

THE RELEVANCE OF BALANCED SCORECARD AS A TECHNIQUE FOR ASSESSING PERFORMANCE IN THE NIGERIAN BANKING INDUSTRY

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ABSTRACT

In the recent past, organizations rely solely on financial indicators as the measures of performance. There is the need to integrate financial and non-financial measures of performance and identify key performance measures that link measurements to strategy and Balanced Scorecard is one of such tools because it measures the performance of an organisation from four different angles, namely financial, customer, internal process and learning and growth. However, there appears to be no significant documentation on the translation of BSC in any Nigerian firm that could serve as a reference point for replication in spite of the success already recorded by companies that have implemented it. This study aimed at examining the relevance of BSC as a technique for assessing performance in the Nigerian banking industry. The population of the study comprised the entire 21 banks operating in Gombe State, Nigeria. A judgmental sampling technique was adopted to arrived at the sample of eleven (11) banks. A total of fifty five (55) copies of questionnaire were distributed to the executive staff of the sampled banks (5 each to every selected bank) out of which forty three (43) copies were dully completed and returned. Descriptive statistics and Kruskal Wallis ANOVA was used as the techniques for data analysis. The study concluded that there is recognition of the importance of using BSC by the management of Nigerian banks for assessing performance, and the use of the full structure of BSC comprising its four perspective cannot be seen. The paper recommended that there is the need for more enlightenment of Nigerian bank managers by the academics and practitioners alike on the relevance of BSC in assessing performance of banks in Nigeria.

Keywords: Balanced Scorecard, Bank, performance, Performance Measurement, Nigeria.