

BALANCED SCORECARD AND ORGANISATIONAL PERFORMANCE IN SELECTED BANKS IN ANAMBRA STATE

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Abstract

Balanced scorecard is a result sheet or report card. It reports activity and overall result as a snapshot. We sought to present in empirical terms how the adoption of balanced scorecard will positively boost banks' performance using the four perspectives of a typical balanced scorecard namely: financial, customer, internal processes and learning and growth. We attempted to establish how balanced scorecard perspectives affect organisational performance. We adopted stakeholder theory of Freeman as our theoretical framework. Survey method was used as the design for the study. We designed questionnaire, to extract responses from two hundred and twenty-two (222) staff of First Bank of Nigeria Limited, Fidelity Bank Plc and First City Monument Bank Plc in Awka, Anambra State. We used chi square (χ^2) with pearson correlation co-efficient method to analyse and test hypotheses using SPSS. We concluded that financials, customer experience, internal business processes and learning and growth in balanced scorecard positively impacted the overall organisational performance of banks and recommend, very strongly, that Banks maintain the use of balanced scorecard in their systems particularly at the three tiers, individual, departmental/BU and corporate levels.

Key Words: *Balanced scorecard, stakeholder theory, report card, organisational performance, bank, financials, customer experience, internal business processes, and learning and growth.*

Introduction

Organizations engage resources namely men, machine, materials and money to achieve set goals. Except manpower, other resources are non-living. Manpower utilizes other resources to produce tangible output. Out of all the factors of production manpower has the highest priority and is the most significant factor of production and plays a pivotal role in areas of productivity and quality and ignoring the human resource can be disastrous (Shodhganga, 2015).

Balanced scorecard (hereafter named BSC) is a management tool designed and first advanced by Robert S. Kaplan in 1992 to address and forestall corporate failures. It is the key to achieving management and business goals.

Management employs strategies to achieve target, which are communicated and cascaded down the line in the organisation for corporate achievement. In line with relevant and related management theories that man, ordinarily does not like to work, except if compelled, the employment of the BSC tool becomes very important. Management ties key rewards and incentives to performance which is measured and reported using a balanced scorecard.

A balanced scorecard must be balanced, specific and job-related. This means it must cover all of your responsible individual job functions and deliverables as a responsible person or department in the organisation. Hence, where an organisation has sales and marketing department, engineering department, customer services department and security department for instance, the balanced scorecard for customer services department cannot and must not be the same for the security department. This is simple. The two units or departments serve and deliver on different roles, though working for the same organisation.

Achim & Borlea (2016) in “Business Performances: between profitability, return and growth” said to survive in any stiff business competition every company must enforce conditions of performance. Over time approaches of business performance have seen various valences differentiated both according to the importance given at the moment to the information needs of different partners in business and according to the modern method which are meant to demonstrate and validate by using their practical relevance exercised over time, referring to the performances demonstrated in real terms of competitiveness and sustainable development,’ and we totally support this because performance is key and the real essence of any business. Hence, it must be well accounted for and appraised or assessed accordingly. It is true that where performance is not valued, such institution soon hits the wall of non-performance and dies.

Etim & Agara (2011) identified four (4) key concepts and perspectives in the original works of Kaplan & Norton (1992) in any balanced scorecard, are as under, which also are the perspectives that this work will also bother on:

Financial Perspective: This looks at how investors or shareholders see the company in terms of dividend payment, cost containment, profit after tax (PAT), returns on capital employed (ROCE), and growth in sales volume.

Customers Perspective: This measures customer relations, quality of products in terms of defective rate, response to customers’ complaints, delivery time, quality of after-sales service, market segmentation, which market to compete in and measure of penetration in those segments, and customer profitability among others.

Internal Business Process: This measures, defect rate, response to customers' complaints, quality of after sales service, internal process bureaucracy, process completion time, quality and skill of staff and their level of motivation.

Learning and Growth: This considers the flexibility of the entity and its adaptability to change in business and the general business environment with technological initiatives and how soon or how well they are deployed to business.

Statement of the problem

It is believed that where results (actuals) are not tracked and measured against pre-set targets or budgets, laxities are tolerated and there will always, inadvertently, be corporate, institutional and government failures. Corporations (including banks) fail because of their failure to adopt and apply balanced scorecards to every staff (from the least up to directors) in every unit undertaking any job function or role in it. This forms the background on which this research work is being undertaken.

For success to be achieved in any business or corporate entity, however small it may be, balanced scorecard, which is simply a report card of the individual staff, unit or department, strategic business unit (SBU) or company must be and must become their individual focus and concern. This is key and cannot be negotiated.

Objectives of the study

Our broad objective is to verify how balanced scorecard boosts organisational performance in general terms and our specific objectives are to:

1. Evaluate the effect of financial indices in balanced scorecard on organisational performance of banks.
2. Assess the relationship between customer experience in balanced scorecard and organisational performance of the banks.
3. Examine the level of significance between internal business processes in balanced scorecard and organisational performance of banks.
4. Determine the extent to which learning and growth in balanced scorecard impact the overall organisational performance of banks.

Research questions

1. To what extent do financial indices in balanced scorecard affect organisational performance of banks?
2. To what extent does customer experience in balanced scorecard impact organisational performance of banks?
3. To what extent does internal business processes in balanced scorecard contribute to the overall performance of banks?
4. To what extent do learning and growth in balanced scorecard impact the overall organisational performance of banks?

Hypotheses

There are four (4) key hypotheses developed for this work and further divided into null (H_0) and alternate (H_1) accordingly.

Hypothesis 1:

H_0 : Financials in balanced scorecard do not significantly affect organisational performance of the banks.

H_1 : Financials in balanced scorecard significantly affect organisational performance of the banks.

Hypothesis 2:

H_0 : Customer experience in balanced scorecard does not impact organisational performance of banks.

H_1 : Customer experience in balanced scorecard impact organisational performance of banks.

Hypothesis 3:

H_0 : Internal business processes in balanced scorecard do not contribute to the overall performance of banks.

H_1 : Internal business processes in balanced scorecard contribute to the overall performance of banks.

Hypothesis 4:

H_0 : Learning and growth in balanced scorecard do not impact the overall organisational performance of banks.

H_1 : Learning and growth in balanced scorecard impact the overall organisational performance of banks.

Review of Related Literature

We reviewed existing body of literature on balanced scorecard especially those documented and reported in world-class journals.

Conceptual framework

The two main conceptual issues being considered in the study are performance and balanced scorecard.

In the language of Achim & Borlea (2016), from etymology, the word “performance” comes from the Latin "performare" which means to complete a given activity proposed and the meaning comes from the English word "to perform" which means to make something that requires a certain ability or skill. The term "performance" describes and relates to work done by an enterprise and competition. It is necessary to stress that the use of performance as a concept is relative. It may apply to economic, financial, technical, sporting and social performance.

Verboncu & Zalman (2005) appreciate that "performance” is a particular result in the Management, Economics, marketing domain etc. which gives characteristics of competition, efficiency and effectiveness to the organization and to the structural and procedural components.

Parker (2006), took into account four broad types of ratios, namely: the profitability ratios, the asset utilization ratios, the leverage ratios and the liquidity ratios.

Batrâncea & Batrâncea (2006) consider that most commonly used indicators used in the performance assessment of a firm are the following: net result, operating results, operating cash flows and value-added statement.

Didier (2002) believes that the performance consists in "achieving the goals that were given to you in convergence of enterprise orientations".

Balanced Scorecard:

The Balanced Scorecard Institute (BSI), 2011 defines balanced scorecard “as a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals.”

In *Balanced Score Card: Concept, Advantages and Limitations!* (2018), the authors maintained that the concept of BSC was introduced by Kaplan and Norton in 1992 through an article published in the HBR (Harvard Business Review), 1992. This has to do with identifying the vision and mission of an organisation; identifying the strategies to achieve that mission and analyzing the performance of the organization from certain perspectives.

In their language, BSC is an approach which seeks to provide a balanced and comprehensive framework for judging an organization’s performance from perspective like financial perspective, customer perspective, business and production process

perspective and learning and growth perspective; so as to assist management in controlling the organization in a modern and unique way.

(i) **Financial perspective** indicates whether a company's strategy and operations add value for shareholders.

(ii) **Customer perspective** considers the business through the eyes of customers and indicates whether and to what extent the company is meeting the expectations of customers.

(iii) **Internal business and production process perspective** focuses attention on the performance of key internal processes which drive the organization.

(iv) **Learning and growth perspective:** Learning and growth perspective considers organization's potential future performance; directing attention on the basis of all future success the organization's people and infrastructure. In each of these four perspectives, the managements set certain goals and performance measures through which the attainment of these goals may be judged. As a matter of fact, all the four perspectives comprised in BSC are interrelated and inter dependent. For example, the main goal in financial perspective is profitability. Now, profitability is possible only when customer's perspective meets the goal of customer satisfaction; as it is only satisfied customers that do repeat purchases and generate profits for the organization. Again, the organization can satisfy customers when its internal key business processes are efficient and economical. Finally, successful performance of internal key processes is much dependent on learning and growth i.e. the rate or speed at which learning is growing in the organization.

Hence, this scorecard is called a balanced scorecard, as it seeks to balance various perspectives to give a comprehensive view of organizational successful functioning, in the competitive environmental scenario.

Theoretical framework

Stakeholder theory of balanced scorecard and organizational performance was adopted for this study as described below.

Stakeholder theory

Robert S. Kaplan (2010) in Conceptual Foundations of balanced scorecard says stakeholder theory, as propounded by Freeman (1984), offers a multi-dimensional approach for enterprise performance measurement. Stakeholders are the groups or individuals, within or outside the enterprise, that have a stake and/or that can influence the organisation's performance. The theory generally identifies five stakeholder groups for a company: three of them, shareholders, customers, and communities; highlight the external expectations of a company's performance which are suppliers and employees, and participate with the company to plan, design, implement and deliver the company's products and services to its customers (Atkinson, 1997:27).

Neely and Adams (2002) mentioned that performance measurement design starts with stakeholders. In their words, the stakeholder approach to performance measurement starts by defining objectives for what each stakeholder group expects from the corporation and how each group contributes to the survival of the entire company.

Once the explicit and/or implicit contracts and contents in stakeholder expectations between the stakeholders and the business entity are identified and defined, it then defines a strategy to meet these expectations and fulfill the contracts in its every detail. Strategy determines which customers the company has decided to serve and the value proposition that it will offer to win the loyalty of those customer segments.

Theoretical exposition

We set out to assess how financials, customer experience, internal and technical processes, with learning and growth perspectives in balanced scorecard affect the level of performance of banks.

Financials in balanced scorecard and organisational performance of banks:

Financials of banks include dividends payout and their dividend payout ratios, costs containment, profits after tax, returns on capital employed and growth in sales volume and are key performance indicators or indices to employees, investors and all stakeholders and interest groups as it pertains the banks and Nigeria is not an exemption. Dividend payout ratio relates to dividends payout i.e. dividends paid out to shareholders that also tells about the financial strength and wellness of the firm. Costs containment is key as it tells how well managers of the business contain and control costs. Profits after tax is fundamental and the first thing shareholders and almost all stakeholders look out for in any financial report after taxes have been adjusted for. ROCE defines and measures how well and how much is returned on every one-naira (N1) unit of the capital employed and invested in the business.

Customer experience in balanced scorecard and organisational performance of banks:

Bank customers appraise banks in the sense of customer relations, engagements, and experience; feedback mechanisms and media, quality of their products and services, complaints handling, issues resolution and response, operational turn-around time (TAT), quality of after-sales services, market segmentation and penetration in their implementation of balanced scorecard (BSC) as a management tool and this is key.

Internal business processes in balanced scorecard and organisational performance of banks:

Banks' implementation of balanced scorecard (BSC) has fixed issues around internal business processes including turn-around time of process handlers, internal process bureaucracy, process completion time, with quality and skill of staff and their level of motivation and this is a big plus.

Learning and growth in balanced scorecard and organisational performance of banks:

This impacts flexibility, tendency and capacity to change in business, how fast new technologies and advances are deployed to compete in the market and the measure of capabilities and innovativeness or dynamism that exist among the banks in view.

Methodology

We employed a simple and direct survey method, by questionnaire, to extract responses from two hundred and twenty-two (222) bank staff and respondents and used chi square (χ^2) with pearson correlation co-efficient method to analyse and test hypotheses. We used the Statistical Packages for Social Sciences (SPSS). Tabular presentations were also included. We chose to use these two (2) techniques to enable us to arrive at and conclude with better research results in the end which will be an edge over many other previous works on the concept of balanced scorecard.

Research Design

We designed a questionnaire, being the research tool, meant to be administered on staff members of the selected three (3) banks namely First Bank of Nigeria Limited (FBN), Fidelity Bank Plc (FB) and First City Monument Bank Plc (FCMB). The research tool comprised bio data and questions, which are both direct and indirect or open-ended and close-ended in nature, all meant to induce thoughts and opinions of the respondents.

Area of the Study

The area of study is the three (3) commercial banks selected and adopted as case study namely First Bank of Nigeria Limited (FBN), Fidelity Bank Plc (FB) and First City Monument Bank Plc (FCMB) in Awka city, Awka South LGA of Anambra State and intended respondents are members of staff of the three banks, serving within Awka branches of the banks.

Population of the Study

Population of the study is the entirety of members of staff of the selected commercial banks namely: First Bank of Nigeria Limited, Fidelity Bank Plc and First City Monument Bank Plc in Anambra State. This is the whole number of staff members (both core and non-core staff also known as permanent and contract staff) across their branch network in Anambra State, which is quite huge.

S/N	NAME OF BANK	AVERAGE NO. OF STAFF ASSESSED WITH SCORECARD PER BRANCH	NO. OF BRANCHES IN ANAMBRA	NUMBER OF RESPONDENTS
1	First Bank of Nigeria Limited (FBN)	6	28	168
2	Fidelity Bank Plc (FB)	4	6	24
3	First City Monument Bank Plc (FCMB)	5	6	30
TOTAL			40	222

Source: Primary Data (March 2019)

Determination of Sample Size

Since the population is less than 1000, the researchers decided to use total population hence no sample is required.

Method of Data Collection

The method of data collection is the questionnaire, made up of both close and open-ended questions as in appendix 1, designed to be administered on the 222 respondents, who are members of staff of the three banks in the state.

Validation Test of Instrument

The questionnaire developed for this study was subjected to content validity. Copies of the questionnaire were given to experts on the subject matter and we sought the opinion of the supervisors.

Reliability Test of Instrument

Cronbach's Alpha was used to test the reliability of the research instrument giving a reliability coefficient of 0.797.

Method of Data Analysis

As this research work is quantitative in nature, we chose to employ the Chi-Square (χ^2) and Pearson correlation co-efficient statistical tools, which are both quantitative research methods and approaches. Tables were used to present data collected in questionnaire from respondents.

3.10 Model Specification and Justification

The formula for chi-square (χ^2), a statistical model to be adopted for the purpose of this research work, is represented below:

$$X^2 = \frac{\sum (f_o - f_e)^2}{f_e}$$

where:

f_o = Observed frequencies; f_e = Expected frequencies
 \sum = Summation (sign)

$$f_e = \frac{\sum f}{n}$$

$$x^2 = \text{Chi-Square}$$

Our choice of this research tool is informed by our expectation that these three (3) commercial should have adopted and implemented balanced scorecard and apply same to every staff member for the purpose of efficiently tracking, assessing, monitoring and rewarding performance and/or reprimanding under-performers as the case may be. The chi-square and pearson correlation co-efficient statistical tool shall be run and presented in SPSS.

PRESENTATION AND ANALYSIS OF DATA

This chapter presents the empirical results of the survey data utilized in the study. A total of two hundred and twenty-two questionnaires (222) were distributed; and, one hundred and ninety-eight (198) were fully completed and returned. This represents an approximate of eighty-nine (89%) success rate. Invalid questionnaires were two (2) and partly completed questionnaires were two (2). A summary of the demographic information of the respondents for the study is shown in the table below:

Table 4.1: Demographic information of the respondents

Demographic profile		Frequency	Percentage (%)
Age:	25-35	69	34.85
	36-45	87	43.94
	45 & above	<u>42</u>	<u>21.21</u>
		198	100
Gender:	Male	107	54.04
	Female	<u>91</u>	<u>45.96</u>
		198	100
Highest Educational Qualification:	WASSC/NEC	nil	nil
	Diploma/NCE	15	7.58
	Bachelor's Degree (HND, B.Sc. BA, etc)	95	47.98
	Post-graduate (PGD, MSc, PhD)	<u>88</u>	<u>44.44</u>
		198	100
Years of work experience:	5 years	41	20.71
	6 – 10 years	90	45.45
	11 – 15 years	57	28.79
	16 & above	<u>10</u>	<u>5.05</u>
		198	100
Questionnaire administered (Returned):	First Bank	168	(165) 98.21*
	Fidelity Bank	24	(17) 70.83*
	FCMB	<u>30</u>	<u>(16)</u> 53.33*
		222	(198)

Source: Field Survey (March, 2019)

Note: * The reported percentage figures are the valid percentages based on the number of valid responses

4.1 Reliability Test

The reliability of the instrument was tested using Cronbach Alpha (α), which is a measure of the internal consistency of a scale.

Table 4.2: Reliability statistics

	Cronbach's Alpha (α)	N of Items
Balanced scorecard	.966	4
Organizational performance	.627	3

Source: SPSS Ver. 25

The scale consisted of three subscales, the balanced scorecard subscale consisted of 4 items [Questions 21-24] the Cronbach Alpha value was .966; and, the organizational performance subscale consisted of 3 items [Questions 15-17] the Cronbach Alpha value was .627. The Cronbach alpha for the total 14 items (Questions 11-24) on the questionnaire showed a high reliability score, which is an indication of high level of internal consistency of the instrument (Pallant, 2007).

4.2 Frequency Distribution

Table 4.3: Frequency distribution of item responses (Yes or No)

	Yes (%)	No (%)
Are you aware of and/or familiar with balanced scorecard model as a management tool and its adoption by your Bank?	189 (95.5%)	9 (4.5%)
Is balanced scorecard used in your bank at all?	157 (79.3%)	41 (20.7%)
Does your bank apply individual and unique balanced scorecard to each staff?	187 (94.4%)	11 (5.6%)
Does your bank apply global/single/general balanced scorecard for all staff?	198 (100%)	-
Do you think the bank applying balanced scorecard to each staff or department is wise?	116 (58.6%)	82 (41.4%)
Do you have an individual scorecard with which the bank appraises and assesses you?	164 (82.8%)	34 (17.2%)
Do you consider the use of balanced scorecard in your bank necessary at all?	113 (57.1%)	85 (42.9%)
Do you consider the use of balanced scorecard in your bank a waste of time and resources?	11 (5.6%)	187 (94.4%)
Is the balanced scorecard as adopted in your bank perfect?	144 (72.7%)	54 (27.3%)
Is it true that there are noticed and identified limitations and shortcomings in the individual balanced scorecards as designed and deployed or applied to staff in your bank?	48 (24.2%)	150 (75.8%)

Source: Field Survey (March, 2019)

Table 4.3 cont'd: Frequency distribution of item responses (Likert scale)

S/N	Question	SA	A	I	D	SD
11	You are aware of and/or familiar with balanced scorecard model adopted by your Bank as a management tool.	157 (79.3%)	41 (20.7%)	-	-	-
12	Balanced scorecard is used in your bank.	174 (87.9%)	18 (9.1%)	6 (3.0%)	-	-
13	Your bank applies balanced scorecard to each staff.	178 (89.9%)	14 (7.1%)	6 (3.0%)	-	-
14	Your bank applies balanced scorecard globally.	68 (34.3%)	109 (55.1%)	21 (10.6%)	-	-
15	You think the bank applying balanced scorecard to each staff or department is wise.	90 (45.5%)	47 (23.7%)	61 (30.8%)	-	-
16	You have an individual scorecard with which the bank appraises and assesses you for performance.	103 (52.0%)	95 (48.0%)	-	-	-
17	You believe the use of balanced scorecard in your bank is necessary.	42 (21.2%)	61 (30.8%)	47 (23.7%)	27 (13.6%)	21 (10.6%)
18	You consider the use of balanced scorecard in your bank a waste of time and resources.	-	21 (10.6%)	54 (27.3%)	83 (41.9%)	40 (20.2%)
19	The balanced scorecard as adopted in your bank is perfect.	42 (21.2%)	40 (20.2%)	47 (23.7%)	69 (34.8%)	-
20	It is true that there are noticed and identified limitations and shortcomings in the individual balanced scorecards as adopted in my bank.	42 (21.2%)	54 (27.3%)	40 (20.2%)	62 (31.3%)	-

Source: Field Survey (March, 2019)

Table 4.3 cont'd: Frequency distribution of item responses (Likert scale)

21	Financials in balanced scorecard will positively impact the overall organisational performance of the banks.	85 (42.9%)	96 (48.5%)	16 (8.1%)	1 (0.5%)	-
22	Customer experience in balanced scorecard positively impacts the overall organisational performance of the banks.	78 (39.4%)	99 (50.0%)	20 (10.1%)	-	1 (0.5%)
23	Business processes in balanced scorecard positively impacts the overall organisational performance of the banks.	81 (40.9%)	98 (49.5%)	19 (9.6%)	-	-
24	Learning and growth in balanced scorecard positively impact the overall organisational performance of the banks.	82 (41.4%)	97 (49.0%)	19 (9.6%)	-	-

Source: Field Survey (March, 2019)

Descriptive Statistics

Table 4.4: Descriptive statistics (Mean and Standard Deviation)

	N	Mean	Std. Deviation
You are aware of and/or familiar with balanced scorecard model adopted by your Bank as a management tool.	198	4.79	.406
Balanced scorecard is used in your bank.	198	4.85	.436
Your bank applies balanced scorecard to each staff.	198	4.87	.419
Your bank applies balanced scorecard globally.	198	4.24	.629
You think the bank applying balanced scorecard to each staff or department is wise.	198	4.15	.863
You have an individual scorecard with which the bank appraises and assesses you for performance.	198	4.52	.501
You believe the use of balanced scorecard in your bank is necessary.	198	3.38	1.256
You consider the use of balanced scorecard in your bank a waste of time and resources.	198	2.28	.907
The balanced scorecard as adopted in your bank is perfect.	198	3.28	1.153
It is true that there are noticed and identified limitations and shortcomings in the individual balanced scorecards as adopted in my bank.	198	3.38	1.137
Financials in balanced scorecard will positively impact the overall organisational performance of the banks.	198	4.34	.646
Customer experience in balanced scorecard positively impacts the overall organisational performance of the banks.	198	4.28	.682
Business processes in balanced scorecard positively impacts the overall organisational performance of the banks.	198	4.31	.640
Learning and growth in balanced scorecard positively impact the overall organisational performance of the banks.	198	4.32	.641

Source: SPSS Ver. 25

The descriptive statistics shows the mean and standard deviation of all the question responses. N indicates number that undertook the survey. All questions showed a mean score above 3.00; with the exception of question eight (8), ‘You consider the use of balanced scorecard in your bank a waste of time and resources’. This indicates a broad

level disagreement among respondents that BSC application is a waste of time and resources.

Analysis of Research Questions

The research questions raised in the study were analysed using Pearson Correlation Coefficient

4.4.1 Question One:

To what extent do financials in balanced scorecard affect organisational performance of banks?

Table 4.5: Relationship between financials in BSC and organisational performance

		Financials in balanced scorecard	Organisational Performance
Financials in balanced scorecard	Pearson Correlation	1	.357**
	Sig. (2-tailed)		.000
	N	198	198
Organisational Performance	Pearson Correlation	.357**	1
	Sig. (2-tailed)	.000	
	N	198	198

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Ver. 25

The table shows that the correlation coefficient (PPMC) is .357; and, positive. This coefficient is also highly statistically significant ($p < .01$). This confirms presence of an uphill (positive) relationship between financials in BSC and organisational performance. Thus, financials in BSC and organisational performance are significantly positively correlated, $r = .357, p < .01$.

4.4.2 Question Two:

Is there any relationship between customer experience in balanced scorecard and organisational performance of the banks?

Table 4.6: Relationship between customer experience in BSC and organisational performance

		Customer experience in balanced scorecard	Organisational Performance
Customer experience in balanced scorecard	Pearson Correlation	1	.457**
	Sig. (2-tailed)		.000
	N	198	198
Organisational Performance	Pearson Correlation	.457**	1
	Sig. (2-tailed)	.000	
	N	198	198

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Ver. 25

The table shows that the correlation coefficient (PPMC) is .457; and, positive. The coefficient is also highly statistically significant ($p < .01$). This confirms presence of an uphill (positive) relationship between customer experience in BSC and organisational performance. Thus, customer experience in BSC and organisational performance are significantly positively correlated, $r = .457, p < .01$.

4.4.3 Question Three:

To what extent do internal business processes in balanced scorecard positively impact the overall organisational performance of the banks?

Table 4.7: Relationship between business processes in BSC and organisational performance

		Business processes in balanced scorecard	Organisational Performance
Business processes in balanced scorecard	Pearson Correlation	1	.422**
	Sig. (2-tailed)		.000
	N	198	198
Organisational Performance	Pearson Correlation	.422**	1
	Sig. (2-tailed)	.000	
	N	198	198

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Ver. 25

The table shows that the correlation coefficient (PPMC) is .422; and, positive. The coefficient is also highly statistically significant ($p < .01$). This confirms presence of an uphill (positive) relationship between business processes in BSC and organisational

performance. Thus, business processes in BSC and organisational performance are significantly positively correlated, $r = .422$, $p < .01$.

4.4.4 Question Four:

To what extent do learning and growth in balanced scorecard positively impact the overall organisational performance of the banks?

Table 4.8: Relationship between learning and growth in BSC and organisational performance

		Learning and growth in balanced scorecard	Organisational Performance
Learning and growth in balanced scorecard	Pearson Corr.	1	.410**
	Sig. (2-tailed)		.000
	N	198	198
Organisational Performance	Pearson Correlation	.410**	1
	Sig. (2-tailed)	.000	
	N	198	198

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Ver. 25

The table shows that the correlation coefficient (PPMC) is .410; and, positive. The coefficient is also highly statistically significant ($p < .01$). This confirms presence of an uphill (positive) relationship between learning and growth in BSC and organisational performance. Thus, learning and growth in BSC and organisational performance are significantly positively correlated, $r = .410$, $p < .01$.

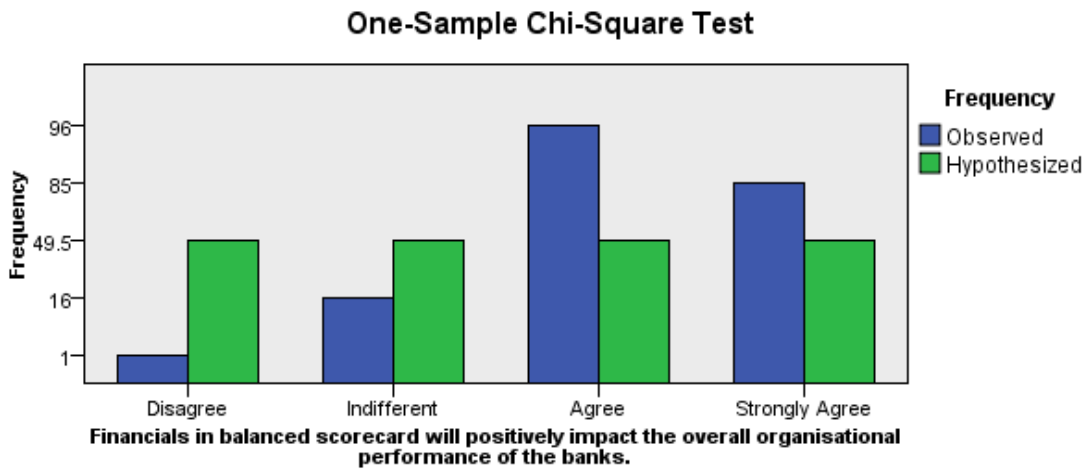
Test of Hypotheses

The four (4) key hypotheses developed for the study were tested using Chi-Square statistic (X^2); the results are shown below:

Analysis of Hypothesis 1:

H₁: Financials in balanced scorecard affect organisational performance of the banks.

Fig. 4.1: Graphical output for Chi-square test of hypothesis one



Source: SPSS Ver. 25

Table 4.9: Analysis result for hypothesis one

Total N	198
Test Statistic	139.333
Degrees of Freedom	3
Asymptotic Sig. (2-sided test)	.000
Decision	Reject the null hypothesis

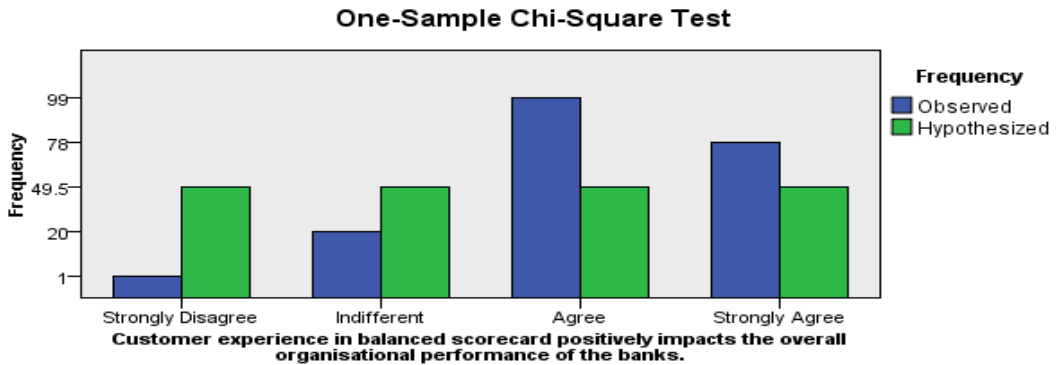
Source: SPSS Ver. 25

The table above shows that the **Test Statistic** (X^2) 139.333 had a Sig. value .000 ($p < .05$). This confirms the rejection of the null hypothesis and acceptance of the alternate. Thus, postulation that financials in balanced scorecard affect organisational performance of the banks is accepted.

Analysis of Hypothesis 2:

H₁: There is relationship between customer experience in balanced scorecard and organisational performance of the banks.

Fig. 4.2: Graphical output for Chi-square test of hypothesis two



Source: SPSS Ver. 25

Table 4.10: Analysis result for Hypothesis Two

Total N	198
Test Statistic	131.010
Degrees of Freedom	3
Asymptotic Sig. (2-sided test)	.000
Decision	Reject the null hypothesis

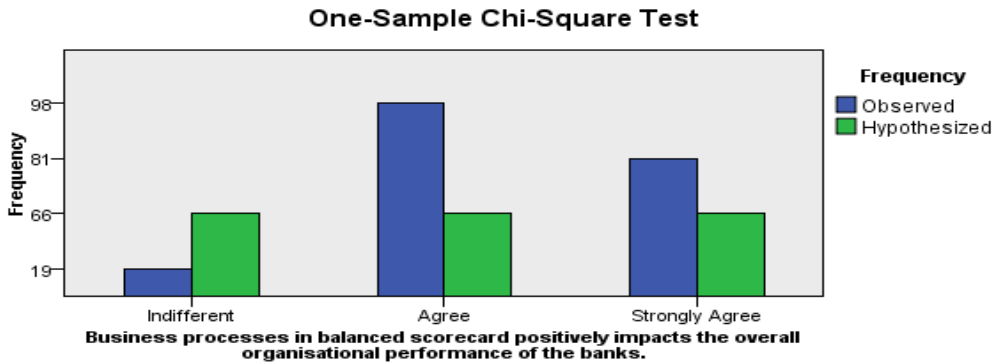
Source: SPSS Ver. 25

The table above shows that the **Test Statistic** (X^2) 131.010 had a Sig. value .000 ($p < .05$). This confirms the rejection of the null hypothesis and acceptance of the alternate. Thus, the postulation that there is relationship between customer experience in balanced scorecard and organisational performance of the banks is accepted.

Analysis of Hypothesis 3:

H₁: Internal business processes in balanced scorecard positively impacts the overall organisational performance of the banks.

Fig. 4.3: Graphical output for Chi-square test of hypothesis three



Source: SPSS Ver. 25

Table 4.11: Analysis result for hypothesis three

Total N	198
Test Statistic	52.394
Degrees of Freedom	2
Asymptotic Sig. (2-sided test)	.000
Decision	Reject the null hypothesis

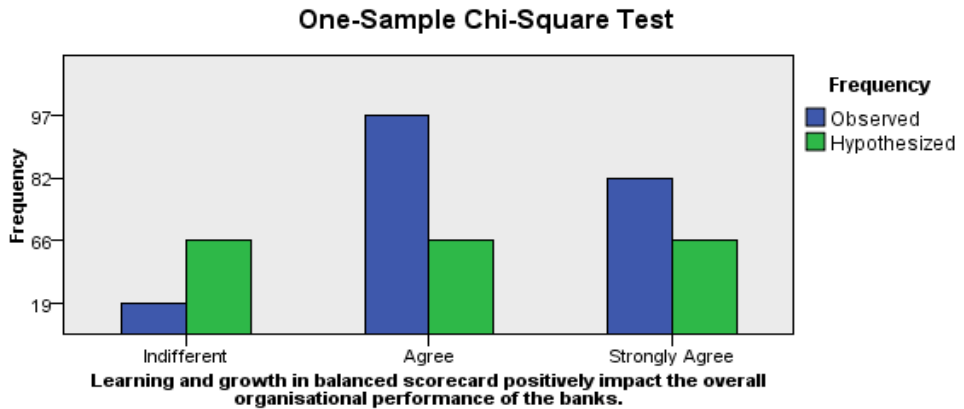
Source: SPSS Ver. 25

The table above shows that the **Test Statistic** (X^2) 52.394 had a Sig. value .000 ($p < .05$). This confirms the rejection of the null hypothesis and acceptance of the alternate. Thus, the postulation that internal business processes in balanced scorecard positively impacts the overall organisational performance of the banks is accepted.

Analysis of Hypothesis 4:

H_1 : Learning and growth in balanced scorecard impacts the overall organisational performance of banks.

Fig. 4.4: Graphical output for Chi-square test of hypothesis four



Source: SPSS Ver. 25

Table 4.12: Analysis result for hypothesis four

Total N	198
Test Statistic	51.909
Degrees of Freedom	2
Asymptotic Sig. (2-sided test)	.000
Decision	Reject the null hypothesis

Source: SPSS Ver. 25

The table above shows that the **Test Statistic** (X^2) 51.909 had a Sig. value .000 ($p < .05$). This confirms the rejection of the null hypothesis and acceptance of the alternate. Thus, the postulation that learning and growth in balanced scorecard impacts the overall organisational performance of the banks is accepted.

Summary of Empirical Results

Table 4.13: Summary of Chi-Square and Pearson Correlation results

Hypothesis	Decision	Correlation	Sign
Hypothesis one	Reject the null hypothesis	Financials in BSC and organisational performance	+
Hypothesis two	Reject the null hypothesis	Customer experience in BSC and organisational performance	+
Hypothesis three	Reject the null hypothesis	Internal business processes in BSC and organisational performance	+
Hypothesis four	Reject the null hypothesis	Learning and growth in BSC and organisational performance	+

Source: SPSS Ver. 25; Author's Compilation

Summary of Findings, Conclusion and Recommendations

Discussion of Results and Summary of Findings

The results and findings from the study are summarized below as follows:

1. The results revealed a positive statistically significant relationship between financials in balanced scorecard and organisational performance ($r = .357[p < .01]$). The result of hypothesis one also confirmed the rejection of the null hypothesis; that ‘financials in balanced scorecard do affect organisational performance of banks’;
2. The results revealed a positive statistically significant relationship between customer experience in balanced scorecard and organisational performance ($r = .457[p < .01]$). The result of hypothesis two also confirmed the rejection of the null hypothesis; that there is no relationship between ‘customer experience in balanced scorecard and organisational performance of the banks’;
3. The results revealed a positive statistically significant relationship between internal business processes in balanced scorecard and organisational performance ($r = .422[p < .01]$). The result of hypothesis three also confirmed the rejection of the null hypothesis; that ‘internal business processes in balanced scorecard do not positively impact the overall organisational performance of the banks’; and
4. The results revealed a positive statistically significant relationship between learning and growth in balanced scorecard and organisational performance ($r = .410[p < .01]$). The result of hypothesis four also confirmed the rejection of the null hypothesis; that ‘learning and growth in balanced scorecard do not impact the overall organisational performance of the banks’.

Conclusion

We conclude it is true that:

1. Financials in balanced scorecard positively impact the overall organisational performance of the banks.
2. Customer experience in balanced scorecard positively impacts the overall organisational performance of the banks.
3. Internal business processes in balanced scorecard positively impacts the overall organisational performance of the banks.

4. Learning and growth in balanced scorecard positively impact the overall organisational performance of the banks.

Recommendations

1. We recommend, very strongly, that Banks with all other corporate organisations must value and carefully manage balanced scorecard in their individual and respective establishments with a view to achieving desired corporate goals and targets.
2. We recommend, very strongly, that Banks maintain the use of balanced scorecard in their systems particularly at the three tiers, individual, departmental/BU and corporate levels because this is the key to making it and surviving competition so that the idlers may naturally shake out and shake off the systems, hence, keeping and maintaining a healthy manpower and recoding strong organisational performance.
3. We recommend, very strongly, that Banks pay close attention to the individual elements and components of the balanced scorecard and strategically marshal and deploy sufficient resources and energy on them.

Contribution to Knowledge

We submit that:

1. There exists a positive statistically significant relationship between financials in balanced scorecard and organisational performance ($r = .357[p < .01]$).
2. There exists a positive statistically significant relationship between customer experience in balanced scorecard and organisational performance ($r = .457[p < .01]$).
3. There exists a positive statistically significant relationship between internal business processes in balanced scorecard and organisational performance ($r = .422[p < .01]$).
4. There exists a positive statistically significant relationship between learning and growth in balanced scorecard and organisational performance ($r = .410[p < .01]$).

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APPENDIX

Bunmi O. Meduoye
Department of Business Administration,
Chukwuemeka Odumegwu Ojukwu
University, Anambra State.

12th October 2018

Dear Respondent,

**QUESTIONNAIRE DESIGNED FOR COLLECTION OF NECESSARY DATA
FOR RESEARCH TOPIC: BALANCED SCORECARD AND
ORGANISATIONAL PERFORMANCE IN SELECTED BANKS IN NIGERIA**

I, Bunmi O. Meduoye, am an M.Sc. student of the prestigious Chukwuemeka Odumegwu Ojukwu University currently undertaking a programme that is to lead to the award of M.Sc. in Business Administration. This questionnaire has been designed and administered to solicit your true and fair stand, position and understanding with regards to balanced scorecard (BSC) model, which is a key management tool. Our target respondents have been carefully selected to include management and staff members of First Bank of Nigeria Ltd, Fidelity Bank Plc and First City Monument Bank Plc who all operate in the banking and financial services industry of Nigeria.

The questionnaire includes both open-ended and close-ended questions. This is meant to induce structured answers (for the close-ended questions) and your individual candid opinions (for the open-ended questions).

We would encourage you to kindly feel free to participate and furnish us with all information herein contained. We wish to advise also that any information supplied herein shall not and will not in any way be used against you but kept and maintained with utmost secrecy it demands.

RESPONDENT'S BIO-DATA:

Name..... Age:

..... (in years)

Gender: Male Female

Highest Educational Qualification:

.....
Institution where Highest Educational Qualification was obtained from:

..... Work Place (Employer):

.....

Work Experience (in years):

.....

Questions

1. Are you aware of and/or familiar with balanced scorecard model as a management tool and its adoption by your Bank? **(Yes or No)**
2. Is balanced scorecard used in your bank at all? **(Yes or No)**
3. Does your bank apply individual and unique balanced scorecard to each staff? **(Yes or No)**
4. Does your bank apply global/single/general balanced scorecard for all staff? **(Yes or No)**
5. Do you think the bank applying balanced scorecard to each staff or department is wise? **(Yes or No)**
6. Do you have an individual scorecard with which the bank appraises and assesses you? **(Yes or No)**
7. Do you consider the use of balanced scorecard in your bank necessary at all? **(Yes or No)**
8. Do you consider the use of balanced scorecard in your bank a waste of time and resources? **(Yes or No)**
9. Is the balanced scorecard as adopted in your bank perfect? **(Yes or No)**
10. Is it true that there are noticed and identified limitations and shortcomings in the individual balanced scorecards as designed and deployed or applied to staff in your bank? **(Yes or No)**

Kindly tick appropriately to reflect your candid opinion noting that:

SA: Strongly Agree **A:** Agree **I** = Indifferent **D** = Disagree **SD** = Strongly Disagree

S/N	RESEARCH QUESTION	SA	A	I	D	SD
11	You are aware of and/or familiar with balanced scorecard model adopted by your Bank as a management tool.					
12	Balanced scorecard is used in your bank.					
13	Your bank applies balanced scorecard to each staff.					
14	Your bank applies balanced scorecard globally.					
15	You think the bank applying balanced scorecard to each staff or department is wise.					
16	You have an individual scorecard with which the bank appraises and assesses you for performance.					
17	You believe the use of balanced scorecard in your bank is necessary.					
18	You consider the use of balanced scorecard in your bank a waste of time and resources.					
19	The balanced scorecard as adopted in your bank is perfect.					
20	It is true that there are noticed and identified limitations and shortcomings in the individual balanced scorecards as adopted in my bank.					
21	Financials in balanced scorecard significantly affect organisational performance of the banks.					

22	There is significant relationship between customer experience in balanced scorecard and organisational performance of banks.					
23	Internal business processes in balanced scorecard significantly impact the overall organisational performance of the banks positively.					
24	Learning and growth in balanced scorecard impact the overall organisational performance of the banks in a significant manner.					
S/N	RESEARCH QUESTION	SA	A	I	D	SD
25	You are not aware of and/or familiar with balanced scorecard model adopted by your Bank as a management tool.					
26	Balanced scorecard is not used in your bank.					
27	Your bank does not apply balanced scorecard to each staff.					
28	Your bank does not apply balanced scorecard globally.					
29	You think the bank applying balanced scorecard to each staff or department is not wise.					
30	You do not have an individual scorecard with which the bank appraises and assesses you for performance.					
31	You do not believe the use of balanced scorecard in your bank is necessary.					
32	You do not consider the use of balanced scorecard in your bank a waste of time and resources.					
33	The balanced scorecard as adopted in your bank is not perfect.					
34	It is true that there are noticed and identified limitations and shortcomings in the individual balanced scorecards as adopted in my bank.					
35	Financials in balanced scorecard do not significantly affect organisational performance of the banks.					
36	There is no significant relationship between customer experience in balanced scorecard and organisational performance of banks.					
37	Internal business processes in balanced scorecard do not significantly impact the overall organisational performance of the banks in any positive regard.					
38	Learning and growth in balanced scorecard do not impact the overall organisational performance of the banks in any significant manner.					

We appreciate your time and responses.

Thank you very much.

Yours faithfully,

.....
Bunmi O. Meduoye
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