IT Balanced Scorecard in Retail Banking

A SUMMER INTERNSHIP REPORT

Submitted by

Vipul Parikh

In partial fulfilment for the award of the degree

Of

Master of Business Administration (2013-15)

Department of Management Studies, IIT- Roorkee

"Project Trainee"

At

Institute for Development & Research in Banking Technology
Hyderabad - 500057

Institute for Development & Research in Banking Technology

Hyderabad - 500057

CERTIFICATE

Certified that this is a bonafide record of the summer internship project work entitled

IT Balanced Scorecard in Retail Banking

Done by

VIPUL PARIKH

of Department of Management Studies, IIT-Roorkee during May-June 2014 in partial fulfilment of the requirements for the award of Degree of Master of Business Administration in Department of Management Studies of IIT – Roorkee.

Mr. M.V. Sivakumaran
Project Guide

Table of Content

Executive Summary 4

Acknowledgement 5

Abstract 6

Introduction to Retail Banking

- Retail Banking: The Concept 7
- Drivers of Retail Banking 8
- Functional Areas of Retail Banking 9

Retail Segment Analysis of Indian Banks 11

Balanced Score Card

- Perspectives of Balanced scorecard 16
- Literature review of BSC
  - ❖ Definitions of Balanced Scorecard 18
  - ❖ BSC as Strategic Performance measurement model 19
  - ❖ Criticism of BSC 22
- Strategy Maps 24
- Performance Measures 26

IT Balanced Scorecard

- Role of IT in BSC 28
- Matrix of IT BSC 30

Market Survey on IT BSC

- Objective 33
- Methodology 33
- Analysis 34
- Conclusion 45

References 46

Annexure...

- ❖ Annexure 1. Questionnaire for customers...48
- ❖ Annexure 2. Questionnaire for bankers...53

Executive Summary

The report mainly focuses on Balanced Score Card, Retail Banking and its functions and the survey.

Opening section of the report focuses on Retail Banking as a concept and its different functions. It describes why retail banking has become so important and how it has come a long way. It also provides the data on retail segment for all the possible banks operating in India (public, private and foreign).

Next section carries on with an overview of Balanced Score Card is given followed by the detailed explanation of what it is and how it can be used to measure the performance of any organisation especially banks in our case. I have also developed a matrix which defines four important perspectives of Balanced Score Card i.e. Customer Perspective, Learning and Growth Perspective, Internal Business Process Perspective and Financial Perspective. Matrix contains the objectives of banks under each perspective and the measures or Key Performance Indicators (KPIs) to achieve those objectives in the lens of Information Technology.

At last section of this report is a survey on “Balanced Score Card” conducted on Customers and bankers. Same set of questions have been asked to both the parties and their opinions has been analyzed and recorded. This gives a good idea of where the gap between customers’ expectations and bank’s actions lies.

Abstract

Retail banking in India has flourished very rapidly in last decade or so. In today's world the banks of India have to compete not only among themselves but also with their foreign counterparts who have established themselves pretty firmly and now are eating into the profits and market share of Indian banks. The major focus of banks has now shifted towards being customer centric and this is how they believe they would be able to grow and sustain. This is the reason retail banking has taken the centre stage and most of the banks are earning major slice of the revenue from retail segment.

Now retail banking is a vast area to dig into. It incorporates all the operations and processing related to financial products and services, credit and debit cards, loans, deposits etc. There are many functional areas of retail banking running from operations to sales and marketing to customer service to strategy development to risk management and more.

Now in order that retail banks function smoothly in all the functional areas there has to be some measurement tool which can measure the performance effectively. Here is where a Balanced Score Card comes into the picture. Balanced score card, a term which is now widely being known and used. In this cut throat competition it is important for any bank to be able to measure what it is actually planning and executing. Here is where a Balanced score card (BSC) comes in very handy. The report focuses on concept of BSC and extends BSC to another level i.e. IT Balanced Score Card. It is important for banks to implement Balanced Score Card and measure it with the help of Key Performance Indicators rigorously.

Finally, in order to know whether enough work has been done by the banks on the four dimensions of a Balanced Score card(Customer, Learning and Growth, Internal Business Process, Financial), I prepared a market research survey. I prepared the same set of questions for both customers and bank employees containing the elements of the BSC to how about their view points and analyzed how much their view point differ.

Keywords: Balanced Score Card, Retail Banking, IT.

Acknowledgment

It was a pleasure for me to work at the reputed institute like Institute of Development and Research in Banking Technology (IDRBT). I would like to pay by gratitude to my mentor Professor M.V. Sivakumaran under whose mentorship I did my project. It was under his guidance that I was able to learn various aspects of Balanced Score Card and Retail Banking which I believe is a valuable knowledge for me to gain, which allowed me to understand Banking way better than I thought I did.

I would also like to thank all the bank employees and the bank customers who supported me in getting the desired responses while I was doing my survey. Without their support things would have been incomplete.

Introduction to Retail Banking in India

The banking scenario in India is of a highly developed nature, even though it is still far from achieving world standards in terms of size, products and services. Indian banks have realized that along with organic growth there is a need to grow inorganically as well, in order to be competitive with other players in the market. In this scenario, retail banking has been the focus of attention for the banking industry. The emergence of new economies and their rapid growth have been the most important contributing factors in the resurgence of retail banking. Changing lifestyles, rapid improvements in information technology and other service sectors, as well as increasing levels of income, have contributed to the growth of retail banking in countries like India that are developing at a good pace.

Retail Banking: The Concept

Retail Banking is a banking service that is geared primarily towards individual consumers. Retail banking includes various financial products and services forming a part of assets as well as liabilities segment of the banks.

Retail banking is usually made available by commercial banks, as well as smaller community banks. Unlike wholesale banking, retail banking focuses strictly on consumer markets. Retail banking is typical mass-market banking where individual customers use local branches of larger commercial banks. The term “Retail Banking” encompasses various financial products viz., different types of deposit accounts, housing, consumer, auto and other types of loan accounts, D-MAT facilities, insurance, mutual funds, credit and debit cards, ATMs and other technology-based services, stock-broking, payment of utility bills, reservation of railway tickets, etc. It caters to diverse customer groups and offers a host of financial services, mostly to individuals. It takes care of the diverse banking needs of an individual. Retail banking is a system of providing soft loans to the general public like family loans, house loans, personal loans, loans against property, car loans, auto loans etc. The products are backed by world-class service standards and delivered to the customers through the growing branch network, as well as through alternative delivery channels like ATMs, Phone

Banking, Net Banking and Mobile Banking. Customers and small businesses get benefited from increased credit access, speedy and objective credit decisions whereas lenders get benefited from increased consistency and compliance.

Today's retail banking sector is characterized by three basic characteristics:

- Multiple products (deposits, credit cards, insurance, investments and securities);
- Multiple channels of distribution (call centre, branch, Internet and kiosk); and
- Multiple customer groups (consumer, small business, and corporate).

The objective of retail banking is to provide customers a full range of financial products and banking services, give the customers a one-stop window for all their banking requirements**.** Retail banking segment is continuously undergoing innovations, product re-engineering, adjustments and alignments.

Drivers of Retail Business in India

First, economic prosperity and the consequent increase in purchasing power have given a fillip to a consumer boom.

Second, changing consumer demographics indicate vast potential for growth in consumption both qualitatively and quantitatively. India is one of the countries having highest proportion (70%) of the population below 35 years of age (young population). The BRIC report of the Goldman-Sachs, which predicted a bright future for Brazil, Russia, India and China, mentioned Indian demographic advantage as an important positive factor for India.

Third, technological factors played a major role. Convenience banking in the form of debit cards, internet and phone-banking, anywhere and anytime banking has attracted many new customers into the banking field. Technological innovations relating to increasing use of credit / debit cards, ATMs, direct debits and phone banking has contributed to the growth of retail banking in India.

Fourth, the Treasury income of the banks, which had strengthened the bottom lines of banks for the past few years, has been on the decline during the last two years. In such a scenario, retail business provides a good vehicle of profit maximization.

Fifth, decline in interest rates have also contributed to the growth of retail credit by generating the demand for such credit.

Functional Areas of Retail Banking

The major functional areas introduced in the following section covers the core business and operation functions in the Retail Banking sector. They can be generally grouped under the four dimensions exhibited below based on the nature of their individual function:

- Service Delivery Channel;
- Internal Management;
- Product Design and Architecture; and
- Business Acquisition and Customer Relationship Management

Cascaded from the above four dimensions, ten functional areas have been identified in Retail Banking sector, namely (1) Retail Banking Service Delivery, (2) Retail Banking Operations and Support, (3) Credit Management, (4) Compliance and Risk Management, (5) Technology Management, (6) Product Development and Brand Marketing, (7) Quality Management, (8) Sales and Relationship Management, (9) Strategic Business Development and General Management, and (10) Other Generic Functional Areas.
Scope of each functional area is listed as below:

- Retail Banking Delivery Services: It is defined as activities involved in processing of retail banking transactions for customers. It includes personal financial planning, loan product service delivery, deposit product service delivery, investment service delivery and treasury product service delivery.

- Retail Banking Operations and Support: It entails all the back office functions of a bank which are performed in order to deliver quality products and services to its customers. It includes loan processing, account processing, electronic funds transfer, correspondence management etc.

- Credit Management: It involves formulation and execution of credit policies and credit risk management. It includes functions like analysing the credit worthiness of customers before lending the credit, managing the credit portfolio, processing customer credit application etc.

- Compliance and Risk Management: It involves the formation of internal policies by the bank in order to comply with all the rules and regulations and standard working procedures. It also includes managing several types of risks like operational risk, market risk, reputational risk etc.

- Technology Management: This operational area refers to operation and control of Hi Tech tools and processes so as to improve the product quality, channel efficiency, customer retention, sales and service productivity etc. This also involves developing new approaches for service delivery and improving the way day to day operations are conducted by the application of state of art technology.

- Product development and Brand Marketing: It refers to the activities related to building up of brand image of the bank and development of new products which suits the need of the bank customers. It covers market research for the type of product required, product design and architecture, product pricing and product development management.

- Quality Management: It refers to the activities which are performed to ensure the delivery of quality products and services which can meet the requirements of the customers. This operational area emphasises on continuous improvement in all the banking processes to enhance customer experience. It covers formulation of quality control policies, designing quality management system, capturing customer experience and developing quality assurance procedures for retail banking customers.

- Sales and Relationship Management: This functional area involves introducing, demonstrating and cross selling the products to the bank customers via different channels. It also covers developing the strategies to maintain the healthy relations with the customers so that customer can experience personalised services.

- Strategic Business Development and General Management: This refers to the formulation of business plans at corporate level, developing the actions for executing those plans and monitoring the results to keep with the local and global economic development. It entails the integrating efforts of other supporting functions like Human Resource Management, Financial Management, and Corporate Social Responsibility.

- Other Generic Functional Areas: It refers to the activities that are common and can be applied to all other functional areas. This includes talent management, change management, project management, program management etc.

Retail Segment Analysis of public, private and foreign banks

The competition in the market is fierce among the public, private and foreign banks. Entry of the likes of Citibank, Barclays has made the competition even tougher especially in the retail banking segment when every bank is willing to have major chunk of the retail banking business in India owning to its huge number of untapped banking population.

Earlier the banks did not used to segregate the retail banking data in their annual reports. But as the banking moved more towards being a sales and service oriented organisation it was mandated by the RBI to include retail as a separate segment in their annual reports beside the segments like wholesale, corporate etc. I have collated past five years of retail segment data for around 46 banks and sorted them on the basis of their revenue, assets and liabilities. On the basis of data collected I figured out the top 10 banks in terms of their assets, liabilities and total business value (assets & liabilities). The list of the banks in decreasing order of their assets and liabilities are mentioned as below.

RETAIL BANKING LEADERS AS ON MARCH 2013

Bank	Rank(Assets)	Assets	Rank(Liability)	Liabilities	Rank(Total)	Assets+ Liabilities
State bank of India	1	596699	1	729633	1	1326332
HDFC Bank	2	138001	2	234968	2	372970
Punjab National Bank	3	105217	7	93789	6	199006
Oriental Bank of Commerce	4	86904	8	86904	8	173808
IDBI Bank	5	83990	5	126489	5	210479
Canara Bank	6	78711	4	156300	4	235011
Bank of India	7	78292	9	74860	9	153152
Axis Bank	8	75261	6	116296	7	191557
Bank of Baroda	9	73229	10	68950	10	142180
ICICI Bank	10	72975	3	204318	3	277293
Indian Overseas Bank	11	63752	13	62625	11	126377
Central bank of India	12	56488	11	68093	12	124581
Kotak Mahindra Bank	13	52890	14	48027	13	100917
Indian Bank	14	51558	16	46170	14	97728
Syndicate Bank	15	48005	17	45950	16	93955
UCO Bank	16	39691	18	42734	17	82425
State Bank of Travencore	17	35195	15	47226	18	82421
Indusind Bank	18	34808	27	19929	22	54737
Allahabad	19	34527	21	32810	19	67336

Bank						
Andhra Bank	20	33021	12	63207	15	96227
Bank of Maharashtra	21	28171	22	26181	23	54352
State Bank of Patiala	22	26358	20	33095	21	59453
State bank of Bikaner and Jaipur	23	25537	24	22727	24	48264
Federal Bank Limited	24	23203	26	21517	26	44720
Vijaya Bank	25	23172	25	21860	25	45033
Jammu & Kashmir Bank Ltd.	26	19025	19	40919	20	59944
United Bank of India	27	18490	28	18490	28	36980
Karur Vysya Bank	28	18299	29	16040	29	34339
State Bank of Mysore	29	16058	30	15739	30	31797
South Indian bank	30	14651	31	13857	31	28508
ING Vysya Bank Limited	31	14107	23	24585	27	38692
Punjab& Sindh Bank	32	13977	33	13215	32	27193
Karnataka Bank Limited	33	11797	35	10990	33	22787
City Union Bank Ltd.	34	10658	36	9771	34	20429
Shri Laxmi Vilas bank	35	6709	34	12630	35	19339
Catholic Syrian Bank Limited	36	6365	37	8711	37	15076
YES Bank	37	4563	32	13780	36	18343
DCB	38	4331	38	7134	38	11465
Nainital Bank	39	1717	40	1594	40	4212
Ratnakar Bank Ltd.	40	881	39	3331	39	3311

Source: The data in the above mentioned table has been taken from the annual reports of all the banks from their official websites.

Balanced Scorecard

The Balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and non profit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It was originated by Drs. Robert Kaplan (Harvard Business School) and David Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'Balanced' view of organizational performance. So we can say that *the Balanced Scorecard* provides organizations with the ability to clarify vision and strategy and translate them into action. By focusing on future potential success it becomes a dynamic management system that is able to reinforce, implement and drive corporate strategy forward.

A Balanced scorecard approach retains the traditional financial measures and also tries to create future value through investment in customers, suppliers, employees, process, technology and innovation.

Adapted from Robert S. Kaplan and David P. Norton, "Using the Balanced Scorecard as a Strategic Management System," Harvard Business Review (January-February 1996)

Perspectives of a Balanced Scorecard

A Balanced scorecard suggests viewing an organisation from the four different perspectives and then developing the objectives, identifying the performance measures or indicators for measuring those objectives relative to each perspective.

These Perspectives can be classified as:

- The Learning and Growth Perspective
- The Internal Process Perspective
- The Customer Perspective
- The Financial Perspective

The Learning and Growth Perspective

This perspective is the enabler of other three perspectives. In essence, it is the foundation upon which the Balanced Scorecard is built. The objectives and measures which are described in this perspective will help in closing the gaps and ensuring sustainable performance for the future. It includes the objectives like employee satisfaction, employee training and development, availability of information systems.

The Internal Process Perspective

In this perspective key processes are identified by the firm the firm can excel at in order to continue adding value to the customers and ultimately shareholders. This entails efficient operation of specific internal processes in order to serve the customers and fulfil the value proposition. The task here is to identify the processes and develop objectives and measures to track the progress. This includes objectives like Reducing the Cycle time, Quick problem resolution, Process Innovation, Post sale service improvement.

The Customer Perspective

This perspective focuses on any parameter related to the customers. In today's world the mission and vision of the companies has become very customer centric and every organisation strives for high level of customer service. This includes customer satisfaction, customer loyalty, customer retention, delivering quality products, enhance brand image, market share.

The Financial Perspective

Financial measures are the critical components of Balanced Scorecard, especially so in for the profit world. It tells whether all the efforts of the organisation are leading to the bottom line results. We normally encounter classic lagging indicators in the financial perspective. Typical examples include profit margin, revenue growth, and cost reduction.

A Balanced Scorecard for Performance Measurement

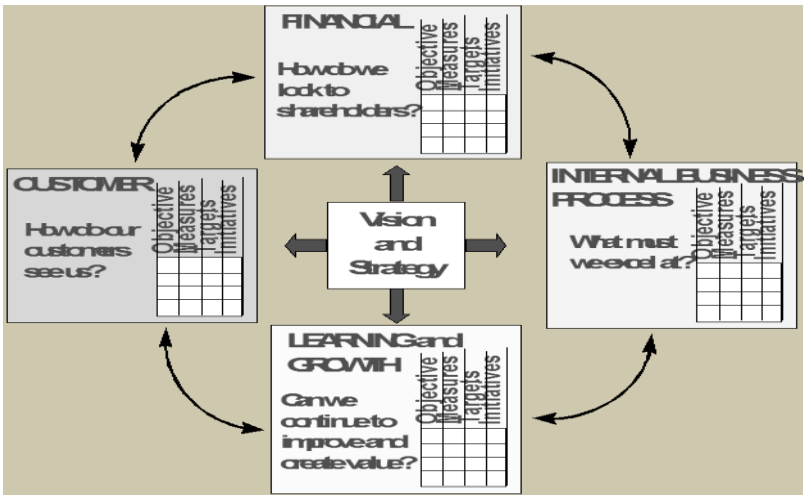


Figure: Translating Vision and Strategy: Four Perspectives

Adapted from Harvard business School publication; "Conceptual Foundation of the Balanced Scorecard" by Robert S. Kaplan (2010).

When implemented properly, each of these perspectives contains four subparts consisting of the following:

- Objectives: what the strategy is to achieve in that perspective
- Measures: how the progress for that particular objective will be measured
- Targets: refer to the target value that company seeks to obtain for each measure

- Initiatives: what will be done to facilitate the reaching of the target

Literature Review

Definitions of the Balanced Scorecard

There are several definitions of the term Balanced scorecard from several literatures. If you do a search on the Google website, you would get several numbers of definitions on the balanced scorecard and below are just a few:

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

"The Balanced scorecard is a strategic management system based upon measuring key performance indicators across all aspects and areas of an enterprise: financial; customer; internal process; and learning and growth."

"A model of business performance evaluation that Balanced measures of financial performance, internal operations, innovation and learning, and customer satisfaction."

BSC as a Strategic Performance Measurement Model

The BSC first started as a performance measurement system by Kaplan and Norton and it was later developed into a strategic control system to help organization implement their strategies. The Balanced scorecard, it was argued, will assist top management to effectively communicate their vision and strategies to every member of the organization through the common metrics that is well understood by everyone in the organization. It therefore can be seen as an effective strategic information tool.

Performance measurement can be defined as the process of measuring efficiency, effectiveness and capability, of an action or a process or a system, against given norm or target.

Below is a figure that depicts the balanced scorecard framework, which addresses the main research questions raised in the previous chapter. This has the vision of the organization in the middle and the various strategic objectives/goals and the metrics for the four main perspectives. There are various questions that organizations planning to implement the BSC must try to answer. For customer perspective, the main question is how the organization looks to its customers. For financial perspective, the question the organization must answer is how it looks to its shareholders. For the learning and growth perspective, the focus is on how the organization continuously can improve its operations and create value. Finally, under the internal business perspective, what must the organization excel at in order to deliver value to its customers at a reduced transaction cost to increase its profitability is the question to deal with.

Roberts & Adams (1993) also propose that a measurement system should not only facilitate the implementation of a company's strategy, but also promote a culture of constant change.

Although the BSC appears to be the most widely used concept, the idea of measuring and visualising the invisible in non-financial terms is of course not a "Kaplan and Norton" exclusivity. In "The invisible Balanced-sheet" a Swedish group (Sveiby et al., 1989) successfully (at least in relation to attention in the Swedish debate) argued for non-financial measurements of human, structure and market capital. Obtaining inspiration from this book, The Swedish Coalition of Service Industries (1995) recommended different performance measures on intangibles. One of the active members in the Council is Skandia.

Skandia also participated in a group headed by the Swedish Public Relations Association (1996) that proposed measures of intangibles in five different segments. The intention has been to satisfy the specific requirements of an individual company and to create a list of generally applicable factors to be used when comparing firms.

Sveiby (1997, 1997b) has further developed a model for the measurement of intangibles which he calls the Intangible Assets Monitor. This model has been applied to several Swedish companies.

Cates (1997) proposes four criteria that managers can use in testing the functionality and cost efficiency of any proposed performance measurement system. These criteria are (*a*) diagnosis of the paths to value creation, (*b*) projection of whatever unfolding scenarios senior and segment managers wish to explore (*c*) valuation of shares and (*d*) applications to goal-setting, compensation policies, mergers & acquisitions pricing, line manager empowerment and good two-way communications between analysts and investors.

Smith (1998) states that the formulation of strategic goals and the monitoring of their achievement is a complex exercise for any organisation. For Smith, the integration of quantitative and qualitative measures to provide an indication of the competitiveness remains a challenge for management accountants. Although the Balanced scorecard is a possible means to overcome short-terminism, it still gives no clear indication of a weighting system that would enable the four perspectives within the balanced scorecard to be combined satisfactorily to yield 'organisational effectiveness'. The author also asserts that the question of comparability also remains unclear because different market situations, product strategies and competitive environments will require different scorecards. According to Booth (1998), the real difficulty is not so much the classification, identification and measurement of intangibles, but rather finding the links between intangibles and financial performance.

Balanced scorecard is closely related to the intellectual capital concept. The latter not only comprises measurements and organisational learning, but even an attempt to create value for the long term. Intellectual capital deals with the logic of an economy of creativity (Mouritsen, 1999) by empowering individuals and structuring processes. By putting knowledge into information technology, personnel knowledge is rendered structural and becomes re-usable at many places simultaneously. The stories and metaphors comprising a vision of the future are as important as the measurements of intangibles (ibid.). The latter is similar to the view that scorecards represent a language utilised in the dialogue between top management and employees (Cepro, 1998). It is a means to emphasise the link between the performance of the individual and the firm. Presently, according to Wurzburg (1998) there is considerable work underway in enterprises trying to identify how crucial intellectual capital variables contribute to the firm's performance.

Alternatively, there are other strategic-focused control management models such as the Levers of control (LOC) by Simons, 2000. Simons (1987, 1990, 1991, 1994) presented a series of cases that contribute to a theory of how senior managers can use controls to implement and develop strategy, which culminated in his book '*Levers of Control*' (Simons 1995b), where he has outlined how management controls can contribute to effective strategy implementation. Simons argued that it is not the identification of controls associated with particular strategies that are important, but the distribution of management attention among controls. He introduced four key constructs that have to be analyzed and understood in order to implement strategy successfully: core values; risks to be avoided; critical performance variables and strategic uncertainties. Each construct is controlled by a different system, or lever, the use of which has different implications. The LOC framework consists of four types of control systems: a beliefs system, a boundary system, a diagnostic control system, and an interactive control system. In this study, the balanced scorecard framework will be used instead of the LOC framework because of the popularity and craze of the BSC framework. The BSC framework is also more relevant for this study considering its focus, which has to do with assessing the performance of banks. Assessing performance in several dimensions and measures is not also covered in Simon's model which is basically focused on the implementation of strategy as discussed above.

Performance measurement systems are not without flaws. Performance measurement models are regarded as instruments for combining the interests of the organization with the interests of organizational players. When these models reflect valid cause-and-effect connections between the adopted or chosen indicators, they are considered to be superior to lists of indicators that do not conduct or reflect the organizational objectives. However, establishing cause-and-effect relations between the indicators of the various areas of an organization may be complicated due to the individual's limited cognitive capacity. Accordingly, performance measurement models that affirm the existence of valid causal relations have been criticized with regard to authenticity of these relations, especially inspired on the rhetorical aspect of the arguments used by the authors of the *Balanced Scorecard,* a performance measurement model that is given emphasis amongst the organizations (Norreklit, 2000, 2003). Nor have empirical tests on causality in performance measurement models gained statistical significance of this causality (Malina & Selto, 2004, 2005). Cause-and-effect relations can be mistaken for logical relations, which are established using a financial calculation and cannot be checked empirically, and finality relations, based on human desires, where an individual outlines routes or means which are believed to lead to the planned objectives. Finality relations, therefore, can be part of a credible tale told by the organization (Malina & Selto2004), which, if institutionalized, is able to orient behavior.

In conclusion, the BSC has inspired the development and application of a variety of models and is an illustration of contemporary 'best practise' in accounting for strategic positioning (Roslender, 1997). BSC is closely related to intellectual capital and comprise not only tools for the measurement of intangibles resources but also a vision of continuous learning and change to create value for the future. The mere existence of BSC reveals a message that what finally counts is not only financial outcomes, but even long-term relationships with customers and employees. These relationships are facilitated or hampered by adequate or non-adequate organisational structures.

Criticisms of the BSC approach

One of the criticisms leveled against the BSC model is it's over reliance on measures. This is even more evident in cases where measures are tied to employee evaluation and bonuses. A particular case in point is where bonuses for branch managers of Citibank branches in California were tied to BSC measures. The performance of each branch manager was evaluated as "below par," "par" or "above par," even though it is clearly stated in the company manual that lacking an objective indicator for people performance, evaluation and bonuses will be based on the subjective judgment of the branch manager's superior.

Pfeffer and Sutton (2000) warn against such practices, citing a similar BSC implementation at a financial institution where the superior's evaluation of branch managers was conducted through quarterly meetings where they merely sat down and talked for half an hour. A branch manager who did train his team members and helped them move up was evaluated as "par" because he failed to retain talent in his team. That branch manager was frustrated by the evaluation and could not understand how his performance could be evaluated as "par" when he indeed was developing talent in the division as a whole. Such use of measurement may have an adverse effect on employee morale, satisfaction, and loyalty.

Furthermore, over reliance on measures of any type may hamper the application of tacit knowledge and wisdom. With heavily regulated measures, management is restricted in its use of tacit knowledge, as it must justify its decisions by reference to measures. These problems can be avoided simply by not tying measures to performance, and by using measures as a guide rather than a straitjacket. However, problems with the BSC model go deeper.

Another criticism of the BSC model is its complexity, the time and cost required for its implementation compared to its "low ease of use." The complexity and difficulty lie in the choice of effective measures. Roos et al. (1997) explain that for performance measures to be effective they have to be reliable and consistent with the actions of the unit, and with the short- and long-term goals of the whole organization. Finding measures that are specific to the unit, yet general enough to reflect the strategy of the organization, and that incorporate long- and short-term views seems to be too optimistic. Consider the example of the branch manager discussed earlier; although he was losing talent on his team, he was developing human capital for other divisions, units, and the organization as a whole. This may be the reason the BSC model's authors stress the need to apply the model as a guide, not a full-blown plan.

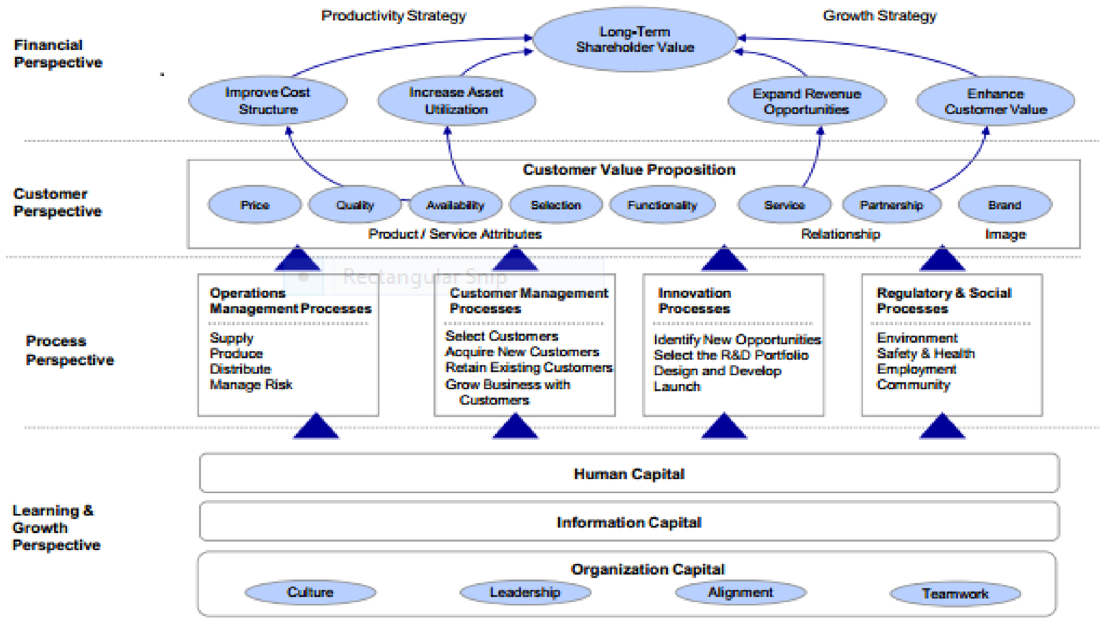
Strategy Maps

Balanced Scorecard had been evolving since its introduction. As the time progressed it evolved into a strategy communication device from just being a measurement tool which is known as Strategy Maps. It soon became natural to describe the causal relationships between strategic objectives. For example, a simple causal chain of strategic objectives would be: employees better trained in quality management tools reduce process cycle times and process defects; the improved processes lead to shorter customer lead times, improved on-time delivery, and fewer defects experienced by customers; the quality improvements experienced by customers lead to higher satisfaction, retention, and spending, which drives, ultimately, higher revenues and margins. All the objectives are linked in cause-and-effect relationships, starting with employees, continuing through processes and customers, and culminating in higher financial performance. The idea of causal linkages among Balanced Scorecard objectives and measures led to the creation of a strategy map.

Today, all BSC projects build a strategy map of strategic objectives first and only afterwards select metrics for each objective.

The Figure below shows the current structure for strategy maps.

Figure 2: The strategy map links intangible assets and critical processes to the value proposition and customer and financial outcomes



Adapted from Harvard business School publication; "Conceptual Foundation of the Balanced Scorecard" by Robert S. Kaplan (2010).

Performance Measures: The Heart of Balanced Scorecard

Performance measures are the specific things which an organisation should perform if it has to meet its strategy successfully. Performance measures are used to determine whether an organisation is meeting its objectives and moving towards the successful implementation of the strategy. They function as a tool to drive action, show employees how they can contribute to the overall goals of the organisation and provide management with a tool to determine overall progress towards strategic goals.

Looking Back and Looking Ahead: Leading and Lagging Indicators

The difference between the two will prove beneficial for development of the measures. Lag indicators represent the consequences of actions previously taken, while lead indicators are the measures that lead to the results achieved in lag indicators. For example sales, market share, revenue growth all can be considered as lag indicators. Your balanced scorecard should contain a mix of leading and lagging indicators. Leading indicators may signal key improvements in the organisation, but on their own they cannot tell whether these improvements are leading to improved customer satisfaction and financial results. It's perfectly appropriate to include the lag indicators in your Balanced scorecard, but your leading indicators set your apart by identifying activities and processes which are critical to drive those lagging indicators for success.

	Lag	Lead
Definition	Measures focusing on results at the end of the time period. Normally characterizes historical performance	Measures that drive or lead to the performance of lag measures. Normally measures intermediate process and activities
Examples	Market Share Sales Employee Satisfaction	Training programs Absenteeism Data repositories
Advantages	Easy to identify and capture	Predictive in nature and allows organisation to make adjustments based on results
Issues	Historical in nature Does not reflect current activities	May prove difficult to identify Often new measures with no history

The benefits a firm can obtain from properly implementing the BSC include:

• Translating strategy into more easily understood operational metrics and goals.

• Aligning organizations around a single, coherent strategy.

• Making strategy everyone's everyday job, from CEO to the entry-level employee.

• Making strategic improvement a continual process.

• Mobilizing change through strong, effective leadership.

IT Balanced Scorecard

When we talk about the Balanced Scorecard as a holistic approach towards measuring an organisation's overall performance by defining the objectives and identifying the Key Performance Indicators for measuring those objectives, IT Balanced Scorecard is a sub categorisation of a Balanced Scorecard. IT Balanced scorecard defines how Information Technology as an enabler can be used to measure the objectives of the perspectives defined by Balanced Scorecard.

Before that I would like to mention how IT has changed the face of the retail banking in India. IT implementation in recent times has proved to be a boon for retail banking industry and it has changed the way banking services are done today. Here are the points which will tell how IT has improved Retail Banking according to the different perspectives of Balanced Score Card.

Customer Perspective

- Availability of multi utility ATMs' for every branch (reduced dependency on bank branches for cash)
- Internet and Mobile Banking Services.
- Availability of services through multiple channels like branches, kiosks, mobile, internet, call centre.

- Availability of non banking services like travel insurance, rewards points, payment for utility services.
- Customized services and increased products in the portfolio to cater to the needs of the customers.
- Establishment of mobile and satellite branches for rural areas.
- Internet technology has helped in allowing the cross border transactions which has helped banks in expanding into new geographies.
- Reviewing the product portfolio regularly and identify the changing needs of customers.
- Advising customers on the loan products alternatives by checking their profiles

Learning and Growth Perspective:

- Training of staff, Identifying the competency of employees and deploying them accordingly
- Data mining and Business Intelligence techniques have made it easier to store, track and analyse the data.
- MIS systems have helped in maintaining the data at a central server thereby making it easier to obtain the information.
- Effective and transparent performance measurement tool in place which has enabled the banks to link rewards to the employees' performance.

Internal Business Process:

- Banks are maintaining e CRM applications which have all the data related to customers profile which has made it easier to group customers on the basis of same profiles.
- Introduction of technology into accounting systems eased data entry, extraction and controlling.
- Use of plastic money like credit and debit cards.
- Efficient security systems like message alert, OTP has greatly reduced risk of frauds.
- Electronic data processing (EDP) for data transaction and validation real time.
- Quick resolution of customer complaints related to cards, insurance, fund management, accounts, loans etc.
- Introduction of robust payment mechanism like NEFT, RTGS

- Development of Enterprise risk planning (ERP) framework to reduce the risk

Financial Perspectives:

- Enabling banks to share other banks ATM, thereby reducing the investment of banks.
- Mobile financial services have helped in operating cost reduction
- Use of technology has helped banks in minimizing the risks and maximizing returns by investing in different avenues
- Effective MIS used to support risk management, product profitability thereby enhancing the profit margin
- IT enabled services has increased capacity utilization of systems and resources therefore generating more revenue.
- Messaging the account Balanced as the customer withdraws the money from ATM reduces the transactional overload and hence the cost.

Finally, I have developed a metrics by taking a cue from above listed IT advancements and mapping the key points to the objectives defined for the four perspectives of the Balanced Scorecard. These will serve as a measure or Key Performance Indicator for the objectives defined for the retail banks.

Perspectives	Objectives	Measures/KPI
Customer	Customer Experience	Customer's complaints per day
		Availability of multi channel options for banking services (like multi utility ATMs, Mobile banking, Internet banking)
		Availability of single point delivery branches for all the services
		Availability of Hi-tech Branches
		Catering to lifestyle needs of customers (like paying utility bills, travel insurance, rewards points, cash backs etc.)
		Financial advice given to the customer (on investments, savings, deposits)

		Number of customer complaints through emails, calls.
		User friendly website reducing the customer's physical dependency on banks
	Customized Value Proposition	Offering personalised products and services to customers
		Offering right mix of product and services in its portfolio for the customers to choose from.
	Brand Image	Steps taken to improve its brand image (appointing brand ambassador, redesigning logo, advertisements etc).
		Number of hits on the website per day
		Number of new customers added in a year
		Post, comments, tweets by customers on social media platforms
		Percentage reduction in total infrastructure incidents

Learning and Growth	Technical Quality of staff	Availability of the certification portals and related materials
		Number of specialised training and development programs conducted in a year
		Number of business leadership programs conducted in a year
		Developing a unique database for competency mapping
	Availability of Information	Level of Technology Integration
		Conveying every relevant information to the customers.
		Number of Enterprise data warehouses built which can support data accessibility and reporting.
	Performance Management	Proper Appraisal system in place
	Employee Satisfaction	Reduced time taken to complete a given task
		Increased percentage of Incidents resolved within agreed response time
		More accurate results from Audits

		Percentage reduction in repeat tasks time
Internal Business Process	Operational Efficiency	Reduction in time taken by the application to load
		Percentage reduction in total infrastructure incidents
		Number of incidents resolved within SLA
		Processing the customers' applications within stipulated time
		Technology set up time.
		Offering multiple channels for resolving customers' issues.
		Reduction in the average waiting time in the bank branches.
	Process Innovation	Percentage increase in level of automation done
		Number of documents and shared processes
		Availability of Knowledge repository
		Number of tools used for internal business process reengineering.
	Risk Management	Providing flexible products to the customers (which can be restructured according to customer's circumstances)
		Developing warning systems and audit processes for early detection of risk in credits.
Financial	Revenue Growth	Increase in the customer base
		Availability of wide range of products in portfolio
		Increase in capacity utilization of systems and resources.
	Economic Value Proposition	Reduction in the use of old technologies
		Timely implementation of new technology
		Reduction in the pricing of products and services.
	Cost Effectiveness	Reduction in cost of maintenance of customers account
		Reduction in the transaction cost of customers.
		Planned annual budget

Survey based on IT Balanced Scorecard

I have conducted a survey based on the IT Balanced Scorecard perspectives. I have prepared a set of questions which have been formed taking the four aspects of the balanced scorecard (customer, learning and growth, internal business process and financial) into consideration. These questions have been asked to two different segments of populations which are independent from each other and have no relationship between them. These two segments are bank customers and bank employees'.

Objective of Survey

It is important to understand the motive behind conducting this market survey. Agenda behind doing this is to gather the responses from both the customers and bankers, and to interpret them by comparing the responses obtain from both the sides. A meaningful comparison will determine in what aspect of Balanced Scorecard their opinions differ. This will provide a useful insight as where the banks need to focus on more in order to be more customer centric in their approach.

Methodology of Analysis

I have used normal methods of analysis such as plotting the Bar Graphs on the basis of the obtained responses. These graphs depict percentage wise responses for a semantic scale of 1 to 5 (Strongly Disagree to Strongly Agree). A parallel comparison of the responses of both customers and bankers has been drawn on the basis of graphs plotted.

Also I have compared the means of both the customers and bankers responses to determine whether there is a significant difference in their values.

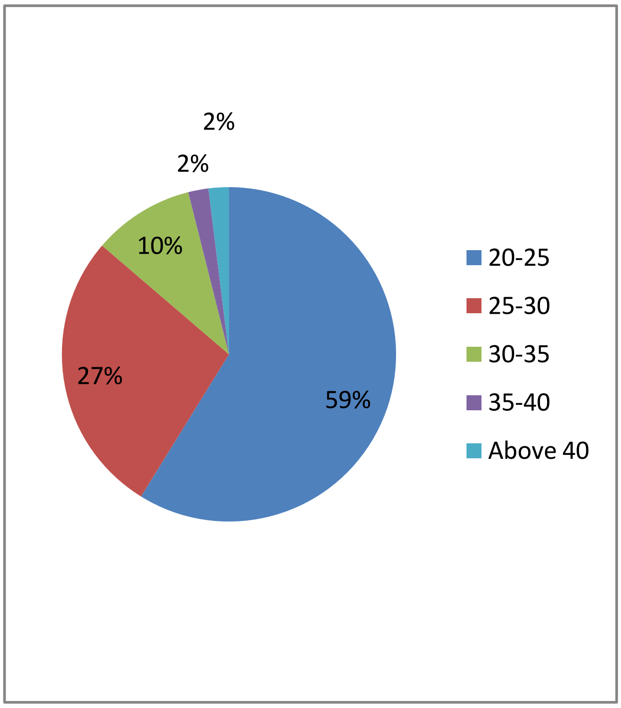
Analysis Section

Analysis of the responses has been done for each and every question separately

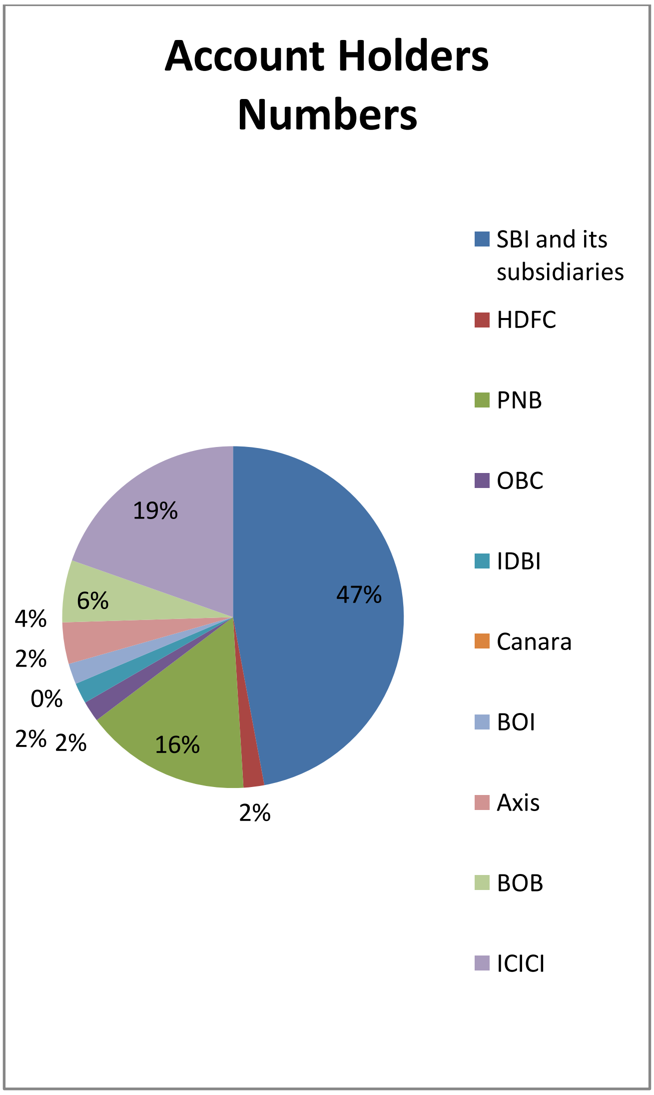
Customers Profiling

Reponses were taken from 51 respondents and their profiling has been done as mentioned below.

1) Age Group Categorization



2) Bank Account holders categorisation

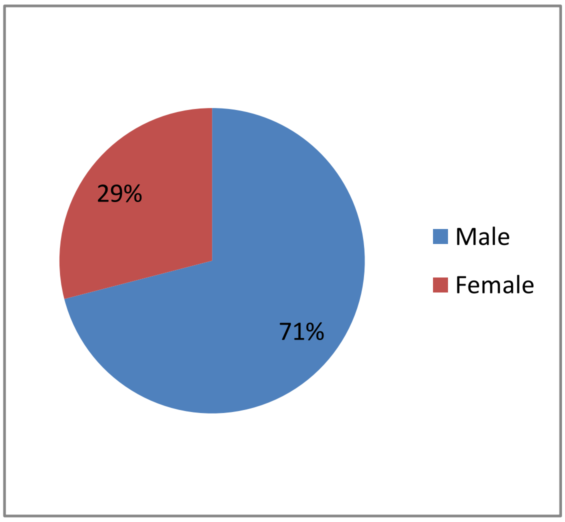


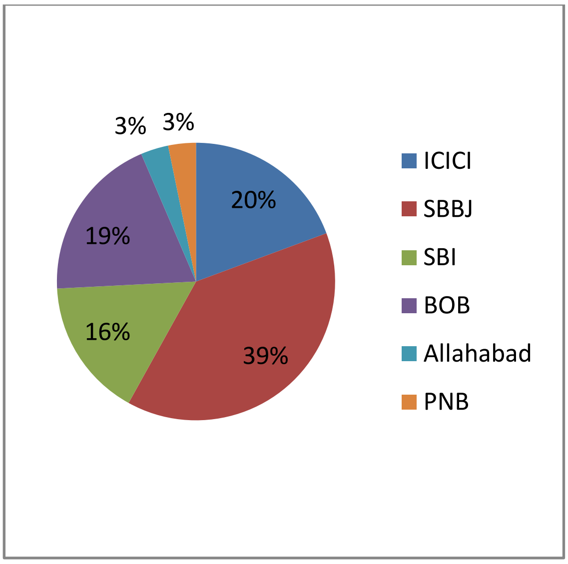
Bankers profiling

Responses were taken from 31 respondents and their responses are classified as below.

1) Gender Classification

2) Banks Classification





Private and Public sector bank analysis from customers' responses

Out of 51 responses from the customers which I had 13 were private banks account holders and 31 were public sector banks account holders.

I have tried to analyse on the basis of mean of responses whether there is a difference in the opinions of customers of public versus private banks. Given below is a table containing mean response for each question for public and private bank account holders separately.

Statement	Private banks account holders	Public sector banks account holders
Availability of enough multi channel options	4.53	4.23
Availability of single point delivery branches	3.84	3.52
Catering to lifestyle needs	3.61	3.4
Providing financial profile as per profile	3.07	2.7
Offering personalized products and services	3.23	2.7
Steps taken to improve brand image	3.7	3.6
Knowledgeable branch staff	3.84	3.5
Trained call centre staff to resolve queries	3.8	3.28
Communication of relevant information regularly	4.23	3.4
Processing of applications within stipulated time	3.84	3.2
Modest waiting time for services at branches	3.7	3
Automation of loan processing	3.38	3
Reduced cost of account maintenance	3	3.1
Reduced cost of transactions	3.23	2.89

It can be clearly seen from the above table that public sector banks lag behind private sector banks in almost all the aspects. I will highlight the major aspects in which private banks have received fairly better response as compared to the public sector banks by their customers.

Customer Perspective: From the customer perspective both the banks have received similar responses in the areas of multi channel service availability and brand image improvement. But private sectors banks have been received well when it comes to provide financial advice to their customers, making a single point delivery branches available and offering personalized products and services as compared to the public sector banks.

Learning and Growth Perspective: Private Banks are well ahead in terms of their trained call centre staff who are efficient enough to resolve their customer queries and communicating the relevant information regularly. But both private and public sector banks have received equal response for knowledge of their branch staff.

Internal Business Process: Customers of private banks have rated them ahead of public sector banks in the aspect of service delivery like waiting time at the branch and in the process innovation aspect like automation of loan processing.

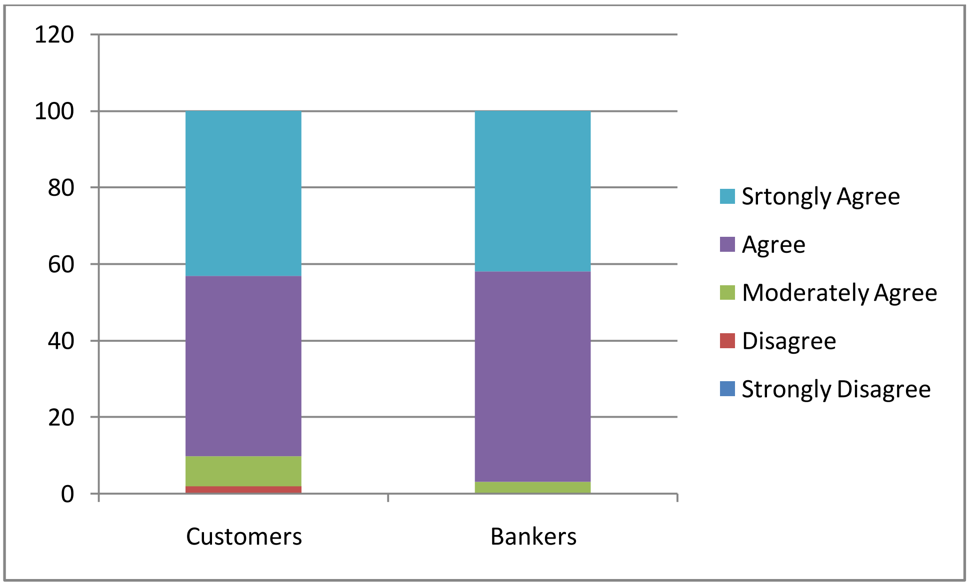
Financial Perspective: Both private and public sector banks are almost at same level where both need to focus on cost reduction in maintaining the accounts and transactions for their customers.

Comparison of both the responses

Customer Perspective

1) Enough Multi Channel options for banking services (like multi utility ATMs, mobile banking, internet banking).

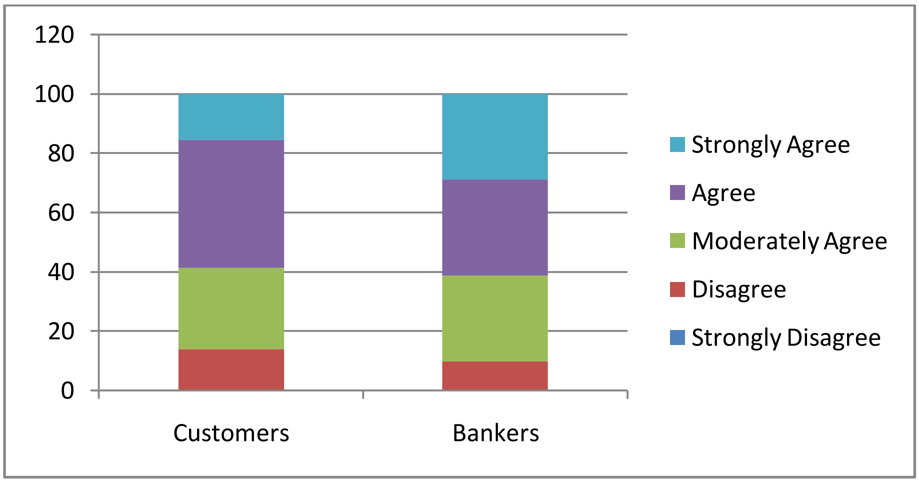
.



90% of the customers believe that enough multi channel options have been provided to them for making banking services accessible, while 97% of the bankers think the same way.

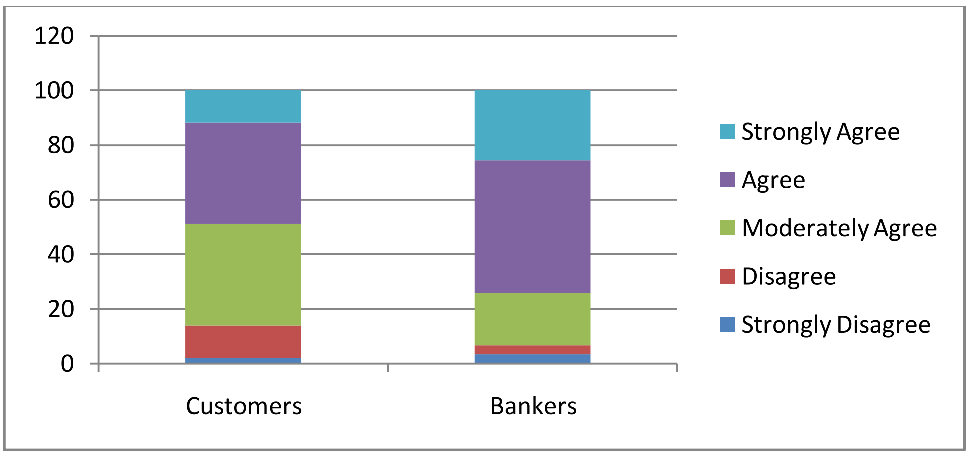
This clearly shows that when it comes to providing multichannel options banks are meeting customer expectations.

2) Single point delivery branches for all the services.



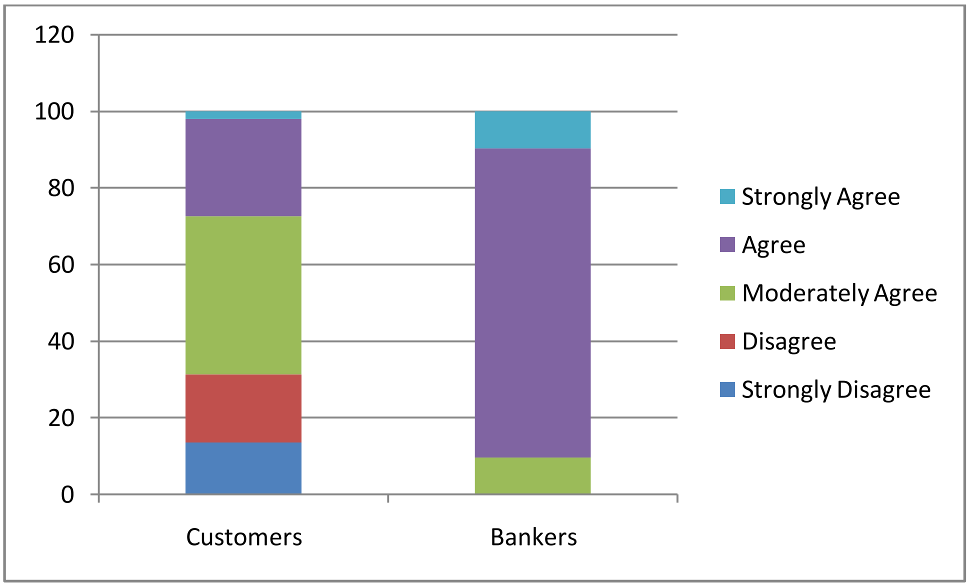
It is clear from the plot that almost 60% of the customers and bankers have either agreed or strongly agreed upon the availability of single point delivery branches. Also 27% of customers and 29% of the bankers agree upon the given statement. It is clear that both the segments keep similar views on availability of single point delivery branches.

3) Catering to the lifestyle needs (like paying utility bills, travel insurance, rewards points, cash backs etc.)



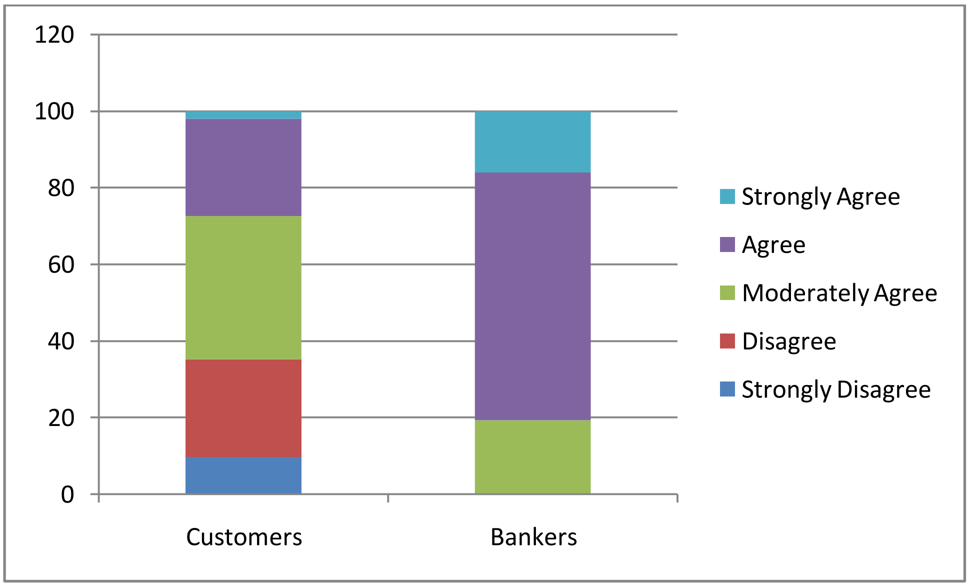
The graph shows that close to 50% of the customers either agree or strongly agree to the given statement while almost 75% bankers agree to the same. Also 14% of the customers disagree to the given statement while only 6% of the bankers keep the same opinion. So it can be clearly said that the opinions of customers and bankers do not match on the given statement.

4) Financial Advice as per the customer's profile.



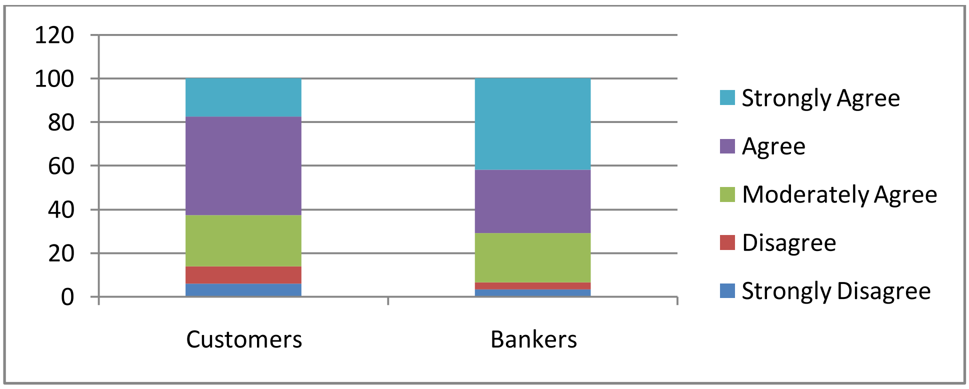
When it comes to Financial Advice, there is a significant level of difference in the opinion of bankers and customers. Around 90% of bankers believe that they provide proper financial advice to their customers, but only 25% of the customers have complied with what bankers say. Almost 30% of the customers seem to be dissatisfied, while no banker believes that way. So, it is evident that opinions of customers and bankers differ significantly.

5) Personalized products and services



Around 80% bankers believe that their banks provide personalized products and services to their customers, while only close to 30% customers have the same opinion. This shows there is difference in the opinions. Almost 30% of the customers disagree to the above given statement. So, it is clear that opinion of customers and bankers do not match in this aspect.

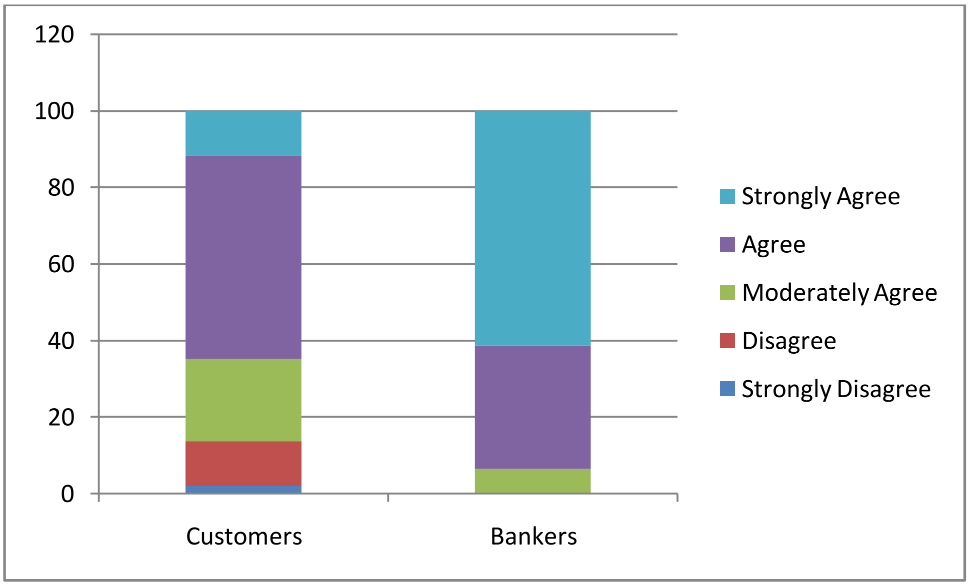
6) Bank has taken steps for enhancing its brand image.



63% customers think that their bank is taking the steps to improve their brand image, while 71% of the bankers think the same as customers. So there seem to be similarity in the opinions of both the customers and bankers.

Learning and Growth Perspective

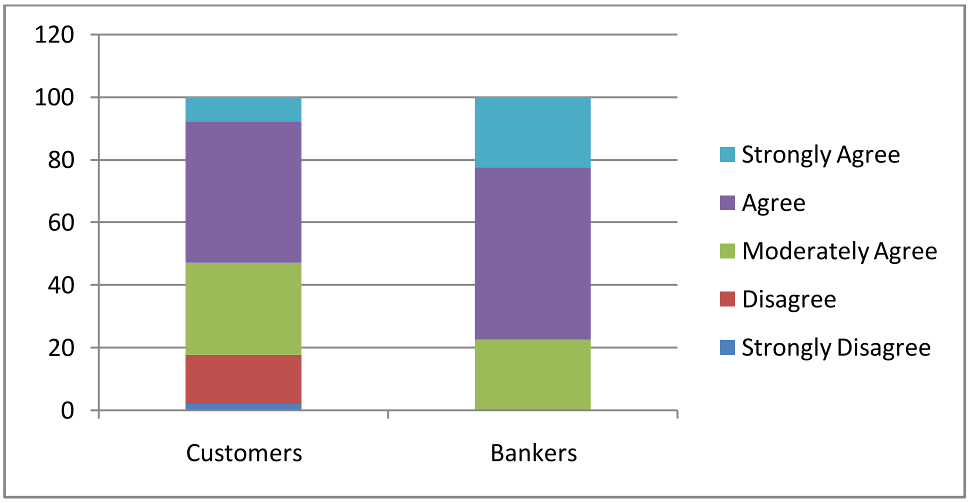
7) Staff of bank's branch is knowledgeable and provides personalized services when required.



Around 65% of customers agree to the fact that the staff is knowledgeable enough to provide them personalized services as against 90% of the bankers who think this way. Also around 35% of the customers do not agree to the statement as against just close to 10% of the bankers.

So there is a significant difference between customers and bankers opinion in this aspect.

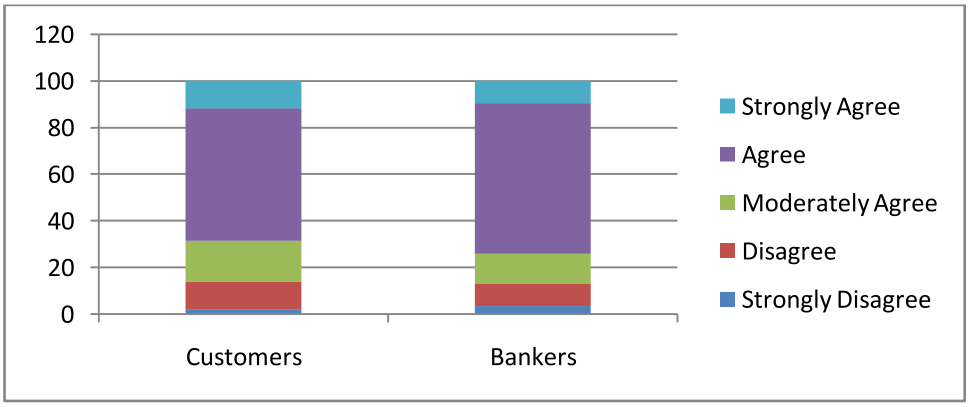
8) Staff of call centre services is well trained and resolve queries comfortably.



53% of the customers agree to the opinion that staff of call centre services is well trained while around 77% of the bankers are of the same opinion. Also close to 20% of the customers disagree with given statement as compared to negligible percentage of the bankers who think the same way.

So, it is evident that the there seem to be plenty of difference in customers and bankers opinion.

9) Bank Conveys important information regularly.

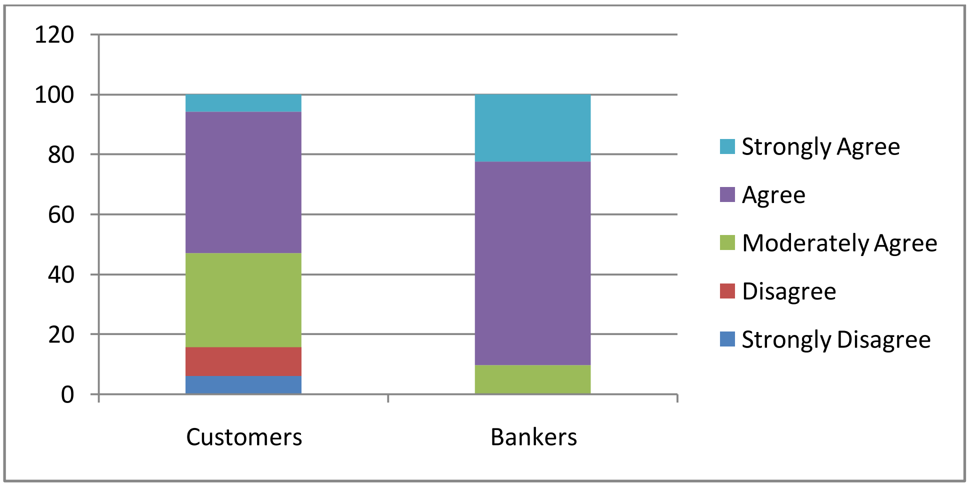


70% of the customers think that their banks communicate them relevant information regularly while 74% of the bankers think that way. When it comes to disagreement, both the segments have almost similar percentage of respondents who keep the same view.

So, it can be said that when it comes to disseminating the relevant information to the customers, both the parties keep pretty much the similar views.

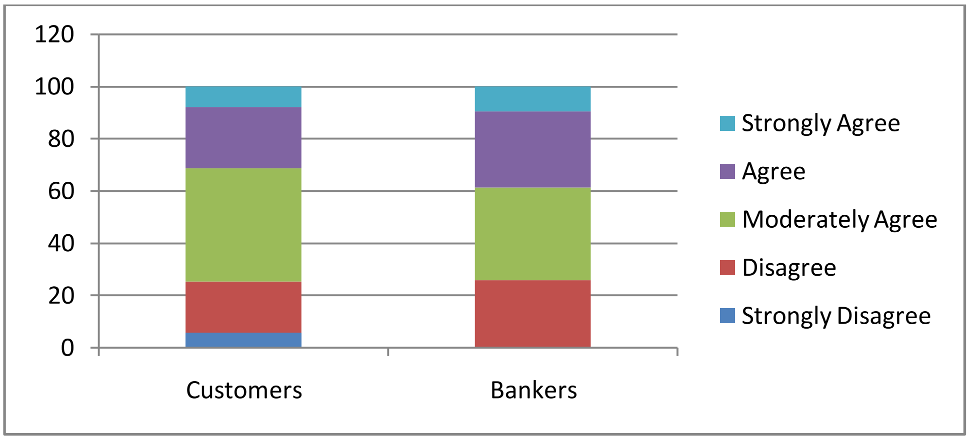
Internal Business Process Perspective

10) Processing of applications within stipulated time (related to loans, cards, investments etc.)



53% of the customers are of the opinion that their applications are processed within the stipulated time which far below than the percentage of bankers who think the same way which is 90%. So there seem to be significant amount of difference in their opinion.

11) Automation of loan processing.

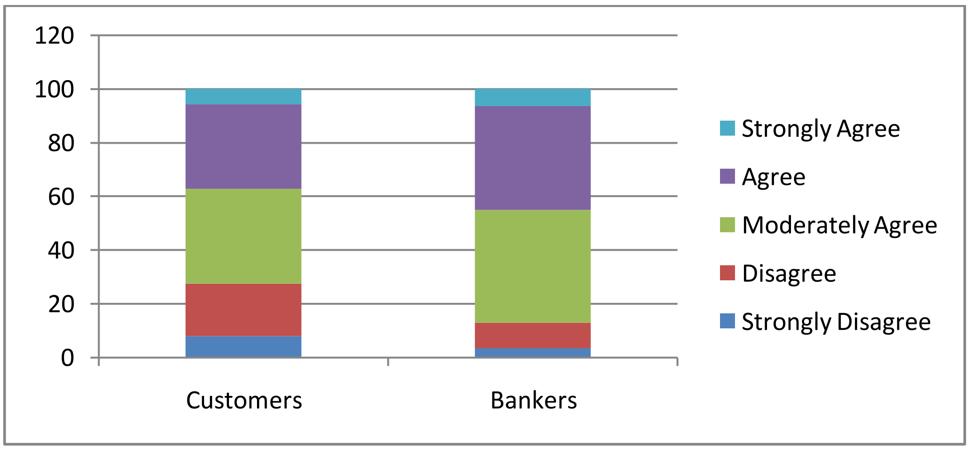


32% of the customers think that their bank has been able to implement automation in loan processing while 39% of the bankers think the same way. Also, 43% of the customers and 35% of the bankers moderately agree to it. The percentage of disagreement is also same.

So, it is pretty evident that both customers and bankers keep the same views about automation of loan processing.

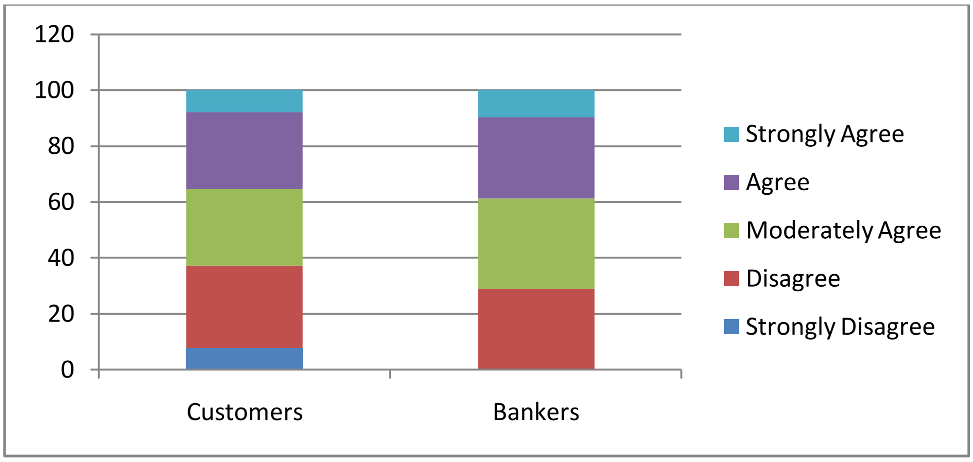
Financial Perspective

12) Reduction in cost of maintaining an account.



37% customers think that their bank has been able to reduce their cost of maintaining their accounts, while 45% think the same way. Most of the customers and bankers moderately agree to the statement.

13) Reduction in the transaction cost.



It is clear from the plot that the percentage opinions of customers and bankers are almost the same in this case. 35 % of the customers and 39% of the bankers come into the agree range. Almost around 30% of the customers and bankers still feel more has to be done for reducing the transaction cost.

Mean values for different statements.

Perspectives	Categories	Mean Values	
		Customers	Bankers
Customer Perspective	**Customer Experience**		
	Availability of multiple channels	4.31	4.38
	Single point delivery branches	3.6	3.8
	Catering to life style needs	3.4	3.9
	Financial Advice	2.8	4
	Customized Value Proposition		
	Personalized products and services	2.8	3.9
	Right mix of products in the portfolio	3.4	4
	Reputational Presence		
	Steps to enhance brand image	3.6	4
	Technical ability of staff		
Learning and Growth	Branch Staff knowledgeable enough to provide personalised services	3.6	4.5
	Call Centre staff is well trained	3.4	4
	Availability of information		
	Communicating relevant information regularly	3.6	4.1
Internal Business Process	**Service Delivery**		
	Processing of applications within stipulated time	3.3	4.1
	Efficient complaints handling due to implementation of IT	3.6	4.7
	Process Innovation		
	Automation of loan processing	3.1	3.4
Financial	**Cost Effectiveness**		
	Reduction in account maintaining costs	3.1	3.4
	Reduction in transaction costs	2.9	3.5

Conclusion

From the survey analysis I have come to the following conclusion regarding the opinions of the bank customers and bank employees on various aspects of the IT Balanced Scorecard.

Customer Perspective: Banks have done well in the areas of building their brand image, making multiple channels for the banking services available. But they are not able to meet the customers' expectations when it comes to providing sound financial advice, making the applications available which could cater to their life style needs. Banks will also have to focus more on providing customers personalized products and services.

The mean data given in the above table also complements well to the above conclusion. There is significant amount of difference in the means for customers and bankers for categories like catering to customers' lifestyle, providing personalized services and financial advice.

Learning and Growth Perspective: Banks have done well in making the information available to them as and when required. But at the same time they have to work more on making their staff (branch and call centre) competent enough to resolve all their issues. The opinions of customers and bankers significantly differ when it comes to trained and knowledgeable staff.

The mean values also clearly support the above conclusion.

Internal Business Process: Banks will have to improve on their cycle/delivery time like processing the applications much faster than before as there is significant amount of difference in the opinions. In terms of process innovation automation of loan application is one area where both customers and bankers feel that banks have to increase the level of automation to process loans.

Financial Perspective: Less than 50% of the customers and bankers are of the opinion that banks have reduced the cost of maintaining the account and cost of transactions. This means that majority of the customers and bankers do not agree to this statement.

Mean values for the two statements related to the financial aspects are also on the lower side, which clearly indicate that banks need to be more cost effective in order to satisfy their customers.

References

- International Journal of Multidisciplinary Management Studies - Indian Retail Banking Industry: Drivers and Dooms – An Empirical Study by Dr. B. Revathy.
- Journal on Banking Financial Services and Insurance Research – Retail Banking: The New Buzz word of Today's World of Banking – by Nishith Nagar, Dr. Enid Masih, Dr. Devraj Badugu.
- Balanced Score Card Institute – Strategy Management Group.
- Harvard Business School – Conceptual Foundations of the Balanced Scorecard – Robert S. Kaplan.
- ISACA – Journal – Volume 2 – IT Balanced Scorecard.
- The Balanced Scorecard and IT Governance – Wim Van Grembergen.
- Balanced Score Card – Concept and Execution – SlideShare.com
- Retail Banking – Specification of Competency Standards.
- Customer Satisfaction in Indian Retail Banking: A Grounded Theory Approach by Pratap Chandra Mandal and Sujoy Bhattacharya.
- Global Consumer Banking Survey 2014: Winning Through Customer Experience, E&Y.
- Customer Experience in Retail Banking: Understanding the Drivers of Growth, Peppers & Rogers.
- Retail Banking: Winning Strategies and business models revisited, Boston Consulting Group.
- All Banks Annual Bank Reports.
- Computer Aid, Inc, 100 IT Performance Metrics by Nicholas Spanos.

Annexure

Annexure 1: Questionnaire for customers

Questionnaire for Retail Banking Customers

Name..................................

Age Group

- 20-25 years
- 25-30 years
- 30-35 years
- 35-40 years
- Above 40

Occupation

- Service
- Employed
- Self Employed
- Business
- Student
- Other............

Name of the bank you are having an account with.

- SBI and its subsidiaries
- HDFC
- PNB
- OBC
- IDBI
- Canara
- BOI
- Axis
- BOB
- ICICI
- Others.............

Customer Perspective

Customer Experience

1) Your bank has provided you with enough multi channel options for self banking services (like multi utility ATMs, mobile banking, internet banking)

   Strongly Disagree
   Disagree
   Neutral
   Agree
   Strongly Agree

2) Your bank has a single point delivery branches for all the services required by you.

   Strongly Disagree
   Disagree
   Neutral
   Agree
   Strongly Agree

3) Your bank caters to your lifestyle needs (like paying utility bills, travel insurance, rewards points, cash backs etc.)

   Strongly Disagree
   Disagree
   Neutral
   Agree
   Strongly Agree

4) Your bank provides you financial advice as per your profile (recommending investment, insurance, savings options)

   Strongly Disagree
   Disagree
   Neutral
   Agree
   Strongly Agree

Customized value proposition

1) Your bank offers personalised products and services to you

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

2) Your bank has right mix of product and services in its portfolio for you to choose from.

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

Reputational Presence

1) Your bank has taken steps to improve its brand image (appointing brand ambassador, redesigning logo, advertisements etc).

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

2) You tend to spread a good word about your bank. (on social media platforms like tweets, blogs, conversations etc)

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

Learning and Growth Perspective

Technical quality of staff

1) Staff of your bank's branch is knowledgeable and provides you personalized services when required by you.

    Strongly Disagree
    Disagree
    Neutral
    Agree
    Strongly Agree

2) Staff of the call centre service of your bank is well trained and resolves your queries comfortably.

    Strongly Disagree
    Disagree
    Neutral
    Agree
    Strongly Agree

Availability of information channels

1) Your bank conveys all important information related to you. (Through emails, calls, and website)

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

Internal Business Process Perspective

Service Delivery

1) You have modest waiting time for service at your bank's branch.

    Strongly Disagree

Disagree
Neutral
Agree
Strongly Agree

2) Your bank processes your applications within stipulated time (credit/debit cards, loans, accounts, investments etc.)

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

Process Innovation

1) Your bank has been able to automate loan processing.

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

Financial Perspective

1) Your bank has reduced the cost of maintaining your account.

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

2) Your bank has reduced the transaction cost for you.

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

ANNEXURE 2: Questionnaire for bankers

Questionnaire for Bankers

Name...................................

Gender.................................

Name of the Bank you are currently working with

....

Designation.................................

Years of Experience in banking industry.............................

Customer Perspective

Customer Experience

5) Your bank has provided its customers with enough multi channel options for self banking services (like multi utility ATMs, mobile banking, internet banking)

   Strongly Disagree
   Disagree
   Neutral
   Agree
   Strongly Agree

6) Your bank has a single point delivery branches for all the services required by your customers.

   Strongly Disagree
   Disagree
   Neutral
   Agree

Strongly Agree

7) Your bank caters to lifestyle needs of its customers (like paying utility bills, travel insurance, rewards points, cash backs etc.)
   Strongly Disagree
   Disagree
   Neutral
   Agree
   Strongly Agree

8) Your bank provides financial advice as per its customer profile (recommending investment, insurance, savings options)
   Strongly Disagree
   Disagree
   Neutral
   Agree
   Strongly Agree

Customized value proposition

1) Your bank offers personalised products and services to its customers.
   Strongly Disagree
   Disagree
   Neutral
   Agree
   Strongly Agree

2) Your bank has right mix of product and services in its portfolio for the customers to choose from.
   Strongly Disagree
   Disagree
   Neutral
   Agree
   Strongly Agree

Reputational Presence

1) Your bank has taken steps to improve its brand image (appointing brand ambassador, redesigning logo, advertisements etc).

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

2) Your bank's customers tend to spread a good word about your bank. (On social media platforms like tweets, blogs, conversations etc)

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

Learning and Growth Perspective

Technical quality of staff

1) Staff of your bank's branch is knowledgeable and provides personalized services when required by its customers.

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

2) Staff of the call centre service of your bank is well trained and resolves queries of customers comfortably.

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

3) Your bank regularly conducts training and development programs (like technical learning, banking knowledge, and leadership programs)

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

Availability of information channels

4) Your bank conveys every important information related to its customers(through emails, calls, website)

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

5) Your bank has built data warehouses for faster information access and reporting.

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

Internal Business Process Perspective

Service Delivery

1) Waiting time for the services at the bank branches is very modest.

Strongly Disagree
Disagree
Neutral

Agree
Strongly Agree

2) Your bank processes the customers' applications within stipulated time (credit/debit cards, loans, accounts, investments etc.)

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

3) Use of IT has enabled your bank to handle its customers complaints efficiently (related to accounts, loans, credit/debit cards, investment etc)

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

Process Innovation

2) What are the tools your bank has adopted for innovation of internal business processes?

- Enterprise Risk Planning (ERP)
- Management of Information Systems (MIS)
- Business Intelligence (BI) and Analytics
- Data warehousing and data mining
- Data repositories for customers
- Others

3) Your bank has been able to automate loan processing.

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

Financial Perspective

1) Your bank has reduced the cost of maintaining your account.

Your bank has reduced the cost of maintaining customers account

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

2) Your bank has reduced the transaction cost for you.

Your bank has reduced the transaction costs for its customers

Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree