St Mary's University

School of Graduate Studies

Assessment of Balanced Scorecard Implementation: In the Case of Nib Bank

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June, 2020
Addis Abeba, Ethiopia

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ID NO: SGS/0532/2011A

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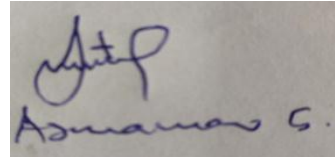# Assessment of Balanced Scorecard Implementation: In the Case of Nib Bank

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APPROVED BY BOARD OF EXAMINERS

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Advisor's Name   **Signature**

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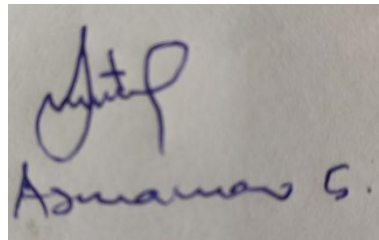
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St. Mary University

Department Of Accounting

College Of Business and Economics

Statement of Declaration

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I YeabsiraDemeke, hereby declare that the thesis entitled *Assessment of Balanced scorecard implementation in the case of Nib Bank* is the outcome of my own efforts and study and that all sources of material used for the study been acknowledged. This study not submitted for any degree in this university or other university. It is offered for the partial fulfillment of the requirement for the degree of masters of MBA in accounting and finance.

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ACKNOWLEDGEMENTS

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ACRONYMS

BSC   Balanced Score Card

BPR   Business Process Reengineering

SPSS   Software Package for Social Science

SA   Strongly Agree

A   Agree

N   Neutral

D   Disagree

SD   Strongly Disagree

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Abstract

This research entitled "Assessment of Balanced Scorecard implementation: In Case of Nib Bank". The objectives of this study was to assess the practice of BSC as performance management tool, to identify the major achievements gained due to BSC implementation as performance system, to assess the major problems of BSC implementation and to make appropriate recommendations to make BSC more effective in NIB bank. The total population of the study was 410 NIB bank employees and a probability (simple random sampling) technique was employed and 202 samples were selected. The response rate was 75.74% on the other hand only with 1 top management members was interviewed by employing non-probability (purposive sampling technique). Both quantitative and qualitative research approaches were employed and closed and open ended questionnaire and interview were used as data collection instruments. To analyses the data, descriptive data analysis specifically percentage, frequency, mean and standard deviation were employed. The findings of the study revealed that Inability to automate the system, no established performance evaluation and rating system, customer oriented activity not competitive and assignment and hiring of process owners was not according to merit. The NIB bank was successful in terms of appropriate technological infrastructure, learning and continuous improvement, revised its strategy at list once a year, BSC has increased employees 'understanding of strategies, BSC linked the vision with daily activities, and BSC helped the processes to achieve their objectives. On the other hand among many, the major problems of BSC as performance management system of the bank were weak or lack of commitment from the leadership, lack of adequate knowledge on BSC, kept the scorecard at the top (not shared with every member of the organization), resistance to change, inability to get sufficient information on BSC, inability to reach consensus on the designed objectives were the major ones. Therefore as a strategy the study found that all types of plans at different level requires to prepare with the participation of all leaders and employees, prepare clear vision and common value, the leaders of the bank strongly committed to implement the BSC, develop skills for leaders and employees, gave reward, reinforce and motivation for the employees and identify and remove roadblocks were used possible strategies to alleviate the challenge in the sustainability of BSC implementation.

CHAPTER ONE

Introduction

This chapter begins with background of the study and statement of the problem. Thereafter, the chapter presents basic research questions linked with objectives of the study. It then presents significance of the study, scope of the study, limitation of the study and structure of the thesis. Therefore, it begins with emphasizing a general overview of the issues under the study as follows.

1.1 Background of the Study

The balanced scorecard is a set of measures that gives top managers a fast but comprehensive view of the business, In addition to the traditional financial measures that tell the result of action already taken. The balanced scorecard accompanies other operational measures on customer satisfaction. Internal process and the organization innovation measures that are drives of future financial performance (Norton and Kaplan,1992) And also to this ,these author have found out that apart from being a tool of performance measure that provides the framework for a strategic measurement and management system(Norton and Kaplan,1996)

Balanced scorecard (BSC) 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)

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) in addition balanced scorecard is a tool used by many organization used to evaluate the performance of different aspects. The model is not only to

consider the organization performance internally, but many investor and shareholder are able to monitor the result of this organization, assess and ensure.

And also according to Kaplan and Norton (1996), The BSC has emerged in recent years as what can perhaps best be described as a strategic control tool. Its high profile n management seminars and academic debates has placed the balanced scorecard a long side approaches such as activity based costing/management and total quality management in terms it's the key for driving performance in organization, that it transforms strategic management paradigms by placing the emphasis on the enablers instead of the result and that it is the cockpit which provides all relevant strategic information.

The BSC provides managers with the instrument they need to navigate to future competitive success. The characteristic of comprehensiveness in the BSC involves the provision of performance measures in four perspectives, namely the financial, the customer, the internal business process and the learning and growth perspective. Learning and growth measures indicate a company's success in developing the personal and system necessary for growth and product improvement in the long run. Internal business process measures indicate the level of a company performance with respect to activities that are critical to meet customer and financial objectives. Financial measures indicate how well a company is performing with respect to its profitability target. The central idea behind the four perspective of the BSC was to complement traditional financial performance measures with non-financial performance measure (Decoene&Bruggeman, 2006)

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

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

According to Wubeamlak, (2016) this research study using BSC as a management technique to implement corporate strategy a number of them has encountered different problems when trying to introduce the concept in their business. Majority have either implemented the BSC but without any significant improvement in performance, or they have given up in the implementation process itself. What makes the implementation of the BSC so difficult? Taking this as a foundation, it should be assessed if there is any relation between the many reasons discovered and reason identified as causing the balanced scorecard implementation challenged on measurement of employee performance/appraisal and/or the assigned task to the employees/buyers on procurement department in Ethio telecom.

According to Amsalu M. (2014) this study how balanced scorecard is being implemented in public banks, the banks have implemented the system almost in a similar manner as compared to the standard way of literature except that the automation of the system was not existent in all the three banks. The study has found out that there are different mechanisms undertaken by the respective banks with the intention of supporting their BSC.

This research, therefore, will try to assess of balanced scorecard implementation in the case NIB bank. This will be more explored to identify the drawbacks of the system. And also, it helps to determine how the balanced scorecard is designed and implemented in the bank. It is also critical to investigate the various problems from the basic concepts of the balanced scorecard. This would enable to solve the practical problems in implementation of balanced scorecard. The researcher was conducted informal interviews and personal observation, the researcher claims that the aforementioned considerable challenges are existed in BSC implementation in NIB bank head office.

In addition, as far as the knowledge of the researcher goes, no research report about the assessment of Balanced Scorecard implementation in the Nib Bank head office.

1.2. Back ground of the Organization

Nib International Bank (NIB) was established on 26 May 1999 under license no. LBB/007/99 in accordance with the commercial code of Ethiopia and the proclamation for licensing and supervision of banking business proclamation no. 84/1994 with the paid-up capital of birr 27.6 million and authorized capital of birr 150 million by 717 shareholders. The bank commenced its operation on 28 October 1999 by 27 employees. It joined the banking industry as the sixth privet bank licensed in the country.

Other than rendering fulfilled domestic and international banking service the bank implemented mobile and internet banking through which it is issues NIB cards and has placed its ATMs at various location throughout the country to provide its diversified products in convenient ways to our esteemed customers. Moreover, to enhance the application of modern banking technologies and provide competitive service via a wide range of card banking service, the bank has established a strategic partnership with MasterCard, VISA, and union pay branded cards which is one of the breakthroughs to provide international payment service. A full-scale preparation to upgrade the bank's T24 application to the latest and robust release is completed.

With a view to introducing new types of products, other than the previous innovative products and services Gojo-Guzo foreign exchange (FX) linked deposit and loan products, credit products to employment agencies, and employees working abroad to enhance FX generation and murabaha interest-free financing products were developed. The development of the 3rd strategic plan is now at the implementation phase and putting a new structure formulating policy manuals and cascading the various targets of the strategic plan to the implementation units. The billion Birr construction projects of NIBs headquarter and Hawassa building are enhanced as per the schedule in the 2018/19 budget year.

Among others, the bank has registered a steady growth and achievement in all aspects of its operation since its establishment. At the end of June 2018/19, its total deposit and loan and advance stood at about Birr 27.7 billion and Birr 19.4 billion respectively. Total assets also grew at about Birr 33.7 billion and paid-up capital to Birr 2.5 billion. The level of net profit before tax reached Birr 928.4 million in June 2018/19. The Bank's shareholders are close to 4,585 and the

total number of customers exceeds 812,627. The Bank's employees reached more than 4,972 as of June 2019.

1.3. Statements of the Problem

The government of Ethiopia launched reform programs in 2007 G.C. One of the major reform programs was Business Process Reengineering (BPR). The aim of BPR is to increase the efficiency and effectiveness of an organization on process based structure. While most of the public organizations achieve remarkable result through BPR, there were some problems in the implementation process especially in measuring the outcome. To solve those identified problems and to go with those achieved results the Balanced Scorecard System was launched in 2010 G.C.

Balanced score card is a better tool used for strategic planning, strategic results monitoring and performance measurement which achieved at corporate level as well as at individual level (Niven, 2002). Balanced scorecard is a tool for evaluating the performance that also, points to non-financial aspects, aspects of the customer, internal business processes and learning and growth and this tool has attracted banks and financial organization's attention (Kaplan and Norton, 1996)

On the other hand, mainly balanced scorecard requires implementation to focus on three axes of consideration: the people issues and challenges in change management, the process issues that require a removal and additional of new a process to enable the transformation and the issue of technology that sustain and enables the continuous improvement (Nair, 2004)

There are many research papers related with balanced scorecard. According to Daniel (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 scorecard is being implemented in public banks, the banks have implemented the system almost in a similar manner as compared to the standard way of literature

except that the automation of the system was not existent in all the three banks. The study has found out that there are different mechanisms undertaken by the respective banks with the intention of supporting their BSC.

According to Lawson, Hatch and Desroches (2008), as cited by MasreshaMulat (2015) by effectively implementing balanced scorecard the organizations can expect two benefits. These are strategic benefits and operational benefits among the strategic benefits; communicating strategy to everyone, and linking and aligning the organization around strategy. On the other hand, major operational and strategic benefits are tracking progress toward achieving organizational goals, measuring performance at various levels from various perspectives.

NIB bank is one of private bank in Ethiopia. The bank designed and implemented balanced scorecard. There are advantages and disadvantages of the measurement. This will be more explored to identify the drawbacks of the system. And also, it helps to determine how the balanced scorecard is designed and implemented in the bank. It is also critical to investigate the various problems from the basic concepts of the balanced scorecard. This would enable to solve the practical problems in implementation of balanced scorecard. The researcher was conducted informal interviews and personal observation, the researcher claims that the aforementioned considerable challenges are existed in BSC implementation in NIB bank head office.

In addition, as far as the knowledge of the researcher goes, no research report about the assessment of Balanced Scorecard implementation in the Nib Bank head office.

Therefore, it is important to assess Balanced Scorecard implementation in Nib Bank head office of Ethiopia. Hence, the current research study attempts to fill literature gap by assessing the implementation effectiveness of Balanced Scorecard in Nib Bank head office and recommend an appropriate improvement that enable balanced scorecard successful. Therefore, this study makes an attempt to bridge this gap and tire to study the implementation of BSC in the NIB Bank of Ethiopia.

1.4. Basic Research Questions

1. How does NIB bank practice BSC as a performance management tool?

2. What achievements have been observed since the introduction of balanced scorecard (BSC) as a performance management tool?

3. What are the major problems of BSC implementation as performance management tool?

4. What should be done to overcome the challenges?

1.5. Objective of the Study

1.5.1 General Objective

The general objective of this study was to assess balanced scorecard implementation in NIB bank of Ethiopia.

1.5.2 Specific Objectives

1. To assess the practice of BSC in the NIB bank as performance management tool.

2. To identify the major achievements gained due to BSC implementation as performance system in the NIB bank.

3. To assess the major problems of BSC implementation in the NIB bank as performance system in the NIB bank.

4. To make appropriate recommendations to make BSC more effective in NIB bank.

1.6. Significance of the Study

In this study attempts were made to assess the balanced scorecard implementation in the case of NIB bank. Thus, the findings and recommendations will helpful for top managements of NIB banks and further researches.

1.7. Scope of the Study

This research has conceptual or thematic, timely, methodologically and geographical delimitation. Thematically, this study only focused on implementation of balanced scorecard in Nib bank. Timely, the study was run first of October/2019 to June/2020. Methodologically, the study only employs descriptive method and the study targets employees who are worked in NIB bank. Geographically, the study was delimited NIB bank head office found in Addis Ababa, Ethiopia.

1.8. Limitation of the Study

The study was conducted on the assessment of balanced scorecard implementation 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 and some top managers were not available on the appropriate time for an interview because of over work and the virus. The other limitations that 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.

1.10 Structure of the Paper

This paper classified in to five chapters. The first chapter to contains; back ground of the study, back ground of the organization, statement of the problem, basic research questions, objective of the study, significant of the study, scope of the study, limitation of the study and organization of the study. The second chapter of the thesis deals with review of related literature. It also covered a review of theoretical and empirical literature pertaining to the topic. Chapter three focused on research methodology. It covered the research design and approaches, target population and sampling technique and sample size, sources of data and data collection instruments, methods of data analysis, validity and reliability of instruments and ethical considerations. The fourth chapter discussed the results, presentation, analysis and discussion of the data obtained from the field. Chapter five Summarizes findings and presents conclusion and recommendations.

CHAPTER TWO: LITERATURE REIVEW

The primary purpose of in this chapter will get the theoretical and empirical understanding of the concept of balanced scorecard. The chapter briefly introduces concept of BSC, basic concepts and characteristics of BSC, Performance management system as a balanced measure, the four pillars of BSC, successful step of implementation of balanced scorecard, major challenges of BSC and empirical literature review.

2.1 Theoretical Literature Review

2.1.1 The concept of balanced scorecard

The concept of balanced scorecard was introduce by Kaplan and Norton in a Harvard business review article on the balanced scorecard measures that drive performance in 1992 as an alternate to traditional way of measuring performance. A series of article and book were written by Kaplan and Norton to expand the balanced scorecard concept in to a strategic management system, providing guidance on what companies' measure to translate business goals into action plan (Kaplan and Norton, 1992)

Kaplan and Norton (2002), described that balanced scorecard tell you the knowledge, skill and system that your employees will need (learning and growth) to innovate and build the right strategic capability and efficiencies (internal process) that deliver specific value to the market (customer) will eventually lead to higher shareholder (financial).Balanced scorecard is a business management concept that transforms both financial and non-financial data into a detailed road map that helps the organization measure its performance and meet long and short term objective. It translates mission and vision statement into a compressive set of objectives and performance measurement.

Performance management is about setting standards of performance and business objectives, Performance can be focuses on process, product and people (employees and customer). Unfortunately in practice many organizations focuses on financial performance and pay very little attention to processes and people. (Kaplan and Norton, 1992) all organization formulate strategic to determine the direction of their business. At a strategic level the fundamental question asked are what business does us want to be in? How are we going to achieve our mission? What kind of competence and structure do we need to meet our objective? And finally

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

The BSC is used as performance evaluation instrument that forces an organization to identify a number of factors that are crucial to the success of an entity. These critical success factors naturally vary from organization to organization. Business houses which adopted BSC gained competitive advantages and created the culture of the organizational excellence. (Kaplan and Norton, 1992)

2.1.2 Basic components and characteristics of BSC

According to Kaplan and Norton (1996) there are six basic components of balances scorecard. They are perspective, themes, objective, measure, target and initiative.

Perspective- there is four standard perspectives as suggested by Kaplan and Norton. These are financial, customer, internal business process and learning and growth. However organization can choose any number of perspectives measuring the present performance and drivers of future performance. The number depends on how the stockholders expectations are being represent and the manner in which the organization decipher their strategy.

Themes- themes are inherent in the strategy and provide an insight in to how an organization would carry out its mission. There are usually three to four basic themes consisting of a collection of objectives across perspectives which enable execution off the theme.

Objective- they highlight critical factors to the success of the organization which must certainly be achieved.

Measures- what gets measures gets achieved, measures help organization determine its success in executing strategy. The two fundamental purpose served by measures are organizational motivation and objectives evaluation of the strategy as well as strategic learning.

Targets- targets help define the level of performance or the rate of improvement that is needed.

Initiative- these are key action programs that are required to achieve the objectives.

2.1.3. Performance management system as a balanced measure

On the basis of what gets measured gets done, it is critical that the organization selects the most useful measure of performance for the organization as a whole and for the individuals within it. Single measures are unlikely to be sufficiently robust. Kaplan and Norton (1992) argue convincingly that the mix of measures which an organization should use to assess its performance should be based around four different perspectives:

Financial measures – such as sales growth, profits, cash flow and increased market share.

Customer measures – that is, the customer perspective, which looks at, for example, delivery time, service quality, product quality.

Internal business measures – cycle time, productivity, employee skills, labour turnover.

Innovation and learning perspective – including such elements as ability to innovate and improve.

These measures give top managers a fast but comprehensive view of the organization's performance and include both process and results measures. A balanced scorecard—or a balanced set of measures—provides that valuable information.

Managing performance from four Perspectives: A variety of studies have shown that both the public and private sectors have used balanced measures to create high-performing organizations. Balanced scorecard is a measurement, management and communication tool that makes a balance between inputs and outputs, leading and lagging results (Kaplan and Norton, 1992). Balanced scorecards select a limited number of critical measures within each of four perspectives (financial, customer, internal processes, learning and innovation). Recently, the balanced

scorecard concept has been extended to include strategy maps (Kaplan & Norton, 2004) which show the cause -and- effect relationships among the multiple measures on a balanced scorecard including leads, lags, and feedback loops. Effective balanced scorecards are closely linked to the organization's strategy so that people can understand the strategy by looking only at the scorecard and its strategy map (Kaplan & Norton, 2001). Balanced scorecards heighten awareness of the potential tradeoffs among various goals and thereby help ensure that the organization does not optimize one goal (for example, profit) at the expense of another (for example, customer satisfaction; balanced scorecards can provide an overarching framework that drives and aligns organizational, department, team, and individual goal setting. For example, in some organizations, each employee and each team explicitly links goals to specific elements in the organization's balanced scorecard.

2.1.4. The four pillars of BSC

The balanced scorecard translates an organization's strategy into four perspectives (financial, customer, internal business processes and learning and growth) with a balance among the following elements:

- Internal and external measures

- Objective and subjective measures

- Performance results and drivers of future results and

- The balanced scorecard [also balances] traditional financial measures with non-financial measures (Ittner, Larcker& Meyer, 1997; Kaplan et al., 1992).

The four Perspectives of Balanced score card introduced by Kaplan and Norton are discussed below:-
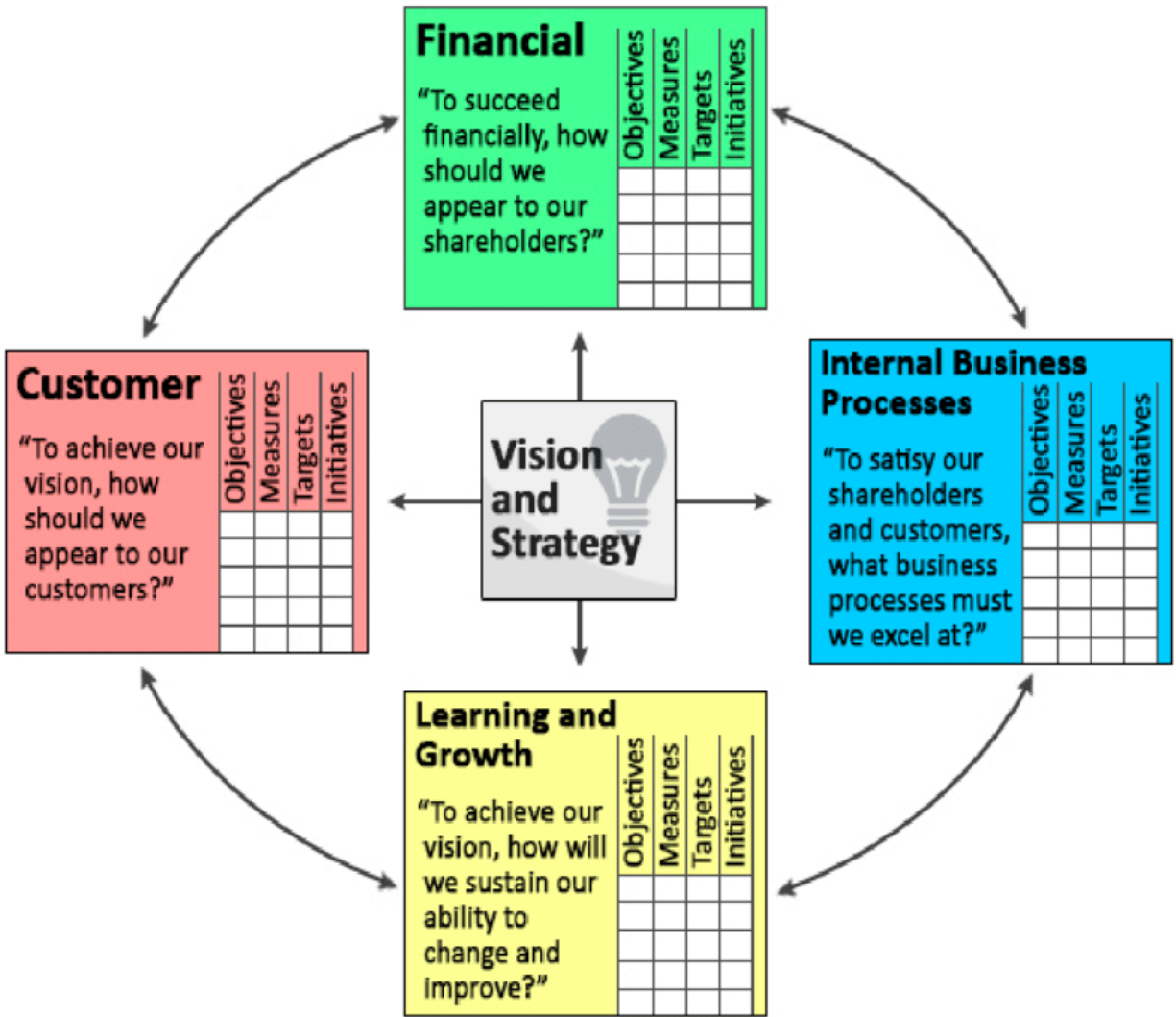
Figure 1.1. Balanced scorecard four perspective
Source: Kaplan & Norton, 1996

Internal Business process perspective

Internal business Processes, represents the impact of product and service quality and helps identify which internal business processes must operate with excellence in order to satisfy customers. In other words, the objectives of the internal business process perspective highlights the processes which are most critical for the strategy of the organization to succeed and to meet customer expectations (Kaplan & Norton, 1992; Kaplan & Norton, 1996).

In the Balanced Scorecard of a commercial business, the Internal Business Processes objectives and measures should not focus solely on enhancing processes per se but should also focus on

those capabilities that deliver competitive advantage (Mackay, 2010). Internal business process metrics are then developed, which communicate the level of product quality through the monitoring of in-process metrics, as well as measuring productivity associated with the number of units produced or services provided (Brown, 1996). Metrics defined for the internal business Process perspective are those that can be associated with satisfying customers and delivering value. After all, exceptional customer performance descends from excellent internal processes (Kaplan & Norton: 1992). Typically the measures of this perspective are based on producing goods and services in the most efficient and effective methods. Commonly used measures for this perspective are: cost of quality, cost of non-conformance, process innovation, time savings etc (AL-Najjar&Kalaf, 2012). These processes also enable the business to satisfy the shareholder expectations of the company's financial return (Kaplan & Norton, 1996).The internal business process perspective demonstrated the strategy of increasing and intensifying production while satisfying partners and operating in a socially responsible manner (Shadbolt et.al:2003). However, for nonprofits, realizing excellence in internal operations correlates to increased constituent or congregant satisfaction, not financials (Niven, 2003).

Customer Perspective

The customer perspective demonstrated the strategy of good relationships with customers, and superior customers (Hopf. et.al.;Shadbolt et.al, 2003). Kaplan and Norton (1992) state that customers' concerns have a tendency to fall into four different categories: time, quality, performance and service, and cost. According to Al sawalqa, Holloway and Alam, M (2011) Lead time measures the time required for the company to achieve its customers' needs. Quality measures the defect level of incoming products as measured by the customer. The combination of performance and service measures how the company's products or services contribute to creating value for its customers. The objectives recorded within the Customer quadrant of the Balanced Scorecard may be both contemporary and future orientated. They may relate to both existing and potential customers and markets (Mackay, 2004). The customer perspective enables the managers of the business to communicate and align the market based strategy; since the perspectives are linked, enhance the financial returns of the financial perspective (Kaplan & Norton, 1996). Customers, represents another view of internal operations that has a cause-and-effect relationship with the financial perspective and addresses how the organization must appear to customers in order to fulfill the organization's mission.

For the profit-driven private sector, the Customer perspective supports the critical financial perspective. However, for nonprofits, it is appropriate that the Customer perspective assumes primacy over the financial perspective due to the critical need for constituent satisfaction. In the governmental model, the principal driver of performance is differing from the strictly commercial environment; namely, customers and stakeholders take preeminence over financial results. (Hopf et al.). In general, public organizations have a different, perhaps greater, stewardship/fiduciary responsibility and focus than do private sector entities.

To achieve sustained competitive success, however; companies need to be focusing on far more than their current products and customers. Companies should strive to continually surprise their customers with products which meet needs that they never even knew they had (Hamel and Prahalad, 1996). In competing for future success, organizations need to be continually developing the value propositions to be made available to their customers for years to come.

Kaplan and Norton (1996:93) summarized the importance of the customer perspective as follows:

> *"The core of any business strategy is the customer – value proposition, which describes the unique mix of product, price, service, relationship, and image that a company offers. It defines how the organization differentiates itself from competitors to attract, retain, and deepen relationships with targeted customers. The value proposition is crucial because it helps an organization connect its internal processes to improved outcomes with its customers."*

So, in this perspective the organization should demonstrate how it differentiates itself from the competitors by retaining, attracting, and sustaining relationships with its targeted customers (AL Najjar&Kalaf, 2012).

Financial Perspective

The financial perspective demonstrated the strategy of increasing profitability while maintaining both business equity and proprietor's income (Shadbolt et.al, 2003). Private sector financial objectives generally represent clear long-range targets for profit-seeking organizations. Under this perspective the most common performance measures incorporated are the traditional financial measures: ROI, Cash Flow, Net Operating Income, Revenue Growth, etc. So success is

measured through financial measures .These measures differ from one company to another, which mean there is no standard set of financial measures applicable across different contextual organizational frameworks and environments (Al-Sawalqa, Holloway and Alam , 2011).

In the government arena, the "financial" perspective differs from that of the traditional private sector. Success for public organizations should be measured by how effectively and efficiently they meet the needs of their constituencies (Hopf et.al, Ronchetti, 2006) Therefore, in the government, the financial perspective emphasizes cost efficiency, i.e., the ability to deliver maximum value to the customer.

Learning and growth Perspective

The intense global competition of today's world requires the companies to be able to change fast and be innovative (Kaplan & Norton, 1992). The products and processes need continuous improvement to be able to keep up with the fast pace. The main sources of organizational learning and growth are people, systems and organizational procedures (Kaplan & Norton, 1996; Mackay 2010).

The learning and growth perspective demonstrated the strategy of utilizing technology, improving partner and employee knowledge through off and on training and developing (Shadbolt et al, 2003). Learning and Growth, enables the other three perspectives and defines what type of staff and automation the organization must have in order to achieve the mission, support the internal processes, and satisfy the customers. So this perspective, along with the internal process perspective, hub on identifying factors of long-term and short-term success.

Kaplan and Norton acknowledge that the learning and growth measures are the most difficult to select; therefore they suggest the following measures as examples: employee empowerment, employee motivation, employee capabilities, and information systems capabilities (AL-Najjar&Kalaf, 2012).

2.1.5. Successful Step by Step Implementation of the Balanced Scorecard

Unlike the BPR, which has three phases, BSC has nine phases. The first six are called preparation phases while the last three are implementation phases (BSCI, 2013; AACBB, 2013a). There are distinct activities that the organization undertakes in each phase. The first 6

stages are balanced scorecard building/preparation steps while the last three are execution phases (BSCI, 2008; Niven 2002; AACBB, 2013a)

Figure 1.2.The Balanced Scorecard Nine Step Framework
Source: Balanced Scorecard Institution, 2007

Stage-1 Assessment

It involves conducting the organization assessment of the strategic elements: the mission and vision, strengthen, weakness, opportunities and threats (SWOT) and organization values. It also about preparing a change management plan for the organization, which will entail conducting a change readiness review to determine how ready the organization is in embarking on such a journey and what needs to be put in place to make it ready. In order to implement BSC successfully organizations should have to undertake SWOT analysis, then identify enablers (opportunities and strength) and pains (weakness and threats) and also identify target customers and stakeholders this is done by taking in to account the organization's mission, vision and core values. This will help to provide direction to the organization successes (Makakane, 2007).

Stage-2. Strategy

According to Rohm, et al. (2013), cited in (Masresha, 2015) define strategy as positioning choices made (the path) and actions taken to above the organization from its current state to some desirable future state. Strategy translate the mission and vision in to programs, products, projects, services and activities that can be acted up on, monitored, measured and evaluated for effectiveness. The strategy step includes:

Choose balanced scorecard perspectives: Perspectives tell the value creation story the naming convention and arrangement of perspectives will vary slightly depending on the type of organization. Civilian government, defense and non- for- profit organizations are mission driven therefore these organizations use different value creation logic than business and industry organizations.

Choose high-level strategic themes and results: Strategic theme are the focus areas that build on customer value proposition to define the organization's high level business strategy break down the vision and mission in to action and focus energy and on desired strategic result/end outcomes from successfully executing the organizations strategy. Thematic areas are complementary and reflect both internal and external considerations. Taken together, they represent the organization's collective organization wide pillars of excellence" (Masresha, 2015).

Stage-3. Objectives

Objectives refer to the actual results the organization hopes to achieve. A strategic objective is used to break strategic themes in to more actionable activities that lead to the strategic results (Rohm, 2008). According to stellar leadership cited in (Tsion, 2014) strategic objectives are also used to translate strategy into measurable and actionable components that can be monitored.

Stage-4. Strategy Maps

The strategy map has turned out to be as important an innovation as the original Balanced Scorecard itself. Executives find the visual representation of strategy both natural and powerful. Strategy maps provide increased granularity for executives to describe and manage strategy at an operational level of detail. A strategy map provides a visual framework for an organization's strategy how it intends to create value. Specifically, a good strategy map will link together:

- The desired productivity and growth outcomes.

- The customer value proposition which will be needed.

- Outstanding performance in internal processes.

- The capabilities required from intangible assets

In effect, a strategy map captures the organization's strategy in visual form so that managers can better execute their desired strategy. Strategy maps are built around the structure of these four perspectives. They ensure that the organization's objectives in each of these perspectives are consistent and internally aligned (ISORAITE, 2008).

Stage-5. Performance Measures

Effective performance measurement is a key in ensuring that an organization's strategy is successfully implemented. It is about monitoring an organization's effectiveness in fulfilling its own predetermined goals or stakeholder requirements. A company must perform well in terms of cost, quality, flexibility, value and other dimensions.

A performance measurement system that enables a company to meet these demands successfully is essential. It helps ensure better informed and more effective decision making at both strategic and operational levels.

Performance measurement has evolved from purely financial performance measures such as profit, cash flow or the return on capital employed (ROCE). Today there is greater emphasis on non-financial and multi-dimensional performance measures to understand and manage the performance of the organization to achieve its goals (Harvey, 2008)

Stage-6. Initiatives

The strategic initiatives are developed that support the strategic objectives. This is where the projects that have to be undertaken to ensure the success of the organization (the extent to which the organization fulfills its mandate or vision) are drafted and assigned. To build accountability throughout the organization, performance measures and strategic initiatives are assigned to owners and documented in data definition tables.

Stage-7. Automation

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. Automation is

purposely put as Step 7 on the 9-step framework, to make sure that the proper emphasis is placed on strategic thinking and strategy development before "software seduction" sets in (Makakane, 2007).

Stage-8. Cascading

Cascading involves cascading the corporate scorecard throughout the organization to business and support units. Then team and individual scorecards are developed to link day-to-day work with departmental goals and corporate vision. Cascading is the key to organization alignment around strategy. Optionally, objectives for customer-facing processes can be integrated into the alignment process to produce linked outcomes and responsibilities throughout the organization. Performance measures are developed for all objectives at all organization levels. As the scorecard management system is cascaded down through the organization, objectives become more operational and tactical, as do the performance measures. Accountability follows the objectives and measures, as ownership is defined at each level. An emphasis on results and the strategies needed to produce results is communicated throughout the organization (Makakane 2007).

Stage-9. Evaluation

Evaluation ensures that the strategic planning and management system is dynamic and incorporates continuous improvement into day –to- day operations and management (Rohm, et al., 2013). The organization process is similar for all types of organizations, but how often it's performed depends on the operating environment and the need for performance information to better inform decision making (Rohm, et al., 2013 cited in Masresha, 2015). They stated organizations that operating in dynamic competitive environment evaluate more frequently.

2.1.6 The benefits of Balanced Scorecard Implementation

Research has shown that using Balanced Scorecard has many benefits and challenges. Some of the benefits are:
Better Strategic Planning - The Balanced Scorecard framework provides a powerful framework for building and communicating strategy. The business model is visualized in a strategy map which forces managers to think about cause-and-effect relationships. The process of creating a Strategy Map ensures that consensus is reached over a set of interrelated strategic

objectives. It means that the performance out comes as well as key enablers or drivers of future performance (such as the intangible) are identified to create a complete picture of the strategy (Marr, 2010).

Improved Strategy communication and Execution – The fact that the strategy with all its interrelated objectives is mapped on one piece of paper allows companies to easily communicate strategy internally and externally. We have known for a long time that a picture is worth a thousand words. This plan on a page'facilities the understanding of strategy and helps to engage staff, and external stakeholders in the delivery and review of strategy. In the end it is impossible to execute a strategy that is not understood by everybody (Marr, 2010).

Better Management Information – The balanced scorecard approach forces organizations to design 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 gain increasing benefits from the way this information is used to guide management and decision making (Marr, 2010).

Improved Performance Reporting – Companies using a BSC approaches tend to produce better performance reports than organizations without such a structured approach to performance management. Increasing needs and requirements for transparency can be met if companies create meaningful management reports to communicate performance both internally and externally (Marr, 2010).

Better Strategic Alignment – Organizations with a balanced scorecard are able to better align their organization with the strategic objectives. In order to execute a plan well, organizations need to ensure that all business and support units are working towards the same goals. Cascading the balanced scorecard into those units will help to achieve that and link strategy to operations (Marr, 2010).

Better Organization Alignment – Well implemented Balanced Scorecards also help to align organizational process such as budgeting, risk management and analytic with the strategic priorities. This will help to create a truly strategy focused organization (Marr, 2010).

2.1.7 Major challenges of BSC

According to Kaplan and Norton (1992), during the first couple of years of introducing the balanced scorecard in some of companies, as the controllers and finance vice presidents of these companies took the concept back to their organization, the project participants found that they could not implement to balanced scorecard 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 existing performance measurement system have been designed and overseen by financial experts.

Although Kaplan and Norton (2001) describe many successful implementations of the BSC, they also identify sources of the failure of the balanced scorecard implementation (Molleman, 2007).

Too few measures (two or three) per perspective: A good balanced scorecard should have an appropriate mix of outcomes (lagging indicators) and performance drivers (leading indicators) of the company's strategy. Therefore, when the organization constructs too few measures in each perspective, it fails to obtain a balance between leading and lagging indicators or non-financial and financial indicators (Kaplan and Norton, 2001).

The organization adopts too many indicators: In this case, the organization will lose focus and cannot find any linkage between indicators (Kaplan and Norton, 2001).

Measures selected for the scorecard do not reflect the organization's strategy: This happens when the organization tries to apply all their Key Performance Indicators (KPIs) into each perspective without screening only for the measures that are linked to its strategy. Therefore the organization's strategy is not translated into action and the organization does not obtain any benefit from the Balanced Scorecard (Kaplan and Norton, 2001).

Try to make a quantitative link between nonfinancial leading indicators and expected financial results: The financial measures are the dependent variables and are the retrospective, lagging indicators. Some organizations are tempted to make this linkage quantifiable but since lag time is difficult to predict and numerous factors may influence the result, a quantitative link cannot be established. Therefore, they should not make a quantitative link between non-financial leading indicators and expected financial results (Schneiderman, 1999, Nørreklit, 2000).

Lack of senior management commitment: Delegation of the project to middle management and defining the project as performance measurement is described as one of the most common causes of failure, by missing focus and alignment to implement strategy. This is a process that can only be led from the top (Kaplan and Norton 2001, Braam and Nijsen, 2004), Schneiderman, 1999). Not having the buy-in and support of key manager and executives can jeopardize the success of any Balanced Scorecard implementation. It is important that key individuals in an organization are committed to the strategic objectives and performance indicators identified in the Balanced Scorecard. The best way to achieve this is to closely engage them in the process of designing the Balanced Scorecard (Marr, 2010).

Too few individuals are involved: The senior leadership team must work together to build and support the implementation of the Balanced Scorecard, including objectives, measures and targets. If not, there cannot be the shared commitment which is required to align the organization (Kaplan and Norton, 2001).

Keeping the scorecard at the top: To be effective, the Balanced Scorecard, including strategy and action to support implementation, must eventually be shared with every member of the organization. If there is no deployment system that breaks high level goals down to the sub process level where actual improvement activities reside, significant process improvements throughout the organization fail to generate bottom line results (Kaplan and Norton, 2001, Schneiderman, 1999, Andersen et al 2001).

The development process takes too long: If the implementation takes too long, it can happen that during the implementation process, the strategy has changed. This results in the fact that some of indicators have become obsolete and requires new indicators. Measuring with wrong indicators can distract an organization from its strategy (Kaplan and Norton, 2001, Braam and Nijsen, 2004).

Lack of Balanced Scorecard Understanding: Many organizations assume that once senior management have agreed on their Balanced Scorecard, strategic map and their indicators everyone will happily implement it and collect and report the data. Don't underestimate the need for training and communication about the Balanced Scorecard initiative and its aims and objectives. Again, this is especially important since there are so many different interpretations of

what a Balanced Scorecard is and what it is for. Experience has shown that the support of lower and middle tier managers is essential for the success (Marr, 2010).

Introducing the Balanced Scorecard only for compensation: Support for the linkage of compensation to strategic measures can only occur effectively when it is part of the process of strategy translation in the organization (Kaplan and Norton, 2001).

2.1.8 Conceptual framework

A conceptual framework defined as a set of broad idea and principle taken from relevant fields of enquiry and used to structure a subsequent presentation. (Raiche and Ramey, 1987),
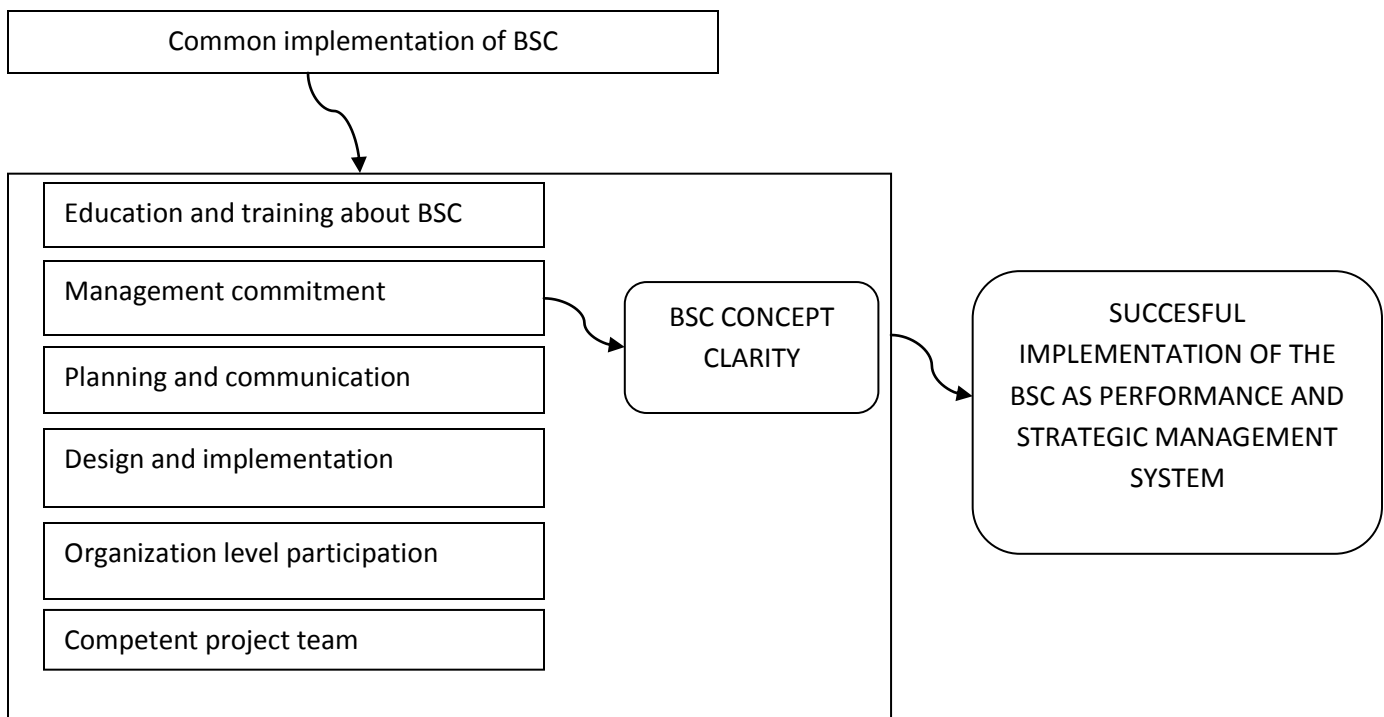
Source: self-Extracted

2.2 Empirical Literature Review

BSC is a strategic management and measurement tool. It measures performance by taking intangible assets in to consideration, but most of the banks measure their performance mostly taking their tangible asset in to consideration and their growth also measured likewise. Fikadu (2009) in his book in its thesis, recommended that CBE is better utilize BSC approach for its performance management in addition to traditional approach because BSC measures performance of the business taking in to account the long run aspects of the business like Customer satisfaction, internal business process and Learning and growth perspective of the business rather than only dwell on financial matters.

Some authors even recommend BSC to curb the problem of employee dissatisfaction that emanated from low salary and benefit. Because BSC attaches performance with reward system in order to motivate employees. As Tesfaye&Ataklity (2011) stated absence of reward system and low level of salary in public organization especially in civil service adversely affected employee motivation and caused high labor turn over." Likewise the employee dissatisfaction of the three organizations MoLSA, CBE and DBE's is emanated from low salary and benefit ,so in order to solve the problems the authors recommended the introduction of reward system in line with desired result or behavior. That is introduction of result oriented performance management system (using BSC as a tool) is assumed that it will solve this problem.

Actively supported at the highest levels of governments in Ethiopia, policy makers have adopted the 'Balanced Scorecard' , an accounting concept introduced into the management literature in the 1990s (Kaplan and Norton, 1996) to stimulate and inform performance planning and monitoring with the intention of creating a more 'strategically coordinated' public service (Adebabaye& Perkins: 2010) . According to our 'insider' account, Adebabaye& Perkins: (2010.83) state that BSC was chosen mindful of the need to coordinate activity not only vertically between governmental policies and individual ministries but also horizontally across public service agencies, to deliver integrated performance management motivated by a more stakeholder centered approach.

Based on the documented information produced by the World Bank issued on 2013, it states that around 145 federal and 270 regional offices in Ethiopia have implemented BSC; the institutions

have integrated balanced scorecard measures in their strategic plans. A system of individual performance agreements linked to team and organizational performance targets derived from the balanced scorecard methodology is also being implemented in the above mentioned organizations.

A study conducted by Davis and Albright (2004), in their quasi experimental study on "An investigation of the effect of balanced scorecard implementation on financial performance" found that bank branches in the BSC group outperformed non-BSC branches on common composite financial measures. BSC method promotes improved financial performance if non financial measures are incorporated logically and systematically. Traditional performance measurement system focused solely on possible examination and there is a lack of a coherent linkage between the measures chosen for the performance system and targeted financial measure of interest.

However Najjar and kalaf (2012), in their case study on "Designing a Balance scorecard to measure a Bank's performance: A case study", highlighted the importance of viewing performance from other perspective in addition to the financial perspective. The bank's management realized the important of BSC tool as a strategic and valuable performance management system and has expressed its interest and willingness to learn this approach and to apply it in future. Top management of the bank should demonstrate its commitment in adopting BSC for its successful implementation. They recommend that future researcher in the banking sector in Iraq are needed and should focus on studying the contingent factors that facilitate or impede the implementation of the BSC such as organizational culture, structure, technology. They future said that more studies are needed to identify the relevant measures of BSC for the Banking sector.

In the country (Tsion, 2014) in her study on perspective and challenges o balanced score card implementation in development bank of Ethiopia. Find that balanced score card helps the employees in organization in order to in 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 the 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 scorecard to the organization and the employees and the customer to look positively.

Similarly, by (Daniel, 2017) in his study on to apply balanced scorecard 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 scorecard in ethiotelecom, the third one lack of senior management commitment to apply balanced scorecard and the last one is measurement tool to measure balanced scorecard in the ethiotelecom. This study focuses both primary and secondary data and used the descriptive research method by reviewing available literature source from text book, journals, newspaper and other official document on balanced scorecard that relevant to ethio telecom challenges and problem.

However the study reviewed by (SakhrBani K, 2018) in this study aimed at identifying the use of balanced scorecard in the housing bank for trade and finance. Therefore the employee and customer surveys conduct to study both the internal perspective of operation, growth and learning and measure customer satisfaction with bank service. The study analyzes the use of balanced scorecard in line with strategic plan and the financial performance of the bank. Finally to recommend this study increase the use of balanced scorecard in order to sustain customer satisfaction.

2.3 Summary and gap in the existing literature

In the environment the global market rapid expansion integration and diversification, this about shift to local balanced scorecard. Because of the advantages for companies, countries, privet and public bank and regulators, money countries apply balanced scorecard. Apply balanced scorecards a number of benefit for organization and bank performance in effectively and efficiently, thus, the above studies to show implementation and identify balanced scorecard based on four perspectives in different organization (Najjar and Kalaf, 2012), identifying the balance scorecard in house bank for tread and finance, (Sakhr B. 2018). Perspective of balanced scorecard in development bank, (Tsion, 2014) and (Daniel's 2017) improved regulatory of BSC.

Most of the existing studies on the balanced scorecard focus mainly in developed countries, (Kaplan and Norton, 1996) to see impact on transparency of performance evaluation. In spite of this study conducted assessment of balanced scorecard implementation in the case of Nib Bank as per the knowledge of the researcher studies more explored to identify the drawbacks of the

system. And also, it helps to determine how the balanced scorecard is designed and implemented in the bank. It is also critical to investigate the various problems from the basic concepts of the balanced scorecard. This would enable to solve the practical problems in implementation of balanced scorecard and also no research report about the assessment of Balanced Scorecard implementation in the Nib Bank head office. Therefore, this study makes attempt to bridge this literature gap and tire to solve the other problems in 2019/20.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The main objective of this chapter is to make a focus on the methodology adopted in the study. Such as research design and approaches, target population and sampling technique and sample Size, sources of data and data collection instruments, methods of data analysis, validity and reliability instruments and ethical considerations.

3.2 Research Design and Approach

3.2.1 Research Design

Research design is blueprint and strategy of investigation conceived so as to obtain answers to research questions; it is the heart of any study (Kothari, 2004). A research design can be regarded as an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance with the research purpose. It was the conceptual structure within which research was conducted (Kothari, 2004). According to Kumar (2011), it is useful in getting an overall picture‟ as it describes at the time of the survey and also it is comparatively cheap to undertaking and easily to analyze since study involves only one contact with the population of the study. Descriptive Study attempts to describe systematically a situation, problem Phenomena, service or course of study, or attitudes towards an event (Kumar, 2011).

To use appropriate research design was important to fulfill the research objective and answering research question based on scope, purpose and focus of the research. To achieve this objective, this research work is employed descriptive research. Descriptive research type was employed for the purpose of this study, because, the researcher has no control on effect of the variables of the study; it was intended only to describe the operational effectiveness of Balanced Scorecard by referring Nib Bank.

3.2.2 Research Approach

For the purpose of this study, mixed type of research was followed. This includes the triangulation of quantitative and qualitative inputs using closed and open ended questionnaire and interview simultaneously. In using a combination of qualitative and quantitative data allows

triangulation by ensuring that the limitations of one type of data are balanced by the strengths of another. The combination of qualitative and quantitative approaches provides a more complete understanding of a research problem than either approach alone (Creswell, 2009).

3.3 Target Population, Sampling Technique and Sample Size

3.3.1 Target Population

A population is a group of individuals who had the same characteristic (Creswell 2012). Hence, the target population of this research work comprises all employees in the study area, which will be a total of 410 employees in the NIB bank head office.

3.3.2 Sampling Technique

Concerning the selection of sample respondents from target population, both probability sampling (simple random sampling) techniques and non-probability sampling (purposive sampling) techniques were employed. Probability sampling technique was selected because it avoids biasness and helps to generalize data gained from sample respondents avoiding an error which could arise from sampling. Therefore, in this case simple random sampling technique specifically lottery method has been used to pick out the actual respondents of this study. Furthermore, from non-probability sampling techniques purposive sampling has also been used as a technique so as to include top level managers due to the fact that they were seen to have enough knowledge about the operational effectiveness of BSC implementation as performance management system in NIB bank head office.

3.3.3 Sample Size

The sample sizes of respondents in the study area have been determined using statistical formula. Different authors used different formulas to determine the sample size of the study. For the purpose of this study, however, the formula set by Yamane, (1967), used by considering the level of acceptable margins of error 5 % and calculated as follows;

n = $\underline{N}$

        $1+ Ne^2$

   Where: n= Sample size

          N= Population

e= Sampling error

$$\frac{410}{1+410(0.05)^2} = \mathbf{202.46 \approx 202}$$

Accordingly, the quantitative sample size of this study was 202 respondents in the study area. On the other hand 3(Director of Strategic Planning, Project management team, Manager of Training and Development Unit) were purposively incorporated under for interviews (non-probability sampling).

3.4 Sources of Data and Data Collection Instruments

3.4.1 Sources of Data

Both primary and secondary sources of data were used for this study. The primary data are those which are collected afresh and for the first time, and thus happened to be original in character. The secondary data, on the other hand, are those which have already collected by someone else and which have already passed through the statistical process (Kothari, 2004).

3.4.1.1 Primary Sources of Data

To collect primary sources of data this study employed closed and open-ended questionnaires for employees of the NIB bank and interview for Director of Strategic Planning, Project management team, Manager of Training and Development Unit.

3.4.1.2 Secondary Sources of Data

Secondary sources of data were collected from available books, research reports, journal articles, information from the websites (internets) and NIB bank documents.

3.4.2 Data Collection Techniques/ Instrument

The researcher employed two types of data gathering instruments from sample respondents; questionnaire and interview.

3.4.2.1 Questionnaire

Questionnaires were used as the main instruments to collect data from the bank employees. In the present study, the search questionnaire was divided into five sections: (section one) background information, (section two) practice of BSC in the NIB bank as performance

management tool, (section three) major achievements gained due to BSC implementation, (section four) major problems of BSC implementation and (section five) solutions to overcome the challenges of BSC in NIB bank.

Section one of the questionnaires consisted of questions pertaining to the background information of respondents, such as Gender, Age, Educational qualification, Work Experience, type of employment and Positional, self-developed questionnaire was used and presented by pie and bar graphs.

Section two of the instrument contained the practice of BSC in the NIB bank as performance management tool (which is research question one of the study). For realization and successful accomplishment of the study the researcher adapted questionnaires from previous researchers as a base of the study by 20items. Respondents were requested to indicate the extent of practice of BSC implementation ranging from 5-1 (where 5= strongly agree, 4= agree, 3= undecided, 2=disagree and 1=strongly disagree). In addition, they were also asked through open ended question to list additional information's.

Part three, four and five of the questionnaire consisted of the major achievements gained due to BSC implementation, (section four) major problems of BSC implementation and (section five) solutions to overcome the challenges of BSC in NIB bank (they are basic research question two, three and four) respectively.

Basic research question two, three and four were represented by 11, 11 and 6 items respectively. In these part respondents were also requested to select a response ranging from 5-1 (where 5= strongly agree, 4= agree, 3= neutral, 2=disagree and 1=strongly disagree,). In addition, they were also asked some open ended questions to list additional information's. As a result the instrument used for the research work was adapted from the works of previous researchers.

Generally, the questionnaires were manly closed ended items with few open ended questions. The questionnaire was selected because; it helps to gather data with minimum cost faster than any other tool.

3.4.2.2 Interview

Interview was another instrument of collecting data for this study. It was under taken to get deep information and opinion about operational effectiveness of balanced scorecard in the case of NIB

banks. The researcher has employed un-structured interview because provided to exact information from the interviewer. The interview guidelines were prepared in English and were translated into Amharic so that the respondents easily understand it. Then, the interview responses were translated into English.

Interview is selected because this helps to get some facts and triangulate the result related to the issue under the study from Director of Strategic Planning, project management team and Manager of Training and Development Unit of the NIB bank.

3.5 Validity and Reliability of Instruments

3.5.1 Validity

The researcher checked the validity of the questionnaire by taking the feedback from the advisor's and 6 of employees of NIB bank, and corrections were made based on their feedback. The researcher has tried to consult relevant literatures to adapt the item of this specific survey moreover to maintain validity instrument was designed by taking in to consideration basic questions.

3.5.2 Reliability

Kumar (2011) define reliability as the ability of research instrument to provide similar result when used repeatedly under similar condition for purpose of measuring internal consistency of the scale cronbach's alpha coefficient of correlation is used. Cronbach's alpha was used to measure the instrument's reliability as shown below Table 3.1.

Table 3.1 Reliability Statistics

Cronbach's Alpha	N of Items
.798	79

Source: *Field survey, (2020)*

As recommended, reliability score (alpha) of at least .70 is considered good (Nunnally, 1978). Based on table **3.1** the coefficient of reliability of item measuring all variables found to be cronbach's alpha α=.798.

3.6 Methods of Data Analysis

The collected data was analysis by using questionnaires was first collected, edited, organized, analyzed, interpreted and presented by using different statistical tools. The closed ended

questionnaires were coded and analyzed using the Software Package for Social Science (SPSS) Version 25 Computer Software.

Generally, quantitative data analysis was subjected to analysis of background information's and addressing the four research questions.

The quantitative data gathered through questionnaires summarized and presented using statistical tools such as figures and tabulation, which include percentile, frequency, mean and standard deviation followed by interpretation and discussion. In addition, the qualitative data collected through open-ended questionnaires and interview analyzed and interpreted using narration. Then the major findings, conclusion and recommendation forwarded based on the analysis and interpretation.

3.7 Ethical Considerations

In each and every process of the study the researcher gave attention. The data collections were conducted based upon the permission of the respondents. The researcher was used confidentiality and privacy assume by used codes instead of subject's names on the questionnaire to assure that each respondents gave information are confidential. In addition to this, the researcher was used simple and clear approach of language and thanks participants in all the process of the study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction

In this chapter, results of the data collected from the respondents by means of questionnaire and interviews are presented, analyzed and interpreted.

This chapter is organized into five main sections as follows. The first section is described background information's of the respondents such as Gender, Age, Educational qualification, Work Experience, type of employment, Position and others.

Second section is the practice of BSC as performance management tool, the third sections on the major achievements as a result of balanced scorecard implementation as performance system, the fourth section on the major problems of BSC and the last sections on the possible strategies to make BSC more effective.

4.2 Response Rate

In the course of conducting the study, the researcher distributed 202 copies of questionnaires for the employees working in NIB bank. Because of the world epidemic COVID-19 (Corona Virus) 153 questionnaires were completed and collected which makes 75.74% response rate. Besides, Key Informant Interviews were held with one Director of Strategic Planning. In general, the overall rate of responses was 54.52 % of total samples. The response rates from questionnaires are 75.74% and from interviews as shown in table 4.1 below.

Table 4.1 Response Rate

Data collection Instruments	Distributed/plan to conduct for	Returned/conducted to	Return/conduct rate
Questionnaires	202	153	75.74%
Interviews	3	1	33.3
Total	205	154	54.52

Source: Field Survey, 2020

4.3 Background Information

In the first section of the questionnaire, the participants were asked to provide information on the following aspects: Gender, Age, Educational qualification, Work Experience, Type of employment and Position. The findings of the study were presented as follows.

4.3.1 Sex of the respondents

This sub-section explains sex of the respondents.
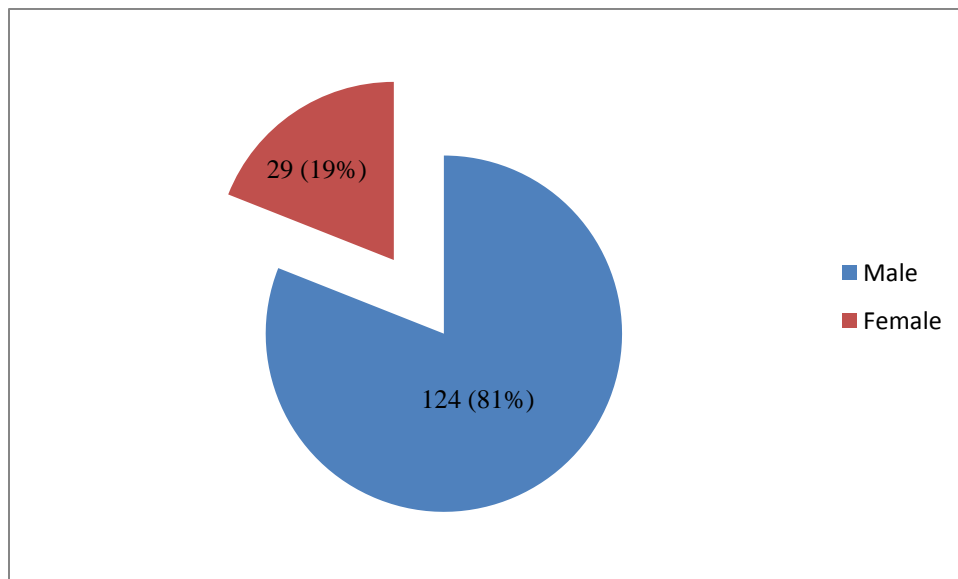
Figure 4.1. Sex of respondents
Source: field survey, 2020

The respondents were asked to show their gender, this was expected to guide the researcher on the conclusion regarding the respondents with the gender characteristic on the effectiveness of balanced scorecard in NIB bank. The results as shown in the figure 4.1 above majorities of the respondents were male at 124 (81%) while female were 29 (19%). This indicates that the majority of the staff working in the organization was male.

4.3.2 Age of the respondents

This sub-section describes age of the respondents.
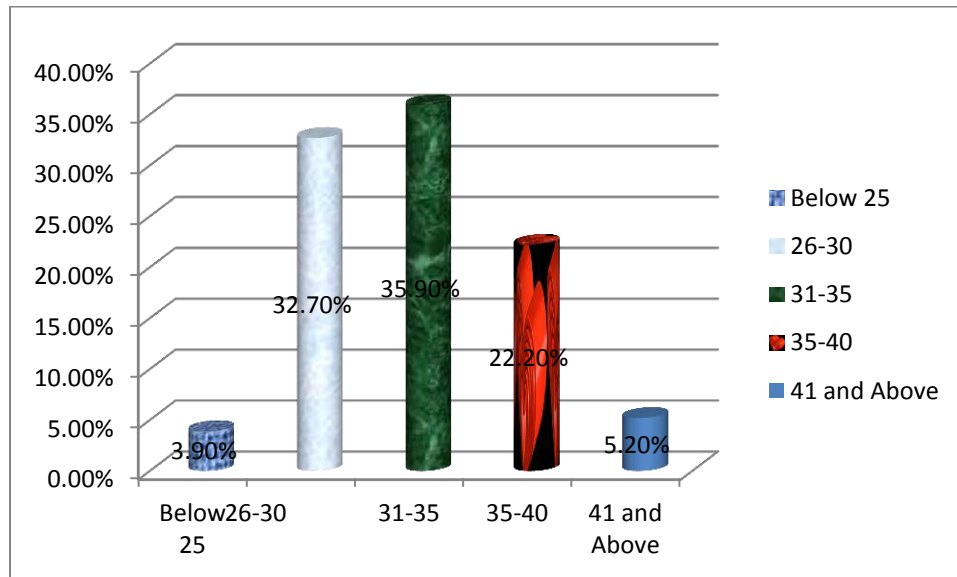
Figure 4.2. Age of respondents
Source: field survey, 2020

The age of the respondents concentrated higher number of respondents in a range of 31-35 years of age which 35.9%. Followed by years of age group of 26-30(32.7%), 35-40 (22.2%) the rest 5.2% and 3.9% of the respondents age above 41 and below 25 respectively. This implies that the employees to shows middle age in the nib bank working environment.

4.3.3 Educatinal qualification of the respondents

This sub-section describes the educational status of the respondents.
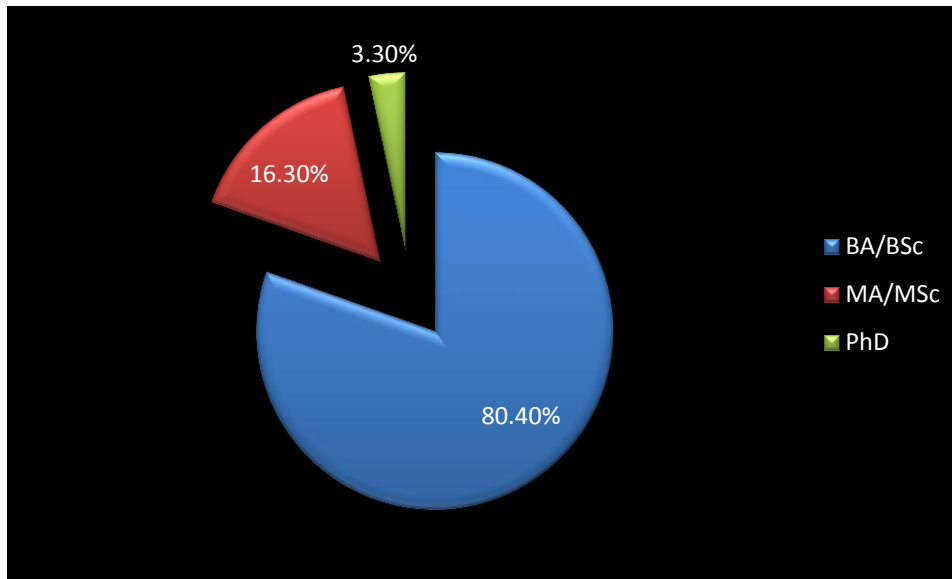
Figure 4.3. Educational qualification
Source: field survey, 2020

The respondents were asked to show their highest attend education level that shows majority of respondents 80.4% attained their education up to BA/BSC. While 16.3% had attained their education up to MA/MSC. This indicates that respondents have a good understanding of the questions about the study on balanced scorecard.

4.3.4 Work experiance of respondents

This sub-section describes work experience of the respondents.
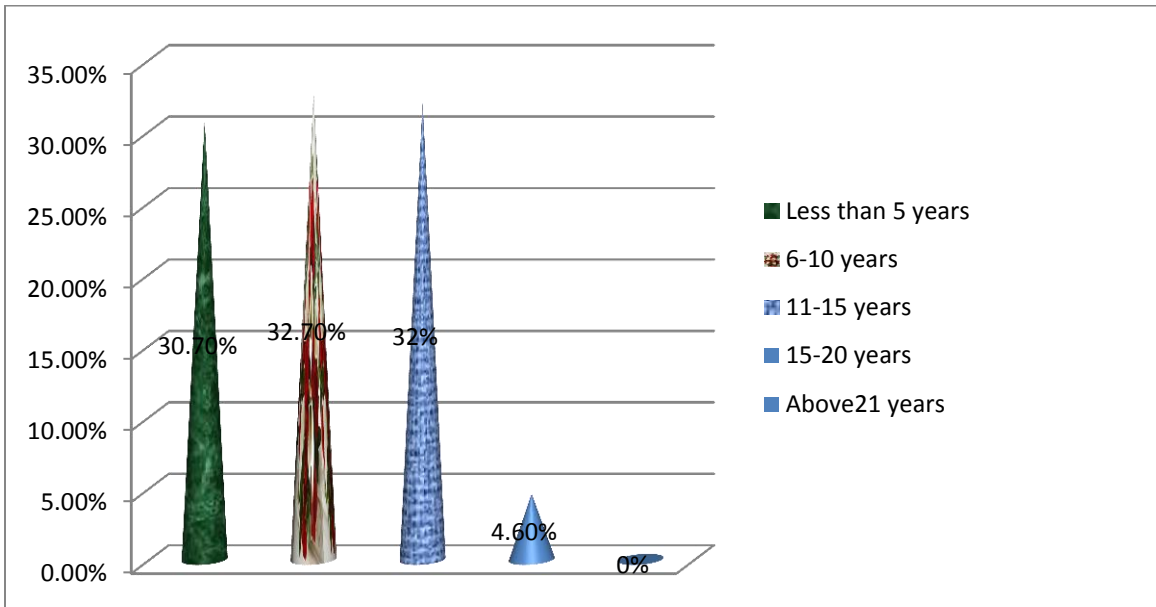
Figure 4.4. Work experience of respondents
Source: field survey, 2020

Considering work experience of respondents the majority of respondents that is 32.7% had 6-10 years work experience, where as 32% had 11-15 years and also less than 5 years had 30.7%. From the data, we can understand that the experiences of respondents were found to be adequate in order to provide enough information regarding balanced scorecard implementation in the bank.

4.3.5 Type of employement of respondents

This sub-section describes type of employment of respondents.
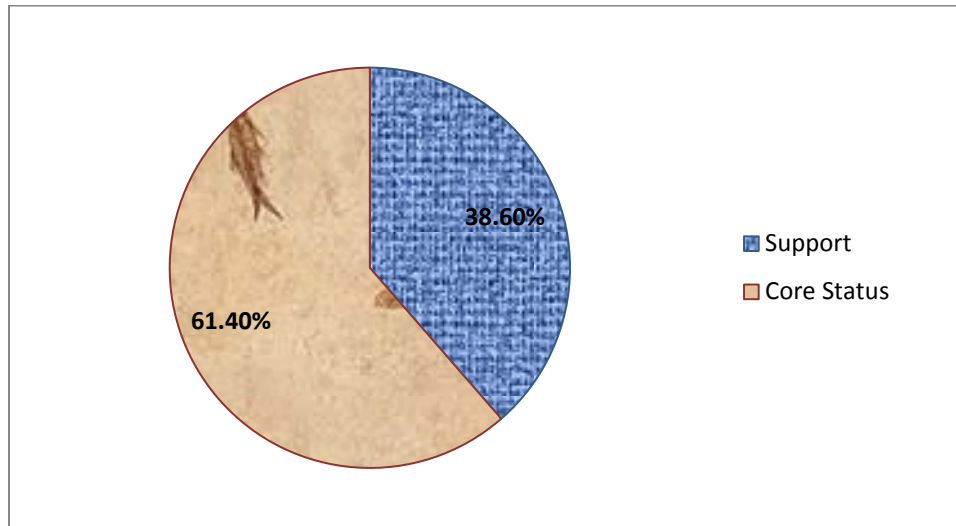
Figure 4.5. Type of employment of respondents
Source: field survey, 2020

The respondents were asked to show attend any training related to BSC the majority of respondents 71.9% not attend any training related to balanced scorecard, the minority of respondents 23.5% to attend any training related to balanced scorecard. This implies that the employees not attend training based on BSC.

4.4 Practice of BSC as Performance Management Tool

In the first section of the questionnaire, the participants were asked to provide information on the practice of BSC implementation as performance system in the NIB bank. The findings of the study were presented as follows. In this regard, twenty (20) items were designed to identify the practice of BSC implementation as performance system and respondents were asked to rate the level of their agreement on each statement using a five-point Likert scale. A mean of less than 3.0 meant members disagreed with item, while a mean above 3.0 meant members agreed with item and mean value equals with 3.0 meant members neutral with the item. Thus, the results obtained are presented in the table 4.2 hereunder

4.4.1 Planning phase (Internal process perspective)

BSC as a change initiative requires careful planning and preparation for its successful implementation the objective of planned change are twofold. First it seeks to improve the

preparation of the organization to adopt the change in its environment second it seeks to change employee behavior (Clemans 1995).

Internal business Processes, represents the impact of product and service quality and helps identify which internal business processes must operate with excellence in order to satisfy customers. In other words, the objectives of the internal business process perspective highlights the processes which are most critical for the strategy of the organization to succeed and to meet customer expectations (Kaplan & Norton, 1992; Kaplan & Norton, 1996).

Table 4.2 Planning phase

No	Items	SA		A		N		D		SD		Mean	SD
		F	%	F	%	F	%	F	%	F	%		
1	NIB bank was planned for BSC	34	22.2	60	39.2	7	4.6	28	18.3	24	15.7	3.34	1.410
2	Necessary resources were allocated for BSC design and implementation	40	26.1	72	47.1	34	22.2	4	2.6	3	2.0	3.93	0.874
3	BSC committee was established	51	33.3	44	28.8	15	9.8	43	28.1	0	0	3.67	1.208
Grand mean												3.64	1.164

Source: Field Survey, 2020

As it can be clearly evidenced in the above Table 4.2 item 1, the mean rating scale value of the respondents was founded 3.34 with a standard deviation of 1.410. This mean rating scale value shows that respondents were agreed with the item. Thus, NIB bank plan preparation was very good according the respondents.

Regarding item 2 in the same Table, the mean value of all respondents was found 3.93 with SD of 0.874 and is interpreted as agreed with the item. The result portrays that necessary resource were allocated for BSC design and implementation. In addition interviewed respondent were agreed that there is a resource to design and implement BSC. To implement balanced scorecard successfully, several conditions have to full fill such as planning and setting target, linking with resources and management process to balanced scorecard, automation, and conducting develop balanced scorecard at each level of organization.

Regarding to Table 4.2, Item 3, and the balanced scorecard committee was established to apply in the bank that mean rating scale value of the item was 3.67 with the SD of 1.208, signifying that respondents agreed that BSC implementation to develop the committee in the NIB bank performance. The result to show the NIB bank was established committee to improve the implementation of BSC.

4.4.2 Implementation phase (Internal process perspective)

As indicate by Kaplan and Norton, (1997) the aim of the implementation of balanced scorecard is to direct, help manage and change in support of the long term strategy in order to manage performance. It acts as a catalyst for bringing in the 'change' element within the organization.

Table 4.3 Implementation phase

No	Items	SA		A		N		D		SD		Mean	SD
		F	%	F	%	F	%	F	%	F	%		
4	Automating the balanced scorecard system	31	15.1	27	13.2	32	15.6	58	28.3	57	27.8	2.60	1.406
5	Cascading the process in to team and performer level	25	16.3	45	29.4	14	9.2	69	45.1	0	0	3.17	1.174
6	NIB bank established performance evaluation and rating system	26	17.0	28	18.3	10	6.5	88		1	0.7	2.93	1.212
7	NIB bank organize infrastructure elements for the achievement of our objectives	37	24.2	42	27.5	18	11.8	28	18.3	28	18.3	3.21	1.458
8	The organization uses other process measurement tool like ISO, Six Sigma	35	22.9	21	13.7	19	12.4	44	28.8	34	22.2	2.86	1.491
Grand mean												2.95	1.34

Source: Field Survey, 2020

As it can be clearly evidenced in the above Table 4.3 item 4, the mean rating scale value of the bank to apply balanced scorecard using automating system was founded 2.60 with a standard deviation of 1.406. This mean rating scale value shows that respondents were disagreed in the

balanced scorecard linked automating to apply in the organization to daily activities. Thus, the NIB bank were not given much attention to automating the balanced scorecard system or low performance, this lead the bank to inefficient reporting system and better decision making.

This study has similar finding on the Study byAsrat(2012), in development bank of Ethiopia with the title on the design and implementation of balanced scorecard, the finding of the study clearly show that in ability to automate the implementation process was the major problems.

Regarding item 5 in the same Table, the mean value of the responses of all respondents was found 3.17 with SD of 1.174 with the item. From this result one can understand that cascading the process form the strategic plan in to team and performer level was done properly by the NIB bank. The literature reveals that cascading is important for changing the strategic plan in to action during implementation of BSC. According to Robert, (2001) says cascading translates high-level strategy into lower level objectives, measures and operational details. Cascading is the key to organization alignment around strategy. Team and individual scorecards link day-to-day work with department goals and corporate vision.

Regarding to Table 4.3, Item 6, and the NIB bank established performance evaluation and rating system that mean rating scale value of the item was 2.93 with the SD of 1.212, signifying that respondents disagreed that the practice of BSC implementation to the organization not established performance evaluation and rating system. The result shows that NIB bank was not established performance evaluation and rating system properly.

As can be seen in item 7, of Table 4.3 the views of respondents with regard to the NIB Bank organize infrastructure structure element for the achievement of our objectives. In this case the mean rating scale of responses was 3.21 with SD of 1.458, signifying that agreed with the item. This portrays that the bank to organize infrastructure structure element for the achievement of our objectives on the balanced scorecard implementation.

In relation to item 8 on Table 4.3 respondent's response about the practice of balanced scorecard in NIB bank was the organization goal uses other process measurement tool like ISO and six sigma etc. The mean rating scale value of the item raised was found 2.86 with the SD 1.491,

signifying that disagreed rating scale which indicates that there was a problem to reach the organization not uses other process measurement tool in the study area.

According to all mean result the grand mean to show (3.21) signifying that agree with the item. This indicates the company internal process perspective (planning and implementation phase) effectively apply based on that perspective.

4.4.3 Customer Perspective

According to Niver (2006), measures in the customer perspective should answer three questions: what are our target groups of customers, what do they expect or demand from is and what the value proposition for us would be in serving them the most common measurement for this perspective include customer satisfaction, customer loyalty and market share. (Niven, 2006). Thus, the customer perspectives examine meeting and exceeding customer expectation

Table 4.4 Customer Perspective

No	Items	SA		A		N		D		SD		Mean	SD
		F	%	F	%	F	%	F	%	F	%		
9	NIB bank add value to customers and clients	34	22.2	60	39.2	7	4.6	28	18.3	24	15.7	3.34	1.410
10	NIB bank delivered service to customer in a reasonable and good price.	63	41.2	27	17.6	31	20.3	32	20.9%	0	0	3.79	1.190
11	There is good documentation and data collection system In NIB bank	44	28.8	65	42.5	19	12.4	19	12.4	6	3.9	3.80	1.108
12	Customer handling system is good, as the result of this we maximize profit	64	41.8	68	44.4	14	9.2	6	3.9	1	0.7	4.23	0.823
13	We are competitive because of our customer oriented activity	33	21.6	19	12.4	9	5.9	43	28.1	49	32.0	2.63	1.559
Grand mean												3.55	1.218

As it can be clearly evidenced in the above Table 4.4 item 9 in the same Table, the mean value of the responses of all respondents was found 3.34 with SD of 1.410 and is interpreted as agreed with the item. The result portrays that the organization add value to customers and clients. From this result one can understand that NIB bank adds value to customer and clients is good.

As indicated in item 10 of Table 4.4, the mean rating scale value of the NIB bank has delivered service to customer in reasonable and good price was found 3.79 with SD of 1.190. This mean rating value portrays that most of respondents were agreed on the item raised. According to the response of respondents we can conclude that NIB bank to deliver service to customer in reasonable price.

In relation to item 11 on Table 4.4 respondents' response about the practice of balanced scorecard in NIB bank using good documentation and data collection system. The mean rating scale value of the item raised was found 3.80 with the SD 1.108, signifying that agreed with the item. Thus, that there was good documentation and data collection system in study area.

In regarding item 12 on Table 4.4 of the same table, the organization customer handling system is good, as the result of this we maximize profit. The mean rating score value of the respondents' response was found 4.23 with the SD of 0.823. From this result, one can infer that the organization customer handling system is good, as the results of this maximize profit was high.

In relation to item 13 on Table 4.4 respondents' response about the objectives of research in the Nib bank are competitive because of our customer oriented. The mean rating scale value of the item raised was found 2.63 with the SD 1.559, signifying that disagreed with the item. This implies that Nib bank are competitive because of our customer oriented activity was low.

According to grand mean to show 3.55, these mean rating values were agreed on the item raised, this implies that the organization performance based on customer perspective was good.

4.4.4 Financial Perspective

According to (Niver, 2006). 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 indicators. Therefore, the finance perspective would concentrate on historical issues in terms of financial results and would examine how the key financial stakeholders views on the organization.

Table 4.5 Financial Perspective

The financial perspective demonstrated the strategy of increasing profitability while maintaining both business equity and proprietor's income (Shadbolt et.al, 2003). Private sector financial objectives generally represent clear long-range targets for profit-seeking organizations. Under this perspective the most common performance measures incorporated are the traditional financial measures: ROI, Cash Flow, Net Operating Income, Revenue Growth, etc. So success is measured through financial measures .These measures differ from one company to another, which mean there is no standard set of financial measures applicable across different contextual organizational frameworks and environments (Al-Sawalqa, Holloway and Alam , 2011).

No	Items	SA		A		N		D		SD		Mean	SD
		F	%	F	%	F	%	F	%	F	%		
14	There is a good participatory approach for budget planning system	53	34.6	54	35.3	18	11.8	26	17.0	2	1.3	3.85	1.117
15	NIB bank internal financial system contributes to organization success.	58	37.9	52	34.0	21	13.7	15	9.8	7	4.6	3.96	1.081
16	NIB bank uses the appropriate technology and infrastructure effectively	60	39.2	52	34.0	17	11.1	23	15.0	1	0.7	3.96	1.081
17	Our financial report accepted in all level of organization performer	72	47.1	56	36.6	6	3.9	14	9.2	5	3.3	4.15	1.075
Grand mean												3.98	1.257

Source: Field Survey, 2020

Regarding item 14 in the above Table, the mean value of the responses of all respondents was found 3.85 with SD of 1.117 and is interpreted as strongly agree with the item. The result portrays that the Nib bank is a good participatory approach for budget planning system.

As indicated in item 15 of Table 4.5, the mean rating scale value of the NIB bank is internal financial system contribution to the organization success of BSC implementation was found 3.94 with SD of 1.149.This mean rating value portrays that most of respondents were agreed on the item raised. According to the response of respondents we can conclude that there is better result in the organization internal financial system contribution to the organization success in balanced scorecard implementation.

As can be seen in item 16, of Table 4.5 the views of respondents with regard to the NIB Bank use the appropriate technology and infrastructure effectively. In this case the mean rating scale of responses was 3.96 with SD of 1.081, signifying that agreed with item This implies that NIB Bank use opportunities and develop new method to enhancing revenue and use the appropriate technology and infrastructure effectively in a good way.

In relation to item 17 on Table 4.5 respondent's response about the practice of balanced scorecard in NIB bank was the organization financial report accepted in all level of organization performer to practice BSC. The mean rating scale value of the item raised was found 4.15 with the SD 1.075, signifying that agreed. From this one can conclude that acceptance of financial report in all level of organization performer was high in Nib bank.

From this result under grand mean to show 3.98 this indicate that "strongly agree" under this indicators the nib bank implement balanced scorecard based on financial perspective was vary good.

4.4.5 Learning and Growth perspective

By measuring the organization's ability to innovate, improve and learns the learning and growth perspective identifies the needed infrastructure to support the other three perspectives. (Niven, 2006) argues that measures of the learning and growth perspective are the enablers of the other perspective and represent the foundation of the balanced scorecard. According to (Kaplan and Norton 1992) continual improvement and the ability to learn and introduce new products and

service are the precondition to survive, expand in the global market place, and increase the company's value where knowledge, employee skill, satisfaction, the availability of most common measures of this perspective (Niven, 2006). The innovation and learning perspective would concentrate on the ability to sustain itself into future by developing future capability.

Table 4.6 Learning and Growth perspective

No	Items	SA		A		N		D		SD		Mean	SD
		F	%	F	%	F	%	F	%	F	%		
18	NIB bank considers intellectual capital is the main source of profitability.	60	39.2	50	32.7	18	11.8	23	15.0	2	1.3	3.93	1.110
19	To fill gap the organization provide training to the employee after feedback.	23	15.0	16	10.5	10	6.5	95	62.1	9	5.9	2.67	1.209
20	Assignment of process owners is according to the merits	31	20.3	25	16.3	27	17.6	46	30.1	24	15.7	2.95	1.383
Grand mean												3.18	1.234

Source: Field Survey, 2020

As it can be clearly evidenced in the above Table 4.6 item 18, the mean rating scale value of the NIB bank consider intellectual capital is the main source of profitability was founded 3.93 with a standard deviation of 1.110. This mean rating scale value shows that respondents were agreed that NIB bank consider intellectual capital is the main source of profitability. Thus, NIB bank considers intellectual capital is the main source of profitability.

Regarding item 19 in the same Table, the mean value of the responses of all respondents was found 2.67 with SD of 1.209 and is interpreted as disagreed with the item. From this result one can understand that the BSC implementation to build up on the employee providing training under learning and growth perspective in the study area was low.

In relation to item 20 on Table 4.6 respondents' response about the assignment of process owners is according to the merits. The mean rating scale value of the item raised was found 2.95 with the

SD 1.383, signifying that disagreed. This portrays that assignment of process owners in the Nib bank was not according to the merits.

Regarding from the grand mean result 3.18 this indicates that "agreed" under learning and growth perspective, this to show the organization to practice balanced scorecard on learning and growth perspective was good.

4.5 Major Achievements of BSC Implementation as Performance System

According to Kaplan and Norton,(2008), an organization- wide adaptation of the BSC, across all key organizational function this has been shown to provide a co-ordinate framework and a common approach for all organizational performance measurement and management efforts, utilize the BSC to provide purposeful data for organizational decisions, allocate the future direction, and increased understand and awareness of the operations across the whole management team; improved understanding of the links between measures and market target setting and performance describes across the four perspective.

In the third section of the questionnaire, the participants were asked to provide information on the achievements of BSC implementation as performance system in NIB bank. In this regard, eleven (11) items were designed to identify the major achievements and respondents were asked to rate the level of their agreement on each statement using a five-point Likert scale. A mean of less than 3.0 meant members disagreed with item, while a mean above 3.0 meant members agreed with item on the other hand a mean result equals to 3.00 the respondents are neutral. Thus, the results obtained are presented in the table 4.7 hereunder.

Table 4.7 Achievements of BSC implementation

No	Items	SA		A		N		D		SD		Mean	SD
		Fr	%	Fr	%	Fr	%	Fr	%	Fr	%		
1	BSC linked the vision with daily activities	30	19.6	67	43.8	46	30.1	10	6.5	-	-	3.76	0.841
2	BSC helped the processes to achieve their objectives	33	21.6	36	23.5	14	9.2	65	42.5	5	3.3	3.18	0.956
3	BSC encourages learning & continuous improvement	44	28.8	65	42.5	19	12.4	19	12.4	6	3.9	3.80	1.108
4	BSC has increased	53	34.6	44	28.8	35	22.9	19	12.4	2	1.3	3.83	1.082

No	Statement											Mean	Std
	employees' understanding of strategies												
5	NIB bank encourages vertical and lateral information sharing/feedback among organization unit.	19	10.5	44	35.3	20	13.1	54	35.3	16	10.5	2.97	1.251
6	NIB bank revised its strategy at list once a year.	42	34.6	44	28.8	35	22.9	19	12.4	2	1.3	3.83	1.004
7	NIB bank translated organizational goals into actionable deliverables.	34	22.2	20	13.1	10	6.5	69	45.1	20	13.1	2.86	1.410
8	NIB bank Prepared and implemented a comprehensive communication plan	28	18.3	24	15.7	20	13.1	61	39.9	20	13.1	2.86	1.343
9	NIB bank aligning incentives, rewards and recognition to the employee.	23	15.0	23	15.0	14	9.2	71	46.4	22	14.4	2.70	1.308
10	Implementation of BSC increase internal creativity or innovativeness	70	45.8	42	27.5	6	3.9	22	14.4	13	8.5	3.88	1.354
11	NIB bank use the appropriate technological infrastructure	67	43.8	43	28.1	22	14.4	15	9.8	6	3.9	3.98	1.155
Grand mean												3.422	1.164

Source: Filed survey, 2020

As it can be clearly evidenced in the above Table 4.7 item 1, the mean rating scale value of achievement related with balanced scorecard linked the vision with daily activities was founded 3.76 with a standard deviation of 0.841. This mean rating scale value shows that respondents were agreed in the balanced scorecard linked the vision with daily activities. Thus, NIB bank linked the vision with daily activities with the implementation of BSC as a performance management tool.

Regarding item 2 in the same Table, the mean value of the responses of all respondents was found 3.80 with SD of 1.108 and is interpreted as agreed with the item. The result portrays that the BSC helped the process to achieve their objectives. From this result one can understand that NIB bank helped by the process to achieve their objective on BSC implementation in the study area.

Regarding to Table 4.7, Item 3, the balanced scorecard encourages learning and continuous improvement that mean rating scale value of the item was 3.98 with the SD of 1.095, signifying that respondents strongly agreed that the BSC implementation to encourages learning and continuous improvement in the NIB bank performance. The result shows that NIB bank encourages learning and continuous improvement to implement the BSC.

This finding also supported to previous studies Amare.E, (2014) reports that BSC encourage learning and continuous improvement in the DBE Bank. From the result one can understand that majority of the respondents are agreed with the implementation of balanced scorecard encourage learning and continuous improvement.

In relation to item 4 Table 4.7, respondents were asked to give their agreement level in relation to the scorecard implementation has increased employees understanding of strategies on the bank. The mean rating scale value of the item was 3.83 with the SD of 1.082, signifying that that the agreement of respondents with the case described. From this we can shown that NIB bank to get benefit for increased employees understanding of strategies to implement the balanced scorecard. Any strategy, to be effective must contain description of financial aspiration, markets served, and processes to be conquered and of course the people who will steadily and skillfully guide the company to success. (Paul R. Niven, 2002)

As indicated in item 5 of Table 4.7, the mean rating scale value of the NIB bank has encourages vertical and lateral information sharing/feedback among organization unit as a problem of BSC implementation was found 2.97 with SD of 1.251.This mean rating value portrays that most of respondents were disagreed on the item raised. According to the response of respondents we can conclude that NIB bank not benefit for encourages vertical and lateral information sharing/ feedback among organization units to balanced scorecard implementation.

As can be seen in item 6, of Table 4.7 the views of respondents with regard to the NIB Bank revised strategy at list one year. In this case the mean rating scale of responses was 3.83 with SD of 1.044, signifying that "agreed". This portrays that the bank revised strategy at list one year on the balanced scorecard implementation.

In relation to item 7 on Table 4.7respondents response about achievement of balanced scorecard in relation to whether NIB bank translated organizational goals into actionable deliverables. The mean rating scale value of the item raised was found 2.86 with the SD 1.410, signifying that disagreed with the item which indicates that there was a problem to reach the organization not translated organizational goal into actionable deliverables.

In regarding item 8 on Table 4.7 of the same table, the problem was related to prepare and implementation communication plan. The mean rating score value of the respondents' response was found 2.86 with the SD of 1.343. From this result, one can infer that the organization prepared and implementation a comprehensive communication plan in the study area.

In relation to item 9 on Table 4.7respondents response about the objectives of research in the NIB bank aligning incentives, reward and recognition to the employee. The mean rating scale value of the item raised was found 2.70 with the SD 1.308, signifying that "disagreed" rating scale which indicates that there was the company not aligning incentives, reward and recognition to the employee in the survey study.

Item 10, of Table 4.7 deals with the balanced scorecard implemented increase creativity and innovation in the NIB bank. In this regard the mean rating scale was founded 3.88 with SD of 1.354, showing that "agreed". From this it can be observed the respondents were believed that balanced scorecard implemented increase internal creativity and innovativeness in the NIB bank.

As shown in table 4.7, item 11 the questionnaires results related to the organization used the appropriate technology. The result of the scale mean was founded 3.98 with SD of 1.555, this means that agreed with the item. This implies that the NIB bank used the appropriate technological infrastructure.

In addition to the Liekert scale questionnaires results, the data obtained from interview stated that. Balanced scorecard help the process to achieve their bank objective, encourages learning and continuous improvement, NIB bank encourage vertical and horizontal information sharing/ feedback among organization unit and revised strategy at list one year and also to give revised in one year were found from the interview.

From this result the grand mean 3.422 this to show "agreed" on the implementation of BSC in the nib bank, under grand mean the practice of balanced scorecards to get some achievements on the BSC.

4.6 Major Problems of BSC as Performance Management System

According to Kaplan and Norton (1992), during the first couple of years of introducing the 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 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 source of the failure of the BSC implementation.

In the fourth section of the questionnaire, the participants were asked to provide information on the problems of BSC implementation as a performance management system in the study area. In this regard, eleven (11) items were designed to identify the major problems and respondents were asked to rate the level of their agreement on each statement using a five-point Likert scale. A mean of less than 3.0 meant members disagreed with item, while a mean above 3.0 meant members agreed with item. Thus, the results obtained are presented in the table **4.8** hereunder.

Table 4.8 Challenges of BSC implementation

No	Items	SA		A		N		D		SD		Mean	SD
		Fr	%	Fr	%	Fr	%	Fr	%	Fr	%		
1	NIB bank lacks top management commitments	58	33.9	51	33.3	27	17.6	12	27	5	3.3	3.95	1.081
2	NIB bank has adopted many indicators	6	3.9	6	3.9	29	19.0	61	39.9	51	33.3	2.05	1.018

#	Statement											Mean	SD
3	Lack of adequate knowledge on BSC	50	32.7	49	32.0	20	13.1	25	16.3	9	5.9	3.69	1.248
4	NIB bank has involved few individuals in the BSC implementation	13	8.5	18	11.8	96	62.7	12	7.8	14	9.2	3.03	.952
5	NIB bank kept the scorecard at the top (not shared with every member of the organization)	44	28.8	48	31.4	30	19.6	16	10.5	15	9.8	3.59	1.275
6	Resistance to change	41	26.8	66	43.1	16	10.5	12	7.8	18	11.8	3.65	1.279
7	NIB bank has failure to cascade (sharing scorecard with every individual)	15	9.8	27	17.6	19	12.4	41	26.8	51	33.3	2.44	1.366
8	In ability to get sufficient information on BSC design & implementation	32	20.9	55	35.9	31	20.3	13	8.5	22	14.4	3.41	1.305
9	Scorecard terminologies are not consistent with the culture of the bank	-	-	32	20.9	25	16.3	42	27.5	54	35.3	2.23	1.144
10	Inability to reach consensus on objectives and Measures	34	22.2	54	35.3	26	17.0	21	13.7	18	11.8	3.42	1.296
11	BSC have had relatively little effect on bank performance	8	5.2	46	30.1	29	19.0	40	26.1	30	19.6	2.75	1.226
Grand mean												3.11	1.19

Source: Filed survey, 2020

As it can be clearly evidenced in the above Table 4.8 item 1, the mean rating scale value of problems related top management commitments was founded 3.95 with a standard deviation of 1.081. This mean rating scale value portrays that respondents were agreed in the problem of top management commitment. Thus, NIB bank lacks senior leadership commitment with the implementation of BSC as a performance management tool.

Similar to this finding, literatures found that no initiative in an organization, regardless of its potential, has any chance of success without a sponsor in top management (Niven, 2005). The

same applies with balanced scorecard Niven (2005) stresses the importance of top management for the success of the balanced scorecard initiative. He argues that if top management does not support the BSC initiative, and more importantly, does not appreciate its role in solving real life problems, the BSC will show average results and will probably fail.

Regarding item 2 in the same Table, the mean value of the responses of all respondents was found 2.05 with SD of 1.018 and is interpreted as disagreed with the item. The result portrays that the bank has not adopted many indicators. From this result one can understand that NIB bank has not adopted many indicators therefore is not a challenge of BSC implementation in the study area.

In relation to item 3 Table 4.8, respondents were asked to give their agreement level in relation lack of adequate knowledge on BSC. The mean rating scale value of the item was 3.69 with SD of 1.248, signifying that "agreement". The result to shows the NIB Bank employees lack of adequate knowledge on balanced scorecard.

In an interview with the key informant on the challenges of BSC, supported the above findings and mentioned that lack of adequate knowledge was is the real problem in the study area.

This finding also supported to previous studies Asrat(2014) reports that lack of adequate knowledge was one of the main challenges of BSC implementation in the Bank. From the result one can understand that majority of the respondents are agreed with their response with the challenge of lack of adequate knowledge on BSC.

Regarding to Table 4.8, Item 4, challenges related to individual involvement reviled that mean rating scale value of the item was 3.03 with the SD of .952, signifying that respondents agreed that NIB bank has involved few individuals in the BSC implementation. The result shows that NIB bank has involved few individuals in the BSC implementation.

In relation to item 5 Table 4.8, respondents were asked to give their agreement level in relation to the scorecard at the top as a problem of BSC implementation. The mean rating scale value of the item was 3.59 with the SD of 1.275, signifying that the agreement of respondents with the case described. From this we can shown that NIB bank kept the scorecard at the top (not shared with every member of the organization).

In relation to item 6 on Table 4.8, majority of the respondents agreed that NIB bank BSC resistance to change with the cumulative mean score of 3.65 and S.D of 1.279. Thus, resistance to change is the major problems. In order to triangulate this quantitative data the researcher was conducting interviews. The findings from all qualitative data were assured the problems and challenges of top management commitments in NIB bank.

As indicated in item 7 of Table 4.8, the mean rating scale value of the NIB bank has failure to cascade (sharing scorecard with every individual) as a problem of BSC implementation was found 2.44 with SD of 1.366. This mean rating value portrays that most of respondents were disagreed on the item raised. According to the response of respondents we can conclude that NIB bank not failure to cascade (sharing scorecard with every individual).

As can be seen in item 8, of Table 4.8 the views of respondents with regard to the problem of insufficient information. In this case the mean rating scale of responses was 3.41 with SD of 1.305, signifying that "agree". This portrays that insufficient information on BSC design & implementation was a challenge of BSC implementation.

Regarding to item 9, of Table 4.8 deals with the inconsistency of BSC terminology to the culture of the bank. In this regard the mean rating scale was founded 2.23 with SD of 1.144, showing that "disagreed". From this it can be observed the respondents were believed that scorecard terminologies are consistent with the culture of the bank.

In relation to item 10 on Table 4.3, respondents' response about the problem was inability to reach consensus on the designed objectives. The mean rating scale value of the item raised was found 3.42 with the SD 1.296, signifying that "agree" rating scale which indicates that there was a problem to reach consensus on objectives.

In the last item of the same table, the problem was related with BSC effect on profit. The mean rating score value of the respondents' response was found 2.75 with the SD of 1.226. From this result, one can infer that BSC had no effect on the banks profit in the study area.

Therefore, from the above Table 4.8 anyone can conclude that significant number of respondents confirmed that weak or lack of commitment from the leadership, failure to involve the critical mass in the implementation process, taking unacceptably long time to implement the BSC,

failure to cascade (sharing scorecard with every individual), inability to get sufficient information on BSC, the inability to reach consensus on the designed objectives were the challenges that has to be addressed by NIB bank.

In order to get some other problems in addition to what was mention in table 4.8 above, the respondents were also asked in the open-ended part of the questioner to list the problems faced by the NIB bank in the implementation of BSC. Accordingly, the following problems were obtained from the collected data.

- During implementation of BSC some activities are difficult to cascade at individual level.
- Lack of equal understanding among employees and managers of NIB bank on BSC
- There was also lack of adequate training was serious problems
- Getting consensus on objectives, measures and targets was serious problems,
- The problem of inconsistency on the new idea

In addition to the questionnaire results, the data obtained from interview stated that challenges such as: lack of BSC knowledge and experience among employees and managers, leaders and employees of the bank do not get adequate training, lack of strategy formulation of the bank and absence of commitment to implement the BSC, staff resistance and reluctance, some staff assume that it is time consuming, others consider BSC as political issue and lack of follow-up were mentioned as challenges.

From this result the grand mean 3.11 this to indicate "agree" on the implementation of balanced scorecard in the Nib bank, under the implementation of BSC in organization some challenges would be faced.

4.7 Possible Strategies to make BSC More Effective

According to Gates, (1999), its good performance measuring approach, BSC is a good internal scanning and assessment tool and it is very good at encouraging learning. It is an excellent education tool to help staff how financial, non financial results and shareholder value is really created. It's good tool to use too to help managers and teams see and define the action needed to achieve their objective. In the following section the key issues of strategy and all types of plan

participate all types of employees and leaders, to create clear vision and common value, the leaders strongly committed to implement BSC, strategies plan to fill employees' skill development and based on efficiency to gave reward to employees.

In the fifth section of this chapter, findings from the analysis of data relevant to research question three: "What should be done to overcome the challenges?" Are discussed. Hence, the result presented in subsequent table helps to understand the strategies for sustainability of implementation of BSC as performance management system.

Table 4.9 Strategies of BSC as performance management system

No	Items	SA		A		N		D		SD		Mean	SD
		Fr	%	Fr	%	Fr	%	Fr	%	Fr	%		
1	All types of plans at different level requires to prepare with the participation of all leaders and employees of the bank	66	43.1	67	43.8	13	8.5	4	2.6	3	2.0	4.24	.864
2	Creating clear shred vision and common values	66	43.1	52	34.0	8	5.2	18	11.8	9	5.9	3.97	1.222
3	Leaders of the bank were/are strongly committed to implement the BSC	54	35.3	48	31.4	26	17.0	20	13.1	5	3.3	3.82	1.148
4	Strategies setting for Leaders and employees through training to develop their skill	72	47.1	51	33.3	5	3.3	20	13.1	5	3.3	4.08	1.150
5	According to the efficiency of the performer Reward, Reinforce and motivation is needed	47	30.7	64	41.8	38	24.88	4	2.6	-	-	4.01	.815
6	Identify and remove roadblocks	32	20.9	89	58.2	27	17.6	5	3.3	-	-	3.97	.720
Grand mean												4.00	0.98

Source: Filed survey, 2020

As depicted on Table 4.9, discussed regarding on the strategies/special considerations put in place/planned to enhanced implementation of the Balanced Scorecard. Accordingly, item 1 deals with

]]]all types of plans at different level requires to prepare with the participation of all leaders and employees of the bank as a mechanism for enhancement of Balanced Scorecard implementation as a performance management system. Hence, the mean rating scale value was founded 4.24with SD of 0.864. This mean rating value indicated that most of respondents were agreed on the item raised. From this it can be observed that all types of plans at different level require preparing with the participation of all leaders and employees in the study area.

As can be seen in item 2, of Table 4.9 the views of respondents with regard to creating clear shred vision and common values. In this case the mean rating scale of responses was 3.97 with SD of 1.222, signifying that "agree". This portrays that creating clear shred vision and common values is used to alleviate the challenge in the sustainability of BSC Implementation.

Regarding to item 3, of Table 4.9 deals with the mechanism of leaders of the bank were/are strongly committed to implement the BSC. In this regard the mean rating scale was founded 3.82 with SD of 1.148, showing that "agree". From this it can be observed the respondents were believed that leaders of the NIB bank must be strongly committed to implement the BSC in the study area.

In relation to item 4 on Table 4.9, respondents response about strategies setting for Leaders and employees through training to develop their skill. The mean rating scale value of the item raised was found 4.08 with the SD 1.150, signifying that "agree" rating scale which indicates that the agreement of respondents with the item described.

Item 5 of Table 4.9is about according to the efficiency of the performer reward, reinforce and motivation is needed to overcome the challenges of BSC implementation as a performance management strategy. In this regard the mean rating score value was 4.01 with the SD of 0.815. From these findings, we can understand that based on the efficiency of the performer reward, reinforce and motivation is needed.

In the last item of the same table reveals importance of identify and remove roadblocks. The mean rating score value of the respondents' response was found 3.97 with the SD of .720.This indicate that identify and remove roadblocks used as strategies to tackle the problems.

Similar to this the interview conducted with Managers of NIB bank that, to effectively implement the BSC for the improvement of their bank performance planning should be prepared

with the participation of leaders and employees and communicate for their stack holders, it needs leaders attention for successfully implement the reform program and the progress of the bank performance must be continuously evaluated.

Again the NIB bank managers confirmed that, NIB bank should have made several efforts to solve the above listed challenges, such as: a series of awareness creation forum should have to be organized for the staff of NIB bank, a series of training should have to be give on: the concept as well as practical application of BSC, cascading, developing personal scorecard.

The respondents were asked to mention possible strategies/special considerations put in place/planned to enhanced implementation of the Balanced Scorecard through open ended questionnaires. Their responses are summarized as follows:

- Communication of plans and implementation practices with all stakeholders
- Creating good communicating tools in all level
- Provision of adequate training and upgrading program
- Assignment of employees according to merit

according to the result grand mean 3.11 this to indicates "agree" on the implementation of balanced scorecard in the organization, under the organization practice to face some challenges then the nib bank prepare effective strategies on the BSC more effective.

CHAPTER FIVE

FINDINGS, CONCLUSION AND RECOMMENDATIONS

Introduction

In this final chapter of the thesis the researcher presented, summary of findings, conclusions and recommendations by keeping in mind the sequence of research questions. Moreover, possible suggestions for future researchers were given.

5.1. Findings

This paper has generated basic findings under the title of "Assessment of Balanced Scorecard implementation: In the Case of Nib Bank". To examine the issue, the researcher attempted to answer the following basic questions.

1. How does NIB bank practice BSC as a performance management tool?

2. What achievements have been observed since the introduction of balanced scorecard (BSC) as a performance management tool?

3. What are the major problems of BSC implementation as performance management tool?

4. What should be done to overcome the challenges?

In order to deal with these above basic questions, the information was collected from the respondents through closed and open ended questionnaire and interview. The data was analyzed and came up with the basic findings in to four sections as follows.

5.1.1. Summary of Finding Related to Practice BSC as a performance management tool

Internal process perspective (Planning and Implementation phase)

- From the result of the study it was found that the NIB bank BSC plan preparation was very good (Mean=3.34, SD=1.410)

- Necessary resource were allocated for BSC design and implementation (Mean=3.93, SD= 0.874)

- BSC committee was established (Mean=3.67, SD= 1.208)

- From the result it was found that automating the balanced scorecard system in the NIB bank was low (Mean=2.60, SD=1.406)

- Cascading the process in to team and performer level rated was good (Mean=3.17, SD= 1.174)

- The bank was not established performance evaluation and rating system properly (Mean=2.93, SD= 1.212)

- NIB bank organizational infrastructure elements of the bank was good for the achievement of its objectives (mean= 3.21, SD= 1.458),

- The NIB bank was given low attention to use other process measurement tool like ISO, Six Sigma (mean=2.86, SD=1.491).

Customer perspective

- Majority of the respondents rate NIB bank add value to customers and clients was good (Mean=3.34, SD= 1.410)

- Customer handling system is good for maximize profit was rated high (Mean=4.23, SD= 0.823)

- NIB bank are competitive because of our customer oriented activity was low (Mean=2.63, SD=1.559)

- The Nib bank was good documentation and data collection system in study area (Mean=2.37, SD=2.45)

- NIB bank delivered service to customer in a reasonable and good price (Mean= 2.64 and 2.65 respectively)

Financial perspective

- There is a participatory approach for budget planning system in Nib bank (mean=3.85, SD=1.117)

- Internal financial system contributes to organization success was high (mean=3.94, SD= 1.149)

- Nib bank use the new method to enhancing revenue and using the appropriate technology was high (Mean=3.96, SD= 1.081)

- Based on the respondents Nib bank financial report accepted in all level of organization performer was high (mean=4.15, SD=1.075)

Learning and growth perspective

- NIB bank consider intellectual capital is the main source of profitability (Mean=3.93, SD=1.110)

- After feedback the organization provide training to the employee fill gap and develop the employee's skills competencies was rated low (Mean=2.67, SD=1.209)

- Assignment of process owners in the Nib bank was not based on merits (mean=2.95, SD=1.383)

5.1.2. Summary of Finding Related to Major Achievements of BSC Implementation as Performance System

- Concerning to the success of BSC implementation the study found that the NIB bank was successful in terms of the appropriate technological infrastructure with (Mean= 3.98 and SD=1.155), BSC encourages learning and continuous improvement (Mean=3.98, SD=1.095), implementation of BSC increase internal creativity or innovativeness (Mean=3.88, SD=1.354), NIB bank revised its strategy at list once a year (Mean=3.83, SD=1.004), BSC has increased employees' understanding of strategies (Mean=3.83, SD=1.082), BSC linked the vision with daily activities (Mean=3.76, SD=0.841) and BSC helped the processes to achieve their objectives (Mean=3.18, SD=0.956).

5.1.3. Summary of Finding Related to Major Problems of BSC as Performance Management System

- The finding of the study revealed that among **eleven** problems that are related to BSC design and implementation as a performance management system, weak or lack of commitment from the leadership (Mean=3.95, SD=1.081), lack of adequate knowledge on BSC(Mean=3.69, SD=1.248), kept the scorecard at the top (not shared with every member of the organization) (Mean=3.59, SD=1.275), resistance to change(Mean=3.65, SD 1.279), inability to get sufficient information on BSC (Mean=3.41, SD 1.305), inability to reach consensus on the designed objectives (Mean=3.42, SD 1.296), were the major ones.

5.1.4. Summary of Finding Related to Strategy Used to Alleviate the Challenge in the Sustainability of BSC Implementation

- With related to the possible strategies to make BSC more effective the study was found that all types of plans at different level requires to prepare with the participation of all leaders and employees of the bank (mean=4.24, SD=0.864), prepare clear vision and common value (mean=3.92, SD 1.222), the leaders of the bank strongly committed to implement the BSC (mean=3.82, SD=1.148), develop skills for leaders and employees (mean 3.3 SD 4.08), gave reward, reinforce and motivation for the workers (mean 4.01 SD 0.815) and to identify and remove roadblocks (mean=3.97, SD=0.720)

5.2. Conclusions

Going by the findings of this study discussed above with regard to the basic questions, the following conclusions were drawn. This research aims to assess the implementation of balanced scorecard in Nib bank of Ethiopia. Four section of research question were designed. The first section of question is designed to get the practice of balanced scorecard in Nib bank. The second section of question developed to get information on the achievement of balanced scorecard in Nib bank. The third section of question developed the major problem of balanced scorecard in Nib bank. The last section the strategy used to alleviate the challenges in balanced scorecard implementation in Nib bank.

The study used questionnaire and interview, the questionnaire data collected from the employees in Nib bank was analyzed using descriptive statistics. Whereas the data obtained from the interviewee those are key information from Nib bank in 3 departments directly involved interpreted in qualitative and quantitative.

From the results of the study it can be concluded that the Nib bank adopted the four BSC perspectives, including Customer, Financial, Internal Processes, and Employee Learning and Growth. Automating of BSC system was not done, as the result of this the bank hinder from documentation system of the bank. In addition to these assigning and hiring of process owner not according to merit and performance measurement or evaluation tools were not well prepared and not engaged to evaluate the performance of the performer these reduce competitions individual and team relatively to the intended result. Internal process of the bank was not measure by standard measurement tool like ISO... standard evaluation tools helps to know the experience and

the states of the implementation of BSC in organization. But, this was not done therefore the bank was not better competent to external environment.

The NIB bank was successful in terms of use the appropriate technological infrastructure, learning and continuous improvement, implementation of BSC increase internal creativity or innovativeness, NIB bank revised its strategy at list once a year, BSC has increased employees 'understanding of strategies, BSC linked the vision with daily activities, and BSC helped the processes to achieve their objectives.

In contrast, weak or lack of commitment from the leadership, lack of adequate knowledge on BSC, kept the scorecard at the top (not shared with every member of the organization), resistance to change, inability to get sufficient information on BSC, the inability to reach consensus on the designed objectives were the major challenges found by this study. From the open ended result difficult to cascade at individual level, lack of equal understanding among employees and managers, lack of adequate training, getting consensus on objectives, measures and targets problem of inconsistency on the new idea were problems.

Finally the study also conclude that all types of plans at different level requires to prepare with the participation of all leaders and employees, prepare clear vision and common value, the leaders of the bank strongly committed to implement the BSC, develop skills for leaders and employees, gave reward, reinforce and motivation for the employees and identify and remove roadblocks were used possible strategies to alleviate the challenge in the sustainability of BSC implementation.

5.3. Recommendations

The study, after doing different analyses related to the issues under study. The research need to arrive the following recommendations pinpoint the findings of the study.

- Automation is important for full scale implementation of BSC for documentation, reporting and decision making process. It is also important for the visualization of performance data, the transforming performance measurement data into useful information for business intelligence and also helps for presenting performance information of the team as well as individual activities. From the finding of the study

automating of BSC system was not adapted in the bank. Therefore, Nib bank should give emphasis for adapting of automation of BSC system for better implementation of BSC.

- In the study it was found out that, there was no performance evaluating tool in the bank. Performance measurement rating tool helps the bank to enhance the appropriate motivation, hiring and create mutual understanding between performer that leads the bank to improve strategic execution ability. Therefore, NIB bank should develop standard performance evaluation rating tool to the performer that increase competitions individual and team relatively lead to the intended result.

- As indicated in the findings of this study, assignment on process owner and hiring was not done by merit. Therefore, this may be due to lack of well-prepared performance measurement tools in the bank to measure the efficiency of the performer. NIB bank should apply competency based selection criteria for the hiring and assigning to process owner. This is one of the mechanisms that help to decreasing the turnover and incompetence of the performer.

- BSC is one of the adopted management experiences from abroad it needs standard evaluation tools to measure the states. The finding showed that, the internal management process of Nib bank was not evaluated by international standard tools like ISO. For that reason, Nib bank should know the position by international tools. This may help the bank for better computation in the Global market environment.

- Weak or lack of top management commitment is a major challenge that encountered during the implementation of BSC in the study area. Thus, it is advisable the management of the NIB bank committees itself for the implementation of BSC.

- Majority of the NIB bank employees do not have adequate knowledge about BSC. Therefore well structured, systematic and continuous training has to provide for employees and management bodies. Active communication helps every staff member reach common understanding of the organizational vision, strategies and goals as well as points them to the programmers and this lead to desired outcomes. Besides, the top management has to communicate the status and progress of the organization' BSC through different communication channels.

- The study revealed that taking unacceptably long time to implement the BSC, and failure to cascade (sharing scorecard with every individual), inability to get sufficient information on BSC were challenges. It is therefore it is advisable that the bank should start short and long term training on the whole process of balanced score card implementation and its importance should be one of the important areas of focus for the bank in order to create more awareness among the NIB bank so that they can follow the development of performance measurement of their bank.

- Resistance to change is the major problem among employees; however they accepted BSC with some complaints. Thus, it is advisable to evaluate employees 'reaction to BSC implementation. If there is negative (unfavorable) reaction to the implementation, then discussion or awareness creation about the implementation must be organized.

- The proposed recommendation requires that the need to collaborate all employees of the Bank from lower to higher level.

5.4. Future Researches

BSC is a better tool used for strategic planning, strategic results monitoring and performance measurement. This study focused on the assessment of balanced scorecard implementation in the case of NIB bank. Therefore, it would be highly appropriate for future studies to be conducted on quality of performance measurement of bank after BSC implementation. Further studies should be conducted by the researchers on the implementation of BSC in all private banks and also may be better considering other possible alternative for performance management system with regard to the issue for better executions of strategic plan in banking business.

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APPENDIXES

Appendix A

Questionnaires to be Filled by Employees of NIB Bank

The following questions are based on the aim of the study on "Assessment of Balanced Scorecard Effectiveness: In Case of Nib Bank" This study result is determined by your response quality about it. In this regard I kindly request your time to provide me with reliable information so that the findings of this study would meet the intended outcome. I strongly assure you for the confidential treatment of your answers. There is no need to write your name and if you have any question or comment please write at the end of this paper on space provided. I would like to say thanks for your voluntary participation for the success of my study.

Thank you for your participation

Kind regards,

YeabsiraDemeke

Section One: Background Information (Demographics)

Direction:- Please put a tick "✓" mark inside the box provided.

1. Gender: Female ☐   Male ☐

2. Age in years:

   Below 25 ☐   26-30 ☐   31-35 ☐   36-40 ☐   41 and above ☐

3. Educational qualification:

   BA/BSc ☐   MA/MSc ☐   PHD ☐   Other ☐

4. Work Experience

   Less than 5 years ☐   6-10 years ☐

   11-15 years ☐   15-20 years ☐   Above21 years ☐

5. Your type of employment : Support ☐   Core Staff ☐

Section Two: Questions related to the practice of BSC in the NIB bank as performance management tool.

Direction:- Please read carefully and put a tick "✓" mark in one of the boxes in front of each item according to your degree of agreement.

5= Strongly Agree   4= Agree   3=Neutral   2=Disagree   1= Strongly Disagree

No	Items	5	4	3	2	1
I.	**Internal Process perspective**	**5**	**4**	**3**	**2**	**1**
	A. Planning phase					
1	NIB bank was planned for BSC					
2	Necessary resources were allocated for BSC design and implementation					
3	BSC committee was established					
	B. Implementation phase	**5**	**4**	**3**	**2**	**1**
4	Automating the balanced scorecard system					
5	Cascading the process in to team and performer level					
6	NIB bank established performance evaluation and rating system					
7	NIB bank organize infrastructure elements for the achievement of our objectives					
8	The organization uses other process measurement tool like ISO, Six Sigma					
II.	**Customer Perspective**	**5**	**4**	**3**	**2**	**1**
9	NIB bank add value to customers and clients					
10	NIB bank delivered service to customer in a reasonable and good price.					
11	There is good documentation and data collection system In NIB bank					
12	Customer handling system is good, as the result of this we maximize profit					
13	We are competitive because of our customer oriented activity					
III.	**Financial Perspective**	**5**	**4**	**3**	**2**	**1**
14	There is a good participatory approach for budget planning system					
15	NIB bank internal financial system contributes to organization success.					
16	NIB bank uses the appropriate technology and infrastructure effectively					
17	Our financial report accepted in all level of organization performer					
IV.	**Learning and Growth perspective**	**5**	**4**	**3**	**2**	**1**
18	NIB bank considers intellectual capital is the main source of profitability.					

19	To fill gap the organization provide training to the employee after feedback.					
20	Assignment of process owners is according to the merits					

Open Ended Question on practice of BSC

1. Please mention if any internal process perspective comments?

   _____

   _____

2. Please mention if any customer perspective comments?

   _____

   _____

3. Please mention if any financial related comments?

   _____

   _____

4. Please mention if any learning and growth perspective comments?

   _____

   _____

Section Three: Questions related to the major achievements as a result of balanced scorecard implementation as performance system in the NIB bank.

Direction:- Please read carefully and put a tick "✓" mark in one of the boxes in front of each item according to your degree of agreement.

5= Strongly Agree   4= Agree   3=Neutral   2=Disagree   1= Strongly Disagree

No	Items	Scale				
		5	4	3	2	1
1	BSC linked the vision with daily activities					
2	BSC helped the processes to achieve their objectives					
3	BSC encourages learning & continuous improvement					
4	BSC has increased employees' understanding of strategies					
5	NIB bank encourages vertical and lateral information sharing/feedback among organization unit.					
6	NIB bank revised its strategy at list once a year.					
7	NIB bank translated organizational goals into actionable deliverables.					

No	Items	Scale				
		5	4	3	2	1
8	NIB bank Prepared and implemented a comprehensive communication plan					
9	NIB bank aligning incentives, rewards and recognition to the employee.					
10	Implementation of BSC increase internal creativity or innovativeness					
11	NIB bank use the appropriate technological infrastructure					

Open Ended Question on major achievements of BSC implementation

In your opinion what are the major achievements of balanced scorecard implementation in NIB bank?

_____

_____

_____

Section Four: Questions related to the major problems in the NIB bank as performance system in the NIB bank.

Direction:- Please read carefully and put a tick "✓" mark in one of the boxes in front of each item according to your degree of agreement.

5= Strongly Agree   4= Agree   3=Neutral   2=Disagree   1= Strongly Disagree

No	Items	Scale				
		5	4	3	2	1
1	NIB bank lacks top management commitments					
2	NIB bank has adopted many indicators					
3	Lack of adequate knowledge on BSC					
4	NIB bank has involved few individuals in the BSC implementation					
5	NIB bank kept the scorecard at the top (not shared with every member of the organization)					
6	Resistance to change					
7	NIB bank has failure to cascade (sharing scorecard with every individual)					
8	In ability to get sufficient information on BSC design & implementation					
9	Scorecard terminologies are not consistent with the culture of the bank					
10	Inability to reach consensus on objectives and Measures					
11	BSC have had relatively little effect on bank performance					

Open Ended Question on problems

1. Please mention the major problems of BSC?

_____

_____

_____

Section Five: Questions related to the possible strategies to make BSC more effective

Direction:- Please read carefully and put a tick "✓" mark in one of the boxes in front of each item according to your degree of agreement.

5= Strongly Agree   **4=** Agree   **3=**Neutral   **2=**Disagree   **1=** Strongly Disagree

No	Items	Scale				
		5	4	3	2	1
1	All types of plans at different level requires to prepare with the participation of all leaders and employees of the bank					
2	Creating clear shred vision and common values					
3	Leaders of the bank were/are strongly committed to implement the BSC					
4	Strategies setting for Leaders and employees through training to develop their skill					
5	According to the efficiency of the performer Reward, Reinforce and motivation is needed					
6	Identify and remove roadblocks					

Open Ended Question on possible strategies

1. What do you recommend for the above mentioned major Problems?

_____

_____

_____

I sincerely appreciate your commitment and cooperation!

Please check to make sure that you have not skipped any questions.

Appendix B

Interview Questions for NIB Bank Top Level Managers

In partial fulfilment of Masters of business administration, this questionnaire is designed to study

"Assessment of Balanced Scorecard Effectiveness: In Case of Nib Bank". The information you will provide is helpful to better understand the Operational Effectiveness of Balanced Scorecard in NIB bank because you are the one who can give a correct picture of how you experience your work life. Thus, I request you to answer the questions frankly and honestly.

Your response will be kept strictly confidential. Only the researcher will have access to the information you give.

Thank You for your cooperation!

YeabsiraDemeke

General Question

1. Can you tell as a little about yourself, profession, area of responsibility etc?

2. What do you know about the balanced scorecard?

3. What is your previous experience of the balanced scorecard?

Question related with the use of balanced scorecard

1. Do you think the office leaders facilitate to create awareness about the reform to their employee? If it was done what was the result?

2. What is the result you observed in implementation the balanced scorecard in the office?

3. How has the performance measurement been effected since the introduction balanced scorecard?

4. What are the challenges in the implementation of the balanced scorecard in the organization?

5. What are the challenges faced in BSC measurement/ evaluation system?

6. Did BSC solve the challenges of the previous measurement tools?

7. Do you think that the leaders and employees of the offices supporting to implement the reform program?

8. Do you as a provider see any implementation of the performance measurement after the introduction of the scorecard?

9. Do you as provider see any advantages and disadvantage in the use of the scorecard for performance measurement?

10. What advantage and disadvantage do you see as a user the BSC?

Thank You Very Much!