APPLICATION OF BALANCED SCORECARD IN BANKING INDUSTRY: A REVIEW OF LITERATURE

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ABSTRACT

B*anking Sector, being a main player of Money and Capital market in India, performs an essential role in the economic development of the country. Now a day, banks are engaged in wide range of activities, offering variety of financial products and services to huge number of customers. They have also entered into the consultation market and provide comprehensive service package to individual customers and corporate. These customers and corporate need special responsiveness and services that will lead to high customer satisfaction and loyalty and that will lead to high earnings and growth. Designing new products, upgradation of technology & infrastructure, improving customer relations, improving employee's know-How are the primary strategic objectives which banks should focus upon to survive in the fierce competition. The more the sound the banking system, the more will be the healthy economy.*

KEYWORDS: *Banking Sector, Money, Capital market, technology, customers, customer satisfaction*

INTRODUCTION

Banking Sector, being a main player of Money and Capital market in India, performs an essential role in the economic development of the country. Now a day, banks are engaged in wide range of activities, offering variety of financial products and services to huge number of customers. They have also entered into the consultation market and provide comprehensive service package to individual customers and corporate. These customers and corporate need special responsiveness and services that will lead to high customer satisfaction and loyalty and that will lead to high earnings and growth. Designing new products, upgradation of technology & infrastructure, improving customer relations, improving employee's know-How are the primary strategic objectives which banks should focus upon to survive in the fierce competition. The more the sound the banking system, the more will be the healthy economy.

A comprehensive, accurate and reliable performance evaluation system covering all aspects of bank, taking into account all environmental & internal factors is required for the long term survival, growth and development and to manage a competitive edge to the banks both in the short as well as in the long run. Balanced Scorecard can be a splendid tool that translates an organization's mission and strategy into an extraordinary, comprehensive set of performance measure/indicators and provides the framework for strategic measurement.

OBJECTIVES

1. To review the relevant literature related to Balanced Scorecard nationally and internationally with particular reference to Banking Industry.
2. To contribute to the BSC literature on Banks and provide a basis for future research.

CONCEPT OF BALANCED SCORECARD

According to Kaplan and Norton (1992) "Balanced Scorecard is an innovative multi-dimensional corporate performance tool that provides a framework for selecting multiple key performance indicators that supplement traditional financial measures with operating measures of customer satisfaction, internal business processes and learning & growth activities."

"The balanced scorecard is a strategic management and measurement system that links strategic objectives to a comprehensive range of key performance indicators, to provide a balanced view."

Explanation of the BSC perspective based on Kaplan and Norton articles (1992; 1996; 2001):-

Financial Perspective: It is a strategy for growth, profitability, and risk from shareholder's perspective. Therefore, under this perspective managers are obligated to provide measures that answer the subsequent question: How should we appear to our shareholders to succeed financially? The common performance measures included under this perspective are: ROI, Cash Flow, Net Operating income, revenue Growth, etc.

Customer Perspective: It is a strategy for creating value and differentiation from the customer's perspective. The managers are obligated to provide measures to response to the following question. To achieve our vision, how should we appear to our customers? How do our customers see us? Distinctive measures used under this perspective are; customer satisfaction, customer complaints, customer lost/wants, sales from new product, etc.

Internal Business Processes Perspective: It is a strategy for producing goods and services in the most efficient and effective methods. So, managers are obligated to produce measures that answer the subsequent question. What business processes a company should excel at to satisfy their customers and shareholders. Are the company's internal business processes excellent? Commonly used measures for this perspective are; cost of quality, cost of non-conformance, process innovation, time savings etc.

Learning and Growth Perspective: It is a strategy to create a climate that supports organizational change, innovation and growth. Managers should recognize measures to answer the subsequent question. To achieve our vision, how we will sustain our ability to change and improve? Are we creative and innovative enough to continuously create value for our customers? Commonly used measures for this perspective are;

employee empowerment, employee motivation, employee capabilities and information systems capabilities etc.

IMPORTANCE OF THE STUDY

The gap between the global and Indian banks in terms of performance measurement practices is reducing. As the transnational banks are coming to India, this gap might further reduce and practices in banking sector would become of International standard. Indian banks ought to be pressured to undertake multidimensional performance measurement system to compete and survive in today's competitive business environment. Balanced scorecard has won ample interest in the recent years both in research and practice. It appears to have answers for assessing overall performance and competitiveness of banks governed by strategic orientation and external competitive environment. As far in India, No in-depth empirical studies on performance evaluation of Banks using balanced scorecard have been conducted. As a consequence, this gap attracted the researcher to conduct research in this area.

SCOPE OF THE STUDY

The study covers literature at international level and national level. Studies at international level cover the period from 1992 to 2016 and studies at national level cover the period from 2004 to 2016.

REVIEW OF LITERATURE
Studies at International level

Kaplan and Norton (1992), in their article titled "The Balanced Scorecard-Measures that drive Performance" introduced the concept of Balanced Scorecard. It was based on a Multi-Company Research Project to study overall performance measurement of companies whose intangible assets played a key role in value creation. They suggested that if companies were to improve the management of their intangible assets, they had to integrate the measurement of intangible assets onto their management systems.

Kaplan and Norton (1993), in their article on "Putting Balanced Scorecard to work" concluded that before building the strategy map; ways should be discovered to create a balanced scorecard that reflects company's mission and strategy. After that Corporate objectives and metrics within each of the four scorecard perspectives must be defined. These metrics will clarify how different you will appear to customers and shareholders when you reach your goals. They will also imply how your internal processes as well as your potential to innovate and grow should change.

Kaplan and Norton (1996), in their article on "Using the Balanced Scorecard as a Strategic Management system" concluded that after defining strategic objectives and measures and measuring intangible assets strategic readiness, employees everyday actions should be linked to company's long term goals and vision should be translated into metrics so that everyone can understand. High level goals should be communicated and linked to individual performance and compensation and scorecard data should be used to test and to revise theories about which actions generate which results. They further argued that in order to compete and survive in the information age, in which information forms fundamental part within the trade and industry, it is no longer enough to rely solely on financial measures because they could conduce to an incorrect picture of the effectiveness and profitability of a business.

Ashton(1998) in his article on "Balanced Scorecard Benefits: Nat West Bank", examined National Westminster Bank and its use of BSC to improve quality, service, and speed and to help change the corporate culture from its traditional command and control structure to a culture based upon "Empowerment and coaching". Nat west deemed the effort successful in aligning performance measurement to the bank's long term strategic goals and to enhance the bank's ability to better manage the business and its resources, and in establishing a performance measurement system that was consistent and understood by employees at all levels. BSC helps to overcome the traditional bias in banking toward financial reporting with the aid of introducing a system which takes a long-term view and takes account of factors such as learning and innovation.

Kaplan and Norton (2000), in their article on "Having Trouble with your strategy? Then map it?, concluded that to execute your strategy, you must communicate it throughout your organization so employees see how their everyday actions support or hamper the strategy and for this a strategy map should be used which is a new tool built on the balanced scorecard. A strategy map is a visual framework for the corporate objectives within the four perspectives of balanced scorecard. Strategy map put into focus the often blurry line of sight between your corporate strategy and what your employees do every day significantly enhancing collaboration and coordination.

Davis and Albright (2004), in their quasi-experimental study on "An Investigation of the effect of Balanced Scorecard Implementation on Financial Performance" found that Bank branches in the BSC group outperformed non-BSC branches on common composite financial measures. BSC method promotes improved financial performance if non-financial measures are incorporated logically and systematically. Traditional performance measurement system focused solely on possible explanation and there is a lack of a coherent linkage between the measures chosen for the performance system and targeted financial measure of interest.

Zhang and Li (2009) in their theoretical paper on "Study on balanced Scorecard of Commercial Bank in Performance Management System", examined commercial banks in China and they proposed the BSC as tool to improve the overall performance of commercial banks in China. They advised a method and a strategy for Application in conjunction with restrictions of the BSC. Governance Mechanism for the Balanced Scorecard and performance goals assessment and feedback processes should be established. Update mode of banking services can broaden the field of financial services and improve the quality and the efficiency of financial services. To achieve innovation model, it is necessary to improve the "Smile" services, personal mechanism and incentive mechanism. Banking industry should accelerate the transformation of service delivery model to accelerate the pace of mixed services to enhance international competitiveness. They found that the BSC raised the value of Performance Management Appraisal System based on the introduction of customer factors, internal business processes, employee learning and growth and financial factors.

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

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

Wu et al. (2009) in their study on "A Fuzzy MCDM Approach for evaluating banking performance based on Balanced Scorecard" identified 23 evaluation indexes from 55 indexes suitable for banking performance in terms of BSC perspective through expert opinions. Four BSC perspectives were ranked in the relative importance in the order Customer then Finance then learning & Growth and last internal process using FAHP process. Customer satisfaction, return on assets, earning per share, customer retention rate and profit per customer were found as top five evaluation indexes. U bank, C Bank and S bank respectively were ranked on the basis of performance using MCDM analytical methods. They suggested that there is no one performance evaluation index to fit all so it should be tailored to meet organization's overall goals as well as the objectives of each individual unit. The performance evaluation indexes of the BSC perspective may not be mutually independent so other analytical methods can be employed to solve the interactive and feedback relations among indexes.

Al-Mawali, et al. (2010), in their research paper on," Balanced Scorecard (BSC) Usage and Financial performance of Branches in Jordanian Banking Industry", concluded that there is positive relationship between branches financial performance and the overall BSc measures usage. BSC reproduces the needs of effective management and gives a guide for enhancement. The study suggested that the designers of control and performance measurement systems require highlighting the use of multiple performance measures that are essential to the success of branches. For the study, the entire banks under the Jordanian banking industry was taken as a population size which includes 480 branches out of which 120 branches were selected on random basis, were taken as sample. Questionnaires were framed for the collection of data. To test the effect of BSC four dimensions Regression analysis was done.

Abay (2010), in his study on " Performance evaluation of selected Ethiopian Commercial banks using Balance Scorecard" revealed that the Customer perspective, learning and growth perspective, and internal business processes perspective affect the assessment of the performance of commercial banks to a very large extent in Ethiopia. Any stakeholder who wants to know and evaluate about the performance and competitiveness of these commercial banks will be better informed with multi-

dimensional measures in terms of customer perspective, internal business process perspective, learning and growth perspective all of which affect the long term performance and survival of the banks than just looking at their financial alone. This will permit commercial banks to pay attention upon the core strategies to create and deliver superior value and returns to their stakeholders. The study used both quantitative and qualitative research methods to gather data from primary sources (structured questionnaires) and secondary sources (annual reports). The researcher use quota and convenience sampling methods to select customers, employees and managers as respondents. Structured questionnaires and unstructured interviews were used as survey instruments. Data analysis tools such as descriptive statistics, correlation and regression analysis with the help of SPSS for windows version 7.0 were used in the studies.

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

Umar and Olatunde (2011), in their study on "Performance Evaluation of Consolidated banks in Nigeria by using Non-Financial measures", evaluated the performance of four consolidated banks in Nigeria. They identified the 7 non financial measures of bank performance out of 43 measures through factor analysis and assessed the overall performance of banks. Simple Random Sampling was used to select samples (customers of 4 Banks). Structured disguised Questionnaires were used to collect the data from 303 customers. Barlitt test of Sphericity for testing hypothesis and Kaiser-Meyer-Olkin method was used to measure sampling adequacy and multiple regression was used to find out variation caused by Non-financial measure in banks performance. They recommended that identified seven non-financial

measures named: Cost of transaction, Information technology, service delivery, quality of service, bank offering, loan application and customer satisfaction should be adopted to fundamentally improve financial performance of consolidated banks.

Wu (2012) in his article on "Constructing a Strategy Map for Banking Institutions with Key Performance Indicators of the Balanced Scorecard" presented a structured evaluation methodology to link performance indicators into a strategy map of the Balanced Scorecard for banking institutions. The DEMATEL method was used to determine the casual relationship and strengths of influence among the KPI's to establish a strategy map and found Customer Satisfaction, Sales Performance and Customer Retention Rate as the three most essential evaluation indicators of banking performance. The results suggested that as there is no one performance indicators that fit to all scenarios so performance indicators should be tailored according to objectives of each individual unit to meet organization's goals.

Karasneh and Al-Dahir (2012), in their empirical study on, "Impact of IT-Balanced Scorecard on Financial Performance: An Empirical Study on Jordanian Banks" foresee IT-BSC model as promising performance measurement tool for organizations. The result concluded that there is significant relationship between IT application and the internal business process, financial and strategic competitiveness perspective and there is no significant relationship with customers and employees. Sample of the study included 122 questionnaires filled through individual survey from 19 banks employees from Jordanian Banking Sector and was analysed through SPSS. They recommended that for enhancing continuous improvement and job satisfaction among their employees, banks should pay attention to their employees at all levels and formulate policies and practices to make accurate decision. As banks are concerned with developing and applying information technology services to attract new customers, satisfy customers, retain customer loyalty, banks should collect consumer insights through follow up services and customer mail surveys for constructive feedback.

Ombuna et al. (2013), in their research study on "Impact of Balanced Scorecard Usage on the Performance of Commercial Banks", concluded that a positive correlation exists between the BSC links to organization mission and strategy and to the involvement of employees in implementation of the BSC. BSC provides feedback on the internal processes and external outcomes in order to continuously improve strategic performance and result.

The effectiveness of BSC uses lies on organization dynamics, the manner of execution and monitoring and evaluation procedures adopted. The study was done in Nakuru district of Kenya where convenient sampling was utilized to select 72 respondents from 18 commercial banks in Nakuru. A likert scale of 1 to 5 was employed to gauge the degree of response in terms of strength or weakness. Descriptive statistics was employed to analyse the data and Pearson's correlation was utilized to test the relationship between 2 or more variables. They recommended that banks need to develop those products and services that have a competitive advantage and which satisfy the needs of customers.

Ozturk & Coskun (2014), in their article on "A Strategic Approach to Performance Management in Banks: The Balanced Scorecard", concluded that BSC is comprehensive method to offer quality and efficient financial services. It is important to adopt innovations in banking sector especially for international competitiveness. They found that it is more beneficial to prepare the balanced scorecard for the banks than to report financial performance only in terms of evaluating performance with a holistic approach. The study basically reveals the balanced scorecard practices in the Literature.

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

Tariq et al. (2014) in their study on "Investigating the Impact of Balanced Scorecard on Performance of Business: A study based on the Banking Sector of Pakistan" investigated the practicability and effectiveness of setting and implementing the Balanced Scorecard in improving the overall performance of an organization. They found that BSC model in Banks provides favourable outcomes and improves bank's performance significantly. For the study, Data was collected using Non probability sampling technique through questionnaires which were filled by employees of banks at middle level through survey interview. The regression test and ANOVA was used to

test the reliability and validity of the data series. They suggested financial, customer , internal process and learning and growth perspectives has remarkable contribution in improving Bank's overall performance but the vision & strategy perspective could have insignificant role in Bank's performance.

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

Rostami et al. (2015) in their article on, "Defining Balanced Scorecard in Banking Industry using FAHP Approach", ranked customer aspect as first cluster and financial aspect for second, internal processes aspect for third and the end learning and growth aspect for fourth in the balanced scorecard model. In each aspect, 9 indicators were chosen and ranked through FAHP technique. It was found that, the "market rate" and the "growth rate of customer complaints" and "Customer attract rate" are the most important indicators of customer aspect. "Revenues", "P/E Ratio" and "leverage" are the most important indicators in the financial aspect. The "Electronic transaction share", "performance management" and "research and development costs are the most important indicator in internal processes aspect and "Employee Stability", "loan Per Capita" and "Present Reduction in disciplinary matters" are the most important indicators in learning and growth aspect. For the study, 56 indicators were found based on prior studies and literature which were scrutinized by expert opinions through administering questionnaires. Indicators were extracted in each aspect which was weighted using pair comparison questionnaire based on FAHP Approach.

Akter (2015), in her research paper on, "Exploring the scope of Adopting Multidimensional Performance Measurement Models in Banking Sector of Bangladesh",

found that banks in Bangladesh are considering nine performance factors (Identified through factor analysis) to judge their overall performance. The factors are market Indicator, HRM, Effectiveness of Internal process, Marketing Strategy Implementation, Adaptability to changes, Customer Perception, Efficiency of management, Earning Capacity and Social Change. The results conclude that there might have a scope of adoption of multidimensional performance measurement models. The study was based on primary data which was collected through questionnaires filled by bank professionals of 19 private commercial banks in Dhaka city. Cronbach alpha reliability coefficient for reliability testing of acquired Data, SPSS for analysing the collected data was used by the researcher.

Sihra Kirandeep (2015), in her research project on. "The Application of Balanced Scorecard as a Strategic Management Tool at National Bank of Kenya" identified the extent of the adoption of the BSC at National Bank of Kenya and the challenges involved in the adoption of the Balanced Scorecard. A sample of 10 informants from senior management of NBK was taken for the study and data was collected through in depth interview and analysed through content analysis. The study found that NBK uses the BSC as a strategic management tool to help align key objectives to various departmental objectives. It is used in each and every stage of the organization when adopting strategy from formulation, implementation and then evaluation and control. Challenges faced in adoption of BSC included inadequate skills and knowledge on the BSC, cultural changes which lead to lot of confusion within the bank and having KPI's that are too difficult when staff performance is appraised departmentally. She suggested that all these above challenges should be taken into consideration by any organization when adopting the BSC as a strategic management tool.

Rillyan et al. (2016), in their research study on "A study on Linkages among Balanced Scorecard Perspectives: The case of Indonesian Local Banks" analysed the relationship between variables that come from different perspective from corporate strategy established by the local banks and found 17 strategic variables that significantly influence local bank performances and profitability. Stepwise regression analysis method was used to investigate and compare the relationship among the variables from the corporate strategy which was composed by four perspective of BSC and represent every existed division in the company. It was found that there is a strong relationship among the BSC perspectives proposed in the corporate strategy of the local bank.

Ataree and Oraka , in their exploratory Study on "Roles of Balanced Scorecard in Improving Performance of Microfinance Banks in Nigerian Economy", concluded that BSC presents a complete and consistent approach to enhance the performance of Microfinance banks in the Nigerian Economy. They suggested that there should be performance measures and targets (expected results) in forms of goals that should be set yearly (Decomposed into monthly and weekly goals) in area of finance, customer satisfaction in measurable terms, employee development and product development.

Sakil et al., in their study on "Applicability of Balanced Scorecard Key Performance Indicators on selected Micro Finance Institutions of Bangladesh", identify the key performance indicators pertaining to MFI's performance and to reveal the influence and significance of those performance indicators from four perspectives of BSC. For the study two MFI's have been selected and a survey was conducted on employees and microfinance users. Parametric test, chi square has been used to analyse the data. The study revealed ROI and operating self sufficiency are applicable to measure the MFIs financial performance. Proper service capability influences the customer satisfaction. Loan sanction time, accurate recording and the way of dealing customer complaints are the most critical internal process for achieving the customer and shareholder objectives. Employee training, job satisfaction, product and service flexibility are vital to create a climate that support the MFIs learning and Growth objectives.

Studies at National Level

Kochhar (2004), in the seminar on "Balanced Scorecard in Indian banks", highlighted the various challenges faced by banking industry and role of the scorecard. She said BSC will help the organization in operationalised strategy, aligning employee's goals to that of organization, ensuring a focus across multiple perspectives and enabling flexibility. She also highlighted how BSC has benefited the ICICI Bank like rapid growth, strategic consistency despite scale and diversity and systematic and objective performance evaluation.

Anand (2004), in the seminar on "Balanced Scorecard in Indian Banks" highlighted the various issues facing the banking industry like improving service quality by focusing on the client to improve profitability, profitable customers need to be identified and offered differentiated product and services, customer retention and utilization rates of products and services. Mr. Anand also enlisted various barriers to strategy implementation. The presenter also listed various key drivers for scorecard implementation. Existence of strategic planning process, clarity between

scorecard and EVA / TQM / Six Sigma, Alignment of individual and enterprise performance, communicating scorecard and BSC should be first step in strategic implementation process are some of the key drivers for the successful implementation of BSC in a bank.

Tapanya(2004),in his research study on "Examining the factors which influence performance measurement and management in the Thai Banking Industry: An Application of Balanced Scorecard Framework", investigated Thai Banking industry post the 1997 financial crises. The researcher has identified the factors that influence performance management systems especially in a quick changing environment through the application BSC Approach. It was found that institutional factors play a decisive role in the selection of performance measurement systems, irrespective of the strategic orientation and organizations ownership.

Mittal et al.(2005) in their article on, "Awareness and uses of contemporary performance measures for measuring performance of Indian Banking sector" concluded that both the financial and non-financial measures were consider important by public sector and private sector banks for measuring and managing their performance but there is a need to strike a balance between financial and non-financial measures. Bankers from both public and private sector banks were found to be quite aware about various performance measurement system based on financial as well as non- financial measures. The contribution of various intangible assets such as customer service, customer relationship, customer loyalty, product innovation, technology, committed and trained staff, strong work culture and brand image were considered important by the banks from both sectors for their value creation. A sample of 6 banks including top 3 public sector banks and top 3 private sector banks on the basis of size of assets were taken for the studies. 200 bankers, 100 from each public and private sector banks has been drawn as samples. The analysis of collected data has been done by using simple frequencies, percentages, averages, weighted average scores, U-test etc.

Pandey, (2005) in his article on "Balanced Scorecard: Myth and reality" concluded that BSC helps in tracking the performance and providing quick feedback for control and evaluation. It is a simple, systematic and easy to understand approach for performance measurement. Pandey (2005) in a study with a group of bank managers, developed BSC tool and demonstrated that the strategic objectives are greatly driven by internal process improvement and that the non-financial variables overtook the financial variables.

Kumar (2010) in his research study using sample of Six banks in India on "Performance measurement Systems in Indian Banking Sector" concluded that both Public & private sector banks are not only aware about contemporary performance systems based on financial and non-financial measures (BSC), but also equally know the extent of usage of balance scorecard as a performance measurement and management tool.

Satish and Rao (2010) in their research paper on "Performance measurement of banks: An Application of Economic value added & Balanced Scorecard" concluded that the performance measurement of a bank under traditional measures including CAMEL rating techniques covers only the financial ratios but under BSC technique it covers both quantitative and qualitative focus. Performance evaluation of a bank can be widened through incorporating the long-term perspective of overall performance valuation of Balanced Scorecard.

Dave and Dave (2012) in their research paper on, "Applying Balanced Scorecard in Indian Banking Sector: An empirical study of the State Bank of India" concluded that being a part of the service sector, long-term strategic planning in a bank needs to concentrate on a comprehensive performance evaluation system. BSC emerges to be an efficient and all inclusive tool and encompassing various aspects of Banks performance. It is helpful in understanding the complementarities among various performance indicators for a bank and makes a strategy designing ad implementation process more efficient. Implementing BSC technique becomes complicated due to the difficulties in measurement of the intangible assets, existence of interrelations among these indicators, differences in the significance assigned to various indicators within the organization and trouble in setting the linkages between the employee's performance and the reward mechanism. For the study, a balanced scorecard was constructed and performance of bank over twelve years from 1997 to 2008 was evaluated using 29 indicators of the banks.

Panicker and Seshadri (2013), in their study on "Devising a Balanced Scorecard to determine Standard Chartered Bank's performance: A case Study", highlighted the importance of viewing performance from other perspective in addition to the financial perspective. With the increased demands from stakeholders, financial sector analysts, educators and practitioners, the BSC shall be widely used in the banking sector in India. More studies are needed to identify the relevant measures of the BSC for the Banking Sector. A case study approach has been adopted by the authors. A BSC model including 20

measures was constructed to measure the standard chartered Banks Performance. The results of the performance were found average.

Kumar (2015) in his article titled "Management Motivation for Implementing the Balanced Scorecard in Indian Banking Sector" highlighted the importance of viewing performance from non-financial perspectives in addition to financial perspective. He examines various issues and challenges in implementation of contemporary performance measurement system (Balanced Scorecard) for the Indian Banks so as to enable them to compete with other banks in the market in the present globalized and competitive environment. For this purpose mainly primary data has been used and gathered through a structured Questionnaire.

Visalakshi and Kasilingam (2015), in their article on "Balanced Scorecard Approach to measure performance of banks" concluded that successful organizations have to constantly assess and rebalance themselves on various parameters to create differentiation from their competitors. The balanced scorecard is an excellent tool in achieving this objective. Designing scorecard could be a time-consuming exercise and organizations may find it difficult to identify the key performance areas but once designed it could be a very good tool for tracking performance of organization. It also facilitates feedback for control and evaluation. They found that among the Indian banks ICICI Bank and Axis bank have pioneered the process of implementation of balanced scorecard.

Kumar (2016), in his study on, "Awareness regarding Contemporary performance measures for measuring Performance of Indian Banking Sector", concluded that both financial and non-financial measures were considered important by public and private sector banks for measuring their performance but a balance between the two measures is needed. For the study, primary data had been gathered through structured questionnaires. A sample of 200 bankers, 100 each from Public & Private sector banks was drawn. Analysis of data had been done by using simple frequencies, percentages, averages, weighted average scores, Mann-whitney test etc. It was found that bankers from public sector were more aware about various performance measurement systems under financial measures as compared to private sector banks and under non-financial measures bankers from both sectors were equally aware about various performance measurement systems.

Kumar (2016), in his paper on "Issues and Challenges of Implementing the Balanced Scorecard in Indian Banks",

examined the carious issues and challenges faced by Indian banks in implementing Balanced Scorecard. For the study, mainly primary data has been gathered through structured questionnaires filled by top, middle and branch level management as all three are responsible for formulating, communicating and implementing bank's strategy respectively. A sample of 200 bankers from six banks, 100 each from 3 private and 3 public sector banks were taken for the collection of data. Analysis was done through simple frequencies, percentages and averages. A gap was found between the awareness level and implementation part of BSC as performance measurement tool. According to him the benefits of BSC can only be availed by taking remedial measures regarding difficulty in assigning weightage to different perspective, assigning weightage to different measures under each perspective, difficulty in establishing cause and effect relationship among these perspectives, lack of employees and management support and reluctance of management to rely on non-financial measures.

CONCLUSION AND SUGGESTIONS FOR FUTURE RESEARCH

It is not necessary that banks which are performing well financially are the best's banks when other intangible measures are taken into consideration. So to identify the best performing banks in the industry and to provide additional information regarding performance to all stakeholders, it is necessary for the banks to adopt BSC as a comprehensive, accurate, reliable strategic performance measurement tool. Relevant common measures for banks under BSC are required to be identified to ensure uniformity among all banks for performance evaluation.

Assigning weightage to different measures, establishing cause and effect relationship between those measures, executing and communicating scorecard, encouraging the level of commitment of top management, proper monitoring and evaluation of Scorecard are the common issues which need to be concentrated for successfully implementing the Balanced Scorecard. It may be a time-consuming exercise but once designed, it proved to be a useful strategic performance measurement tool for banks.

Further it is suggested, more future studies are required for identification of relevant common measures under BSC perspective for banks and comparative studies based on Balanced Scorecard are needed to identify the best performing banks.

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