tools*, strategy & leadership, 29 (3), May/June, pp. 4-12.
- Kaplan R.S. & Norton D.P. (1992). *The Balanced Scorecard – Measures That Drive Performance*. Harvard Business Review.
- Kaplan, R. S. & Norton, D.P (1996a). *The balanced scorecard*. Harvard, *Harvard Business School Press*.
- Kaplan, R. S. & Norton, D.P. (Jan-Feb.1992). *The balanced scorecard- measures that drive performance*, *Harvard Business Review*, vol. 70, No. 1, pp.61-66.
- Kaplan, R. S., Norton, D. P. (1996). *Balanced Scorecard: Translating Strategy into Action*, Harvard Business School Press.
- Kaplan, R.S, and Norton, D.P. (2002). *Balanced scorecard-measures that drive performance*. Harvard Business Review, pp.71-9.
- Kaplan, R.S. & Norton, D.P. (1996b). *Using the balanced scorecard as a strategic management system*, *Harvard Business Review*, Vol.74, No.1, pp. 75-85
- Kaplan, R.S. & Norton, D.P. (2001). *Transforming the balanced scorecard from performance measurement to strategic management: Part 1*, *American Accounting Association. Accounting Horizons. Vol.15. No.1*
- Kaplan, R.S. & Norton, D.P. (2006). *Alignment: Using the balanced scorecard to create corporate synergies*. Harvard Business School Press, Boston, MA
- Kaplan, R.S. and Norton, D.P. (2001.) *The Strategy-Focused Organization*, Boston: Harvard Business School Press

- Kombo & Tromp, (2006). *Research methods. Nairobi.* Kenyatta University, institute of open Learning.
- Kothari, C.R. (2004). *Research methodology: Methods and Techniques formal principal college of commerce university of Rajasthan, 2nd edition, Jaipur, India*
- Lipe, M. G. & S. Salterio. (2000). The balanced scorecard: Judgmental effects of information organization and diversity. *The Accounting Review. Vol.11. No.1*
- Locke, E. A. and G. P. Latham. (1990). *A theory of goal setting and task performance.* Englewood Cliffs, NJ: Prentice Hall
- Makay, A (2004). *A practitioner guide to the Balanced Scorecard,* Institute of management and Accounts p 45-49
- Malina, M.A. & Selto, F.H. (2001). Communicating & controlling strategy: An empirical study of the balanced scorecard. *Journal of Management Accounting Research, 83 44(47).*
- MasreshaMulat (2015). *Challenges of Balanced Scorecard Measurement, Cascading and Evaluation in the Case Of INSA, Addis Ababa University.*
- NIB International Bank Annual Report for the year 2018/19 and 2019/20.
- Nanni. A, Dixon. j. & Vollman T (1990). Integrated performance measurement to support the new manufacturing realities. *Management Accounting Research, No. 4, pp.1-19.*
- Nightingale, D. (2005). *Metrics and performance Measurement System for the Lean Enterprise,* Massachusetts Institute of Technology.
- Niknazar, P. (2009). *Balanced scorecard: Translating strategy into Action,* Washington: President and Fellows of Harvard College.
- Niven, P. (2006). *Balanced scorecard step-by-step: Maximizing Performance and Maintaining Results,* 2nd ed., John Wiley & Sons, New York.

- Norreklit, H. (2003). The balanced scorecard: What is the score? A theoretical analysis of the balanced scorecard, *Accounting Organizations and Society* 28(6): 591-619.
- Olve, N.G., Roy, J. & Wetter, M. (2003). *Performance drivers: A practical guide to using the balanced scorecard*. John Wiley & Sons, New York.
- Othman, R. (2006). Balanced scorecard and causal model development: Preliminary findings: *Management Decision*, Vol. 44, No.5, pp. 690-702
- Othman, R. (2009). Enhancing the effectiveness of the balanced scorecard with scenario planning, *International Journal of Productivity and Performance Management*, Vol. 57, No. 3, pp. 259 – 266.
- Pforsich, H. (2005). Does your scorecard need a workshop?, *Strategic Finance*, 86(8), 31-35.
- Roger, B (2007). *Market-based management: Strategies for growing customer value and profitability*, Prentice-Hall, India.
- Saunders, M., Thornhill, A., & Lewis, P. (2009). *Research methods for business students* (5th edition), Prentice Hall.
- Sinclair, D. & Zairi, M. (1995). Effective process management through performance measurement: *Bus Process Manage. J.*, 1(3): 50-65.
- Sutoyo.A (2011). *Balanced scorecard as an alternative performance management tools*, Unpublished MBA project, University of Indonesia.
- Talley, D.J. (1991). *Total quality management - Performance and Cost Measures: The strategy for economic survival*, ASQC Quality Press, and Milwaukee WI.
- Tesfaye&Ataklity (2011). *The design and implementations of business process reengineering in Ethiopia public sector; An assessment of all organization*, Addis Ababa

- Velnamby, T., & Nimalathasan, B. (2007). Impact of organizational growth on profitability: A study of Bank of Ceylon, Sri Lanka. *Annamalai Business Review*,2(1),1-9.
- World Bank (2013). Implementation completion and results Report: To the Federal Democratic Republic of Ethiopia: For a Public sector capacity Building Program Support Project: Poverty Reduction and Economic Management 2 Country Department AFCE3
- Yahaya A. (2009). Using balanced scorecard to assess performance of banks in Ghana, unpublished MBA thesis project” blenkige institute of technology
- Yamane, T. (1967). *Statistics: An introductory analysis, 2nd Ed.* New York: Harper and Row.

APPENDECIES

APPENDIX ONE



ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

MBA Thesis; Assessment of Balanced scorecard Implementation at Banks in Ethiopia: the Case of NIB International Bank Questionnaire to be filled by Head office Staffs'

Dear respondents;-

I would like to express my sincere appreciation for your generous time and honest prompt responses.

Objective: This questionnaire is designed to collect information about Assessment of balanced scorecard implementation at banks in Ethiopia NIB International Bank. The information that you respond shall be used as a primary data for conducting a research as partial requirements of MBA in Accounting & Finance at St Mary's university hence, this study is purely for academic purpose and your response will be treated with strict confidentiality and anonymity. Kindly note that there is no right or a wrong answer, what is important is that you provide your genuine responses to the best of your knowledge.

Abel Moges Beyene (abelamgs@gmail.com) & (+251922543736)

I thank you in advance for taking your time to complete the questionnaire

General Instructions

- There is no need of writing your name
- In case all cases where answer options are available please tick in () the appropriate box

SECTION ONE: GENERAL INFORMATION

1. GENDER

Male Female

2. AGE

20-25 years 26-40 years
41-49 years above 50 years

3. EDUCATIONAL BACKGROUND

High School Graduate Bachelor Degree
College Diploma Master's Degree
Other (Please specify) _____

4. YEAR OF EXPERIANCE.

Less than 5 years 11 to 20 years
6 to 10 years above 20 years

5. CURRENT JOB POSITION

Managerial staff Non-Managerial staff
Professional Others

SECTION TWO: Questions Related to Performance Improvement due to BSC Implementation

To what extent would you AGREE or DISAGREE with the following statements

Please tick as appropriate. (Key: 1 = Strongly Disagree; 2 = Disagree; 3= Neutral 4 = Agree; 5 =Strongly Agree ;)

S No	Statement	Rating				
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	NIB`S key improvement areas are identified due to BSC					
2	BSC identify whether The Bank is meeting customer requirements					
3	Employees have been share Vision, mission Values of the Organization					
4	BSC identify potential strategic initiatives, developed selection criteria, analyze and selected strategic initiatives					
5	BSC forcing to Changing processes and procedures					
6	Efficient utilization of Resources					
7	Service delivery has been improved					
8	Day to day activities of each employee`s has been aligned with NIB strategy.					
9	Key performance indictors in NIB properly measures the bank`s progress and performance of individual effort towards the achievements of the NIB strategy					
10	BSC encourages learning and continues Improvement.					

SECTION THREE: Questions Related to Balanced Score Card (BSC) as a Performance Measurement Tool

S No	Statement	Rating				
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Due to BSC Performance evaluation feedback increases employees satisfaction					
2	Due to BSC Performance evaluation result implicitly reflects the employee`s performance					
3	Due to BSC Performance results are aligned with compensation plan in NIB					
4	BSC ensures decisions are based on fact, not on subjectivity					
5	BSC Provides the Operations activity with possible solutions					
6	performance measurement links to the organizations visions through the objectives on the strategic map					
7	BSC Increases quality of tracking performance Improvements					
8	BSC provides sufficient and reliable data for Measurement before performance evaluation					

SECTION FOUR: Questions Related to Challenges of BSC implementation NIB Encountered

S No	Statement	Rating				
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	failure to get sufficient information on BSC Design and Implementation					
2	Lack of effective Information technology support					
3	Poor office infrastructure and shortage of Resources					
4	Lack of Knowledge, skill and ethical behaviour					
5	Poor work system & culture backed by bureaucratic & delayed decision making, etc.					
6	Lack of commitment, sense of ownership and less attention to customers,, and employees,, needs and expectations by management members					

SECTION FIVE: Attitude of Employees on BSC Perspectives and Contribution for Performance

S No	Financial perspective	Rating				
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Balanced scorecard implementation brings revenue growth and sustainable market share to NIB					
2	BSC implementation Improves over all Financial Performance of NIB					
3	Due to BSC implementation NIB enhancing shareholders value Customer perspective					

	Ratings					
S No	Customer Perspective	Rating				
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The implementation of balanced scorecard improves the service delivery of NIB					
2	The customer complain is decreasing after balanced scorecard implementation					
3	NIB focus on long-term customer relationship through a deep knowledge of their needs					
S No	Internal Process	Rating				
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	BSC is important to align customer expectation with process efficiency to deliver quality service					
2	BSC shows where improvement needs to be made					
3	BSC Implementation Reduced non-value efforts of the company					
4	The BSC implementation is adequate in Cascading Goal and Target for employees as per the job position					

S No	Learning and growth perspectives	Rating				
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	BSC gives much concern to the advancement of your career development					
2	The training given on balanced score card implementation is adequate					
3	Various training programs given for you is appropriate to enhance performance in work					
4	The working environment is suitable to develop Your job, knowledge and ability. so that I can advance your career					

APPENDIX TWO

INTERVIEW

1. How adequately NIB used balanced score card as a valuable performance measurement tool to evaluate the performance of an organization and individual performers?
2. How could be your organization achieve successful implementation in all levels of the bank?
3. In what extent were process owners, middle level managers and all other employees involved in BSC design and implementation linking with corporate strategy?
4. Is there any change in the performance of the bank at corporate and individual level please explains?
5. What are the major challenges encountered in the implementation of BSC since 2010/11?

THANK YOU

STAY SAFE!