

Performance Evaluation using the Balanced Scorecard Technique and its Impact on Strategic Performance in Banks

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Abstract

The importance of the balanced scorecard increased because it is an extension to develop management thought and it is an important technique that used in evaluating the strategic performance of economic units, which aims to reduce operational costs and improve quality and interest to knowledge assets and social performance.

The research aims to focus on the concept and importance of the balanced scorecard in evaluating the strategic performance and identifying the perspectives of the balanced scorecard and the importance of using it in evaluating the strategic performance. The opinions of a sample of officials in the private Iraqi banks were explored through distributing a questionnaire and conducting statistical analysis of their answers about the role of the scorecard Balanced in measuring strategic performance and its reflection on performance.

Among the most important conclusions that reached, the balanced scorecard plays an important role in evaluating the strategic performance in the financial and banking institutions ,and business units, where the card is distinguished by that it evaluates financial and non-financial performance through its five perspectives.

Key words: Performance evaluation, Balanced Scorecards, Statrtgetic performance, Banks

Introduction

the strategic performance measures, it means the performance evaluation criteria, as they are the elements that are used as an acceptable basis for measuring and evaluating the economic units' performance, by comparing the actual performance of economic units with the planned performance, which helps in judging and evaluating it, and the determining of these criteria is necessary to success the process of measuring and evaluating performance, what is required of them, in order to achieve the objectives of these units and develop their performance (Anaya, 2011).

Balanced Scorecard mainly deals with evaluating the strategic performance of economic units that compares actual performance with the planned strategic performance through its five perspectives and has become one of the most important techniques used by economic units in measuring their strategic performance. The research aimed to focus on the balanced performance card and its five perspectives and the importance of using them in measuring strategic performance and its impact on the strategic performance of economic units. The research seeks to test a main hypothesis that (using the balanced scorecard in evaluating the strategic performance positively affects the performance of banks).

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To achieve the objectives of the research, it has been divided into four sections, the first section, the research methodology, the second section, evaluation of strategic performance, its concept, importance, methods of its measurement, the third section, the applied aspect, statistical analysis, the fourth section, conclusions and recommendations.

Literature Review :

Before examining the concept of strategic performance evaluation, it is necessary to define what strategic performance is. Strategic performance, it involves many fundamental concepts related to success, failure, sufficiency, effectiveness, and the actual plan in terms of quantity and quality, it distinguishes and separates good work from bad work in order to develop and improve the work, and is one of the important links in the total administrative process to achieve strategic objectives. From this standpoint, the process of evaluating the strategic performance was defined as the process of comparing the achieved results with the intended results to be achieved, and providing the necessary feedback for performance, in order to evaluate the results and making the necessary adjustments (Hajjaj & Reno, 2015).

It is also considered as a tool and mirror reflecting the results, which are reached from the units to focus at the performance reality and knowing the progress towards achieving the planned objectives and the extent of the employees' implementation of their roles in achieving these objectives and identifying strengths and defects and helping the administration to support the strengths and discrimination and handling the imbalance (Samia, 2004). While Al-Ashqar from his side has defined it as matching the work's results with the specified objectives (Al-Ashkar, 2008). In the framework of verifying the unit's extent to achieve its objectives and using the available resources, (Shaaban) has defined it as a form of oversight and focuses on results' analyzing that achieved from the units in order to focus at the extent of achieving its objectives by using the available resources with the best possible use (Shaaban, 2008). The researcher believes that performance evaluation is an integrated system that includes oversight, performance monitoring and evaluation it, and it is a tool for unit's managing that will be used to improve the way in which the unit achieves results by studying the results and effects of projects, programs and policies that can be used to make rational decisions.

The objectives of the strategic performance evaluation

The process of evaluating the strategic performance aims to achieve the following (Al-Janabi, 2010):

- 1- Evaluating the extent to which managers assume the responsibilities assigned to them.
- 2- Diagnosing the areas that need corrective procedures and working to handle them.
- 3- Ensuring that managers are motivated towards the objectives of economic unity and the objectives outlined in advance.
- 4- Enabling the making of comparisons between the performance of the various departments in the economic unit to determine the areas in which improvements should be made.

The importance of strategic performance evaluation

The importance of strategic performance evaluation is:

- 1- Performance measurement and evaluation is a strategic approach that aims to increase the efficiency of the economic units' performance by linking performance management to the objectives and strategies set for the economic unit (Bin Abboud, 2009).

- 2- The performance evaluation process helps the units in identifying the economic units and administrative centers responsible for the deviations that occur (Issam, 2012).
- 3- The performance evaluation process helps the economic units to develop administrative work, whether in the organizational aspects or in the aspects of the work itself (Al-Nassar & Ajil, 2012).

Balanced Scorecard:

It is a tool developed by management accountants to help monitor organizational performance and it was developed by (Norton and Kaplan) in the early nineties of the last century and they defined it as a set of performance measures that follow the process of the organization's progress towards achieving its objectives (Kaplan & Norton, 1992).

(Davis and Davis) believes that the reason behind the appearance of this card is due to the fact that organizations traditionally evaluated their performance using financial measures only, such as the share price or the return per share, and because these measures did not achieve the desired results, so the balanced scorecard has used on five main measures (Davis & Davis, 2012).

Either Al-Kawaz and Youssef, from their side, defined them as a set of financial and non-financial measures that provide senior management with a clear, comprehensive and rapid image of the economic unit's performance (Al-Kawaz & Youssef, 2011).

In the context of the economic unit's endeavor to achieve a link between the requirements of the external environment and the internal capabilities and resources, it must continuously identify what is being achieved in terms of performance and achievements and the extent of compatibility between what is going on inside the facility with operations and external variables so it was necessary that the system used to evaluate performance is able to produce indicators that indicate the performance trends and its future developments that can be compared to the planned performance's objectives and achieved levels (market, customers, competitors, workers, and shareholders) and thus management can reorient the performance if its direction is clear to deviate from the correct path (Al-Mihahey, 2015).

Kaplan and Norton presented both the Balanced Scorecard as a systematic framework that sets several controls and metrics for organizational performance. Since then Balanced Scorecard BSC has gained a great degree of recognition and use as one of the most important innovations of strategic management in performance management as it has made a quantum leap in the area of unit performance management from checklists of managers to developing a strategic measurement approach for performance (Kaplan & Norton, 1996).

Abdul Qadir indicated that the balanced scorecard is one of the modern administrative methods and techniques that contributed to controlling the performance of economic units and is an administrative system and strategic plan for evaluating the activities and performance of the economic unit according to its opinion and strategy, and this system balances between the financial aspects, customer satisfaction, the effectiveness of internal business processes, and aspects of learning, development and creativity in the facility (Flayyih, 2015).

The importance of a balanced scorecard

In spite of the difficulties of the card's elements availability and the obstacles that economic units can face from preparing them, it is possible to point out the balanced scorecard's importance in the following points (Al-Mihahey, 2015):

- 1- Providing the Balanced Scorecard to managers with cause and outcome indicators for the economic units subject to application and evaluation.
- 2- Defining the measures in the balanced scorecard is the main motivation for the strategic objectives of the economic unit
- 3- The economic unit can, through the four perspectives on the balanced scorecard, oversight financial results and at the same time oversight progress for capacity-building and acquisition of intangible assets.
- 4- It works to find a correlation between objectives and performance measures, which gives the administration a comprehensive image of the operations' nature for the various works.
- 5- Effective application and building on the systems approach to develop and implement a strategy for economic unity.

Melegy added, The use of the balanced scorecard provides the management and the beneficiary parties with an appropriate amount of financial and non-financial information of the economic unit's performance, which helps the management in planning the process of growth and continuous development of the economic units' performance and improving productivity. The study showed this relationship through the following figure:

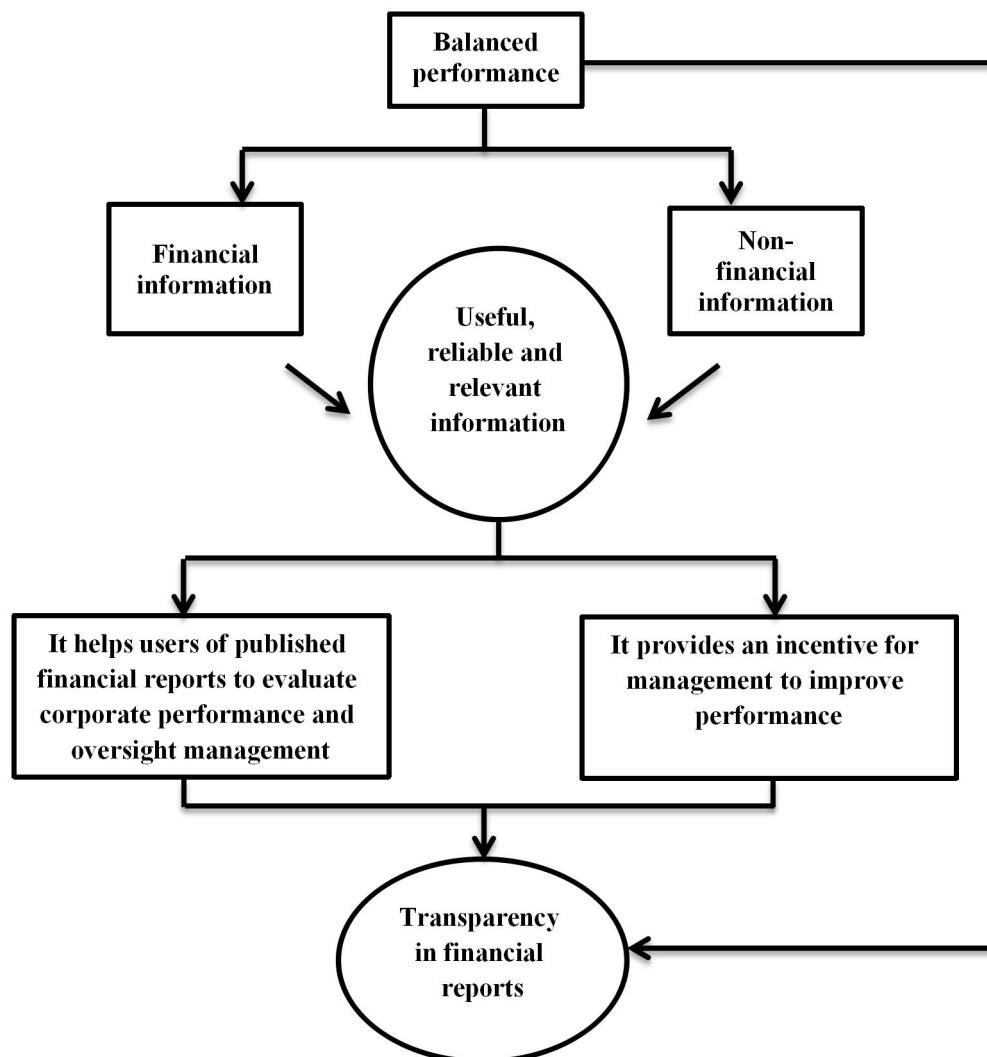


Figure (2) The relationship between balanced scorecard outputs and beneficiaries

Reference : (Melegy, 2011), "Developing a Balanced Performance Measurement as an Approach to Measuring Transparency in Published Financial Reports, Egyptian Business Entities: An Applied Theoretical Study" Journal of Commercial Studies and Researches, Faculty of Commerce, Benha University, Second Edition, Volume 1.

Balanced Scorecard Perspectives

The Balanced Scorecard (BSC) consists of four separate perspectives, each perspective contains objectives for one field so that the four perspectives achieve balance between short and long-term objectives as well as the balance between financial and non-financial objectives and these perspectives are different from one organization to another according to the work's nature and field of each organization, so these perspectives are presented as follows: (Hansen, 2009), (Youssef, 2011) and (Davis and Davis, 2012) (Tamimi & Flayyih, 2017)

Financial Perspective: This perspective focuses at the financial aspects, as the financial objective in the long-term is maximize the wealth of shareholders by working to maximize profits, and achieve effectiveness and efficiency when using available resources (Kaplan and Norton, 2001). While the strategies used to increase the added value in the framework of the financial perspective mentioned (Kaplan and Norton).

Customer Perspective:

A balanced scorecard requires managers to translate their overall mission to customer service with specific metrics that reflect the specific factors that create value for customers, and what value the customer is satisfied also why he is willing to buy at them, so this perspective guides all activities of the economic unit to improve the products' quality and services provided that suit customer needs, therefore, the economic unit view to costumers or beneficiaries and the feedback from those costumers or beneficiaries through questionnaires and customers complaints considered as the main source of the standard for this perspective. (Davies and Davies) adds that this perspective come with a question that Does the economic unit meet the expectations of its customers? The changes that occurred in the business environment, the most important of which is intense competition, have made from the customer's perspective the basis for combining revenue related to the financial objectives of the economic unit and thus its success. Also, many successful economic units find that the most important reason for their success and survival in a competitive environment, it is the focus on the customer and verify his needs, and when customers intend to buy products or services of the economic unit, they have expectations about quality, price, speed of education and service. If their expectations are not met, they will be dissatisfied with this unit and will likely search for other suppliers (Davis and Davis, 2012).

Internal Business Process Perspective:

This perspective focuses on internal tasks and activities (jobs) to fulfill customer expectations and the ability to define requirements for customers and provide new products and services to meet the needs of existing and potential customers and this perspective identifies the critical actions that characterize the economic unit and enable it to provide products and services of value that can satisfy and attract customers and satisfying shareholders' expectations of financial returns, which in turn leads to improved financial performance in the form of increased revenue by strengthening relationships with customers and also increasing the turnover

rate of assets and efficient use of the invested funds in the economic unit, as well as the efficiency of internal business processes (Kaplan and Norton, 2001).

Learning and Growth Perspective:

This perspective focuses at the human element's caring and improving the organizational capacity to create long-term growth and improvement. This perspective identifies the fact that economic units are unable to meet the aspirations of markets if they adopt only current technologies. Learning and creativity are among the three main sources: (individuals, systems, and organizational procedures) this requires more effort in educating, developing and training workers and increasing their participation in carrying out their tasks, as this contributes to improving the efficiency of internal operational processes, leading to develop the production levels' system at the economic unit's level in general.

Social Perspective:

Business organizations were found to contribute of the Community development and attention to its requirements. Assuming that its role is limited to serving their own interests and the interests of owners, the social role of business organizations has expanded according to considerations of their ability development on one hand and increased pressures by multiple groups in Community on the other side, where business organizations have developed significantly and expanded, its impact on various aspects of life and its interest in various groups of Community increased (Al-Ghalabi & Idris, 2007). (Holmes) has defined social responsibility as an obligation of the business organization towards the Community in which it operates by contributing to a wide range of social activities and organizations that adopt a social role achieve several advantages (Al-Ghalabi and Idris, 2007).

Dimensions of the Balanced Scorecard

Each dimension or perspective card consists or contains a dimension of the balanced scorecard (Kaplan and Norton, 1996: 128):

- 1- **Strategic objectives** The objectives in general are distributed on the card of Balanced performance dimensions and carries the same strategic importance and must be specific, measurable, achievable, reasonable and specified with a time period to complete it.
- 2- **The strategic map** The strategic map is the translation of the strategic objectives in the form of an executive plan that gives an integrated image of the work's fields and activity within the economic unit and the legal parties affecting them, as well as explaining the causal relations between each of them and represents an integrated hypothetical model for the four dimensions of the economic unit's activities which are:
 - Financial activities and financing (the financial dimension).
 - Marketing activities and sales (the beneficiary customers dimension).
 - Production and operation activities (internal processes dimension "learning and growth").
 - Social dimension activities.
- 3- **Dimension's performance indicators metrics** It represents the indicators by which it could identify the condition that the target is to be reached by comparing it with a predetermined value.

- 4- **The targeted results** It represents a specific result, that mensuration based on it to identify the amount of deviation (negative or positive) from the target to be achieved with the use of some standard weights, which facilitates the situation's induction rapidly.
- 5- **Dimension's initiatives** Special initiatives refer to operational projects and activities that need to be implemented to achieve the objective.

(Sidiropoulos. M, et al., 2004) believes that the components of the balanced scorecard can be summarized in the following table:

Table (1) Balanced Scorecard components

No.	Fields for measuring and evaluating performance	Objectives, metrics, and desired and achieved results	Initiatives and suggested questions
1	Financial field	Return on investment and added economic value, profitability, rate, return growth, cost reduction	To achieve success in the financial field: What is our expected image towards shareholders and owners? What are the initiatives to maximize value?
2	Customer field	Market share, acquisition of new customers, retention extent of existing customers, customer profitability, degree of customer's satisfaction	To achieve our future vision: What is our expected image towards customers? What are the initiatives for customer's satisfaction?
3	Field of internal business processes	Invent new processes in design and develop product and innovate processes for production, marketing, sales and after-sales service	In order to satisfy the needs of shareholders, consumers and customers: What are the internal business processes process that we should excel in?
4	Field of innovation, learning or organizational ability	The degree of workers satisfaction, the degree of workers retention and productivity of workers.	In order to achieve our future vision: How to keep our ability to change, improve and innovate?

Research Methodology

The research problem lies in the lack of banks' use of balanced scorecard technique in evaluating its strategic performance, which negatively affects its performance.

This problem can be expressed with the following questions:

- 1- Does the use of the balanced scorecard in the evaluation of banks' strategic performance, positively effect on its performance?
- 2- Does the evaluation of the banks' strategic performance by using the financial perspective, positively affect the banks' performance?
- 3- Does the evaluation of the banks' strategic performance using the customer perspective, positively affect the banks' performance?

- 4- Does the evaluation of the banks' strategic performance using the perspective of internal business processes, positively affect the banks' performance?
- 5- Does the evaluation of the banks' strategic performance using a learning and growth perspective, positively affect the banks' performance?
- 6- Does the evaluation of the banks' strategic performance using a social perspective, positively affect the banks' performance?

The research aims at the following:

- 1- Focusing on the concept and importance of the balanced scorecard in evaluating strategic performance.
- 2- Knowing the balanced scorecard's perspectives and the importance of using them in evaluating strategic performance.
- 3- Polling the opinions of a sample of officials in Iraqi private banks on the role of the balanced scorecard in measuring strategic performance and its reflection on performance.

The importance of the research emerges from the importance of evaluating the strategic performance of banks in order to achieve their objectives and continuation, as well as from the importance of the balanced scorecard as a technique for evaluating strategic performance through using its perspectives, as it includes financial and non-financial aspects in the evaluating of performance.

The research is based on a basic hypothesis that "The use of the balanced scorecard in evaluating the strategic performance positively affects the performance of banks", and the following sub- hypotheses are derived from it:

The following hypotheses are derived from it:

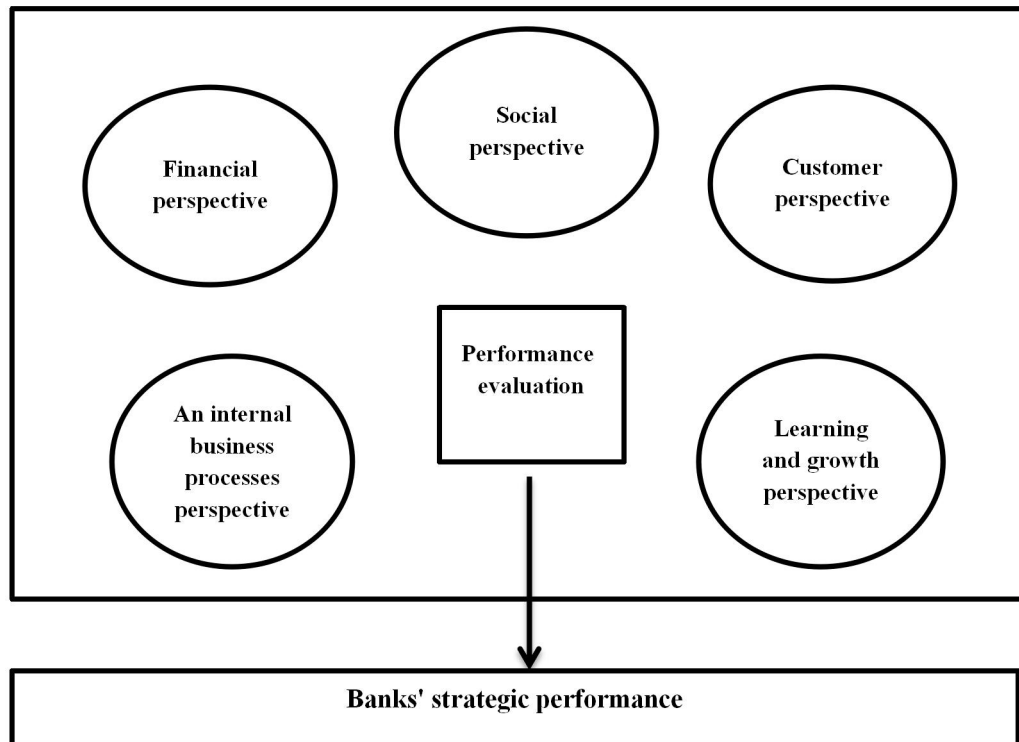
- 1- The evaluation of the banks' strategic performance using the financial perspective of the balanced scorecard, positively affects the banks' performance.
- 2- The evaluation of the banks' strategic performance using the customer perspective of the balanced scorecard, positively affects the banks' performance.
- 3- The evaluation of the banks' strategic performance using the internal business processes perspective of the balanced scorecard, positively affects the banks' performance.
- 4- The evaluation of the banks' strategic performance using the learning and growth perspective of the balanced scorecard, positively affects the banks' performance.
- 5- The evaluation of the banks' strategic performance using the social perspective of the balanced scorecard, positively affects the banks' performance.

The means and methods of collecting data and information

The means and methods of data collection are books, thesis and research published in periodicals, as well as research and articles published on the Internet also the use of a questionnaire form to view the opinions of a workers' sample in the researched banks in relation to the research topic. In order to identify the research's problem and in order to achieve its objectives and test its hypotheses, the researcher relied on inductive and deductive approaches. Inductive approach: This is through an analytical study of Arab and Foreign studies that dealt with research variables with a view to identifying the extent of the possibility of benefiting from the use of a balanced scorecard's measurement with its financial and non-financial dimensions in evaluating strategic performance. * Deductive approach: This approach relies on analyzing

and explanation the results of the field study to the research sample in order to determine the extent of using the balanced scorecard method as one of the strategic methods used by the management in evaluating the strategic performance.

Figure (2) Research variables: The following figure shows the research variables



Results:

The research community is represented by a group of private Iraqi banks listed on the Iraq Stock Exchange. This section presents the results of the field study to investigate the analysis results of the axes of descriptive questionnaire, through the use of descriptive statistical tools represented by (the arithmetic mean and the standard deviation). The aim of this is to make an image and a general framework for the general details and orientations of respondents of the study variables. Likert pentagon scale has used the options, which is an orderly measure, represented by the numbers that will be entered into the statistical program (SPSS), these standards are as follows: (Totally agree = 5, Agree = 4, To some extent = 3, Disagree = 2, Totally disagree = 1). The sample of the questionnaire in which the test was obtained for the research sample intentionally from holders of higher degrees and experienced specialists working in private Iraqi banks. The questionnaire included thirty-five paragraphs distributed over six axes for twenty-five paragraphs and each one of them has ten paragraphs, therefore the distributed questionnaires was (50), while (40) was retrieved and (40) were analyzed.

The normal distribution test of data using the skewness coefficient and the kurtosis coefficient

The dimensions of testing the data compatibility for natural distribution, is an important paragraph in most researches and studies that used statistical methods. There are several ways to test the data compatibility for natural distribution, but the most common and used in most researches is coefficient of skewness and kurtosis and when applied to research data we obtained the following results listed in the following table :

Table (2) Coefficient of skewness and kurtosis for study variables

Kurtosis	Skewness	Variable
0.760	-1.093	Financial perspective
1.032	-1.133	Customer perspective
-1.142	-0.125	Internal business process perspective
0.236	-0.674	Education and growth perspective
0.190	-0.771	Environmental and Community perspective
-0.067	-0.627	Balanced Scorecard
1.214	-1.217	Strategic performance

Values for kurtosis and skewness within the standard limit ± 1.96 , which confirms the normal distribution of data research.

Analyzing the balanced scorecard answers

Table (3) Analysis of the research sample's answers to paragraphs of the balanced scorecard's dimensions

Paragraph	Totally disagree	Disagree	To some extent	Agree	Totally agree	The average	Standard Deviation	Variation Coefficient
1	-	2 %5	2 %5	7 %17.5	29 %72.5	4.58	0.813	17.75
2	-	5 %12.5	6 %15	17 %42.5	12 %30	3.90	0.982	25.18
3	3 %7.5	2 %5	4 %10	16 %40	15 %37.5	3.95	1.176	29.77
4	-	4 %10	8 %20	15 %37.5	13 %32.5	3.93	0.971	42.71
5	2 %5	2 %5	9 %22.5	17 %42.5	10 %25	3.78	1.050	27.78
Financial Perspective 1x						4.03	0.998	24.76
6	1 %2.5	-	9 %22.5	16 %40	14 %35	4.05	0.904	22.32
7	-	-	5 %12.5	21 %52.5	14 %35	4.23	0.660	15.60
8	-	2 %5	8 %20	18 %45	12 %30	4.00	0.847	21.18
9	-	1 %2.5	8 %20	26 %65	5 %12.5	3.88	0.648	16.70
10	-	1 %2.5	10 %25	19 %47.5	10 %25	3.95	0.783	19.82
Customer Perspective 2x						4.02	0.768	19.10
11	-	3	5	11	21	4.25	0.954	22.45

		%7.5	%12.5	%27.5	%52.5			
12	-	6 %15	4 %10	17 %42.5	13 %32.5	3.93	1.023	26.03
13	-	2 %5	5 %12.5	16 %40	17 %42.5	4.20	0.853	20.31
14	-	2 %5	13 %32.5	18 %45	7 %17.5	3.75	0.809	21.57
15	-	4 %10	10 %25	15 %37.5	11 %27.5	3.83	0.958	25.01
Internal Business Process Perspective 3x						3.99	0.919	23.03
16	2 %5	4 %10	2 %5	9 %22.5	23 %57.5	4.18	1.217	29.11
17	1 %2.5	5 %12.5	14 %35	11 %27.5	9 %22.5	3.55	1.061	29.88
18	-	-	10 %25	17 %42.5	13 %32.5	4.08	0.769	18.85
19	2 %5	3 %7.5	13 %32.5	12 %30	10 %25	3.63	1.328	36.58
20	%10	7 %17.5	12 %30	6 %15	11 %27.5	3.33	1.121	33.66
Education and Growth Perspective 4x						3.75	1.099	29.31
21	1	3	9	8	19	4.03	1.121	27.82
22	--	3	6	17	14	4.05	0.904	22.32
23	-	4	8	14	14	3.95	0.986	24.96
24	2	3	11	14	10	3.68	1.095	29.76
25	3	9	10	14	4	3.18	1.130	35.53
Environmental and Society Perspective 414x						3.78	1.047	27.70
Balanced Scorecard x						3.91	0.966	24.70

- 1- The value of the mean for paragraph (1) (Your bank determines the financial objectives to be achieved in advance) is (4.85), which is greater than the value of the hypothetical mean, which is (3), that is, the directions of the sample responses were towards the totally agreement by (72.5%) and towards the agreement by (17.5%).
- 2- The value of the mean for paragraph (2) (There is satisfaction for workers about the achieved financial results) is (3.90), which is greater than the hypothetical mean (3), meaning that the directions of the sample responses were towards the totally agreement by (30%) and towards the agreement by (42.5%).
- 3- The value of the mean for paragraph (3) (The management is working to increase sales from various banking services by entering into new areas) is (3.95), which is greater than the value of the hypothetical mean, which is (3), meaning that the directions of the sample responses were towards the totally agreement by (37.5%) and towards the agreement by (40%).
- 4- The value of the mean for paragraph (4) (Effective mechanisms are used to increase the future cash flow in a manner that meets the requirements of the investment policy of the bank) is (3.93), which is

greater than the hypothetical mean of (3), that is, the directions of the sample responses were toward the totally agreement by (32.5%) and towards the agreement by (37.5%).

- 5- The value of the mean for paragraph (5) (The management seeks to maximize the wealth of shareholders by achieving real returns on investment) is (3.78), which is greater than the hypothetical mean of (3), that is, the directions of the sample responses were towards the totally agreement by (25%) and towards the agreement, by (42.5%).

The mean of the axis was (4.03), which is greater than the hypothetical mean, which confirms that the research sample is oriented towards agreement and totally agreement.

By the same token in relation to the axis of the customer's perspective, the mean of the axis reached (4.02), which is greater than the hypothetical mean, which indicates the individual is oriented towards agreement and totally agreement.

As for the axis of the internal business process' perspective, the mean of the axis has reached (3.99), which is greater than the hypothetical mean, which confirms that the sample individuals were oriented towards agreement and totally agreement.

With regard to the axis of the learning and growth perspective, the mean of the axis reached (3.75), which is greater than the hypothetical mean, and this shows that the respondents were oriented towards agreement and totally agreement.

While the environment and Community perspective, the mean of the axis is (3.91), which is greater than the hypothetical mean, and this confirms that the sample individuals were oriented towards agreement and totally agreement.

Analyzing strategic performance answers

Table (4) Analysis of the research sample's answers at the strategic performance's paragraphs

Paragraph	Totally disagree	Disagree	To some extent	Agree	Totally agree	The average	Standard Deviation	Variation Coefficient
1	1 %2.5	2 %5	4 %10	11 %27.5	22 %55	4.28	1.012	23.64
2	1 %2.5	2 %5	10 %25	17 %42.5	10 %25	3.83	0.958	25.01
3	1 %2.5	4 %10	9 %22.5	14 %35	12 %30	3.80	1.067	28.08
4	1 %2.5	4 %10	10 %25	19 %47.5	6 %15	3.63	0.953	26.25
5	1 %2.5	3 %7.5	9 %22.5	21 %52.5	6 %15	3.70	0.911	24.62
6	2 %5	2 %5	12 %30	17 %42.5	7 %17.5	3.63	1.005	27.69
7	2 %5	3 %7.5	10 %25	15 %37.5	10 %25	3.70	1.091	29.49
8	1 %2.5	4 %10	11 %27.5	13 %32.5	11 %27.5	3.73	1.062	28.47

9	1 %2.5	5 %12.5	9 %22.5	14 %35	11 %27.5	3.73	1.086	29.12
10	1 %2.5	4 %10	11 %27.5	12 %30	12 %30	3.75	1.080	28.80
Strategic Performance y						3.78	1.023	27.06

It is clear from Table (4) that the mean of the strategic performance axis has reached (3.78), which is greater than the hypothetical mean, which indicates that the sample individuals were oriented towards agreement and totally agreement.

Correlation coefficients between search variables

Table (5) Correlation coefficients by Cyberman formula between search variables

Balanced performance	Environmental and Community perspective	Learning and growth perspective	An internal business process perspective	Customer perspective	Financial perspective	variable
**0.919	**0.857	**0.923	**0.740	**0.804	**0.797	Strategic performance

**It means that the value is significant at a high degree with 99% confidence.

The correlation coefficient between strategic performance and the financial perspective was (0.797), which indicates the direct and significant relationship at a high degree, while the correlation coefficients between the strategic performance and the rest of the perspectives, the highest correlation was (0.923) between strategic performance and the education and growth perspective and indicates to the highly strong significant and direct relationship between variables, but the lowest relationship was (0.740) between the performance of internal business processes perspective and strategic performance. It also indicates the impact of internal processes in the strategic performance of banks.

The effect of the balanced scorecard and its sub-dimensions on strategic performance

Table (6) Analysis of the effect of the balanced scorecard and its sub-dimensions on strategic performance

Independent variable	Determination coefficient R ²	Regression coefficient β (effect)	Fixed term α	Computed t value	Calculated F value	Significance level P	Relationship's nature
Financial perspective	0.635	0.849	0.357	**8.275	**68.476	0.000	High significant
Customer	0.646	1.323	1.545	**9.068	**82.237	0.000	High

perspective			-				significant
Internal business processes perspective	0.548	0.828	0.472	**5.013	**25.127	0.000	High significant
Learning and growth perspective	0.852	0.852	0.581	**12.652	*160.070 *	0.000	High significant
Environmental and Community perspective	0.734	0.794	0.779	**9.629	**92.709	0.000	High significant
Balanced performance	0.854	1.130	0.647 -	**12.868	*165.576 *	0.000	High significant

Noting that the tabular t value is 2.326 at the 0.01 level and the tabular F value is 7.31 at the level of 0.01.

The previous table shows the following:

- 1- There is a significant impact of the financial perspective at the strategic performance since (0.635) of the impact on the strategic performance of the financial perspective, and that any increase by one unit in the Board of Directors, the strategic performance increases by (0.849) as the value of T of the impact was significant, because the calculated value has greater than its tabular counterparts of 2.326 at the level (0.01) and the calculated F value for the relationship is greater than its tabular counterpart of (7.31) at the significant level (0.01) and this confirms the first sub-hypothesis.
- 2- With regard to the impact of the customer perspective on the strategic performance, the calculated T has reached greater than its tabular value of 2.326 and the calculated F value is greater than its tabular counterpart of (7.31) at the significant level (0.01) and this means proving the second sub-hypothesis.
- 3- While the perspective of internal processes, the calculated T value was higher than its tabular counterpart, and this indicates proving the third sub-hypothesis. Also the calculated F value was also higher than its tabular counterpart, which means proving the third sub-hypothesis.
- 4- With regard to the education and growth perspective, the calculated T value was greater than its tabular counterpart, and the calculated F value is also greater than its tabular counterpart at the level of (0.01) and this indicates proving the fourth sub-hypothesis.
- 5- Finally, the environment and Community perspective and its impact on the strategic performance. The calculated T value was greater than its tabular counterpart, and the calculated F value was greater than its tabular counterpart at the level of (0.01) which proving the fifth sub-hypothesis.

Conclusions

- 1- Balanced Scorecard plays a great role in evaluating performance in financial banking institutions, and business units in general.
- 2- The balanced scorecard is distinguished by it evaluates the financial and non-financial performance through its five perspectives.

- 3- Measuring and evaluating performance is a strategic approach that helps the units in identifying the economic aspects and management centers responsible for the deviations that occur and helps the economic units to develop management work, whether in the organizational aspects or in the aspects of the work itself.
- 4- Measuring the strategic performance is comparing the actual performance of the economic units with the planned performance to determine the difference aspects between the planned and the implementer and working to avoid them in the future.
- 5- The statistical analysis showed the following:
 - There is a significant impact of the financial perspective at the strategic performance since (0,653) of the impact on the strategic performance of the financial perspective.
 - Regarding the impact of the customer's perspective at the strategic performance, the calculated T was greater than its tabular value of 2,326 and the calculated F value is greater than its tabular counterpart of (7.31) at the significance level (0.01) and this means proving the second sub-hypothesis.
 - While the perspective of internal processes, the calculated T value was higher than its tabular counterpart, and this indicates proving the third sub-hypothesis.
 - With regard to the learning and growth perspective, the calculated T value was greater than its tabular counterpart at the level (0.01) this indicates proving the fourth sub-hypothesis.
 - The environment and Community perspective and its impact on the strategic performance was greater than its tabular counterpart at the level (0,01), which proving the fifth sub-hypothesis.

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