AN ASSESSMENT OF BANK PERFORMANCE BASED ON BALANCED SCORECARD IN CASE OF NIB INTERNATIONAL BANK S.C

ST.MARY'S UNIVERSTIY

SCHOOL OF GRADUATE STUDIES

ACCOUNTING AND FINANCE DEPARTMENT

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AUG, 2020

ADDIS ABEBA-ETHIOPIA

ST MARY'S UNIVERSTY

SCHOOL OF GRADUATE STUDIES

FACULITY OF BUSSINESS

BY

HANA ALEMAYEHU HAILE (SGS/0454/2011A)

A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF ST.MARY'S UNIVERSTY IN PARTIAL FULFILLMENT OF THE REQUIRMENTS FOR THE DEGREE OF MBA IN ACCOUNTING AND FINANACE

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Approved by Board of Examiners

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Declaration

I, Hana Alemayehu hereby declare that the work which is being presented in the thesis entitled "An Assessment of Bank Performance Based on Balanced Score Card in the case of Nib International bank" is my original work and prepared by under the guidance of my advisor Dr. Abebaw Kassie. This study has not been submitted to any degree/diploma in any institution. All the resources of the materials used in this thesis have been fully acknowledged.

 Name _____

Signature _____

Date _____

Endorsements

This thesis has been submitted to St. Mary's, school of graduate studies for examination with my approval as a university advisor.

Advisor signature

St. Mary's university, Addis Ababa   Aug, 2020

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Abstract

A balanced score card (BSC) is a strategic planning and management system that organizations use to communicate what they are trying to accomplish. Align day-to-day work that everyone is doing with strategy. Prioritize projects, products and services. Measure and monitor progress towards strategic targets. The purpose of this study is to assess bank performance based on balanced score card in case of Nib bank. The study focused on four perspective of BSC namely; financial perspective, customer perspective, internal process perspective and learning & growth perspective. To achieve the objective of the thesis purposive sampling technique was used, in order to reach a targeted sample quickly; based on characteristics of a population and the objective of the study. Both qualitative and quantitative research approaches were employed and closed and open ended questionnaire were used as data collection instrument. Managers of sample organization were communicated to identify the key staffs that are responsible in balanced score card implementation. 85 staffs are taken as respondent from management, project management, human resource and accounting & finance departments of the bank. A questionnaire was distributed to respondents. As the finding show BSC implementation brings improvements on financial, customer, internal process and learning& growth perspective and the study revealed that inability to automate the system, customer oriented activity not competitive and no established performance evaluation and rating system. On the other hand among many, the major problem of BSC as performance management system of the bank were weak or lack of sufficient information of balanced score card design and implementation, lack of implementation process and lack of design process. Therefore the study found all levels require preparing with participation all leaders and employees, prepare clear vision and value, employees of bank strongly committed to implement BSC, develop skill for leaders and employees were used possible strategies to solve the problems in BSC implementation.

Key words: Balanced score card, perspectives, targets, performance evaluation system, key performance indicator.

List of Acronyms

BSC   Balanced Score Card

S.C   Share Company

SPSS   Statistical Package for Social Science

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CHAPTER ONE

INTRODUCTION

This section implies background of the study, statement of the problem, objective of the study, methodology, significance of the study, scope and organization of the study.

1.1 Background of the study

To check the performance level of the organization it needs to use various methodologies and techinques.one method is the balanced score card; it was introduced by Robert Kaplan and David Norton to measure weather the activities of a company are meeting its objectives. When an organization implements the balanced score card it will translate the organization's vision and then link to individual and organizational performance ,the balanced score card leads to a much strategized business planning process, lastly the balanced score card helps the organization to know how to gain feedback and learn from such feedback. This in turn will help the company adjust its strategy according to the feedback and what they have learned from it (Andre,2010)

BSC is established by a process that builds consensus and clarity about how to translate strategy into operational objective and measures. This means that the scorecard represent the collective knowledge of managers of the organization. The scorecard project is not an imitative to improve measurement system but rather to make change in the way the organization views and manages itself. (Kaplan and Norton, 1996)

BSC is a popular tool that is applied by many businesses to assess their performance in diverse aspects of their organization. The BSC measures organizational performance from four perspectives including financial, customer, internal business process and learning& growth, in relation to the four functions accounting and finance of accounting and finance, marketing, value chain and human resource. These measures, both financial and non-financial, from all four perspectives serve as common language to help align top management and employees toward with the organizations vision. The BSC measures provide measures with the instrumentation tools they need to navigate towards future competitive success.

balanced score card is an innovative multi-dimensional corporate performance tool that provides a frame work for selecting multiple key performance indicators that supplement traditional financial measures with operating measures of customer satisfaction, internal business process and learning & growth activities.(Kaplan and Norton 1992)

A balanced scorecard that is properly implemented can measure the effectiveness of an organization's strategy through a series of linked performance measures based on four perspectives including customers, finance, internal processes, employee learning and growth(Mucheru, 2008). The balanced scorecard framework is founded on four perspectives; customer perspective, financial perspective, internal business perspective and the innovation and learning perspective (Othman, 2007). The financial perspective is to evaluate whether the company's strategies are translating into bottom-line improvements of the company. Financial measures tend to be historical, and do not reveal the present situation of the business environment and the prospects of the future performance. According to Kaplan and Norton (2009) operational improvements that do not lead to financial success indicate that the implementation of the strategy of an organization needs to be revisited (Roma and Ravi, 2008).

There has been generally accepted in practice that since the introduction of the BSC by Kaplan and Norton a combination of financial and non-financial measures in a performance measurement system is favorable for both profit and nonprofit organizations. Banks can save both time and money if they recognize which measures are most suitable for their needs. On financial measures such as intangible like customer relationships may account for more than half of total assets of a company.an important principles of BSC is to achieve success on key non-financial measures. When considered in non-financial to other measures, this matrix can lead organizations to administer performance effectively and forecast their future profitability.

Balanced scorecard is different from other strategic measurement system in that it is more than collection of financial and non-financial measure

It contains outcome measures and the performance drives of outcome, linked together in cause-and – effect relationship and thus aim to be a feed forward control system since the concept was introduce in the early 1990's by Kaplan and Norton as performance measurement system.

The BSC has attacked considerable interest among different organization partitions and researchers consequently; BSC is broadly accepted and implemented in thousands of companies across the world and penetrated even non-profit organization and organization in public sector (Petr, Wagner and Michal, 2012)

The purpose of measuring performance is not only to know how a business is performing but also to enable it to perform better. The ultimate aim of implementing a performance measurement system is to improve performance of an organization so that it may better serve its customers, employees, owners and other stake holders(Johnson,1981).performance measurement generates data that will inform the users where the business is, how it doing, and where it is going. Performance measurement systems enable an organization to plan, measure and control its performance according to a pre-defined strategy. (Okwo&Marire,2012)

There are four barriers responsible for failure or successful strategy implementation. These include: vision barrier, people barrier, resource barrier which is misallocation of time, energy, and money to processes that are critical to the organization and lastly the management barrier where by management allocates little time to strategy, and much time to short-term tactical decision-making. (Anand ,2011) Thus, a well implemented strategy should be ensured that these barriers are bridged if it were to achieve goals (Kiragu, 2005).

The aim of this study to assess bank performance based on balanced score card and possible solution to specific problems.

1.2 statement of the problem

Several surveys show the BSC is widely used in large companies; there are relatively few empirical studies on Balanced score card model. The study examines the relevance of BSC as a technique for assessing performance in banking industry.so an attempted was made to re-emphasis the significance of BSC to managers of banks, employees, customers and other stakeholders in banking industry. From the review of (Mohammed Ibrahim & Sirajo Murtala, 2015) the relevance of balanced score card as a technique for assessing performance in the banking industry, The researchers conclude that there is recognition of importance of using BSC by management of banks for the purpose of performance evaluation and the use of the full structure of BSC comprising its four perspective cannot be seen and this will risky their

performance measurement system. The paper recommended that there is the need for more enlightenment of bank managers by the academics alike on the relevance of BSC in assessing performance of banks.

To evaluate bank performance by using balanced score card .there are three important facts first performance measurement in the banking sector does not attract many researchers, second the BSC is an approach that is not known with the banking sector and banks are still using primitive performance evaluation system such as annual, quarterly and monthly reports. The purpose of this study was to increase the understanding on how the BSC approach may be developed applied to measure the performance in banking sector. This study had constructed a BSC model that was used to measure the performance.(Abdurizzag Abofaied,2017)

A BSC was derived to measure performance of banks. The analysis assisted the cause effect relationship between the non-financial and financial dimension of BSC both banks showed high performance in their financial perspective as compared to other perspective. To measure performance and competitiveness of banks do not take into account the effect of non-financial perspectives & therefore creates a huge gap. This study seeks to fill by providing information on performance of banks in four perspectives using the BSC. This will enable banks focus on core strategies in order to create and deliver superior value & returns to their stake holders.(Agyei &Evans Brako Ntiamoah,2016)

To recognize the role BSC& choose management play in better performance of organization also gain an insight into the effects of BSC and change on organizational performance.it also intends to illustrate the function of BSC in effective management change and resulting effective performance. The results of the study show that organization have incorporated the dimension of BSC a performance measurement tool and use it to create change and improve performance ,results also suggest that private and public sector organization on the dimension of technological change while service and manufacturing organization differ on financial perspective ,BSC change and performance are highly correlated to each other thus sustaining the augmented that performance is affected by BSC and change.(Ayesha Faroog and Zareen Hussain,2011)

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According to Malihe Rostami(2015) Balanced score card model one of the evaluation system in the bank. In this article aspects of balanced score card and the importance of each aspect and related indicators are examined. This study aimed to find the most effective aspects of balanced score card and indicators for banks and certainly the results of article are proved customer aspect as a first cluster & financial aspect for second, internal process aspect for third and the end learning and growth aspect for fourth.

According to Hasan Dineer & Umit Haclogiu(2016) evaluation of balanced score card based performance of banking sector with using Analytic Network process(ANP) approach. Within this context they analyzed that which perspective of BSC is more significant with respect to banks. The performance measurement aspect is very complex for the banks so they use ANP approach to achieve better results.

There are lots of research papers related with balanced score card. According to Daniel K. (2017) the study to apply BSC in ethio-telecom to come some challenges. The first one cascading to individual level is the most challenges activity. Individual level requires engaging the hearts and minds of the workforce. And the second challenges associated with BSC implementation is lack of effective training; effective training is a critical tool for establishing and implementation a performance management system. The third challenge is lack of senior management commitment. And the last challenge is measurement tool (Automation). Assess these challenges then to solve the problem based on the perspective of BSC. And also according to Amsalu M.(2014) the study how balanced score card 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 the automation of the system was not existent in all the three banks. The study has found out that there are different mechanisms undertaken by the respective banks with the intention of supporting their BSC.

On the above researcher studies the bank and other organization have to mandatorily apply balanced score card and solve the challenges of performance on the actual problem .This research will try to assess bank performance based on balanced score card in the case of Nib bank. Almost all of the Nib bank in Addis Ababa depends on financial indicators to measure their performance and competitiveness in banking industry and non-financial perspective, therefore in the performance and competiveness evaluation of the bank, which to fill in by providing information on performance of Nib bank via applying BSC model which balanced both financial and non-financial perspective very well. So the researcher wants in order to know how the bank implements balanced score card and the study will fill the gap by identifying the factor that affects bank performance based on balanced score card with regard to the four perspectives. Which are financial (how do we look shareholders), internal (what must we excel at focus on internal operating), customer (how do customer see us), learning and growth (can we continue to improve and create value) perspectives.

On the previous related literature the researchers found some challenges with applying balanced score card implementation. they were; there is no sufficient selecting programs to lead day to day activities of balanced score card implementation, no leadership and manager commitment, measurement error in performance, high performance in financial perspective but low in non-financial perspective so creates a huge gap. On this research paper during the preliminary interview the researcher found the following main challenges in Nib bank; they are limited understanding of BSC, lack of BSC education and training, lack of employee commitment, in adducted support project team and organizational practice & lack of planning and communication. Therefore, this study tries to be the bride of those gaps by assessing bank performance based on BSC in case of NIB bank in 2019/20.

1.3 Research questions

1. How can BSC improves overall financial performance of Nib bank?
2. What are the uses of BSC on customer focused objective in Nib bank?
3. What is the use of BSC on developing company measure in Nib bank?
4. Does BSC practice contribute to the employee's skill in Nib bank?

1.4 Objectives of the study

1.4.1 General objective

The main objective of this research paper was to assess bank performance based on balanced score card.

1.4.2 Specific objective

1. To investigate the overall financial performance in Nib bank by using BSC.
2. To determine the use of BSC on customer focused objective in Nib bank.
3. To assess the uses of BSC on developing company measure in Nib bank.
4. To measure the contribution of BSC on employees skill in Nib bank.

1.5 Scope of the study

The scope of this study was limit to assessing bank performance based on balanced score card and gap in NIB bank. NIB bank is one of the largest private banks in Ethiopia and it has around 300 branches. The bank depends on financial indicator and non-financial perspective, and to fill in by providing information on performance of Nib bank via applying BSC model which balanced both financial and non-financial perspective. The researcher selects head office on performance measurement using balanced score card framework(customer perspective, financial perspective, internal process perspective and learning & growth perspective) more over BSC is important to the use of management tool, as a performance tool, as a communication tool. Those, the study will conduct the survey on employees and management of the Nib bank at their respective head office in Addis Ababa. The study was assessing the bank performance based on BSC status of the system still 2020.

1.6 Limitation of study

The study was conducted on assessment of bank performance based on balanced scorecard in Nib bank head office. In the course of this study, the major limitation of the survey during the data collection was, most respondents were not willing to provide information because of world epidemic corona or covid-19 virus. The other limitation faced the researcher were shortage of time and shortage of experiences in similar research. For these limitations the researcher was attempted to acquire advice from experience researchers.

1.7 Significance of the study

The study have benefits to assess bank performance based on balanced score card. The study would have contribution of filling the knowledge and literature gap with regard to assess bank performance based on balanced score card. This research paper was used to extend knowledge about balanced score card on banks, the bank can efficiently measure the performance of their organization. The study would be helpful for investors, shareholders, and managers of banks to make appropriate decision in respect to their financing, by providing an integrated view of bank performance including both financial and non-financial indicators. The results of the study have contribution to Nib bank for current situation. Also the study helpful for relevant studies on bank performance measurement, serve as reference for further research on subject matter.

1.8 organization of the study

 This paper was organized into five chapters. Chapter one is the introduction. This includes the back ground of the study, statement of problem, objective, significance and scope of the study. Chapter two would be covering the review of related literature on balanced score card. Chapter three would be discuss the research methodology .chapter four deal with the study would be analyzed and presented, provides data presentation, analysis and discussion of findings chapter five would be summarize, conclude and forward recommendations.

CHAPTER TWO

LITERATURE REVIEW

The main objective of this literature review to get the theoretical and empirical literature on balanced score card. This section introduces definition, perspectives, benefit, characteristics and other related terms of balanced score card.

2.1 Theoretical literature

2.1.1 Definition of balanced score card

BSC is a strategic management tool that provides the manager with a clear and concise picture of the business health and progress in reaching its goals. As defined by Kaplan and Norton (1996),"The balanced score card translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system". The BSC has the capability of integrating long-range strategic plans with short-term measurable objectives, there by uniting a company's planning and budgeting processes during operations of its fiscal year (Thomas, Myron and Dickinson,1999) .

Performance measures are an important aid to improve performance in all aspects of a given organization. BSC is one of the performance measures which enables an organization to translate its vision and strategy into a tangible set of performance measures that provides an enterprise view of an organization's overall performance by integrating financial measures with other key performance indicators around customer perspective, internal business processes and organizational growth and learning (Becker, Huselid, &Ulrich, 2001; Kaplan and Norton, 1992)

2.1.2 The balanced score card perspectives

There are different kinds of balanced score card perspectives. Namely financial, customer, internal process and learning & growth (Kaplan&Norton,1996).

Financial perspective: it is a strategy for growth, profitability &risk from shareholders perspective. Therefore under this perspective managers are obligated to provide measures that answer the subsequent question: how should we appear to shareholders to succeed financially? The common performance measures included under this perspective are: ROI, cash flow, Net operating income, revenue, growth etc. financial perspective indicate whether the

implementation of company strategy and its execution are contributing to the improvement of bottom-line results. Focusing resourcing ,energy and capabilities on customer satisfaction, quality, knowledge and other factors in other perspective without incorporating indicators showing the financial returns of an organization may produce little added value (Niven,2006).financial perspective focuses on measures which have the goal of enhancing shareholder value. The most commonly used measures are derived from the objectives of revenue growth and productivity, such as return on equity, return on investment, revenue, gross margin and other indicator (Niven, 2006)

Customer perspective: it is a strategy for creating value and differentiation from the customer's perspective. The managers are obligated to provide measures to response to the following question.to achieve our vision, how should we appear to our customer's? How do our customer's see us? Distinctive measure used under this perspective are; customer satisfaction, customer complaints, customer's lost/wants, sales from new product etc. most organizations will state that they do in fact have a target customer audience, yet their actions reveal an all things to all customers strategy. Customer concerns have a tendency to fall into four different categories; time, quality, performance and service, and cost. Therefore, to get the balanced score card to work they advocate that the company should articulate goals for time, quality, performance and service, then translate these goals into detailed measures.(Kaplan and Norton,1992)

Internal business process perspective: it is a strategy for producing goods and services in the most efficient and effective methods. So managers are obligated to produce measures that answer the subsequent question. What business process a company should excel to satisfy their customers and shareholders. Are the company internal processes excellent? Commonly used measures for this perspective are; cost of quality, cost of non-conformance, process innovation, time saving etc. (Kaplan& Norton,2001).Traditional approach of measuring the internal process focuses on monitoring and improving existing business process ,the balanced score card approach focuses on measuring ,monitoring and improving the business process by ,when needed ,identifying entirely new process which integrates measures for both long term innovation cycle and short term operation cycle (Kaplan and Norton,1996)

Learning and growth perspective: it is a strategy to create a climate that supports organizational change, innovation and growth. Managers should recognize measures to answer the subsequent question.to achieve our vision, how we will sustain our ability to change and improve? Are we creative and innovative enough to continuously create value for our customers? Commonly used measures this perspective are employee empowerment, employee motivation, employee capabilities, and information system capabilities etc. (Kaplan& Norton, 2001)

2.1.3 Benefits of balanced score card

Balanced score card has its own benefits. They are;

2.1.3.1 Better strategic planning

The balanced score card provide a powerful framework for building and communicating strategy. The business model is visualized a strategy map which helps managers to think about cause-and-effect relationships between the different strategic objectives. The process of creating a strategy map ensures that consensus is reached over a set of interrelated strategic objectives. It means that performance outcomes as well as key enablers or drivers of future performance are identified to create a complete picture of the strategy. (Marr, 2010)

2.1.3.2 Improved strategy communication and execution

Having a one page picture of the strategy allows companies to easily communicate strategy internally and externally. It is known for a long time that a picture is worth a thousand words. This 'plan on a page' facilitates the understanding of the strategy and helps to engage staff and external stakeholders in the delivery and review of the strategy. The thing to remember is that it is difficult for people to help execute a strategy which they don't fully understand. (Marr, 2010)

2.1.3.3 Better alignment of projects and initiatives

The balanced score card help organizations map their projects and initiatives to the different strategic objectives, which in turn ensures that the projects and initiatives and tightly focused on delivering the most strategic objectives. (Marr, 2010)

2.1.3.4. Better management information

The balanced score card helps organization key performance indicators for their various strategic objectives. This ensures that companies are measuring what actually matters. Research shows that companies with a BSC approach tend to report higher quality management information and better decision making. (Marr, 2010)

2.1.3.5. Improved performance reporting

The balanced score card can be used to guide the design of performance reports and dashboards. This ensures that the management reporting focuses on the most important strategic issues and helps companies monitor the execution of their plan. (Marr, 2010)

2.1.3.6 Better organizational alignment

The balanced score card enables companies to better align their organizational structure with the strategic objectives.in order to execute a plan well, organizations need to ensure that all business units and support functions are working towards the same goals. Cascading the balanced score card into those units will help to achieve that and link strategy to operations. (Marr,2010)

2.1.3.7 Better process alignment

Well implemented balanced score cards also help to align organizational processes such as budgeting, risk management and analytics with the strategic priorities. This will help to create a truly strategy focused organization. (Marr, 2010)

2.1.4 Characteristics of balanced score card

Balanced score has the following characteristics

2.1.4.1 BSC should high light a company strategy by focusing cause-and-effect relationship. The balanced score card should pin point specific objectives and measures in 'learning &growth perspective' which could improve internal business process. These, in turn, would result in to greater customer satisfactions, larger market share, higher operating income and shareholder wealth. (Ovidiv loan, 2007)

2.1.4.2 BSC should help in communicating the strategy formulated to all members of an organization by translating the strategy into a coherent and linked set of understandable and measurable operational targets. Subsequently, managers and employees take actions, based on score card, to achieve firm's strategy. To facilitate decisions and actions in accordance with score cards, it is preferable to develop score cards at the division and department level. (Ovidiv loan, 2007)

2.1.4.3 In profit seeking companies, the BSC gives strong emphasis on financial objectives and measures. Sometimes managers give too much importance to innovation, quality and customer satisfaction though they may not produce tangible benefits. A good balanced score card considers non-financial measures as a part of strategy or program to achieve and improve future financial performance. When financial and non-financial performance measures are properly linked in balanced score cards, many non-financial measures serve as leading indicators of future financial performance. (Ovidiv loan, 2007)

2.1.4.4 The BSC limits the number of measures used by identifying only the most critical ones. Avoiding a proliferation of measures focuses management's attention on those that are key to the implementation of the strategy. (Ovidiv loan, 2007)

2.1.4.5 The scorecard high lights suboptimal tradeoffs that managers may make when they fail to consider operational and financial measures together. A good balanced score card would signal that the short-run financial performance may have been achieved by taking actions that hurt future financial performance because a leading indicator of that performance, R&D spending and R&D output, has declined. (Ovidiv loan, 2007)

2.1.5 Requisites of balanced score card

BSC requires an adequate planning system and understanding of organization process to fit the organization primary objectives. However, developing and using balanced score cards for performance measurements are difficult tasks. (Ovidiv loan, 2007)

Requirements should be satisfied by organization before adopting BSC;

2.1.5.1 Management must define the organizations primary objectives:

This is usually well done because most profit-seeking organizations have a narrow primary objective, namely, to increase shareholder wealth. In profit seeking organizations that have primary objectives that include social and owner wealth objectives, management must stipulate how decision makers should weight each of these objectives. In not-for-profit organization like government, management must state its objectives precisely. (Ovidiv loan, 2007)

2.1.5.2 The organization must understand how stakeholders and process contribute to its primary objective:

Many managers admit that this is problematic .also many organizations, despite implementing massive quality programs, really do not understand the effect of quality on performance. (Rohit Agarawal, 2010)

2.1.5.3 The organization must develop a set of secondary objectives that are the derivers of performance on primary objectives:

This step is perhaps the most challenging and important in implementing the balanced score card. Accomplishing this task requires that processes and results come together. The organization must invest resources to back the strategies that it feels will produce results. This task seeks answers to questions like how much should be invested in employee training, a customer satisfaction system, a quality improvement system or an improved logical system? Such decisions should be based on an understanding of how increased spending improves process results, such an improved customer satisfaction, which in turn results in improved performance on the organization's primary objectives. (Ovidiv loan, 2007)

2.1.5.4 The organization must develop a set of measures to monitor performance on both primary and secondary objectives:

This is a conventional role for management accounting. This step raises issues about how to measure the variable of interest. If the organization choses the wrong of measure, it will motivate in appropriate performance. However, incentive composition actually may have little incremental effect on motivation. (Ovidiv loan, 2007)

2.1.5.5 The organization must develop a set of processes with their attendant implicit and explicit contracts with stakeholders to achieve those primary objectives:

Although this management requirement is well understood, the implied level of complexity required by the balanced score card is much deeper than what is done in normal practice. Under the BSC, managers would assess the costs and benefits of schemes to improve quality. (Ovidiv loan, 2007)

2.1.5.6 The organization must make specific and therefore public statements about its beliefs concerning how processes create results:

Public statements and specific commitments to courses of action arid expected results provide a basis for accountability. Therefore, they represent an element of management risk since management can be questioned more accurately about its failures. Many senior managers may find level of risk distasteful. However, owners may find such public statements illuminating. (Ovidiv loan, 2007)

2.1.6 Barriers to the implementation of the balanced scorecard

There are some barriers of balanced score card
2.1.6.1 The Vision Barrier
The vast majority of employees do not understand the organization's strategy. This situation sufficed at the turn of the twentieth century when value was derived from the most efficient use of physical assets, and employees were literally cogs in the great industrial wheel. However, in the information or knowledge age in which we currently exist, value is created from the intangible assets—the know-how, relationships, and cultures existing within Measuring Organizational Performance and the Need for a Balanced Scorecard the organization. Most companies are still organized for the industrial era, utilizing command and control orientations that are inadequate for today's environment (Paul R., 2006)

2.1.6.2 The People Barrier
Incentive compensation arrangements have been with us for quite some time, but have they been linked to the right things? Most systems provide rewards for the achievement of short-term financial targets, not long-term strategic initiatives. Recall the earlier admonition: What gets

measured gets done. When the focus is on achieving short-term financial targets, clever employees will do whatever it takes to ensure those results are achieved. This often comes at the expense of creating long-term value for the firm.(Paul R,2006)

2.1.6.3 The Resource Barrier

Sixty percent of organizations don't link budgets to strategy. This finding really should not come as a surprise to us because most organizations have separate processes for budgeting and
 Strategic planning. One group is working to forge the strategy that will lead the firm heroically into the future, while independently another group is crafting the operating and capital budgets for the coming year. The problem with this approach is that human and financial resources are once again tied to short-term financial targets and not long-term strategy (Paul R., 2006).

2.1.6.4 The Management Barrier

 Most of the survey respondents would, if pressed, probably report that the management meetings are just plain boring, and in many cases that is undoubtedly accurate. With mind-numbing charts and graphs, sleep-inducing commentaries, and zero conflict, most meetings can be rightly classified as both a waste of time and, unfortunately, a huge lost opportunity. It certainly doesn't have to be that way. When strategy forms the agenda for a management meeting, new life can be pumped into an antiquated institution, instantly changing the dynamic from dull and rote presentations to stimulating debate and discussion on the factors driving the firm forward. A focus on strategy demands that executives spend their time together moving beyond the analysis of defects to a deeper understanding of the underlying value-creating or destroying mechanisms in the firm. How does your executive team spend their time during their monthly or quarterly reviews? If yours is like most organizations, they probably spend the majority of their time analyzing the financial results and looking for remedies to the ―defects‖ that occur when actual results do not meet budget expectations.(Paul R ,2006)

2.1.7 Balanced score card as strategic management

2.1.7.1 Translating the vision: helps managers build a consensus the organization's vision and strategy. "despite the best intentions of those at the top, lofty statements about becoming "best in class," "the number one supplier," or an empowered organization" doesn't translate easily into

operational terms that provide useful guides to action at local level. For people to act on the words in vision and strategy statements, those statements must be expressed as an integrated set of objectives and measures, agreed up on by all senior executives ,that describe the long-term drivers of success" (Kaplan and Norton,2007)

2.1.7.2 Communicating and linking: lets managers commutate their strategy up and down the organization and link it departmental and individual objectives. Traditionally, "departments are evaluated by their financial performance, and individual incentives are tried to short-term financial goals. The score card gives managers a way of ensuring that all levels of the organization understand the long term strategy and that both departmental and individual objectives are aligned with it"(Kaplan& Norton, 2007)

2.1.7.3 Business planning: enables companies to integrate their business and financial plans. "Almost all organizations are implementing a variety of change programs, each with its own champions, gurus, and consultants, and each competing for senior executive's time, energy and resources. Managers find it difficult to integrate those diverse initiatives to achieve their strategic goals a situation that leads to frequent disappointments with the programs results. But when managers use the ambitious goals set for balanced score card measures as the basis for allocating resources and setting priorities, they can undertake and coordinate only those incentives that move them toward their long-term strategic objectives" (Kaplan& Norton,2007)

2.1.7.4 Feedback and Learning: gives companies the capacity for what we call strategic learning. "existing feedback and review processes focus on whether the company, its departments, or its individual employees have met their budgeted financial goals. With the balanced score card at the center of its management systems, A company can monitor short-term results from the three additional perspectives; customers, internal business processes, and learning & growth and evaluate strategy in the light of recent performance. The scorecard thus enables companies to modify strategies to reflect real time learning" (Kaplan & Norton,2007)

2.1.8 Performance evaluation system

Performance evaluation is the systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development. More comprehensively, it is a formal, structured system of measuring and evaluating an employee's job related behaviors and

outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, organizations, and society all benefit ″Aswathappa A., (2002)

Performance evaluation is a system designed to periodically and regularly measure the performance of employees against pre-set standards and it involves providing feedback to the employees in which case the result of the appraisal will be used as a basis for administrative decisions and developmental purposes. In the citation of literature, such terms as appraisal, assessment, personnel rating, merit rating, and review are used interchangeably with evaluations (Ivancevich, 2004).

The objective of performance evaluation is not only designed to check past performance (i.e. controlling) but also predicts the promotion potential of the candidate in the future (i.e. Development and coaching). Furthermore, the system is structured to measure and evaluate employee's job related behaviors and outcomes and this is an answer to the question ―*what to measure*. This largely determines what methods to use to measure these behaviors and outcomes. But one of the weaknesses of the above definition is that it does not tell us the frequency of performance evaluation which determines the frequency of the feedback given to the employees. It has long been recognized that performance appraisal plays an important role in organizations (Michael K., 1984).

2.1.9 Steps of Building Balanced Scorecard

2.1.9.1 Organizational Assessment

Organizational Assessment as the first step of building balanced scorecard process and it has a number of things to finalize the balanced scorecard and conducting organizational assessment of its vision, mission and SWOT analysis so as to determine how ready the organization for embarking balanced scorecard journey. A corporate scorecard requires an explicit corporate level strategy that articulates the theory of how the corporation adds value to collection of strategic business units. Such corporate value added can arise from several sources, including common themes that pervade all business units, shared corporate services, and explicit interactions among business units that create unique competitive advantages in the market segments. These themes

and synergies should be explicitly identified, communicated with a corporate scorecard and linked to business unit scorecards (Kaplan & Norton, 1996).

2.1.9.2 Strategy

Strategy represents the broad priorities adopted by the organization in recognition of its operating environment and pursuit of its mission. All performance objectives and measures should align with organizational strategy. Strategy is specific and detailed actions you will take to achieve your desired future and pattern of consistency of action over time (Nevin, 2014)

2.1.9.3 Objectives

Objectives are concise statement of what the organization must do well in each of four perspectives of financial, customer, internal process and learning and growth in order to execute its unique strategy (Nevin, 2014)

2.1.9.4 Strategy Maps

A balanced scorecard strategy map is generic an architecture for describing a strategy. The strategy map describes the process for transforming intangible assets in to tangible customer and outcomes. It provides executive with a framework for describing and managing strategy in a knowledge economy. A strategy map helps organizations to see their strategies in a cohesive, integrated and systematic way (David P., 2001).

2.1.9.5 Performance measures

The balanced scorecard translates an organization's mission and strategy in to a comprehensive set of performance measures that provides the framework for strategic measurement and management system. The balanced scorecard retains an emphasis on achieving financial objectives but also includes the performance drivers of these financial objectives, the scorecard measures organizational performance across four perspectives: financial customers, internal business and learning and growth (David P**.,** 1996)

Creating a balanced scorecard of performance measures requires making difficult choices among a vast number of possible metrics. Fortunately there are a number of criteria you can employ to assist you in making your decision. Scorecard measures should be linked to your

strategy, qualitative, accessible easily understood, counterbalance, relevant, and based on a definition shared by all involved. Each potential measures should be evaluated in the context of all criteria to determine which will be included in your scorecard (Nevin, 2006)

2.1.9.6 Strategic Initiatives

Strategic initiatives are defined as the collections of finite-duration discretionary projects and programs, outside the organization's day to day operational activities, that are designed to help the organization achieve its targeted performance .strategic initiatives aimed at achieving targeted performance for the strategy map objectives. Initiatives cannot be looked at in isolation: they must be viewed as portfolio of complementary actions, each of which must be successfully implemented if the company is to achieve its theme targets and overall strategy target. (David ,2006)

2.1.9.7 Software and Automation

Software and automation involves automating the balanced scorecard system, and consists of analyzing software options and user requirements to make the most cost-effective software choice for today and to meet enterprise performance information requirements in the future. Automating your balanced Scorecard provides a number of benefits and maximizes its use as measurement system, strategic management system, and communication tool. The advanced analytics and decision support provided by even the simplest Scorecard software allow organizations to perform intricate evaluations of performance and critically examine the relationships to among their performance measures. Automation also supports true organization wide deployment of the tool. Software programs for the Balanced Scorecard can run from simple reporting tools to sophisticated enterprise-wide management solutions. Therefore, major differences exist in the time and resources necessary. This software solution you consider must contain robust and Flexible reporting and analysis tools. This section explores a number of reporting and analysis to implement the system (Niven, 2006).

2.1.9.8 Cascading

According to Niven, (2006) cascading the scorecard means driving it down into the organization and giving all employees the opportunity to demonstrate how their day-to-day activities

contribute to the company's strategy. Strategic alignment of a business unit must take place in multiple directions. The obvious need is to achieve downward alignment to the employee base. This process frequently referred to as cascading (Kaplan and Norton, 1996).

To successfully implement any strategy it must be understood and acted on by every level of the firm. Cascading the Scorecard means driving it down into the organization and giving employees the opportunity to demonstrate how their day-to-day activities contribute to the company's strategy. All organizational levels distinguish their value creating activities by developing Scorecards that link to the high-level corporate objectives. Cascading creates a line of sigh from the employee on the shop floor back to the executive boardroom (Zdaravko. Jelena et.al 2007)

2.1.9.9 Evaluation

Evaluation is the last step of balanced scorecard implementation which implied every stage of the planning process is ability to determine progress made toward the goals or targets set. The assessment ability is monitoring functions that simply tracks activities (and their results).it may be as simple as a lot to do list or as complicated as plan of action with milestones. Also implied Within the planning process is the ability to measure effectiveness of the actions taken in the conduct of the actions taken in the conduct of the organization's business (Will E., *et.al*,2001).

2.2 Empirical literature

A research conducted by Yahaya (2009) in his MBA thesis on "Using Balanced Scorecard to assess performance of Banks in Ghana "concluded that the Customer perspective, learning and growth perspective and internal business perspective affect the assessment of the performance of banks to a very large extent in Ghana. The well performing banks financially may not necessarily be the best banks in the industry when other perspective or dimensions are taking into consideration. It provides additional information to managers, shareholders and others stakeholders regarding performance of banks which enables banks focus on the core strategies in order to create and deliver superior value and returns to their shareholders. For this purpose, primary and secondary both sources were used for data collection. Primary sources include questionnaires and interviews that concentrated on the internal processes and learning and growth perspective. Secondary sources included banks published financial statements. He recommended that banks should implement the BSC as performance measurement and strategic

implementation tool to improve their operational performance and profitability. Banks must follow a well-planned methodology to reap the full benefit of their investment.

Tominac (2014) in his research paper on "Possibilities of Balanced Scorecard Application in Commercial Banks" concluded that Financial Indicators are not enough for reporting because they are not directly connected with the bank's long term goals. Balanced Scorecard engages all hidden resources in order to ensure bank's leading position in the market. It is important for implementing Balanced Scorecard in Banks to appropriate balance all imperatives of the bank. Application of BSc helps employees to better understand the strategies. It also helps management to consider weaknesses and strengths, areas on which losses are made and profitable ones .Implementation of BSC is expensive and requires times &effort.

Rostami et al. (2015) in their article on, "Defining Balanced Scorecard in Banking Industry using FAHP Approach", ranked customer aspect as first cluster and financial aspect for second, internal processes aspect for third and the end learning and growth aspect for fourth in the balanced scorecard model. In each aspect, indicators were chosen and ranked t through FAHP technique. It was found that, the "market rate" and the "growth rate of customer complaints" and "Customer attract rate" are the most important indicators of customer aspect. "Revenues", "P/E Ratio" and "leverage" are the most important indicators in the financial aspect. The" Electronic transaction share " , " performance management" and "research and development costs are the most important indicator in internal processes aspect and "Employee Stability", "loan Per Capita" and "Present Reduction in disciplinary matters" are the most important indicators in learning and growth aspect. For the study, 56 indicators were found based on prior studies and literature which were scrutinized by expert opinions through administering questionnaires. Indicators were extracted in each aspect which was weighted using pair comparison questionnaire based on FAHP Approach.

Dave and Dave (2012) in their research paper on, "Applying Balanced Scorecard in Indian Banking Sector: An empirical study of the State Bank of India" concluded that being a part of the service sector, long-term strategic planning i n a bank needs to concentrate o n a comprehensive performance evaluation system. BSC emerges to be an efficient and all inclusive tool and encompassing various aspects of Banks performance. It is helpful in understanding the

complementarities among various performance indicators for a bank and makes a strategy designing ad implementation process more efficient .implementing BSC technique becomes complicated due to the difficulties in measurement of the intangible assets, existence of interrelations among these indicators, differences in the significance assigned to various indicators within the organization and trouble in setting the linkages between the employee's performance and the reward mechanism. For the study, a balanced scorecard was constructed and performance of bank over twelve years from 1997 to 2008 was evaluated using 29 Indicators of the banks.

Ibrahim (2015) in his research paper on, "Investigating the use of the four perspective of Balanced Scorecard (BSC) as technique for assessing performance by Nigerian Banks" concluded that Nigerian Banks relied heavily on financial performance measures followed by customer performance measures as a technique for assessing their performance. A comprehensive view of their performance can't be guaranteed without incorporating all the four perspective of BSC. A judgmental/purposive sampling technique was adopted to arrive at the sample of eleven banks in Nigeria. For collection of data, a survey technique using questioners was used Descriptive statics, percentages, means, medians, modes, standard deviations, and minimum points, maximum points were used for analysis of data. He recommended Nigerian Banks should enhance their performance measurement systems by balancing their performance measures within the four perspective of BSC.

In the country (Tsion,2014) in her study on perspective and challenges of balanced score card implementation in development bank of Ethiopia. Find that balanced score card helps the employees in organization in order to enhance the knowledge in regarding to their organization mission and objective, it also the knowledge of effective time management, commitment to work, responsibility for their work. This study is basically based on secondary data gathered from related literature published in the book, journal, statement, report. The nature of study is both qualitative and quantitative and analytical. Finally the paper concludes the achievement and positive contribution of balanced score card to the organization and the employees and the customer to look positively.

Similarly, by (Daniel,2017) in his study on to apply balanced score card in ethio telecom to absorb some challenges. The first one cascading individual level is the most challenges activity, the second and lack of effective training or education to implement the balanced score card in ethio telecom, the third one lack of senior management commitment to apply balanced and the last one is measurement tool to measure balanced score card in the ethio telecom. This study focuses both primary and secondary data and used the descriptive research method by reviewing available literature source on balanced score card that relevant to ethio telecom challenges and problem.

2.3 summary and gap in existing literature

Implementing a balanced score card has a number of advantage for organization and bank performance in effectively and efficiently. To apply balanced score card advantages for companies, organizations, private and public banks. Many countries apply BSC benefit for the company's performance evaluation effectively, the researchers show Yayha (2009), on using balanced score card to assess performance of banks in Ghana based on four perspectives which are financial, customer, internal and learning& growth perspectives. The study was used independent variables; they were financial, customer, internal and learning &growth. Also it uses dependent variable was performance of banks in Ghana. The researcher recommended that the banks should implement the BSC performance measurement and to reap the full benefit of investment. Ibrahim(2015) research on investigating the use of four perspective of BSC as technique for assessing performance of banks by using judgmental sampling technique , and used independent variables called financial, customer, internal and learning& growth. Also dependent variable was performance of banks in Nigeria. the bank enhance their performance measurement system by balancing the performance in four perspectives, Rostami et al.(2015).Defining balanced score card in bank industry using FAHP approach were found based on prior study and literature which by expert opinions through administrating questionnaires based on the FAHP, The researcher was used independent variables; financial, customer, internal and learning & growth. And dependent variable was banking industry using FAHP approach. Dave and Dave(2012)in their research applying BSC technique becomes complicated due to difficulties in measurement of intangible assets, existence of interrelation among the indicators by using independent variables financial, customer, internal, learning & growth. The researchers also used

dependent variable Indian banking performance. Then my research to assess bank performance based on balanced score card in case of NIB bank because of there is few empherical studies related on balanced score card. and to investigate literature gap by identifying the factor that affects bank performance based on balanced score card; The main challenges are limited understanding of BSC, lack of BSC education and training, in adducted support project team and organizational practice & lack of planning and communication. Therefore, the study tries to fulfill the gap by solving the problem in 2019/20.

CHAPTER THREE

RESEARCH DESIGN AND METHDOLOGY

This chapter includes research design, data type, and source of data, research approach sampling technique of the study.

3.1 Research design

The aim of this study was to assess bank performance based on balanced score card in Nib bank. To this effect, to get reliable information and current status of bank performance based on balanced score card, descriptive research design was used because it is necessary describing performance of bank based on BSC and this method will describe the existing practice and advantage of balanced score card implementation also the objective of the study reveals to determine contribution of BSC practice on performance of Nib bank. Descriptive research design can use a wide variety of quantitative and qualitative methods to investigate one or more variables .also this design tries to address who, what, when and how questions. Data analyze by quantitative and qualitative technique.

3.2 Research approach

Research approach is classified in to three. They are qualitative, quantitative and mixed approach. Qualitative research approach focused on narrative while quantitative research focuses on numbers. This research paper applies the existing assessment of bank performance based on BSC in Nib bank. Additionally better knowledge from different data source, which helps the main problem checking the result, increasing relevant data analysis and findings. The data analysis of the study were summarized by using frequency and percentage as well as mean and standard deviation for variables including age, sex, educational level and working experience were analyzed. The four perspective of BSC were analyzed and interpreted. The data gathered through questionnaires from respondent were analyzed and presented in the form of figures and tables. The collected data from randomly selected by close ended questionnaires will analyze by using SPSS in terms of descriptive statistics such as frequency, percentage, mean and standard deviation.

3.3 Sampling technique

The study was used Purposive sampling to get sample size. Purposive sampling represents a group of different non-probability sampling techniques. Also known as judgmental, selective or subjective sampling, Purposive sampling relies on the judgment of the researcher when it comes to selecting the units. This type of sampling can be very useful in situations in order to reach a targeted sample quickly, and where sampling for proportionality is the main concern. The main goal of purposive sampling is to focus on particular characteristics of a population that are of interest, which will best enable you to answer research questions. The total number of employees is 480 in Nib bank head office. From this total population, 85 staffs are taken as sample size by using purposive sampling from four departments involved in balanced score card practice. From the management staff 5 employees were selected, from the human resource department staff 30 employees, from project management staff 20 employees and the remaining 30 employees were selected from accounting and finance department staff.

3.4 Data type and source

This research paper was used primary source of data. The primary data design from questioners collected from the bank manager, employees, team of BSC with in the head office of Nib bank.

3.5 Source of data

The research paper was used primary data to collect useful information. The study mainly focused primary data which collect through case study. A case study research design is an in depth study of particular situation.it is a method used to narrow down a very broad field of research into one easily researchable topic. The case study research design is useful for testing whether scientific theories and models actually work in the real world. This research was used open& close ended questioners. A questionnaire was adopted from previous research based on the objective under study by Tamiru Hailu in 2017, to get respondents demographic profile, educational background and work experience. Also to know the respondents awareness on balanced score card practice based on four perspectives. To validate the instruments the researcher was pretest by checking the questioner whether there were indeterminate, confusing and poorly prepared questions and Data was collected by using developed questionnaire, Also questionnaire was distributed and collected by the researcher in order to make the data valid. The

researcher was used test- re test technique of measuring the reliability of research instrument was used to eliminate biasness in order to fit within the required goals. The data sources are; Primary data collected from manager, employees, team of BSC.

Table 1 reliability statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.922	.922	36

Source: SPSS out put

As indicated from the reliability scale measurement of the above table the scale of reliability test is acceptable and show internal consistency.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with presentation, analysis and interpretation of data. This study was conducted in Head office of Nib International bank s.c to assessing bank performance based on balanced score card. Analysis was conducted using data collected from primary and secondary sources. The analysis consists of two sections. In the first section, the respondents are categorized with demographic variables; sex, age, academic qualification and work experience. The second section deals with analysis and interpretation of data related to the topic under study that was collected through questionnaire.

In order to obtain relevant data, questionnaires and interviews are employed. For primary interview was conducted with project department manager, total 85 copies of questionnaire were distributed to the respondents. Out of this copy of questionnaires 5 were distributed to management department, 30 copies were distributed to human resource department, 20 were distributed to project management department and the remaining 30 copies were distributed to accounting and finance department. From the distributed copies of questionnaires, 73 (85.88%) were completed and returned. The data collected through questionnaires are presented below with the help of tables, figures. This chapter deals with respondents' demographic profile as well as respondents opinion on bank performance based on balanced score card is presented. Respondent's level of agreement four perspectives of balanced score card implementation and performance achievements balanced score card implementations are presented as follows.

4.1 Demographic characteristics of respondents

Table 2 The respondents general profile

Parameters		Frequency	Percentage
Gender	Male	38	52.05%
	Female	35	47.94%
	Total	73	100%
Educational back ground	Diploma	-	-
	Bachelor degree	62	84.93%
	Master's degree	11	15.06%
	Doctorate degree	-	-
	Total	72	100%
Work experience	1-2 years	23	31.50%
	3-5 years	38	52.05%
	6-10 years	11	15.06%
	11-20 years	1	1.36%
	Total	73	100%

Source: Questioner 2020.

Demographic characteristics of the bank employees from all categories of gender, educational background and working experience were participated in filling out the questionnaire are summarized in table 1, as the data reveals 52.05% and 47.94% of the respondents were male and female respectively. Therefore, the majority of the respondents are male. The respondents concerning educational background majority (84.93%) of the respondents were BA degree holders. The rests (15.06%) were MA degree holders. This implies that the most of the respondents had BA degree. Regarding working experience of respondents in Nib bank, the study result indicated that majority of the respondents (52.05%) had between 3-5 years of experience (31.50% and 15.06%) was between 1-2 and 6-10years of working experience in the bank respectively the rest 1.36% of the sampled population were had 11-20 years of experience in the bank. From the data we can understand that the experiences of respondents were found to be adequate in order to provide enough information regarding BSC implementation in the bank.

Figure 1 Department of respondent in the organization
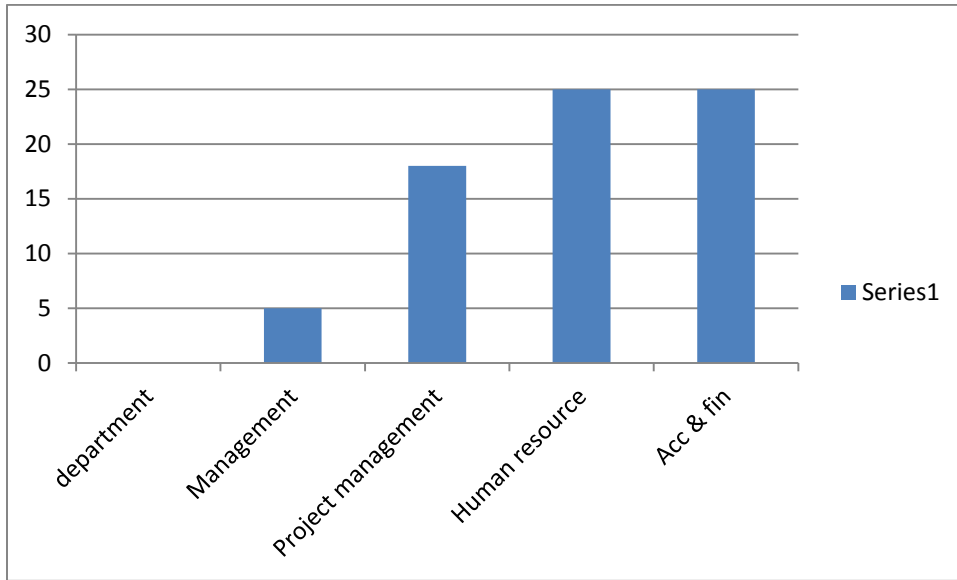
Source: Questioner 2020.

As indicated the above figure, 5 respondents from management staff, 18 respondents from project management staff, 25 employee's from human resource staff and the rest 25 respondents were from accounting and finance departments are responded to the questionnaire.

4.2 Descriptive statistics

The bank performance based on balanced score card objective requested to the respondents to measure in Likert scale level and the respondents put their level of agreement. The findings of the study were presented as follows. The level of score is analyzed through frequency, mean and standard deviation. A mean of less than 3.00 meant members disagreed with item, while a mean above 3.00 meant members agreed with item. Thus, the results obtained are presented below.

4.3 Financial perspective

According to Kaplan &Norton (1996) the financial perspectives serve as the focus for the objectives and measures in all the other scorecard perspectives. Every measure selected should be part of link of cause and effect relationships that culminate in improving financial performance the scorecard should tell the story of the strategy, starting with the long run financial objectives and then linking them to the sequence of actions that must be taken with

financial processes, customers, internal processes and finally employees and systems to deliver the desired long run economic performance. Results level of agreement listed in below table.

Table 3 Employee response on financial perspective

No	Question	Response	Frequency (%)	Mean	Std. deviation
1	Proper allocation of necessary resources for implementation of BSC.	Strongly disagree	10 (13.7%)	2.78	1.03
		Disagree	17(23.3%)		
		Neutral	26 (35.6%)		
		Agree	19 (26.0%)		
		Strongly agree	1(1.4%)		
		Total	73 (100%)		
2	Practicing BSC improves overall financial performance in Nib bank.	Strongly disagree	12 (16.4%)	2.76	1.07
		Disagree	14 (19.2%)		
		Neutral	28 (38.4%)		
		Agree	17 (23.3%)		
		Strongly agree	2 (2.7%)		
		Total	73 (100%)		
3	The bank has been more profitable since the adoption of BSC.	Strongly disagree	7 (9.6%)	2.73	1.01
		Disagree	24 (32.9%)		
		Neutral	27 (37.0%)		
		Agree	11 (15.1%)		
		Strongly agree	4 (5.5%)		
		Total	73(100%)		

4	BSC fulfill stake holder expectation.	Strongly disagree	8 (11.0%)	2.56	1.01
		Disagree	31 (42.5%)		
		Neutral	24 (32.9%)		
		Agree	5 (6.8%)		
		Strongly agree	5 (6.8%)		
		Total	73 (100%)		
5	BSC improves sales growth.	Strongly disagree	10 (13.7%)	2.57	1.05
		Disagree	28 (38.4%)		
		Neutral	22 (30.1%)		
		Agree	9 (12.3%)		
		Strongly agree	4 (5.5%)		
		Total	73(100%)		
6	Cash flow generated.	Strongly disagree	4 (5.5%)	3.19	1.06
		Disagree	15 (20.5%)		
		Neutral	25 (34.2%)		
		Agree	21 (28.8%)		
		Strongly agree	8 (11.0%)		
		Total	73(100%)		

Source: SPSS output from questioner response 2020.

As the result shows, the respondents point out that the arithmetic mean and standard deviation on overall financial perspective of the bank considered in this study. The result shows average mean value of their response was 2.78 and standard deviation 1.03 on allocation of necessary resources for implementation of BSC majority of respondents disagreed. This implies that the bank does not properly allocate necessary resources for implementation of BSC. Mean 2.76 with standard

deviation 1.07 on practicing BSC improves overall financial performance the greater part of the respondents were negatively replied. This indicates that there is a gap on the practicing BSC. From the findings the respondent point out mean 2.73 and standard deviation 1.01 on the bank has been more profitable since the adoption of BSC majority of the respondents moderately neutral. This indicates that there is insufficient awareness on the bank either profitable or not since the adoption of BSC. The mean scored 2.56 and standard deviation 1.01 on BSC fulfill stakeholder expectation this implies that there is a problem in the bank on fulfilling stake holder expectation. With regard to mean 2.57 and standard deviation 1.05 on BSC improves sales growth the greater part of respondents disagreed. This implies that sales growth was not satisfactory. As the table described opinion of respondents regarding cash flow generated mean and standard deviation 3.19 and 1.06. This shows that the respondents were agreed on cash flow generated.

From the above data, Nib bank has a weakness on financial perspective; according to average mean 2.76 this indicates that the respondents have not sufficient awareness about BSC financial perspective. The data collected through questionnaire has shown that the bank's financial perspective in using balanced score card is far from being adequate, much is desired yet.

These findings are in line with the findings of selamawit (2016), there were using resources effectively, use infrastructure and technology effectively; accept financial report in all level of organization performance and to develop new method on increase revenue. Tamiru (2017) findings indicate that, the financial return satisfaction of stakeholder's expectation was very significant factor. Sales growth was very significant factor for implementing BSC in their organization. Expect cash flow generation from the implementation of BSC.

4.4 Customer perspective

According to Niven (2006) customer perspectives of balanced scorecard, companies identify the customer and market segments in which they have chosen to compete. These segments represent the sources that will deliver the revenue component of the company's financial objectives. This perspective typically includes several core or generic measures of successful outcomes from a well formulated and implemented strategy. The customer perspective enables companies to align their core customer outcome measures- satisfaction, loyalty, retention, acquisition and

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profitability to targeted customers and market segments. It also enables them to identify and measure explicitly the values propositions they will deliver to targeted customers and market segments. Results level of agreement listed in below table.

Table 4 Employee response on customer perspective

No	Question	Response	Frequency(%)	Mean	Std. deviation
7	There are customer focused objectives.	Strongly disagree	8(11.0%)	2.75	1.10
		Disagree	25(34.2%)		
		Neutral	23(31.5%)		
		Agree	11(15.1%)		
		Strongly agree	6(8.2%)		
		Total	73 (100%)		
8	After implementing BSC, a customer petition is decreased.	Strongly disagree	6 (8.2%)	2.67	.928
		Disagree	27 (37.0%)		
		Neutral	27 (37.0%)		
		Agree	11 (15.1%)		
		Strongly agree	2 (2.7%)		
		Total	73 (100%)		
9	A bank focuses on long term customer relationship by developing the awareness of their need.	Strongly disagree	11 (15.1%)	2.53	1.04
		Disagree	28 (38.4%)		
		Neutral	21 (28.8%)		
		Agree	10 (13.7%)		
		Strongly agree	3 (4.1%)		
		Total	73 (100%)		
10	The implementation of BSC improves the service delivery of Nib bank.	Strongly disagree	4 (5.5%)	2.73	.913
		Disagree	28 (38.4%)		
		Neutral	26 (35.6%)		

		Agree	13 (17.8%)		
		Strongly agree	2 (2.73%)		
		Total	73 (100%)		
11	Customer retention.	Strongly disagree	3 (4.1%)	3.12	1.02
		Disagree	19 (26.0%)		
		Neutral	23 (31.5%)		
		Agree	22 (30.1%)		
		Strongly agree	6 (8.2%)		
		Total	73 (100%)		
12	On the time of delivery.	Strongly disagree	3 (4.1%)	3.34	1.03
		Disagree	14 (19.2%)		
		Neutral	18 (24.7%)		
		Agree	31 (42.5%)		
		Strongly agree	7 (9.6%)		
		Total	73 (100%)		

Source: SPSS output from questioner response 2020.

The items in table 4 were specifically designed to examine customer perspective of BSC in the bank. The result revealed that mean and standard deviation 2.75 and 1.10 majority of the respondents were moderately neutral; this shows that there is a problem on customer focused objectives. The mean scored 2.67 and standard deviation 0.928. This indicates that greater parts of respondents were moderately neural or have no sufficient knowledge on customer petition decreased. As result shows mean 2.53 and standard deviation 1.04 on a bank focused long term customer relationship majority of the respondents were disagreed. This indicates that the bank does not focused long term customer relationship. Mean 2.73 and standard deviation 0.913 large numbers of respondents were negatively replied. It indicates that there is a gap on the implementation of BSC improves service delivery of the bank. The table shows 3.12 and 0.12 mean and standard deviation majority of respondents were agreed. In connection with this the bank has a good status on customer retention. Mean 3.34 and standard deviation 1.03 on time of delivery most of the respondents were agreed.

Nib bank has better position on customer perspective according to average mean 2.85 when compared to financial perspective. But the bank has not yet implemented effectively the customer perspective as well. Literature indicates that the use of customer perspective is as important and worthy as financial perspective. The data collected and analyzed above clearly indicates how substandard the bank in this aspect. Although the researcher admit that it has manifested a good progress in it use, yet, the bank has effectively employ the customer perspective of the balanced score card so that it can benefit to its fullest.

Tamiru (2017) finding indicates that, the implementation of BSC in their organization helps towards customer satisfaction. The implementation of BSC in their organization helps towards improves client retention. There is significant effect on the time of delivery due to BSC implementation. According to selamawit (2016) finding; add value to customer and clients, the customers are satisfied, communicate with customers using email, face to face and the customers feedback are keys for the organizations performance system.

4.5 Internal process perspective

According to Niven (2006), an internal process perspective of balanced scorecard is identifying the key processes the firm must excel in order to continue adding value for customers and ultimately shareholders. To satisfy customer and shareholder expectations, you may have to identify entirely new internal processes rather than focusing your efforts on the incremental improvement of existing activities. Product development, production, manufacturing delivery and post-sale service may be represented in this perspective. Results level of agreement listed below.

Table 5 Employee response on internal process perspective

No	Question	Response	Frequency(%)	Mean	Std. deviation
13	Top level management prepared strategic plan.	Strongly disagree	10 (13.7%)	2.97	1.24
		Disagree	17 (23.3%)		
		Neutral	21 (28.8%)		
		Agree	15 (20.5%)		
		Strongly agree	10 (13.7%)		
		Total	73 (100%)		
14	Available quality measure or service.	Strongly disagree	9 (12.3%)	2.91	1.16
		Disagree	19 (26.0%)		
		Neutral	20 (27.4%)		
		Agree	19 (26.0%)		
		Strongly agree	6 (8.2%)		
		Total	73 (100%)		
15	Increase creativity and new ideas.	Strongly disagree	5(6.8%)	3.35	1.14
		Disagree	12 (16.4%)		
		Neutral	20 (27.4%)		
		Agree	24 (32.9%)		
		Strongly agree	12 (16.4%)		
		Total	73 (100%)		
16	Developing company measures, in order to identify customer future need.	Strongly disagree	2 (2.7%)	3.28	1.12
		Disagree	20 (27.4%)		
		Neutral	18 (24.7%)		

		Agree	21 (28.8%)		
		Strongly agree	12 (16.4%)		
		Total	73 (100%)		
17	Practicing BSC reduced non value efforts of the bank.	Strongly disagree	6 (8.2%)	3.01	1.09
		Disagree	19 (26.0%)		
		Neutral	22 (30.1%)		
		Agree	20 (27.4%)		
		Strongly agree	6 (8.2%)		
		Total	73 (100%)		

Source: SPSS output from questioner response 2020.

The above table reveals that mean 2.97 and standard deviation 1.24 it shows that majority of the respondents were neutral. This implies that there is not sufficient awareness with the issue top level management prepared the strategic plan. Mean 2.91 and standard deviation 1.16 available quality measure or service most of respondents were neutral. This indicates that the bank has not available quality measure or service. Table 5 describes that mean 3.35 with standard deviation 1.14 of respondent's opinion. This show that majority of respondents were agreed on increase creativity and new ideas. Mean 3.28 and standard deviation 1.12 developing company measures therefore, elements according to response score stated agree. Additional finding mean 3.01 with standard deviation 1.09 BSC reduced non value efforts of bank. It shows that greater parts of respondents were agreed.

Nib bank on this perspective as can be inferred from the table, the respondents opinion relies on 3.10 average mean internal process perspective of the balanced score card, with all its improvements so far, the bank has to pay due attention to the meaningful and optimal use of internal process perspective of balanced score card as well.

According to selamawit (2016) finding; the EMI conduct organizational assessment, developing strategic objectives, developing helpful performance management system, not automating the BSC system, cascading the process in individual level of organization and not uses other process measurement tool. Tamiru (2017) findings shows that the balanced score card is very significant or extremely significant to provide management with a comprehensive picture of business operations. Creativity and unexpected ideas had a significant link with the implementation of balanced scorecard mythology in their organization.

4.6 Learning and growth perspective

According to Kaplan & Norton 1996 learning and growth, It is identifies the infrastructure that the organization must build to create long term growth and improvement. The customer and internal business process perspectives identify the factors most critical for current and future successes. Businesses are unlikely to be able to meet their long term targets for customers and internal processes using today's technology and capabilities. Organizational learning and growth come from three principal sources: people, systems and organizational procedures. The financial, customer, internal business process objectives on balanced scorecard typically will reveal large gaps between the existing capabilities of people, systems and organizational procedures and what will be required it achieve breakthrough performance. Results level of agreement listed below.

Table 6 Employee response on learning and growth perspective

No	Question	Response	Frequency(%)	Mean	Std. deviation
18	BSC gives more attention to the advancement of your carrier development.	Strongly disagree	7 (9.6%)	2.93	1.14
		Disagree	22 (30.1%)		
		Neutral	20 (27.4%)		
		Agree	17 (23.3%)		
		Strongly Agree	7 (9.6%)		
		Total	73 (100%)		
19	Increase of employee training.	Strongly disagree	3 (4.1%)		

		Disagree	14 (19.2%)		
		Neutral	30 (41.1%)	3.19	1.00
		Agree	18 (24.1%)		
		Strongly agree	8 (11.0%)		
		Total	73 (100%)		
20	Increase of employee skill.	Strongly disagree	3 (4.1%)		
		Disagree	15 (20.5%)		
		Neutral	32 (43.8%)	3.15	1.02
		Agree	14 (19.2%)		
		Strongly agree	9 (12.3%)		
		Total	73 (100%)		
21	Increase of employee satisfaction.	Strongly disagree	2 (2.7%)		
		Disagree	14 (19.2%)		
		Neutral	25 (34.2%)	3.30	.995
		Agree	24 (32.9%)		
		Strongly agree	8 (11.0%)		
		Total	73 (100%)		
22	Increase of employee corporation.	Strongly disagree	3 (4.1%)		
		Disagree	13 (17.8%)		
		Neutral	26 (35.6%)	3.27	1.01
		Agree	23 (31.5%)		
		Strongly agree	8 (11.0%)		
		Total	73 (100%)		
23	Focused on successful team work.	Strongly disagree	8 (11.0%)		
		Disagree	14 (19.2%)		
		Neutral	22 (30.1%)		
		Agree	17 (23.3%)	3.15	1.23

		Strongly agree	12 (16.4%)		
		Total	73 (100%)		
24	Suitable working environment to develop your job, knowledge& ability.	Strongly disagree	8 (11.0%)	3.13	1.20
		Disagree	13 (17.8%)		
		Neutral	24 (32.9%)		
		Agree	17 (23.3%)		
		Strongly agree	11 (15.1%)		
		Total	73 (100%)		
25	Adequate training given on BSC.	Strongly disagree	2 (2.7%)	3.46	1.00
		Disagree	11 (15.1%)		
		Neutral	21 (28.8%)		
		Agree	29 (39.7%)		
		Strongly agree	10 (13.7%)		
		Total	73 (100%)		
26	BSC encourages learning and continues improvement.	Strongly disagree	6 (8.2%)	3.23	1.17
		Disagree	13 (17.8%)		
		Neutral	24 (32.9%)		
		Agree	18 (24.7%)		
		Strongly agree	12 (16.4%)		
		Total	73 (100%)		
27	Increased employees understanding of strategies.	Strongly disagree	3 (4.1%)	3.49	1.05
		Disagree	10 (13.7%)		
		Neutral	20 (27.4%)		
		Agree	28 (38.4%)		
		Strongly agree	12 (16.4%)		
		Total	73 (100%)		

Source: SPSS output from questioner response 2020.

The data shown in table 6 mean 2.93 with standard deviation 1.14, majority of the respondent's rates on neutral. This indicates that there is lack of understanding on BSC gives more attention to the advancement of carrier. Mean 3.19 and standard deviation 1.00 increase employee training therefore, elements according to response score stated on agreed. With regard to Mean 3.15 and standard deviation 1.02 increase employee skill more respondents were agreed. With respect to the table mean 3.30 with standard deviation 0.99. It shows the respondents opinion agreed on increase employee satisfaction. Additional finding mean 3.27 and standard deviation 1.01 increase employee corporations. The mean scored 3.15 and standard deviation 1.23 greater respondents were agreed. This shows that the bank is focused on successful team work. The respondent's opinions mean 3.13 and standard deviation 1.20 this shows that respondents were agreed on suitable working environment. Mean 3.46 and standard deviation and 1.00 this indicated as the respondents agreed on adequate trainings given on BSC. As indicated in the tables 6 mean 3.23 and standard deviation 1.17 BSC encourages learning and continuous improvement greater part of respondents were agreed. The mean scored 3.49 and standard deviation 1.19 this implies that most of respondents were agreed on increased employees understanding of strategies.

This perspective of balanced score card is also closely examined at the Nib International bank considered by the researcher. As finding of data collected in this regard can be deduced from table 6 above; average mean 3.23, the bank has implemented this perspective in a better of all perspectives. The researcher found the bank has the better record of effectively using learning and growth perspective. This shall not, however, be construed as saying the bank is meticulous in this regard too. Even if it is discovered that this perspective is implemented more effectively than others, yet it has several elements to improve. However, in light with the weak performances it record under their perspectives discussed above. The banks performance via learning and growth perspective is relatively appreciable.

This finding are in line with the findings of Tamiru (2017), it is very significant factor to increase the training of the employees, BSC implementation would help in improving the employees skill very significantly, increase of employee satisfaction was significant factor. Selamawit (2016) findings shows that; the organization conduct skill assessment , providing

training to employees in order to fulfill the gap, supporting employees knowledge and not behavioral change on the employees for implement the balanced score card.

4.7 Performance achievement

According to Aswathappa A., (2002) Performance evaluation is the systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development. More comprehensively, it is a formal, structured system of measuring and evaluating an employee's job related behaviors and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, organizations, and society all benefit.

Table 7 Employee response on performance achievement

No	Question	Response	Frequency(%)	Mean	Std. deviation
29	Meeting team and individual objective with organization objective.	Strongly disagree	6 (8.2%)	2.73	.943
		Disagree	22 (30.1%)		
		Neutral	34 (46.6%)		
		Agree	7 (9.6%)		
		Strongly agree	4 (5.5%)		
		Total	73 (100%)		
30	Teams are formed and administration better operation methodology.	Strongly disagree	4 (5.5%)	2.86	1.00
		Disagree	25 (34.2%)		
		Neutral	26 (35.6%)		
		Agree	13 (17.8%)		
		Strongly agree	5 (6.8%)		
		Total	73 (100%)		
31	Balanced score card in the bank translated	Strongly disagree	1 (1.4%)		

		Disagree	17 (23.3%)	3.17	.933
	organizational goal into actionable deliverables.	Neutral	29 (39.7%)		
		Agree	20 (27.4%)		
		Strongly agree	6 (8.2%)		
		Total	73 (100%)		
32	Practicing of balanced score card increase internal creativity and new ideas.	Strongly disagree	0 (0%)	3.24	.909
		Disagree	17 (23.3%)		
		Neutral	27 (37.0%)		
		Agree	23 (31.5%)		
		Strongly agree	6 (8.2%)		
		Total	73 (100%)		
33	The bank performers trust the top management.	Strongly disagree	6 (8.2%)	2.90	1.01
		Disagree	20 (27.4%)		
		Neutral	25 (34.2%)		
		Agree	19 (26.0%)		
		Strongly agree	3 (4.1%)		
		Total	73 (100%)		

Source: SPSS output from questioner response 2020.

As indicated in the table above, mean 2.73 and standard deviation 0.943 majorities of the respondents were disagreed. This indicated that the bank has a problem on meeting team and individual objective with organizational objective. The mean scored 2.86 with standard deviation 1.00 this shows that greater parts of respondents were negatively replied. This implies that there is a problem on teams are formed and administration better operation methodology. As presented in table 7 the mean 3.17 and standard deviation 0.933 BSC in the bank translated organizational goal in to actionable deliverables greater part of respondents agreed. The above result shows

mean 3.24 and standard deviation 0.909 on practicing BSC increase internal creativity and new ideas. This implies majority of the respondents agreed. The mean value scored 2.90 with standard deviation 1.01; therefore most of respondents were disagreed. This implies that the bank performers do not trust the top management. The average mean value indicated that 2.98 on performance achievement.

As can be grasped from the table, the performance achievement derived by the data collected clearly shows that average mean 2.98, this indicates that bank's performance is wanting. The performance achievement is problematic and to be challenged.

4.8 Major challenge

According to Kaplan and Norton (1992), during the first couple of years of introducing BSC in some of companies took the concept back to their organization, the project participants found that they could not implement BSC without the involvement of the senior managers who had the most complete picture of the company's vision and priorities. This was reveling, because most of existing performance measurement system have been designed and overseen by financial experts although Kaplan and Norton (2001) describe many successful implementation of the BSC, they also identify sources of failure of the BSC implementation.

Table 8 Employee response on major challenges of BSC

No	Question	Response	Frequency(%)	Mean	Std. deviation
35	After practicing BSC the performance evaluation of the bank become very favorable.	Strongly disagree	1 (1.4%)	2.35	.903
		Disagree	7 (9.6%)		
		Neutral	20 (27.4%)		
		Agree	34 (46.6%)		
		Strongly agree	11 (15.1%)		
		Total	73 (100%)		
36	Lack of sufficient information of balanced	Strongly disagree	3 (4.1%)		

		Disagree	17 (23.3%)		
	score card design and implementation.	Neutral	24 (32.9%)	2.80	1.04
		Agree	21 (28.8%)		
		Strongly agree	8(11.0%)		
		Total	73 (100%)		
37	Lack of participation implementation process involves head office, employee and customer.	Strongly disagree	4 (5.5%)		
		Disagree	18 (24.7%)		
		Neutral	21 (28.8%)		
		Agree	22 (30.1%)	2.83	1.09
		Strongly agree	8 (11.0%)		
		Total	73 (100%)		
38	Lack of participation in design process involves head office, customer and employee.	Strongly disagree	3 (4.1)%		
		Disagree	12 (16.4%)		
		Neutral	20 (27.4%)	2.61	1.02
		Agree	30 (41.1%)		
		Strongly agree	8 (11.0%)		
		Total	73 (100%)		

Source: SPSS output from questioner response 2020.

From the above table result, The mean value of 2.35 sign of respondents dissatisfaction with practicing BSC the performance evaluation of the bank become very favorable. The items in table 8 mean 2.80 and standard deviation 1.04. This shows that greater part of respondents rated as neutral. This indicated as there is lack of sufficient information of balanced score card implementation and design. The result reveals that mean 2.83 and 1.09 standard deviation respectively. This indicates that most of respondents have not sufficient awareness on lack of

participation implementation process. The mean scored 2.61 and standard deviation 1.02 lack of participation design process. This implies that there is a problem in design process.

The study has collected the respondents perception of the major challenges in relation to the balanced score card implementation at the Nib international bank.as such , it has been discovered and this can be clearly be inferred from table 8 above that the bank has a challenge although it has shown remarkable progress in this regard. These major challenges were tried to be assessed in terms of the four points identified ahead and presented to the employees who were respondents. The researcher limit points how preferable the bank's performance become after implementing the balanced score card; the informational sufficiency of balanced score card design and implementation; how participatory the implementation process is; and finally, how participatory design process is. Accordingly, the proper questionnaires were prepared for respective points and necessary data is collected and analyzed. As the findings of this data collected, and this can be derived from table 8above, the bank has several challenges surrounding it.

According to Asrat (2016) the implementation some activities are difficult to cascade at individual level, in consistency on new idea, there was a problem to monitor and evaluate the implementation process and also to monitor the performance of individual employee.

The data collected with the project manager of Nib international bank is discussed as follows; Nib international bank has been implemented balanced scorecard since two years back, the bank tries to implement this system properly even though this system is still on an early stage so the bank faces different challenges to implement balanced score card. As the project manager of Nib bank said balanced score card has many advantages like better strategic planning, better alignment of projects and initiatives, better management information ,improved overall bank's performance, helps the bank to evaluate how well it's doing and where it needs to pay attention based on the bank's mission & vision and so on. And the bank project manager told to the researcher the bank has not sufficient measure of objectives on balanced score card at all levels. During the interview the researcher found limited understanding of balanced score card, lack of BSC education and training, lack of employee commitment, in adducted support project team and organizational practice , lack of planning and communication, lack of sufficient information ,and lack of participation in implementation and design process as a challenge faced by the bank.

This paper has seen four perspectives of the balanced score card and bank performance at Nib international bank and tried to pinpoint the major challenges as well. Although the main summary is to be provided under the conclusion and recommendation section of the study, which will be the last chapter, At this juncture that the bank that the researcher is considering facing major challenges in properly and effectively implementing the balanced score card. There are several improvements especially with regard to major challenges as the bank introduced balanced score card only two years back; much is desired when it comes to Nib international bank.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATION

This chapter of the research covers summary of major findings stated in the previous chapter, conclusion and possible recommendation suggested based on the findings from the research.

5.1 summary of major finding

The study was conducted to assess bank performance based on balanced score card in the case of Nib international bank. In this portion of the chapter the major points raised and discussed are summarized and presented. In order to attain relevant data were gathered through questionnaire and interview 85 employees at head office and project manager of Nib international bank respectively. The data were analyzed with descriptive statics mean and standard deviation. Based on the discussion of data, the following summaries of finding drown

❖ Regarding financial perspective in Nib bank majority of the respondents were disagrees and 26(35.6%) respondents were selected neutral that proper allocation of necessary resources for implementation of resources also relatively majority of respondents disagree and 28 (38.4%) chooses neutral that practicing BSC improves overall financial performance. As a result majority of respondents negatively replied or less aware of practicing BSC on financial perspective.

❖ 27 (37.0%) respondents were neutral about the bank has been more profitable since the adoption of BSC. Comparing to saying agree more respondents saying disagree on the subject matter. Similarly 24(32.9%) respondent's neutral & relatively majority of respondents disagrees that BSC fulfill stake holder expectation. This shows that the bank does not properly implemented BSC.

❖ Concerning employees level of understanding mean 2.57 and 3.19 with standard deviation 1.05 & 1.06 on BSC improves sales growth and cash flow generated respectively. This indicated that respondents were neutral on BSC improves sales growth and cash flow generated. This implies that majority of the respondents have lack of awareness and they have on sufficient information on financial perspective of balanced score card.

❖ Regarding customer perspective in Nib bank majority of the respondents disagrees on there is customer focused objective and after implementing BSC a customer petition is decreased. This shows the respondents are not satisfied with customer focused objectives.

❖ Study result reveals that majority of respondents believes that the bank does not focus on long-term customer relationship by awareness of their needs. Most of the respondents disagreed that the implementation of BSC improves service delivery of bank.

❖ 23 (31.5%) respondents neutral about customer retention. Most of the respondents agree that on time of delivery. This indicates that even if customer perspective found to be a better position when compared to financial perspective, the bank has not yet implemented effectively the customer perspective as well.

❖ The mean value of internal business perspective such as top level management prepared strategic plan and available quality measure or service was 2.97 and 2.91. This indicates that they were not sure there was available quality measure and service. However the mean value of internal business perspective such as increase creativity and new ideas, developing company measure and BSC practicing non value efforts of the bank was 3.35, 3.28 and 3.01. This implies the respondents were neutral and relatively believed that there were increase creativity and new ideas and the bank is developing company measure.so the bank has to pay due attention to meaningful and optimal use internal process perspective.

❖ Regarding learning and growth perspective the average mean value was 3.32.as finding of data collected in this regard the bank has implemented in better of all perspective such as BSC gives more attention the advancement of carrier development, increase employee training, skill, Satisfaction Corporation. Also the issues related on team work, suitable working environment, adequate training increased employees understanding. This shall not however be constructed as saying the bank in this regard too.

❖ Concerning with employees understand on performance achievement the average mean value was 2.98. as finding of data collected in performance achievement such as meeting team and individual objective with organizational objective, teams are formed and administration better operation methodology, BSC in the bank translated organizational objective in to actionable deliverables, practicing balanced score card increase internal creativity & new idea and the bank performs trust top management. As can be grasped from the findings the bank performance is problematic and to be challenging.

❖ The average mean value of major challenges of balanced score card was 2.64. Likewise, from the result reviled that the mean value of the all parameters of major challenges lies on neutral level. Similarly the percentages of respondent reviled were after practicing BSC the performance evaluation of the bank become very favorable. As a result of findings the most of believed respondents that there is lack of sufficient information on BSC, lack of participation implementation and design process involves head office, employee and customer.so the researcher found the bank has several challenges surrounding it.

5.2 Conclusion

The study focus on the assessment of bank performance based on balanced score card in the case of Nib international bank. Based on the result of the study different factors were identified. The research has analyzed how Nib international bank is implementing the balanced score card. Although the ambit of this research is limited, and the crusade of this research is to examine how the bank is implementing and benefiting out of this system, an incidental comparative analysis was employed where found necessary to justify assertions. As such, the literature which the researcher found in relation to its application elsewhere, have clearly underscored of the proper implementation of balanced score card.

Nib international bank's implementation of the balanced score card has been examined through this study. Particularly, the study critically assessed the bank performance from the four perspectives namely financial, customer, internal process and learning & growth perspectives; and has been uncovered that the bank is full of fraught. In all those four perspectives against which the researcher has examined the performance of the bank, it was shown how lacking the performance of the bank is from those perspectives of measurement. Of course it should underlined that Nib international bank introduced balanced score card since 2019 and it will not be fair to expect an accomplished implementation at this stage. The only thing that can boldly be asserted at this juncture is the fact that the performance of Nib international bank in relation to this balanced score card is far from being adequate.

Nib international bank implementation of balanced score card is found to be unsatisfactory. The data collected , analyzed and presented in terms of mean and standard deviation as indicated in the preceding chapters clearly how this challenge. Having said all these, it is imperative to

provide certain way forwards. Therefore, few of my commendations, long term and short term ones, is in order and that will bring this study to an end with all its imperfections.

5.3 Recommendation

Based on the study findings and conclusions on bank performance based on balanced score card in case of Nib international bank, the recommendations are made

- ➢ Since the finding of the study proofed that the financial perspective of balanced score card does not satisfy majority of the respondents. Therefore Nib international bank need to allocate resources, should strengthen financial perspectives by fulfill stakeholder expectation. Also it is better to improve sales growth by practicing balanced score card properly.
- ➢ Nib international bank should work more on customer perspective by doing customer focused objectives and creating long term customer relationship, beside this Nib international bank should improve service delivery of the bank.
- ➢ To attain bank's objective internal process perspective should be applicative properly by developing company measure. Beside this it is better to top level management prepared a strategic plan. Also it is good the banks internal management try to increase creativity and available quality measure or service.
- ➢ Nib international bank should strengthen learning and growth perspective through by giving continuous trainings in order to update employee's skill, satisfaction, and corporation. Also the bank works on preparing suitable working environment in order to achieve their objectives. Team work   has an emphatic benefit on working performance, so the management have to give a big attention on team work relies on different departments.
- ➢ Note that targets given to there was no sufficient performance achievement tool in the bank. Performance measurement helps the bank to enhance appropriate motivation, create mutual understanding between the performers to improve to improve strategic execution ability. Therefore, the bank should develop standard performance evaluation rating tool to the performer that increase competition lead to the intended result.

➢ As discovered from the findings, Nib international bank faces different challenges. So the bank can minimize those challenges by providing sufficient information of balanced score card design and implementation. Also it is good for the bank to focus on participation on implementation and design process.

Finally the researcher suggests the above recommendations. The recommendations are constructive to improve the bank performance related on balanced score card of the bank based on four perspectives. This is because the recommendations are forwarded based on the results of findings in the process of financial perspective, customer perspective, internal process perspective and learning and growth perspective. Also these recommendations included about the nib bank performance & try to solve the major challenges.

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Appendix

Appendix: survey questionnaire

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ST. MARY'S UNIVERSTY

SCHOOL OF GRADUATE STUDIES

ACCOUNTING AND FINANCE DEPARTMENT

</div>

Questionnaire to be filled by NIB bank staff at head office

Researcher: Hana Alemayehu (ha705944@gmail.com)

Research topic: An Assessment of bank performance based on balanced score card in case of NIB bank

Dear Respondent,

You are kindly requested to answer/fill in the appropriate responses at the end of every question to the best of your knowledge and sincerity. The purpose of this study is to assess bank performance based on balanced score card in NIB bank. I am sincerely requested your time to complete the questionnaire.

This study is purely for academic purpose, what is important is that you provide your genuine responses to the best of your knowledge.

To indicate your response, please put a (√) mark in the appropriate box or write your answer briefly in the space provided for questions that require written response.

Thank you, for taking your time to fill the questionnaire.

Part 1, Background of respondent

1. sex
    a. male ☐   b. female ☐

2. work experience
    a. 1-2 years ☐   b.3-5 years ☐

    b. 6-10 years ☐   d.11-20 years ☐

3. Educational back ground

    a. Diploma ☐   b. Bachelor degree ☐   c. Master's degree ☐

    d. Doctorate degree ☐   e. Other(please specify)
4. Department _____
5. Position _____

In this part of questionnaire, there are questions related to the four perspectives of balanced score card, you are required to give your opinion. Please use the following scale to indicate your level of agreement with which of identified issue associated with balanced core card. Putting a (√) mark in the box in front of items your choice.

1= if you strongly disagree

2=if you disagree

3=if you don't know (neutral)

4= if you agree

5= if you strongly agree

No	Please use the following scale to indicate your level of agreement	1	2	3	4	5
	Financial perspective					
1	Proper allocation of necessary resources for implementation of BSC.					
2	Practicing BSC improves over all financial performance of Nib bank.					
3	The bank has been more profitable since the adoption of BSC.					
4	BSC fulfill stake holder expectation.					
5	BSC improves sales growth.					
6	Cash flow generated					
	Customer perspective					
7	There are customer focused objectives.					
8	After implementing BSC, a customer petition is decreased.					
9	A bank focus on long term customer relationship by developing the awareness of their need					
10	The implementation of BSC improves the service delivery of Nib bank.					
11	Customer retention					
12	On the time of delivery					
	Internal process perspective					
13	Top level management prepared strategic plan.					
14	Available quality measure or service.					
15	Increased creativity and new ideas.					
16	Developing company measures, in order to identify customer future need.					
17	Practicing BSC reduced non value efforts of the bank.					
	Learning& growth perspective					
18	BSC gives more attention to the advancement of your carrier					

	development.					
19	Increase of employee training.					
20	Increase of employee skill.					
21	Increase of employee satisfaction.					
22	Increase of employee corporation					
23	Focused on successful team work.					
24	Suitable working environment to develop your job, knowledge & ability.					
25	Adequate training given on BSC.					
26	BSC encourages learning and continuous improvement.					
27	Increased employees understanding of strategies.					

28. If there is an idea related with the four perspectives of balanced score card, please specify____

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In this part of questionnaire, there are questions related to performance achievement; you are required to give your opinion.

No	please use the following scale to indicate your level of agreement	1	2	3	4	5
	Performance achievement					
29	Meeting team and individual objective with organization objective.					
30	Teams are formed and administered better operation methodology.					
31	Balanced score card in the bank translated organizational goal into actionable deliverables.					
32	Practicing of balanced score card increase internal creativity and new ideas.					
33	The bank performers trust the top management.					

34. If there is an idea related with the performance achievement, please specify_____

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In this part of questionnaire, there are questions related to major challenges of balanced score card; you are required to give your opinion.

No	Please use the following scale to indicate your level of agreement	1	2	3	4	5
	Major challenge					
35	After practicing balanced score card the performance evaluation of the bank become very favorable.					
36	Lack of sufficient information of balanced sore card design and implementation.					
37	Lack of participation implementation process involves head office, employee and customer.					
38	Lack of participation in design process involves head office, customer and employee.					

39. If there is an idea related with challenges of BSC, please specify_____

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