**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**DEPARTMENT OF ACCOUNTANCY**

****

**IMPACT OF BALANCED SCORECARD ON FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN ZIMBABWE. A CASE STUDY OF ECOBANK ZIMBABWE.**

**B200569B**

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF THE BACHELOR OF ACCOUNTANCY (HONOURS) DEGREE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION FACULTY OF COMMERCE**

**JUNE 2024**

## APPROVAL FORM

The undersigned certify that they have read and recommended to the Bindura University of Science Education for acceptance of the Dissertation entitled “THE IMPACT OF BALANCED SCORECARD ON FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN ZIMBABWE. A CASE STUDY OF ECOBANK ZIMBABWE.”

Submitted by B200569B in partial fulfilment of the requirements of the Bachelor of Accountancy (Honors) Degree

………………………………… ……………………… ………/…………/……………

Name of Student Signature Date

………………………………… ……………………… ………/…………/……………

Name of Supervisor Signature Date

………………………………… ……………………… ………/…………/……………

Chairman Signature Date

## RELEASE FORM

AUTHOR: B200569B

TITLE: THE IMPACT OF BALANCED SCORECARD ON FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN ZIMBABWE. A CASE STUDY OF ECOBANK ZIMBABWE.

PROGRAM: Bachelor of Accountancy (Honors)

The Bindura University of Science Education library has been granted permission to print or lend copies of this dissertation for private, scholarly, or scientific research purposes only. Other publication rights on the dissertation are not reserved by the author, and significant except from it may not be printed or otherwise produced without the author's prior permission.

SIGNED …………………………………………...

DATE …………………………………………

**PERMANENT ADDRESS :** 369 Spitzkop, Lot 14

Harare

## DEDICATION

This dissertation is dedicated to my family for their support and encouragement throughout my academic journey. Through their prayers and motivation, I strived for greatness and it made me succeed.

**ABSTRACT**

The purpose of this study was to investigate the impact of balanced scorecard on financial performance of commercial banks using a case study of Ecobank Zimbabwe. The research objectives for this study were to determine the extent of utilization of balanced scorecard in the bank, the challenges of using balanced scorecard and the impact of balanced scorecard on financial performance of the bank. This study used the mixed method approach and a descriptive research design and inferential statistics. The target population for this study were 18 employees in the bank. As research tools the interviews and questionnaires were used to collect primary data secondary data was obtained through reports and audited financial statements. The data was analyzed through SPSS version 20 and MS Excel, which are software that accommodate qualitative data analysis. The results concluded that Ecobank Zimbabwe has successfully increased client convenience in terms of usage, which may reflect the bank's dedication to enhancing customer satisfaction and service quality. Additionally, the bank was able to monitor their revenue and optimize their pricing methods to both cover their costs and attract new clients with their products and services. However, the balanced scorecard was found to be associated with challenges which include absence of top management support and challenges in implementing the BSC to evaluate employees’ strengths and weaknesses. The researcher recommended the departments designated to supervise the overall implementation of the BSC system to improve their monitoring of implementation gaps and then address them by planning formal training sessions and awareness-raising events to ensure that all stakeholders are fully aware of BSC and its advantages.

Key words: Balanced scorecard (BSC), Financial performance and Commercial bank.

# LIST OF ACRONOMYS

BSC - BALANCED SCORECARD

ROA - RETURN ON ASSETS

ROE - RETURN ON EQUITY

# ACKNOWLEDGEMENTS

I would like to express my deepest gratitude to the Lord, without whom none of this would have been possible. It is through His guidance, blessings, and unfailing love that I have been able to persevere and complete this academic journey. I would like to express my sincere gratitude to my supervisor for their invaluable guidance, unwavering belief in my abilities throughout the journey. Their expertise, constructive feedback and mentorship have been instrumental in shaping this dissertation and my growth as a researcher. To my family and friends thank you for your unwavering love, encouragement and understanding during the challenging times. Your emotional support and belief in me have been a constant source of strength and motivation.

This dissertation is the culmination of years of hard work, dedication, and the collective support of many individuals, all guided by the grace of the Lord. I am truly humbled and appreciative of everyone who has contributed to this achievement.

Contents

[APPROVAL FORM ii](#_Toc168667012)

[RELEASE FORM iii](#_Toc168667013)

[DEDICATION iv](#_Toc168667014)

[LIST OF ACRONOMYS vi](#_Toc168667015)

[ACKNOWLEDGEMENTS vii](#_Toc168667016)

[List of Tables xi](#_Toc168667017)

[List of Figures xii](#_Toc168667018)

[CHAPTER I 1](#_Toc168667019)

[INTRODUCTION 1](#_Toc168667020)

[1.0 Introduction 1](#_Toc168667021)

[1.1 Background of the study 1](#_Toc168667022)

[1.2 Problem statement 2](#_Toc168667023)

[1.3 Research Objectives 3](#_Toc168667024)

[1.4 Research Questions 3](#_Toc168667025)

[1.5 Importance of the study 3](#_Toc168667026)

[1.6 Assumptions of the study 4](#_Toc168667027)

[1.7 Delimitations of the study 4](#_Toc168667028)

[1.8 Limitations of the study 4](#_Toc168667029)

[1.9 Definition of key terms 4](#_Toc168667030)

[1.9.1 Commercial bank 5](#_Toc168667031)

[1.9.2 Balanced Score Card 5](#_Toc168667032)

[1.9.3 Financial Performance 5](#_Toc168667033)

[1.10 Chapter summary 5](#_Toc168667034)

[CHAPTER II 6](#_Toc168667035)

[LITERATURE REVIEW 6](#_Toc168667036)

[2.0 Introduction 6](#_Toc168667037)

[2.1 Conceptual framework 6](#_Toc168667038)

[2.2 Theoretical review 7](#_Toc168667039)

[2.2.1 The Agency theory 7](#_Toc168667040)

[2.2.2 Justification of agency theory 9](#_Toc168667041)

[2.3 Commercial banking in Zimbabwe 9](#_Toc168667042)

[2.4 Financial Performance 10](#_Toc168667043)

[2.4 Determinants of financial performance in commercial banking 10](#_Toc168667044)

[2.4.1 Non-performing loans (NPL) 10](#_Toc168667045)

[2.4.2 Return on assets (ROA) 10](#_Toc168667046)

[2.4.3 Loan to Deposit ratio (LDR) 10](#_Toc168667047)

[2.5 Balanced scorecard 11](#_Toc168667048)

[2.6 The extent of utilization of Balanced Scorecard 11](#_Toc168667049)

[2.7 Challenges associated with Balanced Scorecard 13](#_Toc168667050)

[2.7.1 Problems within the organization 13](#_Toc168667051)

[2.7.2 Challenges associated with Balanced Scorecard 13](#_Toc168667052)

[2.8 Impact of Balanced Scorecard on financial performance 14](#_Toc168667053)

[2.8.1 Impact of Financial perspective on financial performance 14](#_Toc168667054)

[2.8.2 Impact of Customer perspective on financial performance 15](#_Toc168667055)

[2.8.3 Impact of Internal processes perspective on financial performance 16](#_Toc168667056)

[2.8.4 Impact of Learning and growth perspective on financial performance 17](#_Toc168667057)

[2.9 Empirical review 18](#_Toc168667058)

[2.9.1 To determine the utilization of balance scorecard in the bank. 18](#_Toc168667059)

[2.9.2To determine the challenges of using balance scorecard. 19](#_Toc168667060)

[2.9.3 To determine the impact of balance scorecard (financial, customer, internal processes and learning and growth perspectives) on financial performance of the bank. 20](#_Toc168667061)

[2.10 Gap analysis 22](#_Toc168667062)

[2.11 Chapter summary 22](#_Toc168667063)

[CHAPTER III 23](#_Toc168667064)

[METHODOLOGY 23](#_Toc168667065)

[3.0 Introduction 23](#_Toc168667066)

[3.1 Research Design 23](#_Toc168667067)

[3.2 Descriptive Research 23](#_Toc168667068)

[3.3 Inferential statistics 24](#_Toc168667069)

[3.4 Mixed Approach 24](#_Toc168667070)

[3.5 Population and Sampling 24](#_Toc168667071)

[3.6 Primary Data 25](#_Toc168667072)

[3.7 Secondary data 26](#_Toc168667073)

[3.8 Data Collection Method 26](#_Toc168667074)

[3.9 Research Instrument 26](#_Toc168667075)

[3.10 Questionnaires 27](#_Toc168667076)

[3.11 Interviews 27](#_Toc168667077)

[3.12 Reliability and Validity 27](#_Toc168667078)

[3.13 Data presentation and analysis 28](#_Toc168667079)

[3.14 Statement of Ethics 28](#_Toc168667080)

[3.15 Chapter summary 29](#_Toc168667081)

[CHAPTER IV 30](#_Toc168667082)

[DATA PRESENTATION, ANALYSIS AND DISCUSSION 30](#_Toc168667083)

[4.1 Introduction 30](#_Toc168667084)

[4.2 Analysis of responses 30](#_Toc168667085)

[4.3 Demographic Data Analysis 30](#_Toc168667086)

[4.3.1 Gender Analysis 30](#_Toc168667087)

[4.3.2 Age analysis 31](#_Toc168667088)

[4.3.3 Work Experience 32](#_Toc168667089)

[4.3.4 Education Level 33](#_Toc168667090)

[4.4 Reliability and Validity of the study 33](#_Toc168667091)

[4.5 Descriptive statistics analysis 34](#_Toc168667092)

[4.6 To determine the extent of utilization of the Balanced Scorecard in Ecobank Zimbabwe. 37](#_Toc168667093)

[4.7 To determine the challenges associated with the utilization of Balanced Scorecard. 38](#_Toc168667094)

[4.8 To determine the impact of Balanced Scorecard on the financial performance of the bank. 38](#_Toc168667095)

[4.9 Inferential statistics analysis 39](#_Toc168667096)

[4.10 Financial performance analysis 43](#_Toc168667097)

[4.11 Chapter summary 44](#_Toc168667098)

[CHAPTER V 45](#_Toc168667099)

[SUMMARIES, CONCLUSIONS AND RECOMMENDATIONS 45](#_Toc168667100)

[5.0 Introduction 45](#_Toc168667101)

[5.1 Summary of findings 45](#_Toc168667102)

[5.2 Conclusions 46](#_Toc168667103)

[5.3 Recommendations 46](#_Toc168667104)

[5.4 Limitations and Areas for future study 47](#_Toc168667105)

[Appendices 1 Letter of Approval 55](#_Toc168667106)

[Appendices 2: Interview schedule 56](#_Toc168667107)

[Appendices 3: Questionnaire 57](#_Toc168667108)

# 

# List of Tables

|  |  |  |
| --- | --- | --- |
| **Description** | **Tittle** | **Page** |
| Table 3.5 | Sample size and target population | 25 |
| Table 4.2.1 | Response rate of participants. | 30 |
| Table 4.3.4 | Educational level | 33 |
| Table 4.5.1 | Descriptive analysis of Learning and growth perspective | 34 |
| Table 4.5.2 | Descriptive analysis of Customer perspective | 35 |
| Table 4.5.3 | Descriptive analysis of Internal Process perspective | 36 |
| Table 4.5.4 | Descriptive analysis of Financial perspective | 37 |
| Table 4.9.1 | Pearson’s Rank Correlation between Learning and growth and financial performance | 39 |
| Table 4.9.2 | Pearson’s Rank Correlation between Customers and financial performance | 41 |
| Table 4.9.3 | Pearson’s Rank Correlation between Internal processes and financial performance | 42 |
| Table 4.10.1 | Financial metrics analysis | 43 |

# 

# List of Figures

|  |  |  |
| --- | --- | --- |
| **Figure** | **Title** | **Page** |
| Figure 2.1 | Conceptual framework | **6** |
| Figure 4.3.1 | Gender Analysis | 31 |
| Figure 4.3.2 | Age Analysis | 32 |
| Figure 4.3.3 | Working experience Analysis | 32 |

# CHAPTER I

# INTRODUCTION

# 1.0 Introduction

This study investigates the impact of balanced scorecard adoption on financial performance in Zimbabwean commercial banks. The backdrop of the study is presented at the beginning of this chapter, followed by an explanation of the research problem. Research questions are then developed when the research objectives have been shared. Highlighting the importance of the research, its limitations, boundaries, and underlying presumptions came next. Following that comes a synopsis of the finale along with an overview of the upcoming chapters.

# 1.1 Background of the study

The balanced scorecard was a framework created for strategic performance management in the early 1990s (Kaplan, 2012). Organizations can improve internal and external communications, assess performance against strategic goals (Rigby, 2018), and align business activities with the organization's vision and strategy by using the balanced scorecard framework. According to a global study (Gumbus, 2006) of professionals in urban planning, 66% of participants said their businesses were utilizing balanced scorecards. A previous survey (Ismail, 2014) discovered that the balanced scorecard was being used by 85% of large US and European firms.

In the African region almost 41% of South African firms surveyed (Dias, 2011) were reported to be utilizing the balanced scorecard as a performance management tool. According to Fourie (2017), 38% of the top Kenyan companies listed on the Nairobi Securities Exchange used a balanced scorecard. Organizations in Kenya's manufacturing, telecommunications, and financial services sectors have all embraced the BSC (Fourie, 2017). Additionally, a research conducted in Ghana (Gyamfi, 2018) revealed that 65% of the country's enterprises used the balanced scorecard. To improve accountability, transparency, and performance management, BSC has been used by commercial banks in Ethiopia, Botswana, and Nigeria (Rajah, 2020).

For the past 20 years, the Zimbabwean banking industry has been using the balanced scorecard more and more as a strategic performance management tool (Tapera, 2019). On the other hand, there have been several obstacles to adoption and execution. The implementation of BSC in the banking sector in Zimbabwe was found to be hindered by a number of issues, including low employee engagement and training, a lack of management commitment (Chizhake, 2020), poor alignment with current performance management systems, and unstable economic conditions, in 40% of the banks surveyed that were using BSC (Mavhiki, 2013). Organizational and environmental factors have significantly contributed to the limited adoption of the balanced scorecard in the banking sector of Zimbabwe as compared to other regions (Mapira, 2017). It will be essential for more banks to remove the noted obstacles to enhance their strategic management and performance (Manyumwa, 2019).

According to management accounting literature, for today's firms to adapt to the quickly changing organizational and social environment, they need to implement current management accounting control systems (Emsley, 2005; Harrison, 2021). Examining the effect of BSC adoption on Ecobank Zimbabwe's financial performance makes sense, considering the potential advantages it has for enhancing organizational financial performance.

# 1.2 Problem statement

The financial performance of commercial banks is critical to their long-term viability and competitiveness within the banking industry. However, many banks struggle to effectively measure and manage their performance in a way that aligns (Adebiyi, 2020) with their strategic objectives. Traditionally, commercial banks have focused primarily on financial metrics to evaluate their performance. While these financial indicators are important, they provide an incomplete picture of banks overall health (Pavlov, 2017) and may not adequately capture key non-financial drivers of success such as customer satisfaction, operational efficiency, and employee productivity (Muzangwa, 2018). Many banks have implemented the balanced scorecard but the extent to which it has contributed to improved financial outcomes remains unclear. As a result, this study will investigate how BSC affects Ecobank Zimbabwe's financial performance.

# 1.3 Research Objectives

The researcher formulated the research objectives as:

* To determine the utilization of balance scorecard in the bank
* To determine the challenges of using balance scorecard in the bank
* To determine the impact of balance scorecard (financial, customer, internal processes and learning and growth perspectives) on financial performance of the bank

# 1.4 Research Questions

* How has the bank adapted the balanced scorecard?
* What are the challenges of using balance scorecard?
* What is the impact of balance scorecard (financial, customer, internal processes and learning and growth perspectives) on financial performance of the bank?

# 1.5 Importance of the study

* **Importance to Ecobank Zimbabwe**

Ecobank Zimbabwe will benefit from this research since it will enable them to better understand the balance scorecard technique and its amount of utilization, which will help them improve their performance. Their practices will be improved with the help of the recommendations made.

* **Importance to Researcher**

The study is being conducted to improve knowledge of management accounting and as a prerequisite for the honors degree of Bachelor of Accountancy (BACC). Conducting a rigorous high quality study on this topic can help the researcher develop specialized expertise in the field of performance measurement and management in the banking industry and also enhance the researchers reputation and credibility, potentially leading to future research opportunities, collaborations or consulting work in this domain.

* **Importance to BUSE**

This research contributed to the academic understanding of the practical applications of the balanced scorecard which can be beneficial for both the students and faculty. Also, it involves interdisciplinary approach encompassing areas such as accounting, finance, management, and information systems which enhance the learning environment for students, exposing them to various perspectives and methodologies.

# 1.6 Assumptions of the study

* The members would provide the information that was asked for in a trustworthy and honest manner.
* The information collection strategy is implied by the researcher to be accurate and appropriate for the type of data being gathered. For the researcher to address the research questions, the research must be sufficient.
* Furthermore, the policies and procedures of the organization would not prevent the researcher from obtaining the necessary information.
* The banks personnel were using the Balanced Scorecard model.
* Interviewers had knowledge about the Balanced scorecard technique.

# 1.7 Delimitations of the study

The study focused on the utilization of balanced scorecard at Ecobank Zimbabwe, the problems BSC conferred and the impact on financial performance of the bank. The research population were the department heads, managing director and finance department staff at the head office of Ecobank Zimbabwe and the period of study was from 2020 to 2023.

# 1.8 Limitations of the study

The researcher's limited financial resources presented challenges when conducting this study hence ended up using online platforms to conduct interviews and issue questionnaires. Another issue was trying to convince bank managers to reserve time for in-depth interviews. To secure time for questionnaires and interviews, the researcher had to convince the bank managers that this research was for academic purposes. The research study's low response rate and the length of time it takes for respondents are two more drawbacks. Moreover, another challenge included obtaining necessary permissions and approvals to access confidential bank information.

# 1.9 Definition of key terms

# 1.9.1 Commercial bank

Commercial bank is an institution which accepts deposits, makes business loans, and offers related services (Alvi, 2016). These institutions are run to make a profit and owned by a group of individuals and some might be members of federal reserve system.

# 1.9.2 Balanced Score Card

The balanced scorecard is a tool that helps businesses assess strategic performance within the framework of several departments (Trung, 2020), including finance, internal business, innovation and learning and customer perspectives. It consequently modifies the organizations general performance behavior (Turshan, 2019).

# 1.9.3 Financial Performance

Financial performance refers to the measurement of how well a company is doing financially. Its typically measured using financial metrics such as return on investment, return on equity, operating margin, earnings per share, working capital turnover and debt to equity ratio, (Didin, 2018).

# 1.10 Chapter summary

This chapter's goal was to clarify the rationale behind the investigation of the balanced scorecard effects on business financial performance. The history of Ecobank Zimbabwe served as a case study. An outline of the study's history, problem statement, objectives, research questions, and significance was provided, along with information on delimitations, limitations, and definitions of important terminology, all of which were related to the difficulties faced by Ecobank Zimbabwe. A survey of the literature on the research issue is covered in the following chapter.

# CHAPTER II

# LITERATURE REVIEW

# 2.0 Introduction

Over time, more and more people have needed guidance in management accounting. Studies on the utilization of several management accounting techniques, such as balance scorecard, are provided in this chapter. Starting with a conceptual framework, the chapter delves into the theories of balanced scorecards, followed by a theoretical assessment and the factors that impact commercial banks' financial performance. The empirical reviews of the various studies that have been conducted on balanced scorecard are also presented, along with their results and a note of how they aided this research. An overview of the literature review section and a gap analysis complete the chapter.

# 2.1 Conceptual framework

**Independent variables Dependent variables**

FINANCIAL PERFORMANCE OF COMMERCIAL BANKS

FINANCIAL PERSPECTIVE

BALANCED SCORECARD

CUSTOMER PERSPECTIVE

INTERNAL PROCESS PERSPECTIVE

LEARNING AND GROWTH PERSPECTIVE

**2.2 Theoretical review**

**Figure: 2.1**

***Source: Primary 2024***

The theoretical and empirical reviews served as the basis for this study’s conceptual framework. Robert Kaplan and David Norton created the balance scorecard as a strategic management framework (Niven, 2002), to offer a more thorough understanding of an organizations performance by examining the four main perspectives (financial, customer, internal process and learning and growth perspectives). The bank’s financial performance is a dependent variable that is influenced by the balanced scorecard an, independent variable (Hemming, 2012). The financial perspective focuses on the financial outcomes and measures that are important to the organization’s shareholders like revenue growth, profitability and return on investment.

The customer perspective examines the organizations performance from the customers point of view, and this includes customer satisfaction, market share, customer retention and new customer acquisition (Ameen, 2018). Moreover, the internal process perspective focuses on the efficiency and effectiveness of the organizations key business processes and these include metrics like quality, productivity, and new product development (Harold, 2006). The learning and growth perspective focuses on the organizations ability to innovate, improve, and grow and this include metrics like employee satisfaction, skills development, information system capabilities and organizational culture (Inadmar, 2016). Therefore, by linking these four perspectives together in a cause and effect model the balanced scorecard helps organizations align their strategy, activities, and measures (Nguyen, 2017). This enables them to monitor progress towards strategic objectives and make data driven decisions to improve financial performance over the long term.

# 2.2 Theoretical review

Different theories were proposed on the importance of BSC on financial performance of commercial banks and the researcher used the agency theory.

# 2.2.1 The Agency theory

The interaction between principals and agents inside an organization is examined by the idea of agency theory in economics and finance. Commercial bank management, including executives and staff, are considered the bank's agents, while shareholders or owners make up the principals (Panda, 2017). The financial performance of commercial banks can be impacted by conflicts of interest between principals and agents, according to agency theory.

Agents and principals have distinct motives and goals, which could lead to conflicts. This is the basic tenet of agency theory. According to Bergstein (2014), bank management may have objectives such as job stability, career promotion, or personal financial gain, but the main goal of shareholders is to increase their wealth and the value of their investment. The principal-agent relationship in commercial banks is distinguished by a division of ownership and control. In their capacity as the shareholders' representatives, management is given decision-making authority by the shareholders (Al- Faryan, 2024). It is possible that the agents will not always behave in the principals' best interests. They could indulge in self-serving activities, take unnecessary risks, or pursue personal agendas that enrich them at the expense of shareholders.

The way commercial banks function financially may be greatly impacted by these conflicts of interest. Bank executives might be inclined to undertake speculative or hazardous investments or other high-risk operations to maximize their short-term profits. According to Boshkoska (2015), these moves might boost the bank's short-term profitability, but they also put it at greater risk, which could result in losses and instability. Agency costs may be caused by a mismatch in the interests of principals and agents. Expenses incurred by shareholders for oversight and monitoring to make sure management acts in their best interests are included in these costs. As per Panda (2017), the shareholders' expenses can go up if they must engage outside auditors or consultants to examine the bank's financial reporting and operations. The way bank management behaves can be affected by the structure of executive remuneration packages. Executives may give short-term financial success measures more weight than the bank's long-term stability and sustainability if their salary is strongly correlated with those measurements. This may result in excessive risk-taking or unethical activity, both of which could eventually hurt the bank's financial performance.

Effective corporate governance procedures, such independent board monitoring, can assist align the interests of principals and agents, which can help alleviate the negative effects of agency difficulties (Al-Faryan, 2024). To make sure management acts in the best interests of shareholders, independent directors can supervise and keep an eye on their activities. It is critical to create executive compensation plans that balance management and shareholder objectives (Bergstein, 2014). This may entail implementing long-term performance measures that encourage CEOs to concentrate on long-term value generation, like restricted stock or stock options. To guarantee that commercial banks abide by the law and moral principles, regulatory authorities may have a role in monitoring their activities (Panda, 2017). By promoting accountability and openness, regulatory frameworks and reporting requirements can aid in the reduction of agency issues.

In conclusion, agency theory acknowledges the intrinsic conflicts of interest that exist between commercial bank management and stockholders. Through comprehension of these conflicts, suitable governance mechanism implementation, incentive alignment, and regulatory supervision promotion, commercial banks' financial performance can be better safeguarded and improved.

# 2.2.2 Justification of agency theory

After evaluating all available theories, the researcher determined that this one was the best since it provides the most insight into how the balanced scorecard affects the performance of the bank and how agents behave to serve the interests of the principal. By giving principals a thorough framework for performance measurement, it also reduces information asymmetry by facilitating improved agent performance monitoring and evaluation. Since agency theory and corporate governance go hand in hand, it encourages responsibility, transparency, and performance evaluation in line with best practices in governance.

# 2.3 Commercial banking in Zimbabwe

Businesses and organizations use commercial banking services. Commercial banks provide savings and debit accounts, loans, credit cards, and cash management services to assist businesses in managing their cash flow (Alvi, 2016). Additionally, they provide services for managing foreign exchange and interest rate risks related to treasury management. By giving businesses the funding, they require to expand, commercial banks play a crucial role in the economy.

Many obstacles, including a sluggish economy, high inflation, and a lack of foreign exchange, have prevented Zimbabwe's commercial banks from turning a profit over the last three years (Tsaurai, 2018). Nonetheless, measures have been implemented by the government to stabilize the economy, and interest rates have started to decrease (Abel, 2017). Through new management accounting techniques and increased competition brought about by the government's liberalization of the banking industry, Ecobank Zimbabwe's financial performance has improved.

# 2.4 Financial Performance

A company's financial performance is determined by evaluating its financial performance. Financial measures include operating margin, earnings per share, debt to equity ratio, working capital turnover, and return on investment and equity are commonly used to measure it (Didin, 2018). Because it gives a quick overview of a company's financial situation and allows for comparison with other businesses or historical results, financial performance is significant (Luther, 2023). It can also be used to assess the efficacy of management choices and to decide how best to distribute resources. Either a short-term or long-term report can be made on it. Determining the impact of balanced scorecard technique on Ecobank Zimbabwe's financial performance was the aim of this research.

# 2.4 Determinants of financial performance in commercial banking

# 2.4.1 Non-performing loans (NPL)

Non-performing loans are loans that are not being repaid as scheduled or as per repayment terms. They can have a significant impact on a banks’ financial performance. They reduce the banks’ income because they are not generating interest and they can also lead to loan losses if the bank must write off the loan as uncollectible (Kumar, 2020). Furthermore, they affect the banks’ capital adequacy as they may require the bank to set aside more capital to cover potential losses. They also tarnish the banks’ reputation, making it difficult to attract new customers and depositors.

# 2.4.2 Return on assets (ROA)

It is a key metric of a banks’ financial performance. It measures how much profit the bank is making on its assets (Christophe, 2017). A high ROA means that the bank is efficient at using its assets to generate profits. This can be a result of low overhead costs, strong lending activity or the combination of both. A low ROA could indicate that the bank is not managing its assets efficiently or that it is not charging enough interest on its loans.

# 2.4.3 Loan to Deposit ratio (LDR)

Loan to deposit ratio is another important metric for a banks’ financial performance. It measures the extent to which a bank is financed by loans versus deposits. A high LDR shows that the bank is relying more on loans to finance its operations (Steven, 2020). This can be a sign of strong loan demand, but it can also reveal that the bank is carrying on more risk. A low LDR means the bank is not taking advantage of lending opportunities or not attracting enough deposits.

# 2.5 Balanced scorecard

The aim of BSC is to balance performance measures across four key perspectives. The financial perspective focuses on financial performance indicators such as revenue growth, profitability, return on investment (ROI), and cash flow. It provides a traditional financial view of the business performance and is concerned with achieving financial objectives and delivering shareholder value.

The customer perspective places a strong emphasis on metrics relating to the customer that demonstrate the organization's capacity to satisfy needs and add value. According to Lipe (2019), it comprises measures including market share, customer loyalty, customer happiness, and customer retention. Organizations can improve long-term financial success and foster stronger customer connections by comprehending and satisfying client demands. According to Alman (2013), the internal process viewpoint looks at the operational and internal procedures that go into meeting financial goals and providing value to customers. It emphasizes on metrics like cycle time, quality, innovation, and process efficiency. Organizations can increase customer satisfaction, cut expenses, and boost productivity by streamlining internal processes (Malina, 2013).

The ability of a company to innovate, train staff, and adjust to change is covered by the learning and growth perspective. According to Nguyen (2017), it comprises metrics like corporate culture, knowledge management, employee happiness, and training and development for staff members. Businesses can improve their capacities and achieve long-term success by investing in employee skill development, encouraging innovation, and cultivating a learning culture.

# 2.6 The extent of utilization of Balanced Scorecard

The process of implementing a balanced scorecard usually involves determining the key performance indicators (KPIs) to use for each perspective, establishing goals, and tracking success over time. It facilitates strategic planning, performance management, and decision-making processes by offering a framework for converting the organization's strategy into doable objectives and metrics (Niven, 2002). One benefit of implementing the balanced scorecard at a bank is that it allows for comprehensive performance measurement.

The balanced scorecard considers internal processes, customers, learning and growth, and finances to give an overall picture of the bank's performance (Hemming, 2012). With this all-encompassing strategy, the bank's performance is guaranteed to consider other crucial elements that contribute to its success in addition to financial metrics. According to Hemming (2012), it also aids in coordinating the bank's performance metrics with its strategic goals. The balanced scorecard makes sure that every level of the organization is working in the same strategic direction by articulating strategic goals explicitly and converting them into measurable targets from various angles. Focus, coordination, and the accomplishment of strategic goals are all improved by this alignment.

Strategic planning in banks is made easier by the balanced scorecard. It offers a methodical framework for defining important projects, expressing the bank's strategy, and establishing performance goals. Banks (Ahmed, 2011) can do better-informed and more successful strategic planning by evaluating how strategic decisions affect financial results, customer happiness, operational efficiency, and staff development when they use a balanced scorecard method. Additionally, it makes efficient performance management and monitoring possible in banks (Ahmed, 2011). Banks may monitor their progress toward strategic objectives, spot performance gaps, and take prompt remedial action by choosing the right key performance indicators (KPIs) for each perspective. According to Harold (2006), the balanced scorecard strategy encourages a proactive and data-driven approach to performance management, which enables banks to maximize their performance and remain adaptable to shifting market conditions.

Prioritizing client pleasure, loyalty, and retention is made easier for banks by the balanced scorecard's customer perspective. Banks can obtain insights into the demands and preferences of their customers by measuring and tracking customer related KPIs, such as customer satisfaction scores, customer complaints, and customer acquisition rates (Inamdar, 2016). By putting the needs of their customers first, banks can enhance their offerings in terms of goods, services, and general customer care, which boosts client retention and profitability (Nguyen, 2017). Moreover, banks are encouraged to assess and improve their operating procedures via the balanced scorecard's internal process perspective. Banks can find bottlenecks, simplify operations, and cut costs by monitoring process efficiency, quality, and cycle time (Lipe, 2019). Streamlining internal procedures boosts operational effectiveness, lowers risks, and helps banks provide goods and services more successfully.

# 2.7 Challenges associated with Balanced Scorecard

# 2.7.1 Problems within the organization

**Absence of commitment from top management**

Senior management and department heads' lack of support is one of the things preventing balanced scorecards from improving an organization's performance (Hussein, 2022). It is rare for top executives to be concerned with making sure the balanced scorecard system is successfully implemented to enhance the financial performance of the firm (Hussein, 2022). Department heads do not fully integrate BSC costs to improve financial performance because they view them as a barrier to accomplishing their set goals and objectives (Trung, 2020). Most managers opt not to be aware of external factors including inflation, government regulations, political unpredictability, and a reluctance to adopt new technologies that hinder BSC's capacity to improve financial performance (Dabor, 2023). Occasionally, management fails to recognize that it is their responsibility to conduct study on these issues to correctly implement BSC to enhance financial performance (Dabor, 2023).

**Insufficient knowledge of Balanced scorecard**

Improving the financial performance of the company is greatly hampered by the fact that most employees lack knowledge about the balanced scorecard system or methodology (Abdalla, 2022). This ignorance creates a hole in the balanced scorecard's ability to improve financial performance (Abdalla, 2022). According to Kaisang (2020), most employees lack appreciation for management accounting techniques, and as a result, they are unaware of the benefits that can improve their company's financial success. Information technology can help BSC be applied more effectively, but as most workers are not up to date on technological advancements, ignorance continues to be a significant barrier to BSC's ability to generate positive financial results (El-Khatib, 2021). It is challenging to increase financial performance, according to (Stojkovski, 2021), because insufficient understanding of BSC has resulted in the incorrect implementation of approaches.

# 2.7.2 Challenges associated with Balanced Scorecard

* Complex Implementation: Careful planning, coordination, and participation from a variety of stakeholders within an organization are necessary for the development and utilization of a balanced scorecard (Kumar, 2022). The process of identifying strategic objectives, choosing relevant key performance indicators (KPIs), and setting goals and activities can be difficult. Businesses could find it difficult to set up the BSC initially and make sure it fits with their unique objectives.
* Data Availability and Accuracy: To assess performance in a variety of ways, the BSC depends on timely and reliable data. It can be difficult to collect trustworthy data, particularly in situations when an organization has several information systems and sources (Abdallah, 2015). For businesses using the BSC, ensuring data availability, consistency, and quality can be a major challenge.
* Resistance to Change: Changing the organizational culture and mentality significantly is frequently necessary to implement the balanced scorecard. It can be difficult to overcome employee resistance to change, especially when it comes to implementing new performance evaluation techniques (Asiaei, 2019). To overcome resistance, organizations must foster a continuous improvement culture and implement efficient change management techniques.

# 2.8 Impact of Balanced Scorecard on financial performance

# 2.8.1 Impact of Financial perspective on financial performance

Metrics including revenue growth, net income, return on assets (ROA), and return on equity (ROE) are part of the BSC's financial perspective. A bank may evaluate its profitability and make sure it is making enough money to pay its expenses and give returns to its shareholders by keeping an eye on and controlling certain financial indicators (Benet, 2019). The bank can pinpoint areas for improvement and implement corrective measures to boost profitability thanks to the BSC. Additionally, efficient cost control is necessary for a bank's financial success. Metrics like expenditure ratios, cost-to-income ratios, and cost per transaction are just a few examples of the metrics the bank may use to analyze and control costs thanks to the financial viewpoint of the BSC. Through the surveillance of these metrics, the bank may pinpoint areas for cost reduction, enhance resource distribution, and streamline processes—all of which contribute to enhancing its financial outcomes.

In addition, risk-related measures such loan loss provisions, capital adequacy ratios, and non-performing loan ratios are included in the BSC (Benet, 2019). By using these criteria, the bank may evaluate its exposure to risk and make sure it has enough reserves to cover any losses. The bank can improve its overall performance and protect its financial position by aggressively managing and monitoring risks (Awadallah, 2015). To produce returns, banks must use their capital effectively. Financial perspectives such as return on capital employed (ROCE) and risk-adjusted return on capital (RAROC) are among the capital utilization measures that banks can analyze and optimize with the use of the BSC. A bank can enhance its financial performance by reallocating money from underperforming to profitable activities, for example, by concentrating on these measures and identifying areas where capital allocation can be improved.

Sufficient liquidity must be maintained for a bank to operate profitably and sustainably financially. Liquidity measures, like loan-to-deposit ratios and liquidity coverage ratios, are part of the BSC's financial viewpoint (Bouamama, 2021). Through the vigilant observation and administration of these indicators, a bank can guarantee sufficient liquidity to fulfill its commitments and leverage commercial prospects, while reducing the possibility of liquidity emergencies that may have an adverse effect on its financial outcomes. The interests of other stakeholders, including shareholders and investors, are also considered by the BSC's financial perspective (Cokins, 2020). Increased profitability, dividend payments, and share price appreciation are some of the ways the bank can raise shareholder value by concentrating on financial performance metrics. To assist the bank's growth and financial success, this in turn draws investors and facilitates the bank's easier access to capital markets.

# 2.8.2 Impact of Customer perspective on financial performance

The BSC's customer viewpoint places a strong emphasis on variables like customer retention rates, customer satisfaction ratings, and client acquisition rates. A bank can draw in new business and keep hold of current clientele by putting a high priority on customer satisfaction and loyalty (El-Khatib, 2019). Loyal and satisfied consumers are more likely to keep using the bank's goods and services, which eventually boosts income sources and enhances financial performance. Customers that are content and devoted to the bank are more open to cross-selling and upselling. Based on their requirements and preferences, the BSC's customer viewpoint pushes the bank to find chances to provide current clients with new goods and services (Dwivedi, 2021). This might result in higher revenue and sales per client, which would improve the bank's financial performance.

A bank's financial success can be greatly impacted by a strong brand reputation and favorable market differentiation. The bank is encouraged to monitor and control brand-related indicators, like market share, customer advocacy, and brand impression, by the BSC's customer viewpoint (Kumar, 2022). A bank that can charge premium pricing and attract more clients through differentiation and strong brand recognition will ultimately do better financially. A bank can improve its market position and obtain a competitive edge by adopting a customer-focused strategy. The bank can set itself apart from rivals by customizing its offerings in terms of goods, services, and customer experiences by comprehending the requirements, preferences, and expectations of its clients (Cokins, 2020). Increased market share, client loyalty, and eventually better financial performance can result from this.

# 2.8.3 Impact of Internal processes perspective on financial performance

Banks can enhance resource usage, cut expenses, and eliminate waste by implementing efficient internal processes. Banks can increase operational efficiency by simplifying procedures including loan origination, account creation, transaction processing, and customer service. As a result, there are financial performance gains, reduced operating costs, and cost savings (Kaisang, 2020). Faster turnaround times also mean shorter wait times for customers, which raises customer satisfaction levels (Albertsen, 2014). Banks are subject to several hazards, such as operational, market, liquidity, and credit risks. Banks are encouraged to have strong risk management procedures and controls by the balanced scorecard's internal processes perspective (Hansen, 2016). Through efficient identification, assessment, and mitigation of risks, banks can reduce losses and enhance their financial performance. Profitability can be increased, and credit risk decreased, for instance, by implementing clear procedures for credit underwriting, loan portfolio monitoring, and non-performing asset management.

Delivering top-notch goods and services while guaranteeing regulatory compliance is emphasized by the internal processes approach. Customers, stakeholders, and regulators can all gain trust and confidence in banks that prioritize quality control procedures and follow regulatory guidelines (Dabor, 2023). Banks can protect their financial performance by avoiding fines, litigation expenses, and brand harm by limiting errors, decreasing fraud, and upholding compliance. Additionally, it pushes banks to prioritize innovation and flexibility (Trung, 2020). Banks can adapt to changing client needs and maintain their competitiveness in the market by regularly assessing and enhancing the products and services they offer (Abdallah, 2015). Digital banking platforms, mobile payment methods, and customized customer experiences are examples of innovative systems and procedures that can increase income by drawing in new clients and strengthening existing ones.

# 2.8.4 Impact of Learning and growth perspective on financial performance

To deliver top-notch financial services, banks significantly rely on the experience of their staff. Banks can improve the skills and expertise of their employees by funding training courses, workshops, and opportunities for ongoing education (Harrison, 2021). Employees with proper training are more capable in their positions, which leads to better customer service, higher productivity, and fewer mistakes. This can ultimately result in improved financial performance through better revenues and lower costs, as well as customer happiness and retention.

Additionally, motivated and engaged staff members are more likely to go above and beyond to satisfy client needs and advance the success of the bank (Kumar, 2022). Banks are encouraged to establish a pleasant work environment that promotes employee satisfaction, engagement, and retention by adopting the learning and growth approach. When staff members feel valued, encouraged, and provided opportunities for both personal and professional growth (Apunda, 2020), they are more likely to be creative, productive, and committed to achieving organizational goals. By lowering turnover costs, raising productivity, and increasing client experiences, this can improve the bank's financial performance.

Focusing on internal procedures and information systems is another recommendation made by the learning and growth perspective for banks. Banks can save expenses, optimize workflows, and increase operational efficiency by consistently evaluating and refining these processes (Kaddumi, 2020). Developing and implementing new processes and technologies that enhance customer experiences and provide businesses a competitive edge can also be accelerated by cultivating an innovative and learning culture. These innovations and process enhancements can lower operating costs, boost output, and draw in new clients, all of which can lead to improved financial performance.

Banks must be flexible and sensitive to the demands of their customers in the quickly evolving business environment of today (Cokins, 2020). The development of organizational competencies that support flexibility and agility is emphasized by the learning and growth approach. Banks can improve their capacity to adjust to market trends, regulatory changes, and technology improvements by encouraging a culture of learning and providing people with the freedom to gain new skills and embrace change (Trung, 2020). Banks' financial success can be positively impacted by their ability to remain ahead of the competition, spot new business opportunities, and modify their strategy, as necessary.

# Empirical review

# 2.9.1 To determine the utilization of balance scorecard in the bank.

Dabor (2023). *Balanced scorecard and performance of money deposit Bank in Nigeria.*

Finding the relationship between company performance and the balanced scorecard was the aim of the study. The whole workforce of Abuja's deposit money institutions was the target group. 300 copies of questionnaires were distributed to junior employees, middle managers, and senior management of the 15 deposit money institutions that were chosen for the study to gather data. The findings showed that while the customer viewpoint has a favorable link with organizational performance, the learning and growth perspective has a positive impact on organizational performance. The findings also showed that there is no meaningful correlation between organizational success and the customer perspective.

Stojkovski (2021). *Balanced scorecard model in the Banking sector of Russia.*

By suggesting suitable strategic activities, objectives, and key performance indicators for each perspective, this research aims to provide a descriptive examination of the balanced scorecard model and its application in the banking industry through analytical methods. The analysis concluded that, of all the viewpoints, the financial perspective has the biggest influence on the other three and so plays the most important role in a bank's performance. The study's overall recommendation was that performance in the banking industry be evaluated from the standpoint of the customer, who is the primary determining factor and is heavily impacted by the other three views.

El-Khatib (2019). *Investigation of the balance scorecard as a measure for performance of banks in Lebanon.*

The results showed that financial metrics and monthly and annual reports continue to be the foundation of Lebanese banks' performance evaluation systems. Because financial metrics do not give a broad picture of how banks are doing in terms of internal operations, clients, learning, and development, their reliance on them was viewed as misleading. Research indicates that financially successful banks are not necessarily the best banks when considering all the balance scorecard's views and implementing the model to achieve desired results. A thorough and trustworthy method for measuring strategic performance is the implementation of the balance scorecard.

# 2.9.2To determine the challenges of using balance scorecard.

Abdalla, (2022). *Barriers of implementing the balanced scorecard in the banking sector of Sudan.*

The purpose of the research project was to determine and comprehend the obstacles to the adoption of the balanced scorecard in the banking industry in Sudan. Twelve semi-structured interviews were conducted with senior staff members and management of ten banks operating in Sudan to collect research data. The research findings indicate that the primary obstacles to BSC are the absence of commitment and motivation from top management, awareness gaps, inadequate training, high implementation costs, the assertion that the current system is adequate, challenges in measuring BSC perspectives, and inadequate IT support. According to the findings, upper management in the banking industry ought to think about making BSC a top priority and incorporate it into their strategic plans along with other tools for more effective BSC implementation.

Kaddumi, (2020). *Investigated the impact of balanced score card implementation and its effects on banks financial performance*.

This study sought to determine how the balanced scorecard's four perspectives were applied and how they affected the listed commercial banks' financial performance. Out of 400 surveys, 312 were deemed valid for the study's descriptive analysis. The results of the study showed that the financial performance of banks can be significantly impacted by the balanced scorecard's four perspectives—the internal processes perspective, the customer perspective, the growth and development perspective, and the financial perspective—either jointly or separately. The study concluded that because the balance scorecard has a positive effect on banks' financial performance and helps them better focus on the evolving needs of their customers, banks should implement and use it.

# 2.9.3 To determine the impact of balance scorecard (financial, customer, internal processes and learning and growth perspectives) on financial performance of the bank.

Hussein, (2022). *Planning budgets and their impact on the relationship between Balanced scorecard and profitability maximization on commercial banks listed on Amman stock exchange.*

The study's findings demonstrated that applying the balanced scorecard and the various perspectives—financial, customer, internal operations, and growth and development—influence helping commercial banks listed on the Amman Stock Exchange maximize their profitability. Furthermore, the findings demonstrated that budget planning influenced the relationship between Jordanian commercial banks' profitability maximization and the adoption of the balanced scorecard. It was recommended by the study that commercial banks focus on implementing all the balanced scorecard's vectors and create employee training programs on how to do so to maximize benefits.

Harrison, (2021). *Effects of selected financial management practices on financial performance of commercial banks in Kenya.*

The purpose of the research project was to ascertain how certain financial management techniques affected the financial performance of commercial banks. 43 licensed commercial banks in Kenya were the study's target population, and it employed a descriptive research approach. The study utilized both primary and secondary data sources. The secondary data came from annual financial reports that had undergone an audit. According to the study's findings, Kenyan commercial banks' financial performance is positively impacted by their practices in working capital management, capital structure management, liquidity management, and credit risk management.

Apunda & Ndede, (2020). *The effect of adopting management accounting practices on financial performance of commercial parastatals in Kenya.*

The purpose of the study was to find out how Kenyan commercial parastatals' financial performance was affected by their use of management accounting techniques. The study targeted all 119 of Kenya's commercial parastatals and used a descriptive survey research design. The study's findings indicate that the financial performance of Kenya's commercial parastatals was impacted by management accounting techniques, such as the budgeting process, variance analysis, and breakeven analysis. It was discovered that variance analysis distinguishes between the organization's actual financial success and the conscious financial decisions made by different employees, which ultimately lead to higher levels of financial performance.

Kaisang, (2020). *Effect of management accounting practices on the financial performance of commercial banks in Kenya*.

Stratified random sampling was used to choose 35 respondents from various banks for the sample. While secondary data on ROA was gathered from bank records, primary data was gathered using questionnaires. The study relied on primary data and employed a cross-sectional and descriptive study approach. Costing and budgeting procedures had the biggest impact on ROA, according to the study's conclusion, however bank management should keep an eye out for changes in these procedures as they may have a negative impact on ROA.

Trung, (2020). *Investigated the impact of balanced scorecard on performance using a case of Vietnamese commercial banks.*

To collect the necessary data for this investigation, survey papers were used. Based on the study's conclusions, the Vietnamese commercial banking system supports the balanced scorecard as a cutting-edge management tool that improves the financial performance of the country's commercial banks. 109 questionnaire results served as the basis for data collection and analysis using SPSS 22. The findings demonstrated that the balanced scorecard is a useful instrument for converting strategy and vision into short- and long-term goals, and that it positively impacts the performance of Vietnamese commercial banks.

# 

# 2.10 Gap analysis

Prior studies on the effect of a BSC on financial performance were conducted by (Hussein, 2022), (Trung, 2020), (Dabor, 2023) and (Kaddumi, 2020) and were industry-focused rather than focusing on a single commercial bank. (Abdalla, 2022) and (Kaisang, 2020) examined the difficulties and obstacles of implementing the balanced scorecard in commercial banks, whereas (Stojkovski, 2021) and (El-Khatib, 2019) examined the model's use by commercial banks. The researcher intends to bridge this gap by conducting a study that centers on Ecobank Zimbabwe, a single commercial bank. The researcher will also close a gap left by earlier studies' use of conventional management accounting techniques and their disregard for more contemporary accounting techniques like the Balanced scorecard and performance evaluation. The last area of concern is the relationship between the balanced scorecard model and the financial performance of banks, which has not received much attention from prior academics. There are a few studies on the impact of balanced scorecard on financial performance in Zimbabwe.

# 2.11 Chapter summary

This chapter's objective was to compile the body of research that has been done about how the balanced scorecard affects commercial banks' financial performance. The methods employed globally, their degree of use, the difficulties in using them, and the effect these practices have on banks' financial performance were all examined by the researcher. This provided the researcher with information about what to research for at Ecobank Zimbabwe, the company that was being used as a case study. The next chapter provides a thorough explanation of the research methodology.

# 

# CHAPTER III

# 

# METHODOLOGY

# 

# 3.0 Introduction

The methods used by the researcher for this study are outlined and supported in this methodology chapter. Le and Schmid (2022) define methodology as the methodical examination of research study procedures. The study scrutinizes the methodologies, approaches, and protocols employed within the domain of inquiry (Patton, 2015). Focus of the study was on the objectives to be investigated.

# 3.1 Research Design

The study's strategy and organization are delineated in the research design (Mello, 2021). This section discusses the key elements of the research design used in this study. There are three categories of research designs namely exploratory, explanatory, and descriptive studies. The main aim of descriptive research is to obtain data in a methodical manner to characterize a population or provide a thorough analysis of a study to investigate the relationship between two variables (Wyk, 2012). Consequently, the researcher concluded that the most acceptable research approach for this topic was a descriptive study. In this study, the questionnaire approach and interviews were most frequently used (Mello, 2021).

# 3.2 Descriptive Research

Descriptive research aids in the identification of relevant and accurate data regarding the current state of phenomena (Farthing, 2015). Another advantage of this approach is that it highlights concepts put forth by earlier researchers (Farthing, 2015). By analyzing several factors and their interactions, descriptive research enables researchers to adopt a comprehensive viewpoint (Hale, 2011). This approach was therefore appropriate for the study, since the goal of the research is to learn more about how the balanced scorecard affects Ecobank Zimbabwe's financial performance.

**3.2.1 Justification of descriptive research**

The reason the researcher chose this research method is that it enables them to give a thorough and precise account of the traits, actions, or viewpoints associated with the phenomenon of interest. It aids in the discovery of patterns, trends, and connections in the data gathered, which can improve comprehension of the study. Additionally, it uses an adaptable and flexible study design that lets researchers change their strategies and techniques for gathering data.

# 3.3 Inferential statistics

It is a branch of statistics that deals with drawing conclusions about a population based on a sample of data. The goal of inferential statistics is to make inferences or predictions about a larger population from the information contained in a smaller sample. Some common methods include t-tests, (ANOVA) analysis of variance, regression analysis, chi-square, and correlation analysis.

# 3.4 Mixed Approach

To fully comprehend a study subject or problem, a mixed methods approach in research uses both quantitative and qualitative methodologies (Creswell, 2017). By combining the advantages of quantitative and qualitative methodologies, this strategy enables researchers to investigate all aspects of a subject and offer a more thorough study (Tashakkori, 2010). The researcher's comprehension of the connections between the balanced scorecard and financial performance was improved by this method (Fetters, 2013). This method also assisted in identifying the difficulties and dynamics of the balanced scorecard's implementation at Ecobank Zimbabwe. Additionally, it enabled the researcher to cross-check and evaluate the research findings, producing conclusions that were stronger and more trustworthy. Nevertheless, this method required a lot of time because the researcher had to gather and examine data for a mixed method hence this extended timeline can delay the generation of research insights.

# 3.5 Population and Sampling

According to Banerjee and Chaudhury (2010), the target population is the set of people or things that the researcher is trying to investigate and draw conclusions about. Additionally, it is a large group of people being studied by researchers (Markey, 2013). The Ecobank Zimbabwe research unit were the finance department, along with upper and middle management at its head office. These employees knew directly how the bank's financial performance had been affected by the Balanced Scorecard. The researcher chose to concentrate on a group of eighteen employees as a logical conclusion.

To obtain data or draw conclusions about the whole, sampling is the process of choosing a subset of people or objects from a broader population or data set (Banerjee and Chaudhury, 2010). Sampling was not necessary at Ecobank Zimbabwe since the management structure is lean. Conveniently and effectively, the research population can be fully explored. Abnormal distributions in small populations are more likely to occur, and this may or may not have any bearing on the situation. As a result, questionnaires regarding the effect of the balanced scorecard on the bank's financial performance were distributed, and in-depth one-on-one interviews with a limited number of individuals were conducted to get their thoughts and perspectives.

**Table 3.5.1 Sample size and target population**

|  |  |  |  |
| --- | --- | --- | --- |
| Position | Target population | Questionnaires | Interviews |
|  |  |  |  |
| Managing Director | 1 | 1 | - |
| Finance Director | 1 | - | 1 |
| Head Senior Accountant | 1 | 1 | - |
| Senior Accountants | 3 | 3 | - |
| Departmental Heads | 12 | 10 | 2 |
| **Total** | **18** | **15** | **3** |
|  |  |  |  |

*Source: Author 2024*

The researcher plans to interview three workers of Ecobank Zimbabwe and issue questionnaires to different departments. This was done for the researcher to produce a comprehensive study and avoid bias by extracting data from each department of Ecobank Zimbabwe personnel.

# 3.6 Primary Data

Primary sources are original items such as documents, photos, recordings, and artifacts that offer firsthand information about an event or study period. Since they establish a direct link with the individuals or events they are researching, they offer fresh viewpoints and insights that might not be discovered in secondary sources (Hox and Boeijie, 2013). Original data obtained straight from the source for a particular research study or analysis is referred to as primary data (Odoh & Chinedum, 2014). The researcher obtains first-hand knowledge directly from the organization or individuals. To learn about how the balanced scorecard has affected Ecobank Zimbabwe's financial performance, the researcher looks at primary data. The data is trustworthy because it does not pass through different forms of communication.

# 3.7 Secondary data

Data that has previously been gathered, analyzed, and published by another party is referred to as secondary data. Instead of directly obtaining information from primary sources using their own data gathering techniques, researchers obtain it from already-existing sources. A vast array of already-published materials, including scholarly journals, books, government reports, organizational records, databases, websites, and other published sources, can be used to find secondary data. To determine a pattern or trend regarding the influence of the balanced scorecard on Ecobank Zimbabwe's financial performance, the researcher looks to secondary data.

# 3.8 Data Collection Method

A combination of primary and secondary methods was used to obtain data. Secondary data, such as annual reports, quarterly reports, and audited financial statements, were gathered by the researcher from organizational records and bank websites. Because of its increased flexibility, ability to regulate samples well, and ability to keep costs under control, the researcher decided to collect primary data for this study through questionnaires and interviews. Because it incorporates both internal and external research, this approach is best suited for this study. Within the timeline that the researcher has supplied, the respondents can get the identical questions and reply whenever it is most convenient for them. Costs were minimized, and time is saved when the researcher creates the questionnaire questions that she will distribute via email and WhatsApp platform and conducted interviews through Microsoft Teams.

# 3.9 Research Instrument

Completed questionnaires and interviews were used to gather data and satisfy the research objectives. Research instruments are tools used to gather data for analysis (Milne, 2012). When it comes to relevancy and reliance, the research instruments used have a significant impact on the content provided.

# 3.10 Questionnaires

This is a typical research instrument used in studies and surveys to get information from subjects. The questionnaire comprises a sequence of inquiries intended to collect data regarding variables or research goals. There are several ways to conduct questionnaires: online, through paper, or even through in-person interviews. In this study, the researchers used WhatsApp and email to distribute the questionnaires. The department of human capital management was to provide the responders' contact information.

# 3.11 Interviews

One type of qualitative research method is the interview, in which the researcher converses with a person or group to obtain detailed information, opinions, and ideas on a certain subject. They can take place in a variety of forms, including unstructured, semi-structured, and structured. With the help of the interviews, the researcher was able to obtain comprehensive information from the participants as well as investigate overlapping topics and pose follow-up questions to improve comprehension of the study. But it was hard to get through to the bank's senior managers, and they were not always available. Microsoft Teams and the WhatsApp platform were used for the interviews.

# 3.12 Reliability and Validity

The extent to which a concept, conclusion, or measurement accurately represents what it is intended to represent is known as validity (Le and Schmid, 2022). The validity of the questionnaire was determined by the researcher after discussing it with the supervisor.

Reliability is the degree to which any measuring procedure yields the same results on repeated trials (Le and Schmid, 2022). Reliability is the tendency towards consistency in repeated measurements.

To enhance the trustworthiness of the research findings, the questionnaire's reliability (consistency) and validity (accuracy) will be maximized through meticulous crafting of pertinent study questions and strict adherence to ethical considerations appropriate for a study of this scale. This will demonstrate the rigor applied in the research. In a pilot test, consisting of a sample of the study's target population, the first three respondents completed the entire questionnaires to confirm validity and reliability. Questionnaires completed by the twelve participants allowed for an evaluation of the instrument's applicability to be obtained. The questionnaire was sent, and no significant issues were brought up. The intended respondents were able to respond to the questions quickly and easily without having to spend a lot of time.

# 3.13 Data presentation and analysis

First, the data was arranged, and the questionnaire replies were categorized by the researcher. Since tables provide a better explanation of the data obtained, they were employed to present the data (Potter, 2013). It was simpler to examine, evaluate, and interpret data while using visual tools. Thematic data analysis, which will be applied to all research questions, will be utilized to evaluate, and examine the answers to the research questions.

To obtain significant insights, data analysis approaches entail processing and analyzing the data (Potter, 2013). The researcher mostly relied on completed questionnaires and interviews to get information regarding the BSC at Ecobank Zimbabwe. The secondary data was then examined for accuracy, consistency, and completeness. Version 20 of the Statistical Packages for Social Sciences (SPSS) was utilized to code quantitative data to facilitate through.

# 3.14 Statement of Ethics

Research ethics govern the standards of conduct for scientific researchers (Humphreys, 2016). It is important to adhere to ethical principles to protect the dignity, rights, and welfare of the research participants. The researcher intends to responsibly conduct this research through adherence to the following ethical considerations:

* Protection of respondent’s information collected in a confidential manner during the study process.
* Objectivity aims to avoid prejudice while conducting research.
* Integrity which is conceptual consistency and keeping one’s word when undertaking research.

# 3.15 Chapter summary

This chapter's primary goal was to outline the techniques for information gathering. In this study, a descriptive research design was adopted. To gather unprocessed data, questionnaires and interviews were employed. The researcher's efforts to guarantee that the data gathered was accurate and devoid of bias are also included in this chapter. The following chapter covered the findings from the data collected.

# 

# CHAPTER IV

# DATA PRESENTATION, ANALYSIS AND DISCUSSION

# 

# 4.1 Introduction

This chapter’s objective was to provide the data that was collected and analyze in to draw research conclusions. The existence of the balanced scorecard, its utilization, challenges encountered and its effect on financial performance are all covered by the research findings. For the analysis, Questionnaires and interviews were used to collect primary data.

# 4.2 Analysis of responses

**Table 4.2.1 Questionnaire and interviews response rate**

|  |  |  |  |
| --- | --- | --- | --- |
| **Level** | **Administered** | **Valid received** | **Response rate %** |
| Questionnaires | 15 | 12 | 80% |
| Interviews | 3 | 2 | 67% |

**Source: Primary data (2024)**

Response rate of a study is defined as the number of participants who responded to questionnaires and interviews divided by the number of individuals who made the research sample. The researcher distributed 15 questionnaires and 12 were received back and, 3 participants were interviewed and only 2 responded to the interviews conducted from Ecobank Zimbabwe (representing an 80 percent response rate of questionnaires and 67 percent of the interviews). The research is therefore considered to be valid because according to (Trochin, 2016) a reasonable response rate for a study range from 65% to 88%. The results of Ecobank Zimbabwe balanced scorecard impact on financial performance is presented below in this chapter.

# 4.3 Demographic Data Analysis

# 4.3.1 Gender Analysis

**Figure 4.3.1**

**Source: SPSS 2024**

It is essential for the researcher to take gender balance into account to collect data that is balanced and offers a wider viewpoint on the topic matter under examination. To acquire balanced data from many views, inclusion is crucial**.** As a result, the researcher followed (Thar, 2020) concept of gender balance, which defines it as the researcher’s capacity to provide equal opportunities for males and females to respond to and engage in research questionnaire and interviews. Nine males and five females made up the total of 14 respondents in the current study, as can be seen in the data presentation chart above. Utilizing the perspectives of both men and women, the research found, brought value to the study. It is also important to highlight that female employees of Ecobank Zimbabwe expressed interest in assisting the researcher in meeting the requirements of the study.

# 4.3.2 Age analysis

**Figure 4.3.2**

**Source: SPSS 2024**

In this study, participants were asked to self-report their ages. Only 28.6% were above 47 years, 28.6% were between 18 and 26 years, 21.4% were between 27 to 37years and 21.4% were between 28 to 46 years.

# 4.3.3 Work Experience

**Figure 4.3.3**

**Source: SPSS 2024**

The researcher is of the view that, work experience is fundamental when conducting a research project as this shades light on whether the respondents are familiar with the organization’s operational activities. The researcher further on argues that job experience is important because it plays a critical role in assessing respondents’ contributions, knowledge, and comprehension of the topic of the study. Out of 14 respondents 5 respondents have been working for less than 3 years and 5 respondents for 4 to 9 years and, lastly 4 respondents for 10 to 15 years. To assess the use of balanced scorecard and its impact on financial performance, the researcher notes that having more respondents with two or more years of work experience within the bank is essential. This is because strategic intents of an organization are typically reviewed on an annual basis.

# 4.3.4 Education Level

**Table 4.3.4 Education level**

|  |  |  |
| --- | --- | --- |
| **Variable description** | **Frequency** | **Percentage** |
| Degree | 5 | 35.7% |
| Masters | 2 | 14.3% |
| PhD | - | - |
| Other | 7 | 50.0% |
| **Total** | **14** | **100%** |

**Source: Primary 2024**

This investigation made sure all educational levels were distributed. Due to a group of knowledgeable and experienced individuals who had a wealth of experience and knowledge, the assessment of educational qualifications within Ecobank Zimbabwe improved the current study. The Ecobank Zimbabwe personnel had the following educational credentials, employees with degrees or undergraduates (35.7%), followed by postgraduates (14.3%) and 50.0% holding different types of certificates of professional courses. The educational backgrounds of the respondents that comprise a sample, according to (Hill, 2016), influence the quality of data that the researcher collects and increase the data’s reliability.

# 4.4 Reliability and Validity of the study

The study tool is confined in a questionnaire that was directed to finance department, department managers and the managing director. The questionnaire is divided into two major sections thus the demographic information and study variables perspectives consisting of 16 questions that cover BSC four perspectives. Cronbach Alpha factor was statistically acceptable for all of questionnaire elements as all variables were above 70%, (Sekaran, 2014). The questionnaire obtained a reliability degree of (0.955) and according to (Hayduk, 2012) all factor loadings must be above (0.50), thus all study variables have valid convergence in answers.

# 4.5 Descriptive statistics analysis

**Table 4.5.1 Descriptive Analysis Related to Learning and growth perspective**

|  |  |  |
| --- | --- | --- |
| **Learning and growth perspective** | **Mean** | **Standard deviation** |
| Considering the expectations and thoughts of the employee about the organization will reduce staff turnover. | 2.92 | 1.782 |
| Continuous improvement organizational skills by management to meet environmental challenges  confronting the competition give enhance customer satisfaction. | 2.33 | 1.303 |
| Developing and reshaping of the skills of the workforce will improve profitability. | 1.92 | 0.793 |
| Monitoring Hiring process of a worker, will lead to high customers retention. | 2.08 | 1.240 |

**Source: Primary 2024**

Employee expectations and staff turnover clause had a mean score of 2.92 suggesting that on average employees have moderate expectations and thoughts about the organizations. However, the relatively high standard deviation of 1.782 indicated a significant variation in employee perceptions. The continuous improvement and customer satisfaction clause had a mean score of 2.33 and indicated that there is room for improvement in terms of efforts to meet environmental challenges and confront competition. The workforce development and profitability clause had a mean of 1.92 suggesting that there is a room for improvement in developing and reshaping the skills of the workforce. Moreover, monitoring hiring process of workers and customer retention clause had a mean of 2.09 suggesting that organizations are moderately focused on monitoring the hiring process and a well-structured and rigorous hiring process can result in the selection of qualified and motivated employees who are more likely to provide excellent customer service.

**Discussion**

Previous studies (Dabor, 2023) have shown that when employees expectations are met, they tend to have higher job satisfaction, engagement, and commitment which in turn leads to reduced turnover rates. Additionally, organizations that actively engage in continuous improvement practices tend to enhance their operational efficiency, product quality and responsiveness to customer needs (Abdalla, 2022). Moreover, by enhancing the skills of the workforce banks can improve their overall profitability. To add on, employee selection and recruitment practices significantly influence customer satisfaction and loyalty.

**Table 4.5.2 Descriptive Analysis Related to Customer perspective**

|  |  |  |
| --- | --- | --- |
| **Customer perspective** | **Mean** | **Standard deviation** |
| Learning about the customer preferences and addressing them will enhance profitability. | 1.50 | 0.522 |
| Exerting effort to win customers' loyalty will lead to growth in market share. | 1.33 | 0.492 |
| Ability of the organization to provide quality product and or services affect customer repurchasing rate. | 1.83 | 0.835 |
| Lack of differentiating the target market will lead to low retention of customers. | 1.92 | 0.996 |

**Source: Primary 2024**

The learning of customer preferences clause had a mean of 1.50 suggesting that organization is moderately focused on learning about customer preferences and addressing them. The customer loyalty and market share growth clause had a mean of 1.33 indicating that organizations exert some effort to win customers' loyalty. Customer loyalty plays a vital role in achieving market share growth. The product or service quality and customer repurchasing rate clause had a mean score of 1.83 suggesting that the bank recognize the importance of providing quality products or services to customers. High-quality offerings positively influence customer satisfaction and repurchasing behavior. Target market differentiation and customer retention clause had a mean score of 1.92 indicating that the bank need to focus more on differentiating their target market. Failure to differentiate the target market can result in low customer retention.

**Discussion**

Previous studies (Stojkovski, 2021) showed that organizations should prioritize understanding and addressing customer preferences, fostering customer loyalty, delivering high-quality products or services, and differentiating their target market. These factors have a direct impact on customer satisfaction, repurchasing behavior, and market share growth (El- Khatib, 2019). By implementing customer-centric strategies and focusing on customer needs, organizations can build strong relationships, improve customer retention, and drive sustainable profitability.

**Table 4.5.3 Descriptive Analysis Related to Internal process perspective**

|  |  |  |
| --- | --- | --- |
| **Internal process perspective** | **Mean** | **Standard deviation** |
| Employing quality assurance as a management tool for services rendered by firm will increase profitability of the firm. | 1.75 | 0.866 |
| Reporting on the efficiency of internal processes and procedures increase employee retention. | 2.17 | 1.337 |
| Innovation, operation, and post service processes will enhance customers loyalty. | 2.00 | 1.044 |
| Concentrating on delivery and product development will increase market share. | 2.17 | 1.193 |

**Source: Primary 2024**

Employing quality assurance and profitability clause had a mean score of 1.75 suggesting that banks recognize the importance of employing quality assurance as a management tool for services rendered. Quality assurance practices ensure that processes and services meet or exceed customer expectations. The mean score of 2.17 indicated that the banks reporting on the efficiency of internal processes and procedures was important. When organizations provide transparency and communicate the efficiency of internal processes, it can positively impact employee retention. The mean score of 2.00 showed that the bank acknowledged the importance of innovation, operation, and post-service processes for enhancing customer loyalty. These processes play a crucial role in meeting customer needs, addressing their concerns, and delivering exceptional experiences. The mean score of 2.17 indicates that organizations recognize the significance of concentrating on delivery and product development for increasing market share. Efficient and timely delivery of products or services, coupled with ongoing product development efforts, can contribute to gaining a larger market share.

**Discussion**

Previous studies (Harrison, 2021) emphasized on the importance of quality assurance, process efficiency reporting, innovation, and delivery/product development within the internal process perspective. By implementing these strategies, organizations can enhance profitability, improve employee retention, foster customer loyalty, and increase market share.

**Table 4.5.4 Descriptive Analysis Related to Financial perspective**

|  |  |  |
| --- | --- | --- |
| **Financial perspective** | **Mean** | **Standard deviation** |
| Growth rate in net operational cash flow is considered performance indicators for the bank. | 1.83 | 0.835 |
| Achieve reasonable profit (not maximum) as measurement is deemed a realizable strategic objective. | 1.75 | 0.452 |
| Income growth standard for commercial banks is considered among the standards that your management seeks to achieve. | 2.50 | 1.243 |
| The Bank does not follow the diversification policy investment in-order to maintain good return. | 2.58 | 1.832 |

**Source: Primary 2024**

The mean score of 1.83 suggests that the growth rate in net operational cash flow is considered an important performance indicator for the bank. Net operational cash flow reflects the financial health and efficiency of the bank's operations. The mean score of 1.75 indicates that the bank aims to achieve reasonable profits rather than solely pursuing maximum profitability. While profitability is crucial, setting realistic profit objectives aligns with sustainable growth and long-term success. The mean score of 2.50 suggests that income growth is among the standards that the bank's management seeks to achieve. Income growth is a key measure of the bank's financial performance and success in generating revenue. The mean score of 2.58 indicates that the bank does not follow a diversification policy in investment to maintain a good return. Diversification is a risk management strategy that aims to reduce concentration risk and enhance overall portfolio performance. However, the bank's decision to prioritize maintaining a good return suggests a different approach.

**Discussion**

Previous studieshighlighted the importance of monitoring growth in net operational cash flow, setting reasonable profit objectives (Trung, 2020), pursuing income growth, and considering investment strategies in the financial perspective. By focusing on these aspects, the bank can ensure financial stability, sustainable profitability, and effective risk management.

# 4.6 To determine the extent of utilization of the Balanced Scorecard in Ecobank Zimbabwe.

Two interviews were conducted on the Head of Human Resources Management and Senior accountant who were asked about their perceptions on the extent of utilization of BSC in Ecobank Zimbabwe. The senior accountant gave a predominant perception saying, “*The BSC helps the bank align to its objectives and strategic goals*”. It enabled the bank to improve on returns to all stakeholders and ensures that all levels of the organization are working towards the same strategic direction hence this alignment increases focus, coordination, and the achievement of strategic objectives. On one of the benefits of balanced scorecard, the head of HRM department said, “ *The BSC ensures a fair assessment of staff performance*”, meaning it provides accurate feedback to employees regarding their strengths, areas of improvement and overall contribution to the bank.

# 4.7 To determine the challenges associated with the utilization of Balanced Scorecard.

Two major responses arose from this question. The first perception from the head of HRM was, “The *BSC is too cumbersome and tends to generalize performance of staff”.* This meant that BSC is complex and difficult to implement effectively and it may not adequately reflect the specific strengths, weaknesses, and achievements of employees. Furthermore, the second perception given by a manager at the Consumer department was, “There *is absence of top management commitment and support*”. This showed that the executives in the bank were not endorsing a particular initiative or goal and this has a great implication on the success of goals and overall functioning of the bank.

# 4.8 To determine the impact of Balanced Scorecard on the financial performance of the bank.

It is reported that Ecobank Zimbabwe’s financial performance has improved continuously since the implementation of the balanced scorecard. Financial performance has changed since the management implemented the four balanced scorecard perspectives, the customer, financial, internal process and learning and growth perspective. The researcher organized the enhancements that the respondents mentioned below to make interpreting the data easier.

“*Through the financial perspective, we have been able to focus on enhancing shareholder value, by monitoring key financial indicators, optimizing pricing strategies and tracking revenue growth and return on investment “,*

*“The customer perspective has helped us gain a better understanding of our customers preferences and expectations hence this allowed us to improve our products and services to better meet their needs.”,*

*“Through the internal process perspective, we have been able to achieve cost savings, improved accuracy and accelerated service delivery” and*

*“Through the learning and growth perspective we have been able to invest in employee development programs, providing advancement opportunities and fostering a positive work environment”.*

Through these positive results it showed that the balanced scorecard promoted the bank in making better informed decisions, good employee retention and this all contributed to improved profitability and market share.

# 4.9 Inferential statistics analysis

**Table 4.9.1: Pearson’s Rank Correlation between Learning and growth and financial performance**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Correlations** | | | | | |
|  | | Considering the expectations and thoughts of the employee about the organization will reduce staff turnover. | Organizational skills by management to meet environmental challenges enhance customer satisfaction. | Developing and reshaping of the skills of the workforce will improve profitability. | Monitoring Hiring process of a worker, will lead to high customers retention. |
| Considering the expectations and thoughts of the employee about the organization will reduce staff turnover. | Pearson Correlation | 1 | .953\*\* | .896\*\* | .867\*\* |
| Sig. (2-tailed) |  | .000 | .000 | .000 |
| N | 12 | 12 | 12 | 12 |
| Organizational skills by management to meet environmental challenges enhance customer satisfaction. | Pearson Correlation | .953\*\* | 1 | .909\*\* | .882\*\* |
| Sig. (2-tailed) | .000 |  | .000 | .000 |
| N | 12 | 12 | 12 | 12 |
| Developing and reshaping of the skills of the workforce will improve profitability. | Pearson Correlation | .896\*\* | .909\*\* | 1 | .932\*\* |
| Sig. (2-tailed) | .000 | .000 |  | .000 |
| N | 12 | 12 | 12 | 12 |
| Monitoring Hiring process of a worker, will lead to high customers retention. | Pearson Correlation | .867\*\* | .882\*\* | .932\*\* | 1 |
| Sig. (2-tailed) | .000 | .000 | .000 |  |
| N | 12 | 12 | 12 | 12 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | | | |

**Source: SPSS 2024**

In examining the effect of the learning and growth perspective on financial performance, it is clear from the table above that there is a very strong relationship between employee innovation and financial performance as the correlation coefficients are all ranging from 0.8 to 1.0. This therefore means that a bank that develops and reshapes the skills of their employees will lead to an improved financial performance of the bank. It follows from the above logic that a company’s performance is positively impacted by a learning and growth perspective. Stated differently, a company’s learning and growth perspective and performance are positively correlated.

**Discussion**

Previous studies (Abdalla, 2022) revealed that there is a positive correlation between the learning and growth perspective and financial performance. If a bank improves the skills (Dabor, 2023) and encourage educational training on its personnel, it improves the performance of the bank.

**Table 4.9.2: Pearson’s Rank Correlation between Customers and financial performance**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Correlations** | | | | | |
|  | | Learning about the customer preferences and addressing them will enhance profitability. | Exerting effort to win customers' loyalty will lead to growth in market share. | Ability of the organization to provide quality product and or services affect customer repurchasing rate. | Lack of differentiating the target market will lead to low retention of customers. |
| Learning about the customer preferences and addressing them will enhance profitability. | Pearson Correlation | 1 | .000 | .834\*\* | .612\* |
| Sig. (2-tailed) |  | 1.000 | .001 | .035 |
| N | 12 | 12 | 12 | 12 |
| Exerting effort to win customers' loyalty will lead to growth in market share. | Pearson Correlation | .000 | 1 | .147 | .062 |
| Sig. (2-tailed) | 1.000 |  | .647 | .849 |
| N | 12 | 12 | 12 | 12 |
| Ability of the organization to provide quality product and or services affect customer repurchasing rate. | Pearson Correlation | .834\*\* | .147 | 1 | .747\*\* |
| Sig. (2-tailed) | .001 | .647 |  | .005 |
| N | 12 | 12 | 12 | 12 |
| Lack of differentiating the target market will lead to low retention of customers. | Pearson Correlation | .612\* | .062 | .747\*\* | 1 |
| Sig. (2-tailed) | .035 | .849 | .005 |  |
| N | 12 | 12 | 12 | 12 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | | | |
| \*. Correlation is significant at the 0.05 level (2-tailed).  **Source: SPSS 2024** | | | | | |

The spearman’s correlation coefficient for measures comparing the financial and customer viewpoints was determined to investigate whether the customer perspective offers insight into the bank’s financial performance. From the table above there is generally some correlation between financial performance and customer perspective as some coefficients were ranging from 0.7 to 1.0. However, there was a weak correlation coefficient ranging from 0.1 to 0.3 on exerting effort to win customers' loyalty, however this can be temporary if the bank were to understand the needs and preferences of its customers and responding to feedback and concerns. This would improve the relationship between customer perspective and financial performance and the bank would obtain a high financial performance.

**Discussion**

Previous studies (El-Khatib, 2019) investigated that there is a positive correlation between customer perspective and financial performance if the banks is to increase customer retention rates, enhanced brand reputation and loyalty (Harrison, 2021), competitive advantage and market leadership can create a loyal customer base that drives long-term success and growth.

**Table 4.9.3: Pearson’s Rank Correlation between Internal processes and financial performance**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Correlations** | | | | | |
|  | | Employing quality assurance as a management tool for services rendered by firm will increase profitability of the firm. | Reporting on the efficiency of internal processes and procedures increase employee retention. | Innovation, operation, and post service processes will enhance customers loyalty. | Concentrating on delivery and product development will increase market share. |
| Employing quality assurance as a management tool for services rendered by firm will increase profitability of the firm. | Pearson Correlation | 1 | .589\* | .804\*\* | .572 |
| Sig. (2-tailed) |  | .044 | .002 | .052 |
| N | 12 | 12 | 12 | 12 |
| Reporting on the efficiency of internal processes and procedures increase employee retention. | Pearson Correlation | .589\* | 1 | .781\*\* | .551 |
| Sig. (2-tailed) | .044 |  | .003 | .064 |
| N | 12 | 12 | 12 | 12 |
| Innovation, operation, and post service processes will enhance customers loyalty. | Pearson Correlation | .804\*\* | .781\*\* | 1 | .365 |
| Sig. (2-tailed) | .002 | .003 |  | .244 |
| N | 12 | 12 | 12 | 12 |
| Concentrating on delivery and product development will increase market share. | Pearson Correlation | .572 | .551 | .365 | 1 |
| Sig. (2-tailed) | .052 | .064 | .244 |  |
| N | 12 | 12 | 12 | 12 |
| \*. Correlation is significant at the 0.05 level (2-tailed). | | | | | |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | | | |

**Source: SPSS 2024**

Also, in assessing how the internal processes perspective affect the financial performance of the bank is can be inferred that there is a positive relationship between internal processes and financial performance with a strong correlation coefficient ranging from 0.5 to 1.0. The correlation is significant as the coefficients are near to 1.0. This therefore reveals that a well-structured internal business process can increase a bank’s financial performance positively.

**Discussion**

Prior studies (Trung, 2020) revealed that there is a negative relationship between the internal process perspective and financial performance as there will be excessive costs hindering financial performance. Also, if external factors like market conditions and competition overshadow the internal processes the financial performance is negatively impacted. However, (Hussein, 2022) other studies revealed that there is a positive correlation between internal perspective and financial performance if there is evaluation of internal processes, resource allocation and strategy refinement.

# 4.10 Financial performance analysis

**Table 4.10.1: Financial metrics analysis**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Financial metrics** | **2020** | **2021** | **2022** | **2023** |
| ROE | 36% | 94% | 128% | 126% |
| ROA | 3% | 5% | 13% | 18% |
| Loan to Deposit Ratio | 15% | 23% | 10% | 25% |

**Source: Ecobank website 2024**

The table above shows that since the implementation of balanced scorecard the return on equity (ROE) had been increasing from 36% since 2020 to 136% in 2023 indicating that the company is generating more earnings from its equity and also the bank is making better use of its assets. An increase in (ROA) return on assets from 3% to 18% indicated that there is a positive sign that the bank effectively using its assets and generating more profit from them. Moreover, the loan to deposit ratio increase from 15% to 25% indicating that the banks’ assets are growing faster than its liabilities and if the loans were performing well, the bank earned higher interest income leading to increased profitability.

**Discussion**

Previous studies (Hussein, 2022) revealed that there is a positive impact on financial performance due to the utilization of balanced scorecard in the bank. There is increased asset growth, potential for higher profits, increased lending activity and higher profitability.

# 4.11 Chapter summary

Most of the respondents stated that they had made significant progress in terms of using the BSC. This suggests that BSC is a management system that helps banks to define their goals and put them into practice. It also offers feedback on internal and external outcomes to continuously improve strategic performance. A summary of findings, conclusions, and recommendations regarding the impact of balanced scorecard on bank’s financial performance will provide in the next chapter.

# 

# CHAPTER V

# SUMMARIES, CONCLUSIONS AND RECOMMENDATIONS

# 5.0 Introduction

The preceding chapter provided an analysis and interpretation of the main research findings regarding the influence of the balanced scorecard on Ecobank Zimbabwe's financial performance. A summary of the earlier chapters was also supplied to provide a brief overview of this research. The researcher offered suggestions for Ecobank Zimbabwe's effective implementation of the balanced scorecard to maximize financial performance based on the data. Concluding remarks, ideas, limitations, and proposals for further research round out this chapter.

# 5.1 Summary of findings

**5.1.1 Extent of utilization of balanced scorecard**

Ecobank Zimbabwe has effectively improved customer convenience in terms of usage, according to the poll, which may be indicative of the bank's commitment to raising customer happiness and service quality. The banks were also able to keep an eye on their earnings and adjust their pricing strategies to both satisfy their expenses and draw in new customers by offering their goods and services. This demonstrated how extensively the bank has been applying the balanced scorecard model.

**5.1.2 Challenges associated with these practices**

The implementation of the balanced scorecard (BSC) to assess employees' strengths and weaknesses was found to present a number of challenges, including the lack of support from top management, the complexity of the BSC, difficulties in measuring BSC perspectives in practice, and challenges in implementing the BSC.

**5.1.3 Impact on financial performance**

The balanced scorecard report indicates that the organization has made progress in all areas, including internal procedures, learning and growth, customers, and finances. This multifaceted approach enables the business to enhance customer understanding, boost shareholder value, streamline internal operations, and invest in its workforce all of which contribute to a positive improvement in the organization's overall performance and competitiveness.

# Conclusions

**5.2.1 Extent of utilization of Balanced scorecard**

The extent to which each firm will apply the balanced scorecard appears to be determined by how well it aligns with its internal goals. It is evident from this analysis that Ecobank Zimbabwe's clients—rather than just its financial metrics—are the foundation of its sustainability. Furthermore, as people are a company's most important asset, a great deal of attention should be paid to their professional growth.

**5.2.2 Challenges associated with Balanced scorecard**

Staff members and upper management have not worked together well, which has affected Ecobank Zimbabwe's balanced scorecard. Creating and implementing a balanced scorecard, which calls for careful preparation, coordination, and participation from numerous stakeholders inside an organization, is another problem facing the bank.

**5.2.3 Impact on financial performance**

The study clearly shows that internal company operations, learning and growth, customers, and financial perspectives all have a big impact on how well a bank is evaluated. Metrics based on the research's data can help any investor interested in funding, joining, or purchasing Ecobank be more prepared in several areas, including the financial, internal business, learning and growth, and consumer perspectives. Beyond a quick glance at the bank's financial statements, all these elements affect the bank's long-term survival and performance.

# 5.3 Recommendations

**Recommendations for improvements**:

**5.3.1 Extent of utilization**

To maximize the wealth of bank shareholders, the researcher suggests that the bank, which is service-oriented, adhere to investment diversification strategies to maintain a good return. To attain the targeted profit and customer happiness, it should also strike a balance between the organizational capabilities and the intended market share. The report also suggests that the bank create internal policies on a regular basis, tying the process to customer satisfaction and providing staff with training that is appropriate for their level of experience and the type of job they do at the bank.

**5.3.2 Challenges associated with Balanced scorecard**

To encourage the use of balanced scorecards in all organizational departments, the researcher suggests that department leaders and upper management work together effectively. Another suggestion is that the departments designated to supervise the overall implementation of the BSC system should improve their monitoring of implementation gaps and then address them by planning formal training sessions and awareness-raising events to ensure that all stakeholders are fully aware of the concept and advantages of BSC.

**5.3.3 Impact on financial performance**

The management and employees of Ecobank Zimbabwe need to be made more aware of the value of a balanced scorecard in boosting financial performance. Planning for the balanced scorecard technique should take the demands of the bank and organizational constraints into account to get better results. The balanced scorecard should be used as a tool to help the business meet its financial goals and as a gauge of the performance of the management.

# 5.4 Limitations and Areas for future study

To illustrate the influence of the balanced scorecard, only a few indicators were chosen for each of the four key views due to time constraints. The number of indicators under each perspective could be raised in the case of more industry-researched, industry-corroborated research. In addition, a more thorough examination of sophisticated statistical models might be conducted to ascertain the degree to which non-financial viewpoints impact the financial performance of firms with a larger sample size, as well as the return on investment associated with the BSC's adoption. Additional studies could be conducted in various sectors, including manufacturing, retail merchandising, and commercial and non-profit organizations, to support the execution and assessment of their plans.

**REFERENCES**

Abdalla, Y.A., Ibrahim.A.M., Lasyoud.A. A, Warsame, M.H. (2022). Barriers of implementing the balanced scorecard: Evidence from the banking sector in the developing market. Journal of Governance and Regulation. Pp, 173-180. https://doi.org/10.22495/jgrvlli2art15.

Abdallah W. M., & Alnamri M. (2015). Non-financial performance measures and the BSC of multinational companies with multi-cultural environment: An empirical investigation. Cross Cultural Management, 22(4), 594–607.

Albertsen O. A., & Lueg R. (2014). The balanced scorecard’s missing link to compensation: A literature review and an agenda for future research. Journal of Accounting and Organizational Change, 10(4), 431–465.

Al-Faryan.M.A.S. (2024). Agency theory, corporate governance, and corruption, an integrate literature review approach. Cogent social Sciences, 10(1). https://doi.org/10.1080/23311886.2337893

Abdullah I., Umair T., & Naeem B. (2013). Developments on balanced scorecard: A historical review. World Applied Sciences Journal, 21(1), 134–141.Asiaei K., & Bontis N. (2019). Using a balanced scorecard to manage corporate social responsibility. Knowledge and Process Management, 26(4), 371–379.

Abel. S. (2017) The Profit Efficiency of Commercial Banks in Zimbabwe*. An Application of Data Envelopment Analysis, Studies in Economics and Econometrics*, 41:2, 1-18, DOI 10.1080/10800379.2017. 12097310

Adebiyi, J. A., Shelle, G. E., & Adebiyi, S. O. (2020). Balanced scorecard and financial performance of commercial banks in Nigeria. International Journal of Economics, 16(1).

Ameen, A.M., Ahmed, M. F. and Abd Hafez, M.A. 2018 ‘The impact of management accounting and how it can be implemented into the organisational culture’, *Dutch journal of finance and management*.2(1) 02, http://doi.org/10.20897/djfm/91582

Anderson, T., & Decker, S. 2018 *Introduction to management accounting*. Virginia: University of Virginia.

Apunda, M. A. & Ndede, F. W. S.2020 ‘The effect of adopting management accounting practices on financial performance of commercial parastatals in Kenya’, *International Journal of Economics and Finance*, Volume 3, Issue 6, pp 119-130.

Areiqat, A.Y., Zamil, A.M.A., Mahmood, H., Hamdan, Y., Aldabbagh, I., & Mahrakani, N. 2020 ‘Educating the learning, growing and internal process dimensions through balanced scorecard for a financial performance’, *Journal of Entrepreneurship Education*, 23(4).

Awadallah E. A., & Allam A. (2015). A critique of the balanced scorecard as a performance measurement tool. International Journal of Business and Social Science, 6(7), 91–99.

Ameen, A.M., Ahmed, M.F. and Hafez, M.A. (2018). ‘The impact of management accounting and how it can be implemented into the organisational culture’, Dutch journal of finance and management. 2(1), https://doi.org/10.20897/djfm/91582.

Babajide, O, S. T.H, C. S. (2023). Challenges of implementing management accounting innovations: Evidence from the field.

Benard. H. J. V. (2006). "Reloading the institutional Approach in Management Accounting to Institutional Economics. An Essay on Dual-Mode Rationality. "Journal of Economic Issues, vol. 40, no. 4, pp. 1137-51.

Banerjee, A. and Chaudhury, S. (2010). Statistics without tears: Populations and samples. *Industrial Psychiatry Journal*, [online] 19(1), pp.60–65. doi:10.4103/0972-6748.77642.

Benet N., Deville A., & Naro G. (2019). BSC inside a strategic management control package. Journal of Applied Accounting Research, 20(1), 120–132.

Bergstein.S. (2014). Financial Management and the Agency Theory: Shareholder Wealth Maximization as an organizational goal for private firms.

Berndt, S. L. 2020. ‘Sampling methods’, *Journal of human lactation*, 36(2),224-226. Doi:10.1177/0890334420906850.

Bouamama M., Basly S., & Zian H. (2021). How do contingency factors influence the content of balanced scorecards? An empirical study of French intermediate-sized enterprises. Journal of Accounting and Organizational Change, 17(3), 373–393.

Boshkoska.M. (2015). The agency Problem: Measures of its overcoming. International Journal of Business and Management.

Chenhall. R. H. (2003) Management control system design within its organizational context findings from contingency based research and directions for the future. Accounting, Organizations, and society, 28 (2-3), Pg. 127-168)

Chikazhe, L., Mapira, N., & Machingambi, S. (2020). The impact of the balanced scorecard on the financial performance of commercial banks in Zimbabwe. International Journal of Productivity and Performance Management, 69(8), 1683-1705.

Christophe, M., A, P.R (2017). ROE in Banks, Performance or Risk Measure. Evidence from Financial Crises, Vol .38. Pages 95-133.

Cokins G. (2020). The strategy map and its balanced scorecard. EDPACS, 61(3), 1–16. Dechow N. (2012). The balanced scorecard: Subjects, concept, and objects—A commentary. Journal of Accounting and Organizational Change, 8(4), 511–527.

Creswell, J. W., & Creswell, J. D. (2017). Research design: Qualitative, quantitative, and mixed methods approaches. Sage publications.

Dabor. A.O, Eguasa. B. E, Atarere. (2023). Balanced Scorecard and performance of money deposit Bank in Nigeria. Vol,18.

Didin. F., J & Mochamad. M. (2018). How Measuring Financial Performance. International Journal of Civil Engineering and Technology, 9 (6), pp 553-557.

Drury, C. (2004): Management and Cost Accounting (6th Ed.), London, Book Power.

Dwivedi R., Prasad K., Mandal N., Singh S., Vardhan M., & Pamucar D. (2021). Performance evaluation of an insurance company using an integrated balanced scorecard (BSC) and best-worst method (BWM). Decision Making: Applications in Management and Engineering, 4(1), 33–50.

Ellingson, D. A. & Wambsganss, J. R. (2001): Modifying the Approach to Planning and Evaluation in Governmental Entities: A Balanced Scorecard Approach, Journal of Public Budgeting, Accounting and Financial Management, Vol. 13, No. 1, pp. 103-120.

El-Khatib. A, Khoury. P. (2019). The Balanced Scorecard as a measure for performance of banks in Lebanon. A review of Literature. International Review of Management and Business Research. Vol. 8, Issue, 3. [www.irmbrjournal.com](http://www.irmbrjournal.com)

Emsley, D. (2005): Restructuring the Management Accounting Function: A Note on the Effect of Role Involvement in Innovativeness, Management Accounting Research, Vol. 16, pp.157-177.

Emsley, D., Nevicky, B. & Harrison, G. (2006): Effect of Cognitive Style and Professional Development on the Initiation of Radical and Non-radical Management Accounting Innovations, Accounting and Finance, Vol. 46, pp. 243-264.

Etim, R. S. & Agara, I. G. (2011): The Balanced Scorecard: The new Performance Management Paradigm for Nigerian Firms, International Journal of Economic Development Research and Investment, Vol. 2, No. 3, pp. 64-73.

Fauzi F., Locke S. (2012). Do agency costs really matter? A non-linear approach of panel data. Asian Journal of Finance & Accounting, 4(1), 359–376.

Fetters, M. D., Curry, L. A., & Creswell, J. W. (2013). Achieving integration in mixed methods designs—principles and practices. Health services research, 48(6pt2), 2134-2156.

Gumbus, A., & Lussier, R. N. (2006). Entrepreneurs use a balanced scorecard to translate strategy into performance measures. Journal of Small Business Management, 44(3), 407-425.

Gomes J., & Romao M. (2017). Balanced scorecard: Today’s challenges. Advances in Intelligent Systems and Computing, 569(1), 257–266.

Harrison. F. N.& Muiru. M. (2021) ‘Effects of selected financial management practices on financial performance of commercial banks in Kenya’*, International Journal of Finance*, Vol. 6, Issue 1, pp 17-38.

Harshani. D. (2020). Management accounting practices in Sri Lanka. Investigation in Banking Sector International Journal of Accounting Research 7:201. Dol: 1035248/2472114 X. 19,7201.

Hansen E. G., & Schaltegger S. (2016). The sustainability balanced scorecard: A systematic review of architectures. Journal of Business Ethics, 133(2), 193–221.

Hladchenko M. (2015). Balanced scorecard—A strategic management system of the higher education institution. International Journal of Educational Management, 29(2), 167–176.

Hox, J.J. and Boeiji, H.R. 2013. *Data Collection, Primary vs. Secondary*, University of Utrecht, Utrecht, Netherlands.

Hussein. A. W. (2022). Planning Budgets and their impact on the relationship between Balanced Scorecard and Profitability Maximization: An Applied study on commercial banks listed on Amman Stock Exchange. Journal of Positive School Psychology. Vol. 6, No.8, 5384-5402. https://journalppw.com

Inamdar, N., & Kaplan, R. S. (2016). Evolving the balanced Scorecard to address sustainability and social responsibility. Journal of Management Accounting Research, 28(2), 1-23)

Ishtiaque, A. A., Khan, H., Akter, S. & Fafctima, Z. K. (2007): Perception Analysis of Balanced Scorecard: An Application over a Multinational Corporation of Bangladesh, Journal of Business Studies, Vol. 28, No. 2, pp. 238-268.

Ismail, T. H., Abdou, A. A., & Annis, R. M. (2014). Review of balanced scorecard as a strategic management tool in the Hospitality Industry: conceptual framework. International Journal of Heritage, Tourism and Hospitality, 8(2/1), 94-109.

Johnston, N. 2018. *Cost and management accounting*. New Delhi, India: Sultan Chand & Sons Publishers.

Kaddumi. T. 2020 ‘Balanced score card implementation and its effects on Banks financial performance’, *International Journal of Innovation, Creativity, and change*. www.ijicc.net. Volume 13, Issue 10.

Kaisang, J.C.2020 ‘*Effect of management accounting practices on the financial performance of commercial banks in Kenya*’.

Kaplan, R.S., & Norton, D. P. (2012) The balanced sore card implementation. International Journal of Business Management.

Karugh. C., Achoki. G, & Kiriri. P. (2018) "Capital Adequacy Ratios as Predictors of financial distress in Kenyan commercial Banks". Journal of Financial Risk Management, Vol.7, No 3

Kondongwe. S. (2015). The root causes of bank failures in Zimbabwe since the year 2008 to 2015. https://ssrn.com/abstract=3120898

Kumar, D., H, M.Z, & I.M.S. (2020). Non- Performing Loans in Banking Sector of Bangladesh: An Evaluation International Journal of Applied Economics, Finance and Accounting, 6(1), 22-29

Kumar, J., Prince, N., & Baker, H. K. (2022). Balanced Scorecard: A Systematic Literature Review and Future Research Issues. FIIB Business Review, 11(2), 147-161. https://doi.org/10.1177/23197145211049625

Le, J. K. and Schmid, T. 2022 ‘Practice of innovative research methods’, *organisational research methods*. 25(2):308-336

Madhoun.K. 2020 ‘Effects of modern strategic management accounting techniques on performance of commercial banks in Palestine’, *Journal of Economics, Finance and Accounting Studies.*

Malina M. A. (2013). The evolution of A balanced Scorecard. Journal of Applied Business Research, 29(3),901.

Mapira, N., & Mazize, N. (2017). The balanced scorecard and organisational performance: A case study of a commercial bank in Zimbabwe. International Journal of Economics and Finance Studies, 9(1), 16-30.

Manyumwa, E., & Chikazhe, L. (2019). The use of the balanced scorecard by commercial banks in Zimbabwe. International Journal of Financial Studies, 7(1), 1-14.

Mello, P. A. 2021. Qualitative comparative analysis: An introduction to research design and application. 9th Edition. Washington DC. Georgetown University Press

Mohsin. H. A. (2016) The role of Commercial banks in the development of economy. DOI.10. 12140/RG. 2.2.11014.57926

Mustapha M., Ahmad A. (2011). Agency theory and managerial ownership: Evidence from Malaysia. Managerial Auditing Journal, 26(5), 419–436.

Muzangwa, J., & Nyahunzvi, D. K. (2018). Challenges and benefits of implementing the balanced scorecard in the Zimbabwean banking sector. Journal of Accounting and Management, 8(2), 1-16.

Odoh, M., & Chinedum, I. E. (2014). Research Designs, Survey and Case Study. *Journal of VLSI and Signal Processing*, 4(6), 16–22.

Panda, B., & Leepsa, N. M. (2017). Agency theory: Review of Theory and Evidence on Problems and Perspectives. Indian Journal of Corporate Governance, 10(1), 74-95. <https://doi.org/10.1177/0974686217701467>.

Pavlov, A., Agapova, E. А. (2017). Balanced scorecard adoption and implementation issues in Russian commercial banks. Competitiveness Review, 27(5), 456-471.

Pepper A., Gore J. (2012). Behavioral agency theory new foundations for theorizing about executive compensation. Journal of Management, 41(4), 1045–1068.

Quesado P., Guzmán B. A., & Rodrigues L. L. (2018). Advantages and contributions in the balanced scorecard implementation. Intangible Capital, 14(1), 186–201.

Rashid A. (2015). Revisiting agency theory: Evidence of board independence and agency cost from Bangladesh. Journal of Business Ethics, 130(1), 181–198.

Ray. 2018. *Introduction to management accounting*. Virginia: University of Virginia.

Rigby, D. K., & Bilodeau, B. (2018). Management tools and trends.

Spechbacher, G., Bischot, J. & Pfeiffer, T. (2003): A Descriptive Analysis on the Implementation of Balanced Scorecards in German-speaking Countries, Management Accounting Research, 14 (4), pp. 361-387.

Steven, S., N, T. (2020). The effect of Bank Capacity and Loan to Deposit Ratio on Profitability and Credit Risk. International Journal of Multicultural and Multireligious Understanding 7(11) :1D01: 10.18415/ijmmu.v7ill 2104

Stojkovski.V, Nenovski.B. (2021). Balanced scorecard model in the Banking Sector. International Journal of Science and Research. Vol,10, Issue,3.

Svetlana, S. (2014). The Role of Net Interest Margin in Improving Bank's Asset Structure and Assessing the Stability and Efficiency of their Operations. Vol 150, Pg. 132-141

Tashakkori, A., & Teddlie, C. (Eds.). (2010). Sage handbook of mixed methods in social & behavioral research. Sage.

Trung, T. T. 2020 ‘Impact of balanced scorecard on performance: the case of Vietnamese commercial banks’, *The journal of Asian finance, economics and business*.7(1)71-79 available at <http://doi.org/10.13106/jafeb.2020.vol7.no171>

Turshan, M. N. and Karim, N. A. 2019 ‘*The effect of adopting balanced scorecard (BSC) as a strategic planning tool on financial performance of banks operating in Palestine*’, Asian social science,16(1)2020 URL: <http://doi.org/10.5539/ass.v16n/p95>

Tuan. T. T. (2020). The impact of Balanced Scorecard on performance. The case of Vietnamese Commercial banks. Journal of Asian Finance, Economics and Business. Vol, 7, 71-79. Online ISSN 2288-46-45. DOI:10.13106/jafeb. 2020.Vol,7. Pp,71.

Tsaurai, K. (2018)." The Dynamics, challenges, and transition of banking sector development in Zimbabwe. Journal of Developing Arears, Vol. 52, no3, pp. 85+

# 

# Appendices 1 Letter of Approval

Bindura University of Science Education

Faculty of Commerce

Department of Accountancy

Private bag 1020

Bindura.

15 March 2024.

Dear Sir/ Madam,

Re: Request to gather data on the impact of balanced scorecard on financial performance of Ecobank Zimbabwe

I am carrying out research on the impact of balanced scorecard on the financial performance: A case study of Ecobank Zimbabwe from 2019 to 2023. This is a requirement towards attainment Bachelor of honors degree in accountancy at Bindura University of Science Education. Kindly furnish me with financial information for the said company as per the interview that I will be conducting.

Thank you in advance.

Yours sincerely,

Isabel Chibondo Bindura University student

# Appendices 2: Interview schedule

**TOPIC: The impact of Balanced Scorecard on Financial Performance of Commercial Banks in Zimbabwe. A case study of Ecobank Zimbabwe.**

**SECTION A: GENERAL INFORMATION**

1.For how long have you been working for Ecobank Zimbabwe? (Years)

……………………………………………………………………………………………………………..

**SECTION B Managerial Accounting Information**

**2. Theme 1 Extent of utilization of Management Accounting practices**

2.1 To what extent is each of these Practices given above utilized in the organization?

………………………………………………………………………………………………………………………………………………………………

………………………………………………………………………………………………………………………………………………………………

……………………………………………………………………………………………………………………………………………………………..

**3. Theme 2 Challenges associated with the utilization of these Management Accounting Practices**

3.1 What are the difficulties experienced in applying any of the Management Accounting Practiced in the organization?

……………………………………………………………………………………………………………………………………………………………

……………………………………………………………………………………………………………………………………………………………

…………………………………………………………………………………………………………………………………………………………..

**4. Theme 3 Impact of the management accounting practices on financial performance of the bank**

4.1 What is the impact of management accounting practices of Ecobank Zimbabwe on its financial performance?

………………………………………………………………………………………………………………………………………………………….

………………………………………………………………………………………………………………………………………………………….

5. Anything you may want to add or clarify further?

………………………………………………………………………………………………………………………………………………………..

# Appendices 3: Questionnaire

SECTION A: Demographic Information

*Instruction: Tick the appropriate box*

1. What is your gender?

* Female
* Male

1. What is your age?

* 18 – 26
* 27 – 37
* 38 – 46
* 47 +

1. How long have you been employed by Ecobank Zimbabwe?

* Less than 3 years
* 4 – 9 years
* 10 – 15 years
* More than 15 years

1. What is your educational level?

* Degree
* Masters
* Phd
* Other

SECTION B: QUESTIONS

*Kindly use the 5 likert scale below to answer the questions:*

(1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Learning and growth perspective** | **1** | **2** | **3** | **4** | **5** |
| Considering the expectations and thoughts of the employee about the organization will reduce staff turnover. |  |  |  |  |  |
| Continuous improvement organizational skills by management to meet environmental challenges  confronting the competition give enhance customer satisfaction. |  |  |  |  |  |
| Developing and reshaping of the skills of the workforce will improve profitability. |  |  |  |  |  |
| Monitoring Hiring process of a worker, will lead to high customers retention. |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Customer perspective** | **1** | **2** | **3** | **4** | **5** |
| Learning about the customer preferences and addressing them will enhance profitability. |  |  |  |  |  |
| Exerting effort to win customers' loyalty will lead to growth in market share. |  |  |  |  |  |
| Ability of the organization to provide quality product and or services affect customer repurchasing rate. |  |  |  |  |  |
| Lack of differentiating the target market will lead to low retention of customers. |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Internal process perspective** | **1** | **2** | **3** | **4** | **5** |
| Employing quality assurance as a management tool for services rendered by firm will increase profitability of the firm. |  |  |  |  |  |
| Reporting on the efficiency of internal processes and procedures increase employee retention. |  |  |  |  |  |
| Innovation, operation, and post service processes will enhance customers loyalty. |  |  |  |  |  |
| Concentrating on delivery and product development will increase market share. |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial perspective** | **1** | **2** | **3** | **4** | **5** |
| Growth rate in net operational cash flow is considered performance indicators for the bank. |  |  |  |  |  |
| Achieve reasonable profit (not maximum) as measurement is deemed a realizable strategic objective. |  |  |  |  |  |
| Income growth standard for commercial banks is considered among the standards that your management seeks to achieve. |  |  |  |  |  |
| The Bank does not follow the diversification policy investment to maintain good return. |  |  |  |  |  |