

## THE IMPLEMENTATION AND ADAPTATION OF BALANCED SCORECARD (BSC) IN ALSALAM ALGERIA BANK

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**ABSTRACT:** This article aims at contributing to the understanding of how to use the BSC efficiently, despite the considerable strides achieved in its implementation as a performance improvement method in banking institutions around the world, but it has been shown that it is not being introduced and applied in Algerian banks. Provided BSC, will enable the bank to incorporate it as a valuable method for measuring its efficacy over time by exploring how that affects the performance of the bank. The Alsalam Algeria Bank study shows that its use will only enhance its efficiency significantly and immediately if it is linked to the Bank's strategy because it is heavily based on the financial perspective of measuring performance at the expense of the rest of the perspectives.

**Keywords:** banks; balanced scorecard; Alsalam Algeria Bank.

**JEL Classification:** M21, M40.

### 1. INTRODUCTION:

The banking sector is the lifeblood of any financial system in any economy in the world. The prosperity of the economy depends on banks' prosperity. Banks' performance can be seen through their balance sheets. Thus, the administrative control system in banks can be designed around the following items, but traditional systems that measure bank performance are usually based on short-term financial objectives, which are no longer appropriate to meet the challenges that banks face today. Therefore, to look more deeply at the objectives of the stakeholders concerned, banks need to ensure that their strategy is translated into corresponding actions. In this context, Kaplan and Norton developed the concept of a balanced scorecard, a methodology that has achieved widespread publicity among scientists and managers as well. The balanced scorecard claims to bridge the gap between developing and achieving a strategy. The BSC provides a framework for selecting multiple performance metrics that complement traditional financial measures with operational measures of customer satisfaction, internal processes and learning and growth activities. Banks need to align BSC with their strategy to maximize benefits. Under the same label, BSC can be used in different ways involving many different functional areas and indicators. Different ways to implement and use BSC may have different effects on the bank's performance to maintain competitiveness and financial stability.

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❖ **Research Problem:** The competitive environment of banks today requires continuous improvement and innovation, and therefore traditional financial accounting measures are no longer sufficient, given the complexity of banking management, which requires managers to be able to display performance in several areas at a time. Many claims that the Balanced Scorecard (BSC) is one of the most important management accounting innovations of the past two decades, and surveys consistently list as one of the most popular management tools around the world, allowing managers to view business for four important business perspectives: the customer perspective, inner business perspective, growth, learning perspective, and finance. While giving senior managers information from four different perspectives, a balanced performance scorecard reduces the overload of information by reducing the number of measures used, forcing managers to focus on a few of the most important measures.

The research problem is centered on the following main question:

**What is the impact of the Adoption and implementation of a balanced scorecard on Alsalam Algeria Bank's performance?**

The researcher believes that with Algerian openness to the world and foreign investors, banks should start adopting comprehensive performance measurement systems such as BSC to prove to stakeholders that the sector is moving to exploit financial and non-financial measures to provide performance information to investors. Therefore, such research work is important and worth investigating in the context of the Algerian banking sector. The result will benefit local banks in Algeria; particularly the bank studied to improve the most influential variable to gain a competitive advantage and finally becomes a regional champion as expected.

❖ **Study Approach:** In an attempt to answer the problems raised, it was relied on both descriptive and analytical methods to present and analyze the different concepts of the study. The case study approach with an attempt to apply the balanced scorecard on the Asalam-Algeria Bank, in 2014-2017 is through the use of several proportions and indicators associated with its perspectives and starting from the annual reports of the bank under study.

❖ **Limitations of the Study:** Our study is limited to a single type of bank that is a private bank. Concerning the space study, it is limited to four years from 2014 to 2017.

❖ **Hypothesis:** According to Kaplan and Norton (1992), the company's management carefully monitors and manages its performance using both financial and non-financial indicators. The comprehensive measurement system provides a specific structure for measuring these indicators. However, measuring without disseminating information to the key decision-makers on which to operate will not change processes and/or performance. The lack of measurement information, coupled with high use, will hurt the quality of management decisions. The study is based on testing the following main hypothesis:

**H1.** Using BSC as a comprehensive performance measurement system will be positively related to the Alsalam Algeria Bank's performance.

❖ **Importance of the study:** This study aims at contributing to understand the effective use of the BSC by assessing how its use affects bank Asalam performance, it offers empirical evidence of the greater benefits and utility that can obtain by integrating the BSC approach

to performance knowing how to deal with the BSC effectively may help the bank to improve this competitive position and reach organizational objectives. Because there is few information presented about how to optimize the tool's benefits, it can provide managers with guidance as to how to optimize the benefits of the BSC.

❖ **Research Aims:** This study work aims to:

- Contribute to the BSC literature;
- Encourage further research on BSC in Algeria;
- Address the limitations of the present performance measurement applied in the Algerian Banks;
- Increase our understanding of how the BSC may be developed and applied within the context of the banking sector in Algeria;
- Bridge the gap of knowledge on this subject in the Algerian banking sector.

## **2. THE FUNDAMENTAL THEORY OF BALANCED SCORECARD:**

### **2-1 Basic concepts:**

The balanced scorecard was introduced in 1992 to supply a framework for choosing multiple performance metrics that specialize in the important aspects of business. The middle additionally provides a tool for organizing strategic objectives in customer views, internal processes, learning and growth, to reinforce the standard financial perspective. By combining the four perspectives, the BSC is anticipated to assist managers perceive the relationships between functions which will eventually cause higher problem-solving and decision-making, whereas BSC was originally designed to live flat performance. (Metri, 2007: p 60) captures the essence of the BSC succinctly: "If you can't measure it, you can't manage it and thus you can't improve upon".

**a. Definition:** one in all the foremost illustrations and known models within the performance analysis system model is that the balanced scorecard which was developed y Kaplan and Norton in 1992 and so expanded and improved. Besides, BSC considers the non-financial indicators and financial as a requirement for future financial performance and drives them completed and assist institutions in implementing methods. The BSC approach aims to provide management with a set of measures that combine to give a "comprehensive but quick" view of the business. Indeed, it is suggested that the BSC is "a tool that translates the organizations organization's mission and strategy into four-pillar objectives and metrics: financial performance, customer satisfaction, and efficient operational performance, and hence the opportunities the organisation provides to its employees to learn and grow, making competition between organizations more dependent on entrepreneurship, creativity and innovation than their tangible assets" (Kaplan, Atkinson, 1998: p368). "Balanced Scorecard is a strategic management system that helps organizations to identify strategies and make it executable".(Chen, Chen, & Peng, 2008: p529). "BSC presents a complex challenge for organizations "(Mundy, 2010: p 17), "in practice it represents little more than new information systems. They compile a set of strategically relevant information and present these in a form that helps managers to focus" (Malmi, 2001: p 216). The BSC is a comprehensive framework that helps in translating the organization's strategic objectives into a coherent set of performance measures. This is done so that effective measurement becomes an integral part of the management process ( Al-Hosaini , Sofian, 2015 : p27).

**b. Characteristics of Balanced Scorecard:** As stated by (Abbas 2017: p60):

- It clarifies the succession of cause correlations between the changing business methods;
- It helps to deliver the program to all bank members;
- It takes care of organizations with financial and profitable aims;
- It deals with the comprehensive accounting and financial model instead of the traditional accounting system;
- It determines the number and type of dimensions in all fields of measurement area;
- A flexible method able to improve and develop and its ability to intensify, learn, and organizationally change with all organizations of different types and activities.

**c. The Importance of Balanced Scorecard:** Using the BSC framework in an organization will implement its strategy and therefore the implementation of its results. And provides a framework for evaluating specifies objectives and programs and strategies. Finally, it's a way to measure and ensure the functional status of the present head Some merits and benefits of the Balanced Scorecard are: (Feizi, Solukdar, 2014: p 59) ( Barnabè, 2011: p451)

- Welcomed to BSC by various organizations around the world;
- A comprehensive and systematic approach to the performance;
- Successful link to the reward and encourage system;
- Logic Modelling;
- Enabling business processes to ensure the health of the organization;
- Leadership and guidance of the continuous improvement program;
- Enabling the external benchmarking processes;
- Good experiences to develop a list of business planning and evaluation are used;
- Reliance on soft measures, the recent addition of a hard and long and short term;
- An interdisciplinary way, merging into one single framework all the different activities and performance metrics that characterise an organization, its personnel and functions;
- Has the potential to enhance management capabilities, increasing management's understanding of the business and of the causal relationships between non-financial and financial measures;
- Leading the desire for professional use in various businesses.

**2-1 Factors of success and failure of a balanced scorecard:**

**a. The effectiveness of a balanced scorecard:** It's derived from 2 straightforward abilities: The ability to clearly describe the strategy and the ability to link the strategy to the management system through the contribution of balanced scorecards. This ultimately results in the ability to align all the organization's units, processes, and systems to its strategy. (Dechow, 2012: p519)

**b. Failure of a balanced scorecard:** Kaplan and Norton additionally warn managers that the BSC properly enforced in terms of a balance between lead and lag indicators and causative relationships, doesn't denote whether or not: ( Bianchia, Battista, 2008: p180) &( Colm, Eamonn, 2011: p112)

- Vision is wrong;

- Model is not a valid description of the strategy;
- Performance indicators are incorrect. In particular, the BSC approach does not support in understanding;
- How strategic asset accumulation and depletion processes triggered by the use of different policy levers affect performance drivers;
- How performance drivers affect outcome indicators;
- How outcomes will affect strategic asset accumulation and depletion processes;
- Does not monitor competition or technological developments. This implies that does not consider the uncertainty inherent risks involved in the events that can threaten this strategy. The effect of this control model can lead to serious dysfunctional behavior and loss of control over the implementation of the strategy.( Gomes, Romão, 2017 : p5)

**c. Challenges within the Implementation of Balanced Scorecard:** That suggests that the adoption and implementation of BSC presents challenges. Most companies have significant difficulty in taking the Balanced Scorecard from concept to reality, according to the researches'. And to cope with the aforementioned flaws, the BSC can be captured in a model of system dynamics that provides a comprehensive, quantified model of the creation value process of a business (Kaplan, Norton, 1996: p 67). Therefore, dynamic systems simulation would be the ultimate expression of an organization's strategy and the perfect foundation for a Balanced Scorecard (Kaplan, Norton, 2001: pp 14–15).

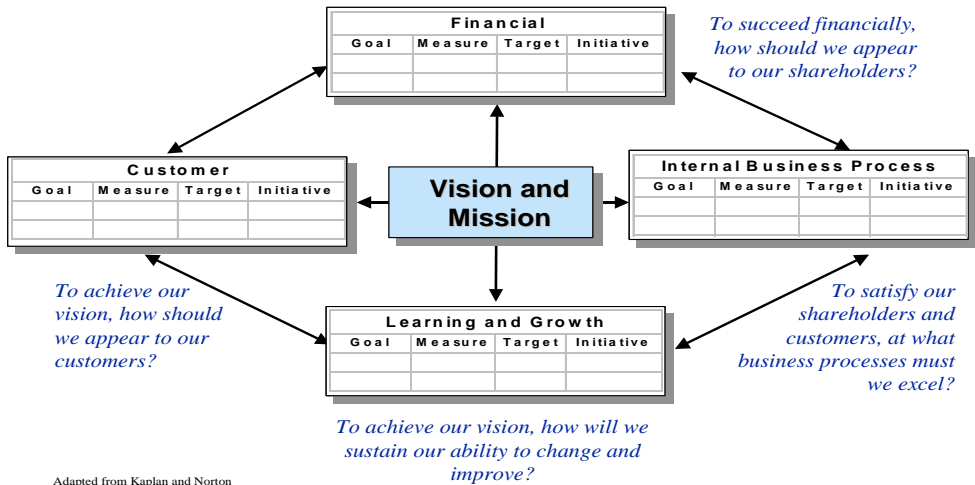
### **2-3 The Balanced Scorecard for banks:**

The balanced scorecard could be a management system (not solely measuring system) that allows the banks to clarify their vision and strategy, and translate them into actions. It consists chiefly of the strategic vision, the strategic goals (Brudan, 2005: p 7). The structures of business banks area unit comprehensively aimed to urge profit by operative money assets in terms of the service they provide. They must be a comprehensive approach for performance measuring that's enforced during a full service bank. Implementation of Balanced Scorecard changes managers' belief in terms of accelerating awareness and importance of the BSC measures. Strategies designed to convert the views of the BSC into actions support the organization's vision and strategy. Inside every perspective of the BSC, strategic goals area unit fashioned and performance criteria determined to live if the goals area unit no-hit or not. For each performance criterion targets area unit indicated. Initiatives got to be done to realize the determined aimed performance (Öztürk, Coskun, 2014: p155). This hierarchic framework is formed by (Wu et al., 2009) and it includes the BSC performance goals, dimensions and name of the performance indicators, it's mentioned that this analysis criteria give bank with the performance to the specified level. So, using the model is usually helpful for the banks. It suggests that management views the bank from four views, and to develop metrics, collect information and analyze its relative to each of those perspectives: the educational and growth perspective, the business method perspective, the customer perspective, and therefore The financial perspective. They enable a balance between (Saroj, 2006: p94).

- Short term and future objectives;
- External measures for shareholders and customers and internal measures of crucial business method, innovation, and learning and growth;
- Outcomes designed and therefore the performance drives of these outcomes;

- Laborious objectives measures and softer, additional subjective measures.

**Figure N°1: Perspectives of Balance Scorecard**



Source: Kaplan and Norton, (1992), The Balanced Scorecard - Measures That Drive Performance, Harvard Business Review, USA.

**a. The financial perspective:** In the Balanced Scorecard framework, the financial perspective acted as a parameter of the organization result. Bank in, particular has many financial indicators measured to define which indicators are parts of the chain that caused and affected existing strategic objectives. (Rostami, & al, 2015: p27) It is considered the outcome of the bank's activities through which it seeks to maximize its profits to meet the shareholders' expectations. It is the image that shows to what extent the strategies followed are successful, and it includes financial measurements supporting the bank's strategy adopted with the different phases the bank is going through. (Kaplan, Norton, 1992: p 77) Among them, there are the Sales, Return on assets, Debt ratio Earnings per share, Return on investments, Net profit margin.

**b. The customer's perspective:** As already noted the customer perspective represents a significant area of concern for managers in the banking sector and indicates a need for performance measures that can adequately reflect such important customer-oriented factors as the quality of services provided and the increasing incidence of non-financial competition between banks (Brown, McDonnell, 1995: pp 8-9). The most known and used of these measurements are Customer satisfaction, Market share rate, Profit per customer, Customer retention rate, Profit per customer, Customer increasing rate.

**c. The internal process perspective:** Organizations often for controlling their process improvement focus on processes within the organization but for comprehensive process control, according to the whole evaluation process, according to the views and the views and needs of our customers and owners of the process is necessary. The assessment process with clear communication of customer survey process is closely related to quality management systems. (Hoque, 2014: P49) Thus, using the following parameters is defined according to the sub-indices of all processes is essential: customer needs, production lead time based on customer needs, guided costs to customer needs. This perspective gives significant and high

capacities to contribute to the formation of competitive capacities and to promote the performance aspects in the different fields. Among them, there is number of new service items, customer complaints, transaction efficiency, rationalized forms & processes management performance, sales performance.

**d. Learning and growth perspective:** It is considered as one of the bank success determinants and its position and continuity in competition because it determines the capacities that have to grow in the bank in order to achieve internal operations of a high level which creates the value of clients and shareholders. It also reflects the bank's ability to make development in the intellectual potential of the employees and their skills' level and make development in all its structures and culture i.e. the ability to make the organizational creativity. This perspective is related to the employees of the organization, and it measures the extent to which the organization exerts efforts to provide its employees with opportunities to grow and learn in their domain (Abofeid, 2017: p6). The perspective is achieved through three main resources: capacities of employees, information systems, and organizational procedures. The most known and used of these measurements are customer service, professional training, employee stability, employee satisfaction, Organization competence.

### **3. EMPIRICAL STUDY: BALANCED SCORECARD IN ALSALAM ALGERIA BANK:**

#### **3-1 The ID of the Bank:**

**a. The Definition:** It is considered as a comprehensive bank that works under the Algerian and the Islamic Law in all its dealings. It emerged as a fruit of the Algerian- Arabian Gulf cooperation and has been adopted by Algerian's Bank in September 2008 to start its activity targeting the innovative banking services. It works according to a clear strategy that matches the economic development requirements in all Algerian vital facilities by providing modern bank services deriving from the principles and values rooted in the Algerian community, in order to satisfy the needs of the market, customers, and shareholders. Its transactions and dealings are set and regulated by a legitimate committee consist of the major scholars in Islamic law and economy. Despite its modern nature, it could be among the fifteen subsections that extend throughout Algeria especially in the big cities.

**b. The bank's Products:** It suggests a set of innovative services in what is formed by the contemporary banking industry and it insists on providing it appropriately to its customers whether concerned with financing operations, foreign trade, saving, and other services.

#### **3-2 Implementation of Balanced Scorecard in Alsalam Algeria Bank:**

The bank vision is represented in the leadership of the overall banking field in accordance with the Islamic law concepts and by providing innovative services and products adopted by its legitimate committee depending on the highest quality standards in performance in order to meet the future challenges in the local, regional and global markets, with the focus on achieving the highest rate in customers and shareholders returns alike. A set of principles are included: excellence as a collective and individual culture that the bank seeks to achieve at the highest standards.

**a. The financial Perspective:** According to its financial statements of the study period, the following measures are calculated:

**Table N° 1: The financial perspective of Alsalam Algeria Bank, during 2014-2018**

Measure	2014	2015	2016	2017	2018
Return on assets ROA	3.81	0.74	2.03	1.37	2.2
Return on deposits ROD	10	2.1	7	7.15	2.85
Liquidity rate	57.9	67.8	55	53.9	32.73
Solvency rate %	73.7	60.6	44.5	25.54	20.24

Source: prepared by the researcher based on the bank's financial statements

We notice from the table (1) that:

- The ROA did not exceed as maximum 3.81% in 2014 and 0.74% in 2015 due to the significant increase in the bank's assets as a result of the expansion process witnessed during the opening of new subsections and agencies and the decrease of the net financial year of 2015 where its lowest levels have reached 0.3 billion DA because of the intense competition in its business sector;
- The ROD, on the other hand, has reached acceptable levels where it exceeded many banks working in the sector. It reached 10% in 2014 and decreased subsequently the following year for the same reasons, but it also witnessed a growing increase for the two years next to reach rates over 7%;
- The legal liquidity rate reached its peak levels in 2015 by 67.8% but it declined to the lowest level in 2018 by 32.37.9%, which is a high percentage that exceeded the norms known and required by the Central Bank. This shows the significant bank's ability to pay its short term liabilities represented mainly in deposits due to the nature of transactions and banking services of the Bank. This significant increase is not disadvantaged, what confirms that a large part of the bank's deposits have not been invested and this influenced directly its profitability that manifests clearly in rates of return on deposits and assets and shows the failure of the investment policy of the bank and its fear to fall in risks;
- Solvency reached its peak levels in 2014 with 75.7% which is a very high rate that exceeds the known standards. This shows the high ability of the bank in paying its liabilities largely so it benefits in return because of the increase of its own money regarding its Islamic nature where it began to decline for the converge of levels required by the Central Bank as it reached 20.24% in 2018.

**b. Customers Perspective:** Measures were calculated through the table (2):

**Table N° 2: The customer perspective of Alsalam Algeria Bank, during 2014-2018**

The measure	2014	2015	2016	2017	2018
Producer Net Bancaire%	102.9	(21.42)	27.27	39.86	75.85
Customer Growth rate%	61.3	25.43	20.6	50.34	31

Source: prepared by the researcher based on the bank's financial statements

we notice that:

- The Producer Net Bancaire of the Alsalam Algeria Bank increased significantly to reach its highest levels in 2018 by DA 7 billion, an increase of nearly 75.85% due to the increase in the bank's volume of transactions by offering a wide variety of bank services between traditional and modern, in addition to its entry into new markets and in several geographical regions where the number of its agencies reached 60 agencies;
- The number of customers increased in 2017 to 20471 customer, who shows the bank's attraction to an additional number of customers every year due to expansion and entry into



new markets what is confirmed by the continuous increase in total deposits that reached 85 billion DA in 2018.

**c. Internal Operations Perspective:** It allows the determination of the efficiency of the bank's management in conducting its internal operations and to measure the level of improvement in its productivity, which helps to form competitive capabilities and enhance all aspects of performance. This appears in the regulations and instructions the bank is working on setting and issuing them regularly according to its needs to cover all administrative activities, what the table (3) shows.

**Table N° 3: The internal operations perspective of the of Alsalam Algeria Bank in 2014-2018**

The measure	2014	2015	2016	2017	2018
The number of texts and regulations that govern the bank	20	37	33	52	37

Source: prepared by the researcher based on the bank's financial statements

And we notice from it that the bank is constantly updating and renewing its legal system, through the development in a number of texts and regulations to have 52 texts, which shows its keeping pace with developments in its competitive environment.

**d. Learning and growth perspective:** The subsequent measures are calculated within the table (4).

**Table N° 4: The learning and growth perspective of Alsalam Algeria Bank, during 2014-2018**

Measure	2014	2015	2016	2017	2018
Employee satisfaction%	1.61	1.46	2.27	1.31	1.62
Employment Rate%	7.4	4.6	19.3	19.5	54

Source: prepared by the researcher based on the bank's financial statements

We note from the results:

- The employment rate witnessed an increase to reach 54% in 2018 due to the increase of the large expansions that were defined by opening new subsections and agencies, this necessitated employing new labor;
- Employee satisfaction can be clarified by the proportion of employees training expenses to the total of their expenses in the bank, and which witnessed volatility, reaching its highest levels in 2016 by approximately 2.27% because of the increase in employing new workers and their training expenses. However, it declined to 1.62% in 2018 despite the significant number of employees, and that shows the bank's interest in its human resources, which will contribute to raising their performance as a result of the bank's incentive and interest policy.

#### **4. RESULTS AND DISCUSSION:**

Through the study, we came out with the following:

- The level of financial performance, on the whole, was good during the study period, despite its fluctuation due to the decrease in the result of the fiscal year resulted of the intense competition, despite the increase in the volume of the assets by introducing new services on one hand, and entering new markets and high costs due to its expansion on the other hand;
- During the study period and due to the increase in the net banking output volume, it helped it to retain its old clients and then to increase them as a result of its competitiveness, quality of services, challenge and keeping pace with global developments;
- The number of texts and regulations of the bank has greatly advanced, what develops a spirit of cooperation and responsibility;
- Because of the increase in the employees' number as a result of the expansions made in the bank and their growing satisfaction due to the great interest and incentives granted to them

### **The Projected balanced scorecard for the Alsalam Ageria Bank:**

When the BSC is applied, real performance of the institute during certain period of time is measured according to the determined indicators in the BSC and it is compared to the targeted performance. Financial sum or numeral amount achieved at the end of measurement of the each performance indicator appears at the result of the BSC. Also, the minimum base value, maximum limit value and target value of each performance indicator are stated. There is a percentage weight for each perspective in the balanced scorecard and total weight sum of all dimensions is equal to 100%. Each performance indicator is evaluated according to the achievement ratio and the target value. Afterwards, result values of the performance indicators are multiplied with the determined percentage weight of each performance indicator, and the final result according to the following relationship, which appears in table (5):

**The end result = weight of measurement x the actually achieved/ target**

**Table N° 5: The proposed balanced scorecard for the Alsalam Algeria Bank, during 2014-2018**

The perspective	Measure	Weight %	Target %	The results actually achieved				
				2014	2015	2016	2017	2018

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<b>Financial</b>	Return on assets ROA	15	20	3.81	0.74	2.03	1.37	2.2
	Return on deposits ROD	10	15	10	2.1	7	7.15	2.85
	Liquidity rate	10	25	57.9	67.8	55	53.9	32.73
	Solvency rate	10	12.5	73.7	60.6	44.5	25.54	20.24
<b>Customer</b>	Producer Net Bancaire	15	40	102.9	(21.42)	27.27	39.86	75.85
	Customer Growth rate	10	60	61.3	25.43	20.6	50.34	31
<b>Internal Operations</b>	The number of texts and regulation lists	15	30	20	37	33	52	37
<b>Learning and Growth</b>	Employees' satisfaction	5	15	1.61	1.46	2.27	1.31	1.62
	Employment rate	10	20	7.4	4.6	19.3	19.5	54
	<b>Total Performance</b>	<b>100</b>						

The perspective	Measure	Weight %	Target %	The results actually achieved				
				2014	2015	2016	2017	2018
<b>Financial</b>	Return on assets ROA	15	20	2.85	0.55	1.52	1.03	1.65
	Return on deposits ROD	10	15	6.67	1.4	4.67	4.77	1.88
	Liquidity rate	10	25	23.16	27.12	22	21.56	13.1
	Solvency rate	10	80	58.96	48.48	35.6	20.43	16.2
<b>Customer</b>	Producer Net Bancaire	25	40	38.59	(8.03)	10.22	14.95	28.45
	Customer growth rate	5	50	10.21	4.24	3.43	8.39	20.6
<b>Internal Operations</b>	The number of texts and regulation lists	5	50	10	18.5	16.5	26	18.5
<b>Learning and Growth</b>	Employees' satisfaction	5	30	0.54	0.48	0.75	0.43	0.54
	Employment rate	5	20	3.7	2.3	9.65	9.75	27
	<b>Total Performance</b>	<b>100</b>						

Source: prepared by the researcher based on the bank's financial statements

## 6. CONCLUSION:

In our days, most organizations, as well as banks, have completed so as to survive, maintain their position and acquire additional advantages, they ought to have performance enhancements that may be resolved through goal setting and designing, so that they square measures trying to find a tool to enhance their performance. Their success depends on their ability to perform in numerous financial and non-financial areas and on their ability to observe ancient money procedures. Therefore, evaluating the most recent performance procedures, measurements and strategy of a bank causes the seriousness of managers World Health Organization ought to balance their business needs with strategic objectives, as provided by a balanced performance scorecard, so as to take care of their financial stability and come through competitive blessings in their setting.

The paper examined the possibility of applying the use of a balanced performance card by experimenting with Alsalam Algeria Bank sample. Theoretical studies on a balanced scorecard were also highlighted as a performance management tool. The results of our research concluded that Algerian banks need to move from traditional performance appraisal methods that depend only on the financial perspective to modern methods such as BSC that are appropriate to current developments, and that provide a continuous cycle of information on all financial and non-financial perspectives, and the results obtained to make a continuous improvement at all levels to achieve financial stability and give it competitive advantages in a changing environment, which will not be achieved in the absence of specialized frameworks in this method, which calls for training courses for them.

From the results of this study, it is recommended that:

- Algerian banks especially Asalam, ought to pay additional attention to integrating non-financing perspectives (learning and growth, internal business process, customer) which could improve their profitability within the financial perspective of the balanced scorecard, as a comprehensive measure of performance, capable to provide a framework for managing overall performance. Further enlightenment is needed for Algerian bank managers, academics and practitioners following the Strategic Trade Committee in the management of banking performance in Algeria;
- Banks focus more on frequent staff training and development programs, and investment in infrastructure should also be undertaken;
- A balanced scorecard can enhance organizational performance, but managers must be careful about the requirements to implement and use it. These proposals should help managers to reap the full benefit of this interesting and potentially powerful management tool.

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