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The Balanced Scorecard as a Strategic Introduction to the Commercial Banks Performance Assessment in Jordan

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Abstract: The study aims to find out the preferable measurements of performance assessment in the commercial banks in Jordan, identify the factors that impact their performance assessments, as well as to determine the capacity of Jordanian commercial banks to develop and implement a financial and non-financial strategy by using the balanced scorecard approach. The descriptive analytical approach has been used based on the field study to obtain the data from its main sources, the validity of hypotheses have been tested and got answers to the study questions.

The study concluded that the Jordanian commercial banks do not use the balanced scorecard as an approach assisting to formulate, implement and evaluate a financial and non-financial strategy. This indicates that these banks tend to use traditional assessment instruments, not the modern ones, although the study community members acknowledged the importance of this tool in evaluating the results of bank financial and non-financial operations of these banks.

One of the most important recommendations is that the Jordanian commercial banks must adopt the balanced scorecard approach in their financial and non-financial evaluation process, due to the multifaceted alternatives and uses of this methodology in the performance evaluation and to rationalize the decisions of decision makers based on objective measurement indicators carefully selected to achieve the bank's mission.

Key words: BSC (Balanced Scorecard), performance assessment/evaluation, commercial banks, performance measurement system - Strategic Vision.

1. INTRODUCTION

Balanced Scorecard derives its importance from the attempt to combine the financial and non-financial performance measurements to evaluate the short and long term performance in a consolidated report.

Therefore, the balanced scorecard reduces the concentration of those in charge of the institutions on short term financial performance; such as annual or quarterly cash flows. Alternatively, they would concentrate on the powerful improvements of the non-financial measurements which indicate the possibility of creating an economic value in the future. The balanced scorecard focuses the attention of the management on both the short-and long-term performance. BSC could convert the vision and strategy of the institution into a comprehensive set of performance measurements of performance that provide the full frame of strategies implementation. Therefore, institutions would not rely on the financial objectives only, but also emphasize the non-financial ones the institution must achieve to meet their financial targets.

BSC method helps the enterprise, no matter the nature of its activity may be, to measure its strategic performance, even further, it helps in formulating the enterprise strategies and converting them into strategic objectives, as well as converting these objectives into strategic measurements that could follow-up and assess such short and long term strategies.

This tool is characterized by not focusing on measuring the financial dimension only, as applicable in the past through the traditional measurement systems, but it achieves the balance through concentration on measuring four basic dimensions in the Bank, namely: the financial dimension, customers dimension, internal systems dimension and learning and growth dimension. This would help the institution to avoid the mistake in focusing on the financial aspects only (Kip R. Krumwiede et al, 2008,65). From this point the study emerged to highlight the Jordanian commercial banks capacity through using the scorecard approach to formulate and implement their financial and non-financial strategies. Al Rawashdeh (2014) confirmed that high awareness and understanding of the concept quality will lead to a better Commercial Banks Performance.

2. THE PROBLEM AND QUESTIONS OF THE STUDY

The financial institutions are, as any other business institutions, subject to performance assessment in different periods of their life cycle, but the standards and tools used in the evaluation are usually limited to the criteria of the traditional quality of performance and neglect the standards of strategic horizon and perspective based on a comprehensive performance assessment of the financial and non-financial point of view. Due to the importance of the financial institutions, particularly commercial banks, related to their sensitive role and effects on the social, economic and financial environment of the national economy, they start developing strategic plans, including strategic assessment issues, vision determination, mission, objectives and strategies. So, this study attempts to analyze the tools and methods by which the financial and non-financial performance could be assessed, as well as illustrates their direct relationship with the success/failure of Jordanian commercial banks.

Based on the foregoing, the items of the study problem can be limited to the answers of the following two questions:

1. Are there preferable measurements to the performance evaluation adopted by the commercial banks in Jordan? What are the factors that affect their performance assessment?
2. Can the Jordanian commercial banks, through using the balanced scorecard approach, formulate, implement, and evaluate a financial and non-financial strategy?

The Hypotheses

The hypotheses of this study have been created on relying on the problem of the study and its various components. The hypotheses of the study are deemed interim answers to the phenomenon examined, and expected solutions to the problem, the subject of the study. The field aspect discloses the possibility of rejection or acceptance of such hypotheses. Hypotheses have been formulated as follows:

The first hypothesis: There are no preferable measurements of performance assessments in the commercial banks in Jordan; there are factors that affect the performance assessment.

The second hypothesis: The use of the scorecard approach by the Jordanian commercial banks helps them to formulate, implement and evaluate their financial and non-financial strategies.

3. OBJECTIVES OF THE STUDY

This study seeks to achieve the following objectives:

1. Finding out the preferable measurements in the Jordanian commercial banks to assess performance and identify factors that impact their performance evaluation process.
2. Determining the capacity of Jordanian commercial banks through using the scorecard approach in the formulation, implementation and evaluation of their financial and non-financial strategies.

4. METHODOLOGY

The descriptive analytical approach, based on the field study to obtain the data from its main sources, has been used. The validity of hypotheses and answers to their questions to identify the balanced scorecard capability, as an integrated system, for the formulation, implementation and evaluation of the strategic vision of performance assessment in the Jordanian commercial banks, have been tested by relying on a questionnaire designed according to the general accepted scientific steps.

The information and research data have been gathered by the following methods:

1. Desktop search by references interested in the performance measurements methods and approaches in general, and in balanced scorecard performance in particular, to assess the financial and non-financial performance of the commercial banks in Jordan. Moreover, the theoretical information were obtained from the available references addressed the subject of this study
2. A questionnaire has been designed and distributed to the members of the study community represented in the Finance and Accounting Manager, Administrative Manager, and Internal Control Manager in the Jordanian commercial banks.

5. PREVIOUS STUDIES

1. Study of (TRANG, 2016.): titled “Competitive strength and its impact toward achieving company’s performance based on balanced scorecard approach in the furniture industry in central Minhansa Regency”.

This study is an explanatory study which explains the causes of relationship among variables through hypothetical tests. The community of this study is small, medium, and big-scale furniture industries which

are export – oriented and are also registered at the office of industry, trade, cooperative and investment of central Minahas. The samples in this study were determined by using purposive sampling method, i.e. the determination of samples is according to certain criteria considered by the researchers toward the objects which are suitable for the objective of the study. The results of the study show that the variables of competitive strength, namely delivery, value, flexibility, and simultaneous innovation affect the achieving of company's performance based on balanced scorecard approach in export – oriented furniture industry in the regency of central Minahasa.

2. A Study of (Hajjaj, Ibn Ranno, 2015) titled: the role of the balanced scorecard in evaluating the strategic performance of Oil enterprises.

The research aims to clarify the role of the balanced scorecard in the evaluation of the performance of strategic petroleum enterprises. Naftal Enterprise has been chosen for the research as a case study. This Enterprise was chosen for two reasons: first is the lack of studies in the oil sector, and the second because it is one of effective Algerian enterprises in the Algerian economy. The results of research are based on analysis of the actual activities and practices carried out by the Enterprise during the period 2011-2014, in addition to some interviews conducted and indicators derived from the institution's documents. The results showed that the institution relied on two axes; financial and customers at a high level, compared with internal operations axes; which are learning and growth in a less level.

3. A Case Study of (Panicker *et al.*, 2014): titled “Devising A Balanced Scorecard to determine a Standard Chartered Bank's Performance”

The purpose of this study is to contribute to the understanding of how BSC is developed and applied in evaluating the performance of Standard Chartered Bank (SCB), a foreign bank in India. Using the concepts of Kaplan and Norton, and the data made available from the bank's financial and non-financial data, BSC was derived to measure the performance of the foreign bank in India during 2009-2012. The analysis assisted the cause-effect relationships between the non-financial, and the financial dimensions of the BSC. The use of the BSC developed here is limited to the bank studied. However, the approach could trigger off reflections among policy makers and other banks to start using the BSC.

4. Study of (Hamid Tohidi, 2010) titled: “Using balanced scorecard in educational organizations”.

The study addressed the importance of using balanced scorecard approach, particularly in the governmental educational institutions, to evaluate their performance through comparison between the planned and actual performance to assess the results of online education services. The study concluded that the use of the balanced scorecard approach led to maximize returns from providing the educational services by increasing the number of beneficiaries and recipients of the service, which has reverted to growth of earnings from such service as a result of improving the performance created from the continuous development in providing the services based on the performance assessment through the customer perspective (students). The study also concluded that the facilitating the delivery of educational services and continuous change in the student's simplified interface have led to continuous interaction between the user and the institution, resulting to more satisfaction of the student and then more increase service revenues.

- First: The balanced scorecard and strategic development of the commercial banks:
- Balanced scorecard concept :

Balanced scorecard can be defined as a management system designed to help the institution to convert its vision and strategies into a set of interrelated strategic objectives and measurements, by relying on the scorecard, whereas the financial report is no longer the sole method which the companies can evaluate their activities and draw their future moves (Kaplan & Norton, 1992, 71).the balanced scorecard converts the vision and strategy of an organization into a set of comprehensive performance measures that provide the full context of its strategies implementation. It does not depend on the financial objectives only, but extends to include the non-financial objectives that must be achieved by the organization(Bernardo, 2010, 263), It is also: “A measurement and management system that views a business unit’s performance from four perspectives: financial, customers, internal business process, and learning and growth. Besides that, the Balanced Scorecard also provides thinking framework to spell out company’s strategy into operation” (TRANG, 2016,90).

- Converting the Strategic Vision of the Bank into Objectives:

At the time the Financial institutions use the balanced scorecard, they must first determine the appropriate strategic vision of the institution would be embraced, and then converting such vision into measurable and assessable objectives. The development of the balanced scorecard process should be preceded by clarifying future strategic visions of the institution, and then raise the question what should be rectified had such institution developed this strategy for its shareholders, customers, its systems and its ability to renew and identify methods of measurement these things. Each dimension of the balanced scorecard focuses on: (Kaplan and Norton ,1992, 1996, and 2001)⁴ and (Hajjaj, 2015, 139) ⁵:

The Financial Dimension: This aspect focuses on profitability strategy because cost reduction related to competitors, third parties and their achievement of profits represent the basic drives of strategic initiatives exercised by the institution. The financial aspect depends on the amount of operating income would be and returns on the capital will be achieved.

The Client Dimension: This aspect defines the target market segments and measures the company’s success in these sectors. The organizations use measurements, such as market share, number of new customers, customer satisfaction to control the objectives of their growth.

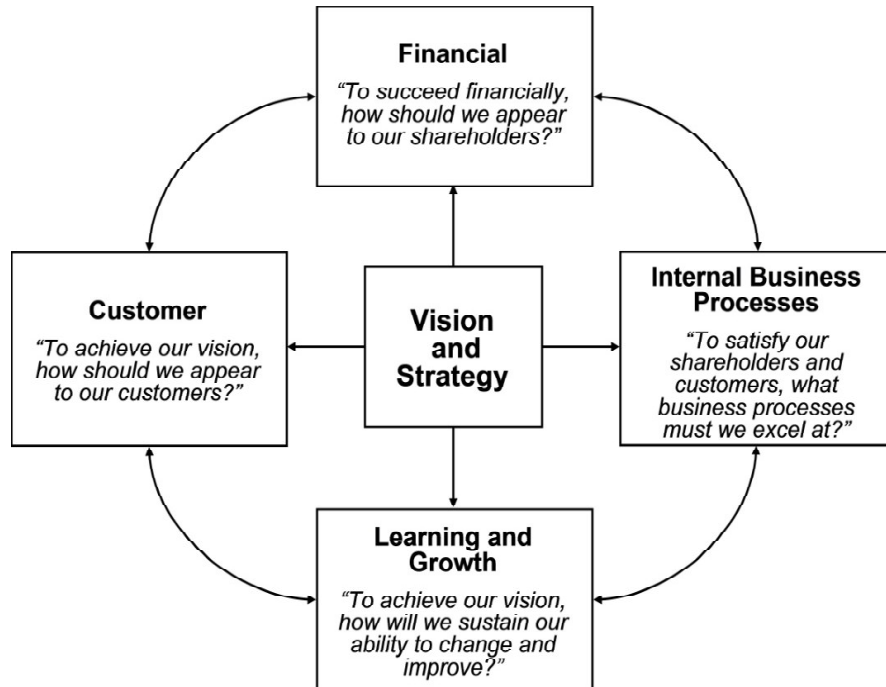
The Internal Operations Dimension: This aspect focuses on the internal operations that support both the customer, by creating a value for customers, and the financial side, by increasing shareholder wealth. The internal operations aspect consists of three sub dimensions as follows:

1. Innovation process related to creating products, services and operations that will meet customer needs.
2. The operating process which represents the services and their delivery to the customers and the key strategic initiatives for leading organizations in improving manufacturing quality, reducing delivery time to customers, and meet specific delivery times.
3. Delivery services, providing service to customer and after services delivery/ providing support to the customers.

Finally Learning and Growth Dimension: Which measures the extent the organization practices the efforts exerted to provide opportunities for growth and learning to its employees in its domain. The most commonly used measures of this perspective: employee empowerment, motivate staff, staff capacity, and information systems capabilities (Panicker, 2014, 65).

The researchers believes that every officer in the organization, from top to bottom, has to know the organization strategy and his role to achieve that through the following mechanisms:

- Communication and configuration programs (brochure, internal bulletins, electronic messages...)
- Determination of objectives activities: after communicating the headlines of objectives to all the concerned personnel and explain the same, then their personal objectives can be defined in the content of overall objectives.
- The development of rewards system to encourage the dissemination of the strategy.



The Balanced Scorecard framework. Based on Kaplan and Norton (1996) and Horvath and Partnes (2002)

Linking the Measurement with the Strategic Objectives of the Bank

The balanced scorecard is not a new method to measure performance, but it is a strategic management tool. The institutions that develop a list of key performance indicators appended to a system to follow them up, but this list is mere a series of activities to be performed and nothing linked with organization strategy and even lacks correlation. The importance of the balanced scorecard does not come from combining the different indicators, but from demonstrating a limited number of basic strategic trends that can be divided into strategic objectives attached to the measurement system (Kaplan & Norton, 1992, 208). There are three key elements help linking measurements to the organization strategy, (Punniyamoorthy & Murali, 2008):

Cause and Result Relationships (Causation)

Cause and effect relationships are described through the strategic charts. The latter means a conceptual representation of these causal relationships, to show how to link the strategic sub-objectives with each

other and with the basic performance indicators with each other through successive groups of causal hypothetical relations. The strategic charts represent one of the basic components of the balanced scorecard (Yusuf, 2005, 22).

Performance Determinants

We find in the balanced leadership agenda that the indicators which reflect the objectives are shared between several organizations, but the performance determinants are related to each organization. So, the balanced leadership agenda must include: indicators that measure the results and performance determinants which allow the organization to develop short term improvements close to the daily tasks.

Invoking to the Financial Results

The leadership agenda must allocate a space for the financial indicators as the other axes are not an objective by themselves but a means to realize financial gains.

Balanced Scorecard and Strategy Execution Stage

- The Importance of Developing a Strategic Vision (Converting the Objectives into Activities):
Sometimes the organization deviates from its chosen strategy and goes astray in its dealings and actions, resulting to be confused and lost between the conflicting objectives; the organization does not know which way to go or choose. This is called “strategic inconsistency”. For example, an enterprise may choose the form of relationship with clients distinction, but spends its resources on upgrading the operating processes and reduces its products prices up to a level there would be no other sources to enhance the relationships with the clients. In order to eliminate such inconsistency, the bank should prepare a strategy balancing the theoretical objectives and the practical activities in the strategy to achieve the strategic choice without any deviation or ambiguity (Kaplan and Norton, 2001, 7).
- The Importance of Balancing Activities and Measurements:
The essence of strategy is in the type of focused activities. The administrator must balance between the types of the strategic activities that aim to achieve specific strategy and the tools used to measure the impact of these activities. For example, it is not wise that the organization would focus on the operation proficiency activities while its strategic tools focus on measuring the degree of customers’ loyalty and ensure that the strategic activities are consistent, as well as the consistency of the strategic activities and indicators that measure such indicators.

Operations related to Strategic Balance in the Balanced Scorecard: The integration of the strategic planning and procedures related to the balance in the balanced scorecard includes three steps which are: (Hamid *et al*, 2010, 554):

- Identifying the objectives that are acceptable to everyone in the organization.
- Identifying and organizing the strategic initiatives.
- Linking the strategy to the resources and available annual budgets and identifying the priorities of execution.

The Balanced Scorecard and the Strategic Assessment Stage

Banking organizations must have organizational learning system allows to the managers to analyze their hypotheses and determining whether the principles that drive their activities are always consistent with activities and adapted with the expertise and observations. New strategies, sometimes, must be developed to utilize specific accesses and to face unforeseen threats. To obtain an effective organizational learning system, it must include:

- A common strategic framework describes to every officer in the organization the overall strategy and the contribution of their activities. This can be achieved by the balanced scorecard which is deemed a form of joint performance.
- Feedback information system for the strategic effects which allow for testing hypotheses about cause and effect relationships between the objectives and strategic choices.
- Solving problems system to analyze and conclude data on the performance and then adapt the strategy in a sign of developing circumstances and problems. The best way to do that is the collective solution of any problem, i.e. to solve each problem alone.

6. DATA ANALYSIS AND HYPOTHESIS TESTING

The Community and Sample of the Study

The members of the community of the study represent dealers in the balanced scorecard in the Bank, namely: The Financial and Accounting Manager, Administrative manager, and the Internal Control Manager. A total of 48 questionnaires have been distributed to them, and 42 of them were collected. A total of 40 questionnaires have been statistically analyzed:

The Reliability of the Study Tool

Reliability coefficient was found according to Chronbach's alpha to determine the internal consistency of the paragraphs included in the study tool. The results were as shown in the following table:

Table 1
The coefficient value of reliability of the internal consistency of the study variables

<i>Hypothesis</i>	<i>Number of paragraphs</i>	<i>Reliability coefficient (Chronbach's alpha)</i>
First Hypothesis	14	0.82
Second Hypothesis	21	0.85
General Chronbach's alpha Coefficient	35	0.835

It has been noticed from the table above that the Chronbach's alpha coefficient for all the study paragraphs was 0.835, while it was 0.82 to the first hypothesis paragraphs and 0.82 for the second hypothesis paragraphs. This indicates that the tool has a good degree of reliability which is acceptable for the purpose of conducting this study.

2. Presentation of the First Hypothesis Data and its Testing

First Hypothesis: There are no preferable measurements to evaluate the performance of the Jordanian commercial banks, and there are factors affect the performance assessment process.

The arithmetic mean and standard deviation of the answers on the first hypothesis paragraphs have been calculated to analyze the trends of such answers and find out the trends of the members of the study community which were shown in the following table:

Table 2
The arithmetic averages and standard deviations of the first hypothesis paragraphs

<i>Ser.</i>	<i>Paragraph</i>	<i>The arithmetic mean</i>	<i>Standard deviation</i>	<i>Contrast</i>
1	The management considers the balanced scorecard method as the most suitable approach to assess the financial and non-financial performance of the bank.	4.52	.662	.438
2	The stakeholders needs (the clients, borrowers and employees) are taken into account on planning and developing the bank plans, policies, and objectives based on the approved evaluation strategies.	2.49	1.008	1.015
3	The Bank maintains a documented evaluation strategy covering all operational and administrative aspects as well as the relevant strategy.	4.32	.585	.342
4	The senior management of the bank considers the performance evaluation process through cost management operations as the most effective method to increase profits.	4.32	.667	.445
5	The Bank uses the horizontal and vertical analysis of the results of its work to indicate the extent of the progress made through years and the amount of the contribution of each item of the financial position in achieving the results.	4.02	.786	.618
6	The senior management of the bank considers the performance evaluation process through the financial analysis of the activities as the most effective method to indicate strengths and weaknesses.	4.30	.749	.561
7	The Bank management assesses the ability of the employees to perform all operational works in the department they work leading to improve the performance of the Bank.	4.33	.809	.655
8	Accountability centers are designed in a simple and easy way for all employees, while performs as the same time on achieving monitor role to prevent errors.	4.21	.677	.459
9	Various statistical methods are applied to improve the performance and reduce excessive deviations.	4.34	.885	.782
10	The Bank's performance is reviewed through periodic strategy adopted through the senior management meetings which form a basis for making decisions.	4.34	.837	.700
11	There is an effective approved system to assess the performance to control and monitor the overall performance of bank.	4.32	.926	.858
12	The data and Bank performance information are updated and provided to users of such data and information when needed.	3.22	.947	.898
13	The performance of the competitive banks is taken into account on the performance evaluation or the best performance of preceding bank.	2.99	.979	.959
14	Profit centers are designed in a simple and easy way for all employees and working at the same time to achieve competition between departments and divisions of the Bank.	3.12	1.028	1.057
	The arithmetic mean, standard deviation and the overall contrast	3.91	0.493	0.243

The above table shows that the arithmetic mean of the Paragraphs 1,3, 4, 5, 6, 7, 8,9, 10, and 11 exceeded (4) with a standard deviation below (1). This indicates that the members of the study community tend to agreement, as well as the community agree on the importance of having multi tools for the evaluation of the financial and non-financial performance assessment in banks under consideration. There is no difference in views on the subject which is explained through the standard deviation of those paragraphs.

In turn, the arithmetic mean of the variable related to taking the stakeholders needs into account (clients, borrowers and employees) when planning and developing the plans, policies and objectives of the organization based on approved evaluation strategies, which shown in the Paragraphs (2). This indicates that the decisions makers in the banks under consideration do not realize how important these elements in achieving the present and future objectives of the bank.

The above table also shows low arithmetic mean of the variable relevant to profitability centers and the value of the information, which was around (3), represented in Paragraphs 12,13 and 14, with a standard deviation close to (1). This indicates the neutrality of the research community on the importance of these items in the assessment of the strategic performance process in the Jordanian commercial banks.

The First Hypothesis Test

“One sample t-test” has been used to validate the hypothesis as shown in the table herein below:

Table 3
T- test results of the first hypothesis
Fixed value = 3

	<i>Sample size</i>	<i>arithmetic mean</i>	<i>Standard deviation</i>	<i>T -Calculated</i>	<i>Sig. (2-tailed)</i>	<i>T Crosstab</i>
Having a preferable evaluation system	40	3.83	.493	16.756	0.000	1.660

The above table shows the t value calculated was 16.756, which is greater than the T crosstab value, which is 1.660. The significance level (2-tailed) was (0.00) which is less than (0.05). So, we accept the first hypothesis, which stating that: there are preferable measurements to evaluate the performance in the Jordanian commercial banks and there are factors affect the performance assessment process at the significance level (0.05).

3. Presentation of the Second Hypothesis Data and its Test

The second hypothesis: the use of the balanced scorecard approach by the Jordanian commercial banks will help to formulate, implement and evaluate their financial and non-financial strategy.

The arithmetic mean and standard deviation of the Paragraphs related to the second hypothesis paragraphs has been calculated to analyze the trends of answers on the second hypothesis and know the trends of the study community sample as shown herein below table:

Table 4
The arithmetic averages and standard deviations of the second hypothesis

<i>Ser.</i>	<i>Paragraph</i>	<i>The arithmetic mean</i>	<i>Standard deviation</i>	<i>Contrast</i>
1	The use of the balanced scorecard by the bank leads to show the increase ratio in the revenues of new products.	4.12	.790	.624
2	The use of the balanced scorecard leads to show the increase ration in the revenues of the present products.	2.94	1.053	1.110
3	The use of the balanced scorecard by the bank leads to the show the increase of utilization rate of the assets.	2.78	.936	.877
4	The use of balanced scorecard by Bank leads to show the annual increase in the cash flows in the bank.	2.85	1.039	1.079
5	The use of the balanced scorecard by the bank leads to show the ration of increase in profitability of the bank from a year to another.	4.42	.836	.699
6	The use of balanced scorecard by the bank leads to show the increase ratio in the revenues rate from the assets and equity rights per annum.	3.45	.975	.951
7	The use of balanced scorecard by the bank leads to show the increase of the net income from each product and market from one year to another.	2.85	1.170	1.368
8	The use of the balanced scorecard leads to indicate the degree of customer loyalty to the bank and the increase in the number of clients.	2.67	1.233	1.521
9	The balanced scorecard shows ratio of customers' complaints resulting from the delay of services delivery compared to the total complaints, which is one of the indicators for measuring customer satisfaction.	2.67	1.191	1.418
10	The use the balanced scorecard leads to show the increase ratio in the market share for the bank annually.	2.85	1.106	1.224
11	To use the scorecard leads to show proportionality in the combination of services prices at the different economic levels of the society.	2.69	1.152	1.328
12	The balanced scorecard shows the annual increase of the services value generated by providing a new product relatively important in weight value of the bank sales.	2.88	1.160	1.346
13	Balanced scorecard assists to show conformity of actual size of expenses spent on training programs and the planned expenses.	2.70	1.177	1.386
14	Balanced scorecard assists to show the decline of the rate of employees termination services compared to previous years.	2.78	1.031	1.062
15	The balanced scorecard assists to create proposals provided by workers as a core alternative to the bank to develop its products.	2.82	1.019	1.038
16	The balanced scorecard assists to build development and motivate the staff to submit proposals for the development of bank products through financial and non-financial incentive systems.	4.43	.812	.660
17	The use of the balanced scorecard helps to indicate the proportion of the cost of re-providing the services as a result of error to the total costs, which is one of indicators of the internal operating process quality.	2.46	1.228	1.509
18	The use of the balanced scorecard assists to indicate the ratio of canceled services as a result of defects of services delivery as one of the standards of the quality of service activities.	2.95	1.116	1.245
19	Using the balanced scorecard helps the bank to remove the time that doesn't add value to the product.	2.81	1.012	1.024
20	Using the balanced scorecard helps to show the ratio of the unproductive services within stage of production annually.	3.37	1.170	1.369
21	Using the balanced scorecard helps to achieve the strategic objectives of the bank and increase the value of the bank.	3.38	1.264	1.598
	The arithmetic mean and standard deviation and the overall contrast	3.087	0.550	3.03

The above table shows higher arithmetic average of the questions referred to paragraphs (1,5, and 6) and its decline in paragraph No. (3) with a low standard deviation in all the said paragraphs. This indicates and confirms the importance of the balanced scorecard as a primary source, not a sole source, to assess the banking performance in opinion of the community of the study. The low arithmetic average in paragraph (2) indicates insufficient information contained in the performance balanced scorecard and the study sample community does not agree on that as a result of the high standard deviation of the paragraph. The table also shows the declined arithmetic average of the paragraphs related to the results of using the balanced scorecard, paragraphs 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, and 21, which indicate that this tool has not been used in the financial and non-financial performance assessment during the testing period. It has been observed that the standard deviation of all the paragraphs mentioned herein above indicate the lack of agreement of the study sample on that. For the paragraph No 16, related to the extent of the effect of the balanced scorecard on the creating the development and stimulate the employees to deliver proposals to develop the bank products through the financial and non-financial incentive system. It is noticed the high arithmetic average, which exceeded 4 significance level, so that it confirms the importance of such type of information.

The Second Hypothesis Test

“One sample t-test” has been used to validate the hypothesis as shown in the table herein below:

Table 5
The Results of T-Test of the Second Hypothesis
Fixed value = 3

	<i>Sample size</i>	<i>The arithmetic mean</i>	<i>Standard deviation</i>	<i>T-Calculated</i>	<i>Sig. (2-tailed)</i>	<i>T-Crosstab</i>
The Role of the balanced scorecard	40	3.0879	0.55040	1.582	0.117	1.660

The above table shows the T value calculated, which is (1,582), which is less than the crosstab value, (1.660). The significance level (Sig. 2-tailed), which is (0.117), is higher than the (0.05). Therefore the hypothesis is rejected **“the use of the balanced scorecard approach by the Jordanian commercial banks scorecard assists to formulate, implement and evaluate their financial and non-financial strategy”**. During the study period, despite the importance of the balanced scorecard in the formulation, implementation and evaluation of financial and non-financial strategy to the banks at the significance level (0.05).

8. CONCLUSIONS

1. Through the results of the study, it is found that the Jordanian commercial banks have adopted preferable measurement tools for the performance assessment to show the value of their financial and non-financial changes, and such tools are traditions as indicated by the results of the statistical analysis results.
2. The results of the study indicate that the Jordanian commercial banks don't use the balanced scorecard approach assisting to formulate, implement and evaluate their financial and non-financial strategies. This indicates that these banks tend to use traditional assessment tools, not modern ones, despite the

recognition of the members of the study community the importance of this tool in the financial and non-financial results assessment of these banks.

RECOMMENDATIONS

1. The Jordanian commercial banks must adopt the balanced scorecard approach in financial and non-financial evaluation process, as this methodology is multifaceted for alternatives and uses in performance evaluation, rationalize decisions of decision makers based on objective measuring indicators carefully selected carefully to achieve the bank mission.
2. It is necessary for the Jordanian commercial banks to adopt a documented and written strategy, taking into account the indicators of the stakeholders needs (customers, borrowers and employees) when the development and developing plans, policies and objectives of the organization based on established evaluation strategies.

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