ASSESMEMT OF CONTRIBUTION OF MANAGEMENT CONTROL SYSTEM TO STRATEGIC OBJECTIVES ACHIEVEMENT A CASE COMMERCIAL BANK OF ETHIOPIA, ADAMA DISTRICT

A Thesis Submitted to the Department of Management for the Partial Fulfillment of the Requirement for the Award of the Degree of Masters of Business Administration

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May, 2015

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DECLARATION

I, the under signed, declare that this thesis is my original work and all sources of materials used for this thesis have been duly acknowledged. The paper has never been presented in this or any other university for the award of any academic degree, diploma or certificate.

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Degree sought: Masters Degree in business Administration

Thesis Title: Assessment of contribution of management control system to strategic objectives achievement

University: Adama Science and Technology University

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ACKNOWLEDGEMENT

First of all I want to thanks almighty God for this achievement. Next to this it is my pleasure to express my gratitude to my advisor Dr. Gurswamy for his professional advice, encouragement, and constructive comments in my study.

I also wish to extend my sincere appreciation to Commercial bank of Ethiopia, Adama district employees, for their cooperation during the data collection. Moreover, I would like to thank the respondents, who honestly responded to many questions, and others who directly or indirectly contributed to this research work.

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Abstract

The main objective of this research is to assess the management control system to the achievement of strategic objectives in commercial bank of Ethiopia with a particular emphasis to Adama district. The researcher aimed to assess the management control system on some selected strategic objectives of the bank such as maximizing customer satisfaction, increase employee satisfaction and improve human resource development. This study used descriptive research design and qualitative data type. The researcher used only primary source of data through questionnaire. The researcher used random sampling method to choose branches from the district. 30 branches were selected by using convenience sampling technique. To analyze the data the researcher used descriptive statistics tools like mean, median and standard deviation. Findings of the study shows that commercial bank of Ethiopia continuously control customer satisfaction by using different control mechanisms. According to employee satisfaction the findings show that the bank gave less focus to control employee satisfaction. The human resource development control of the bank is also not well developed and strong. the researcher provides some recommendations like, CBE needs to CBE needs to focus to increase employee satisfaction by giving high emphasis of controlling employee satisfaction, to improve the bank's human resource development control, the bank should measure each employees performance very well and the compensation package should be link with their performance and the promotion of staff should be transparent, *managers shouldn't mix personal interest with the bank interest, there should be integrity between top level managers and bottom level employees.*

Key words: Management control system, commercial bank of Ethiopia, selected strategic objectives

CHAPTER-ONE

INTRODUCTION

This chapter presents the overall introduction of the research. It includes background of the study, statements of the problem, research objectives, research questions, significance of the study, scope of the study, limitation of the study and organization of the paper.

1.1. Background of the Study

Management isan organization consist of a group of people who work together to achieve certain common goals(Anthony &Govindarajan, 2002). The role of the management is to organize, plan, integrate and interrelate organizational activities to achieve organizational objectives. The achievement of these activities is facilitated by management control systems(Stede, 2002).

Control is the process of ensuring that actual activities conform to planned activities. Control system is a multi-step procedure applied to various of control activities (Stoner & Freeman, 2005).It is a set of formal and informal systems that designed to asset management in steering the organization towards the achievement of its purpose by bringing unity out of the diverse efforts of subunits and individuals (Marciallo & Kirby, 1994). The formal system and informal system are independent but they are highly interrelated. It hasbeen suggested that the MCS should be tailored explicitly to support the strategy of the businessto lead to competitive advantage and superiorperformance (Dent, 1990). According to Simon (2000), there is evidence thathigh organizational performance may result froma matching of an organization's environment,strategy and internal structures and systems.

Management Control Systems (MCS) as definedbySalarzehi and kord (2010) is the process by which managers ensure thatresources are obtained and usedeffectively and efficiently in the accomplishment of the organization's objective.

A lack of effective control can seriously damage anorganization's health, hurt its day to day operation, and threatenits future. Organizations use control procedures toward their goals and using their resourceefficiently(Stoner &Freeman, 2005).Management control system used in an organization which collects and uses information to evaluate the performanceof the organizational resources. It helps to integrate, motivate, support in decision making, communicate objectives, give feedback, etc.(Salarzehi&Kord, 2010).MCSs have been recognized as important in the formulation and implementation of strategies (Bromwich & Bhimani, 1994). According to Italiana

(2014)management control system includes, strategic objectives; budgeting; resource allocation; performance measurement; evaluation and reward; responsibility centers allocation and transfer pricing. Based on the above definition it can clearly understand that strategic objectives to attain by any organization is a basic management control system to success or failure of any organization. Thereforethe researcher focused on this issue having the following two reasons. First, most of the previous researchers which conducted a research on the title of management control systemwereconcentrated on MCS elements like: performance measurement and management control system (Otley, 1999), budgeting, reward and compensation and management control system (Ayichew, 2011), responsibility center control (Ciurlau, 2004) and fund transfer pricing and control system (Zeman&Gacsi, 2007). But according to the researcher knowledge there is no other researches that focus on the issues of MCS to the achievement of strategic objective. Second, as stated by many authors about strategic objectives, they are set to make sure that that organization on line with its mission. This means controlling whether the strategic objectives applied or not is the life and death matter of an organization (Ismail, 2013). According to the above reasons the researcher is focused on strategic objectives of the bank.

Strategy has been defined in many ways. Forexample, strategy has been described as a pattern of decisions about the organization's future(Mintzberg, 1978) which take on meaning when it is implemented through the organization'sstructure and processes (Miles & Snow, 1978). Johnson (1987) stated thatstrategic decisions occur at many levels of managerial activity. They are concerned with thelong-term direction of the organization, thescope of an organization's activities, the matchingof organizational activities to its environment and resource capabilities, the allocation ofmajor resources within the organization, andconsideration of the expectations and values ofthe organization's stakeholders.

Commercial bank of Ethiopia is one of the largest public owned bankinEthiopia.The role of commercial bank of Ethiopia, by virtue of its size is enormous. CBE have about 1.4 million customers, and the great majority of them are savers, who continuously deposit in the form of long term deposits (CBE, 2011).

Commercial Bank of Ethiopia uses management control system to achieve its strategic objectives and increase its effectiveness and efficiency. CBE have the following strategic objectives; ensure sustainable profitability, ensure financial soundness, enhance developmental financing, increase volume of fund, maximize customer satisfaction, improve accessibility of service, improve the banks image, improve process efficiency, strengthen relationship with developmental partners, improve market understanding, improve risk management, increase employee satisfaction, enhance information system, improve human resource developments, improve organizational culture and enhance internal communication (CBE, 2015).The researcher tried to focus on the bank's strategic objectives like;maximizing customer satisfaction, increase employee satisfaction and improve human resource development. Themotive of focusing on the above limited strategic objective was, according to Tsoukatas& Randi (2006) customer satisfaction is a key to abank service forlong-term business success. Althoughkeeping employees' satisfied with their careers should be a major priority for every employer.This is because a satisfied employee is productive and can led the organization to profitability (Suneja, 2013). For an employee satisfaction, human resource development of the organization also have an impact. All the above issues are highly related to the success or failure of an organization. The other reason to conduct this research was, according to the researcher knowledge there are fewresearches which are focused on non-financial control issues specially related to human control in organization. According to these reasons this research tried to concentrate on management control system and the above strategic objectives of the bank.

1.2 Statement of the Problem

Good management control system have been playing its own significant role in the company to scale up the heightsof profitability and going concern. The primary objective of the management control system is to make all the relevant information associated with the planning and control functions available, so as to facilitate the development of these activities. In other words, the system is aimed at meeting the information requirements of management which depend to a large extent on the critical management processes and on determining factors for the value– the so-called value drivers – which in turn are the consequence of the key success factors and the risk factors of the individual business entity. The key success factors are the elements necessary for operating, at each stage of the business model, effectively and with results which are better than the competitors. Due to their relevance for the purposes of the corporate performance, therefore, they must be subject to constant monitoring by management(Italiana, 2014).The business development of a firm isadversely affected due to inappropriately use and establishing a management control system that will suit forcompanies (Harrison et al. 1988).

This study was conducted by the researcher for the followingreason. As per the knowledge of the researcher based on availability of literature,there is no research on the area of management control system which is focused on commercial bank of Ethiopia, particularly on strategic objectives. This limited evidence in the context of Ethiopia calls for research on the assessment of MCS in commercial bank of Ethiopia particularly focusing on strategy. Most of the empirical researchrelated to this title, which were conducted in Ethiopia and other countries such as, (Seyoum, 2010), (Chenahall, Hall & Smith, 2010), (Lovestal, 2008) and (Janka, 2007) focused on different organizations other than banks.Ayichew's (2011) research was focused on all private and public owned commercial banks, which were only found in Addis Ababa. This scarcity of research on MCS area that focused on commercial banks calls the researcher to focus on commercial bank of Ethiopia. On the other hand, as far as the consideration of the researcher, most of the researches which are madeonthe title of MCS and strategy like, (Ismail, 2013), (Peljhan&Tekavcic, 2008), (Langfield-smith, 2005) and (Carenys, 2012) werefocused on the relationship between the organization's strategic type (eg, focus and differentiation strategy type) and its management control system rather than focusing on the assessment of organization's strategic objective and the their MCS to achieve them.Therefore, based on the above reasons,this research tried tofocuson the assessment of management control system to the achievement of the strategic objective in the case of commercial Bank of Ethiopia particularly in Adama district.

1.3. Objectives of the study

1.3.1General objective

The general objective of the study is to assess the contribution of management control system to the achievement of strategic objectives of commercial bank of Ethiopia, Adama district.

1.3.2 Specific objectives

The following are the specific objectives based on the above general objective.

1. To assesshow commercial bank of Ethiopia controlcustomer satisfaction to achieve the strategic objective.

2. To evaluate the applied employee satisfaction control mechanism of the bank to improve employee satisfaction.

3. To examine the bank's human resource development control.

1.4. Research Questions

1. What kinds of MCS do commercial bank of Ethiopia apply and its contribution to the achievement of strategic objectives andbeat the competition?

2. How does commercial bank of Ethiopia encourage its employees to learn new skill andknowledge?

3. What are the barriers to use of MCS practices and information?

1.5.Significance of the Study

This researchis expected to contribute first and for most to Commercial Bank of Ethiopia. Its findings are highly important for the management of the bank in the area of management control system particularly strategic objective area. Further, it will serve as a benchmark and reference material for those who want to conduct further research in the same area.

1.6.Scope of the Study

The study is focused only on the assessment of management control systemto the achievement of strategic objectivesof Commercial Bank of Ethiopia particularly in Adamadistrict, evenif there are different managerial issues and districts of the bank as well.The reason of the researcher to focused on public bank specially on commercial bank of Ethiopia is because it is the largest which have a large number of branches and a large number of customer than other similar service providers. Therefore, the researcher tried to assess the managerial control system on some strategic objectiveslikemaximize customer satisfaction, employee satisfaction and improve human resource development. Other are not included in the study because, the above issues are major for one organization success or fail.

1.7. Limitation of the study

As it has been tried to point out in the scope of the study, the horizon of study is confinedmerely on the assessment of MCS to the achievement of strategic objectives in Ethiopia, particularly, CBEs operating in Adama district. The researcher believes that it would be much more comprehensible if it would have been conducted in country wide banking for taking numbers of firms. However, to the sake of proximity, the researcher is forced to limit the study on this limited area.

Furthermore, the data collection techniques involve questionnaires, which encounter drawbacks due to the feature of the technique. For instance, low rate of return of the duly filled in questionnaires, bias due to no-response and cooperation can be seen. There are also vague replies or omission of replies altogether to certain questions; interpretation of omissions is difficult. It is also difficult to know whether willing respondents are truly representative.

1.8 .Organization of the study

There are five chapters in this study. Chapter one contains introductory part which, includes background of the study, statement of the Problem, significance of the study, scope of the study, limitation of the study and organization of the thesis. Chapter two of the study describes review of the related literature. Chapter three is about the methodology of the research, which is describe about the research design, sampling techniques, instruments of data collection. Chapter four is about the analysis and interpretation of data and finally chapter five covers conclusions and recommendations.

CHAPTER-TWO

RELATED LITERATURE REVIEW

This chapter deals with the literature review part of the research report. It has two parts; the first part contains theoretical literature of the topic. It is composed of definition of MCS, customer satisfaction, employee satisfaction, human resource development and human resource control. The second part deals with the empirical literature supported by different researchers.

2.1. Review of Theoretical Literature

2.1.1. Management Control System

In aggregate, Malmi& Brown (2008) define MCS as it includes all the devices and systemsmanagers use to ensure that the behaviors and decisions of their employees are consistentwith the organization's objectives and strategies.

Anthony and Govindarajan (2001) defines, Any system, such as planning, budgeting, responsibility centers, cost management, decision making, management control, performancemeasurement, and compensation categorized as MCS.

MCS also have many characteristics which influence their use. For example, managementcontrols may be formal or informal (Langfield-Smith, 2007).

Management control fits between strategy formulation and task control in several respects.Strategy formulation focuses on the long run, task control focuses on short run operatingactivities, and management control is in between (Joni, 2009).

Management control, hence, “rests very firmly in the domain of accounting” (Berry et al.2005).The dynamic interplay between planning and control processes is ignored (Lowe &Puxty, 1989). Until 1985, the research on MCSs had been widely developed in financial accounting, particularly conventional cost accounting and in behavioral and organizational accounting (Otley, 2003).MCS have also been defined more generically as the systematic useof management accounting to achieve some goal, but also encompassing the use of otherforms of control such as personal or cultural control .(Chenhall ,2003) concluded that;

…it can be seen that a consistent stream of research over the past 20 years hasconfirmed that uncertainty has been associated with a need for more open,externally focused, non-financial styles of MCS. However, hostile and turbulentconditions appear, in the main, to be best servedby a

reliance on formalcontrols and an emphasis on budgets. The question may be posed, what is theappropriate MCS for organizations operating in conditions of uncertainty,turbulence and hostility?

Johnson and Kaplan (1987) pointed out a paradox: management control practices nolonger provided information relevant for managers' planning and control decisions, whileironically "many senior managers began to believe they could run their firms 'by thenumbers'".

MCS a logical integration of techniques to gather and use information to make planning andcontrol decision, to motivate employees behavior, and to evaluate performance (Horngrenetal. 2002). It is the process by which managers assure that resources are used effectively andefficiently in the accomplishment of the organization's objectives' - in other words controlusing both financial and non-financial objectives. It is specifically concerned with theprocess by which managers influence other members of the organization to implement theorganizational strategies (Anthony &Govindarajan, 2002). It involves number of activities: Planning what the organization should do, coordinating the activities of several parts of the organization,communicating information and evaluating information.

Saroj (2006) explored the ideas of different scholars regarding theMCS described in the following manner. A control system is a set of formal and informalsystems that designed to asset management in steering the organization towards theachievement of its purpose by bringing unity out of the diverse efforts of subunits and individuals (Marciallo& Kirby, 1994). The formal system and informal system areindependent but they are highly interrelated, indistinguishable, subdivision of control system.

I. Formal Control System:-Formal system makes possible the delegation of authority.Formal documentation of structure, policies, and procedures assist members of theorganization in performing their duties (Wu, 2003). An effective set of formal controlincludes three major mechanism-operational plans, performance measurement systems, andfeedback mechanism.

A. Operational Plans: Operational plans include the firm's annual master budget and relatedsupporting work plans. They provide the linkage between senior management's strategicplans and the day-to-day organizational activities of each employee.

B. Performance Measurement: Performance measurement systems compile and report theresult of the collective work activities on periodic basis. An effective performancemeasurement system presents both financial results and operating data on a responsibilitybasis.

C. Feedback Mechanism: Feedback mechanism reports the variances between actual andplannedperformance. The variance is communicated to mangers and others within theorganization periodically through various interim reports. Informal system requiresmanagement a mindset that differs from that required for formal controls. "Informally" refersto the flexibility to deal with any action beyond the documentary discipline and regulation.Inthis respect formally leads to a pattern of defined behaviors whereas informally leads to apattern of interacting roles between two systems (Marciall& Kirby, 1994).

II. Informal Control System:-The informal control system consists of five components:

A. Informal Control Process: Under certain conditions and uncertainty, management will try to gather more and accurate information from the dynamic environment and adapt organizational goal. All these goal-directed actions are based on the experience and skill ofmanagement.

B. Infrastructure: Infrastructure includes personal contacts and network. A personal contactis a model of communication within the organization that acts an efficient method toexchange ideas and information between different levels of the organization

C. Management Style and Culture: Management and culture represent the dominant waythat the top management and whole organization have chosen to conduct their work.

D. Informal Rewards: Informal rewards are status oriented. Individual employeesarerewarded not only in financial terms. The informal rewards are important because itencourages employees to carry out their job efficiently

E. Coordination and Integration: Coordination and integration is consideredasinterpersonal relationship, which can be changed and adapted to meet the needs of theorganization members. Informal communication helps deeper discussion of sensitive issuesin a softer and flexible environment.The reward system is not so much the money; it is also the friendship and working relationship (Wu 2003). The quality of work life is having work environment where anemployee's activities become more important (DeCenz& Robbins, 1996). It meansimplementing procedure that makes the work less routine and more rewarding for theemployees.These procedures include autonomy, recognition, belongingness, progress anddevelopment, and external rewards.The importance of MCS has been increased significantly in recent years (Kald et al. 2002).One indication of this growing importance is the impact of balance scorecard. The balancescorecard is a management system (not only measurement system) that enables organizationtoclarify their vision and strategy and translate them into action. The balance scorecardsuggests that management views the organization from four perspectives, and to developmetrics, collect data and analyze it relative to each of these perspectives:

1. The learning and growth perspective
2. The business process perspective
3. The customer perspective and
4. Financial perspective

The four perspective of the scorecard permit a balance between

● Short term and long term objectives

● External measures for shareholders and customers and internal measures of criticalbusiness process, innovation, and learning and growth

● Outcomes designed and the performance drives of those outcomes

● Hard objectives measures and softer, more subjective measures

In recent years a new financial theory-Economic Value Added (EVA) has been developed forthe measurement of financial performance of a company (Stern, 1993). EVA is both ameasure of value and also measure of performance. The value of a business dependsoninvestor's expectation about the future profits of the enterprise. Stock prices track EVA farmore closely than they track earning per share or return on equity. A sustained increase inEVA will bring an increase in the market value of the company. EVA is changing the waymanagers run their business. When business decisions are aligned with the interest of theshareholders, it is only a matter of time before these efforts are reflected in a higher stockprice (Durant, 1998). Environmental uncertainty may influence the effectiveness of goalsetting, planning and control systems simultaneously. Since goals and planning have a closerelationship with the control function, (Euske, 1984), the different characteristics of goals andplanning may influence the choice of control systems (Hartmann, 2000).

Finally, the researcher of this paper incorporates the proposed framework of Otley (1999) soas brief and study the procedure of MCSs. Otley drew on the extant body of knowledge in thecontingency theory of management accounting and on his personal experience in doingempirical research to inductively generate the framework. In essence, it highlights fivecentral issues, which, he argues, need to be considered as part of the process of developing acoherent structure for performance management systems. It is important to recognize that thisframeworkwas intended to act as an aid to description rather than being prescriptive innature.

The first area of Otley's framework relates to the identification of the key organizationalobjectives and the processes and methods involved in assessing the level of achievement ineach of these objectives. The second area relates to the process of formulating andimplementing strategies and plans, as well as the performance measurement and evaluationprocesses associated with their implementation. The third aspect of the framework relates theprocess of setting performance targets and the levels at which such targets are set. The fourtharea of Otley's framework draws attention to rewards systems used by organizations and tohow these are influenced by achievement or failure to meet performance targets. The finalkey area of the framework is about the types of information streams required to provideadequate monitoring of performance and learning from experience.

Chenhall (2003) also supports this view by saying; Distinguishing official and operativegoals would seem an essential aspect of MCS research that includes consideration of goals,mainly as it flags that the issue of organizational goals is far from unproblematic.

2.1.2. Strategy

Although definitions differ, there is general agreement that a strategy describes the general direction in which an organization plans to move to attain its goals. Every well-managed organization has one or more strategies, although they may not be stated explicitly. A firm develops its strategies by matching its core competencies with industry opportunities. Strategy can be found at two level: (1) strategies for a whole organization, and (2) strategies for business units within the organization. Although strategic choices are different at different hierarchical levels, there is a clear need for consistency in strategies across business unit and corporate levels (Anthony & Govindarajan, 2004).

2.1.3. Strategic objective

Statements of vision tend to be quite broad and can be described as a goal that represents aninspiring, overarching, and emotionally driven destination. Mission statements, on the otherhand, tend to be more specific and address questions concerning the organization's reason forbeing and the basis of its intended competitive advantage in the marketplace. Strategic objectivesare used to operationalize the mission statement. That is, they help to provide guidance on how the organization can fulfill or move toward the "high goals" in the goal hierarchy-the mission and vision. As a result, they tend to be more specific and cover a more well-defined time frame.Setting objectives demands a yardstick to measure the fulfillment of the objectives. If anobjective lacks specificity or measurability, it is not very useful, simply because there is no wayof determining whether it is helping the organization to move toward the organization's mission and vision (Mintezberg, 1987).

Most of strategic objectives are directed toward generating greater profits and returns for theowners of the business, others are directed at customers or society at large.

• Measurable. There must be at least one indicator (or yardstick) that measures progressagainst fulfilling the objective.

• Specific. This provides a clear message as to what needs to be accomplished.

• Appropriate. It must be consistent with the vision and mission of the organization.

• Realistic. It must be an achievable target given the organization's capabilities andopportunities in the environment. In essence, it must be challenging but doable.

• Timely, there needs to be a time frame for accomplishing the objective. After all, as theeconomist John Maynard Keynes once said, "In the long run, we are all dead!"

When objectives satisfy the above criteria, there are many benefits for the organization. First,they help to channel employees throughout the organization toward common goals. This helps toconcentrate and conserve valuable resources in the organization and to work collectively in amore timely manner.Second, challenging objectives can help to motivate and inspire employees throughout theorganization to higher levels of commitment and effort. A great deal of research has supportedthe notion that individuals work harder when they are striving toward specific goals instead ofbeingasked simply to "do their best. Third, there is always the potential for different parts of an organization to pursue their owngoals rather than overall company goals. Although well intentioned, these may work at crosspurposesto the organization as a whole. Meaningful objectives thus help to resolve conflictswhen they arise.

Finally, proper objectives provide a yardstick for rewards and incentives. Not only will theyleadto higher levels of motivation by employees but also they will help to ensure a greater sense ofequity or fairness when regards are allocated (Lumpkin & Taylor, 2005).

2.1.4. Customer satisfaction

- According to Tsoukatos and Rand (2006), customer satisfaction is a key to long-term business success. To protect or gain market shares, organizations need to outperform competitors by offering high quality product or service to ensure satisfaction of customers. In proportion to Magesh (2010), satisfaction means a feeling of pleasure because one has something or has achieved something. It is an action of fulfilling a need, desire, demand or expectation. Customers compare their expectations about a specific product or services and its actual benefits. As stated by Kotler& Armstrong, (2010), Customer satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to their expectations. (Oliver, 1980)

Satisfaction is the consumer's response to and evaluation of the perceived discrepancy between prior expectations (or some other norm of performance) and the actual performance of the product as perceived after its consumption. (Tse& Wilton, 1988)

Satisfaction can be broadly characterized as a post-purchase evaluation of product quality given pre-purchase expectations. (Anderson & Sullivan, 1993)

As evident from the above definitions of customer satisfaction, in order to measure satisfaction, it is necessary to measure both expectations at the time of purchase and reactions at some time after purchase. If actual consequences equal or exceed expected consequences, the customer is satisfied, but if actual consequences fall short of expected consequences, the customer is dissatisfied. From the above, satisfaction by their definition seems to be attitude. For that it is necessary to measure the customer expectations and their consequences. It is important to understand the ranges of customer expectations and consequences which need to be assessed. Bank is a customer oriented services industry. A bank depends upon the customers for their survival in the market. The customer is the focus and customer service is the differentiating factors (Guo , 2008). Customer satisfaction is imperative for the long-term success of any organization. More the competition, higher is the necessity to keep the customers satisfied (Mandal& Bhattacharya, 2013).Customer satisfaction is essential for the success of service firms like bank. The quality of service has become an aspect of customer satisfaction. Day by day it has been proven that service quality is related to customer satisfaction (Karim&Chowdhury, 2014).

Keeping the importance of customer satisfaction in mind, banks need to maintain stable and close relationships with their customers. Customer satisfaction levels need to be judged. The application of the knowledge of customer satisfaction is imperative to establishing and maintaining a long-term relationship with customers and long-term competitiveness (Kumar &Reinartz, 2006). Banking is a high involvement industry. Banks recognize the fact that delivery of quality service to customers is essential for success and survival in today's global and competitive banking environment (Wang, Han, & Wen, 2003). Researchers have found that customer satisfaction has a measurable impact on purchase intentions (Carter, 2010), on customer retention (Voss & Voss, 2008) and on a firm's financial performance (Chalmeta, 2006).

Customers' wants, needs, and expectations change quickly. Therefore, what would have delighted and surprised them a short while back might not satisfy them at present (Richards & Jones, 2008). Banks may not be able to provide superior services to the customers unless customer expectations are known (Leverin&Liljander, 2006). Customer expectations can be known through the knowledge of satisfaction levels of customers (Jham& Khan, 2009). This necessitates the measurement of customer satisfaction level. Customer satisfaction cannot be measured unless the factors affecting customer satisfaction are determined. This necessitates an in-depth study about the factors affecting customer satisfaction. Banking institutions all over the world have recognized the importance of customer satisfaction and of developing and maintaining enduring relationship with their customers as two crucial parameters leading to increased business performance. At the same time, several banking institutions are experiencing increasing level of retail customer dissatisfaction. Research suggests that customer dissatisfaction is still the major reason of bank customers' switch to other banks (Manrai&Manrai, 2007). This dissatisfaction could be because of a variety of reasons (access, services, products, prices, image, personnel skills, treatment credibility, responsiveness, waiting time, location and technology).

The importance of measurement of customer satisfaction lies in the fact that one key to customer retention is customer satisfaction (Seiders, Voss, Grewal, & Godfrey, 2005). A highly satisfied customer generally stays longer, buys more as the company introduces new products and services and upgrades existing products and services, talks favorably to others about the company, pays less attention to competing brands, offers product or service ideas to the company, and costs less to serve than new customers because transactions can become routine (Homburg, Koschate, & Hoyer, 2005). Greater customer satisfaction has also been linked to higher returns and faster company growth (Fornell, Mithas, Morgeson, & Krishnan, 2006).

Modern management sciences philosophy considers customer satisfaction as a baselinestandard of performance and a possible standard of excellence for any business organization (Gerson, 1993). Moreover, customer satisfaction measurement provides a sense of achievementand accomplishment for all employees involved in any stage of the customer service process. Inthis way, satisfaction measurement motivates people to perform and achieve higher levels ofproductivity (Hill, 1996; Wild, 1977; Wild, 1980).

Satisfaction or dissatisfaction is a measure or evaluation of a product or service's ability to meet a customer's need or expectations. Razak*et al.* (2007) also reported that overall satisfaction is the outcome of customer's evaluation of a set of experiences that are linked with the specific service provider. It is observed that organization's concentration on customer expectations resulted into greater satisfaction. If the customers of an organization are satisfied by their services the result is that, they will be loyal to them and consequently be retained by the organization, which is positive for the organization because it could also mean higher profits, higher market share, and increasing customer base (Karatepe*et al.*, 2005). Customer satisfaction has become important due to increased competition as it is considered very important factor in the determination of bank's competitiveness (Berry *et al*., 2002). Continuous measurement of satisfaction level is necessary in a systematic manner (Chakravarty*et al*., 1996). Because satisfied customer is the real asset for an organization that ensures long-term profitability even in the era of great competition. Cronin et al., (2000) mentioned in their study that satisfied customer repeat his/her experience to buy the products and also create new customers by communication of positive message about it to others. On the other hand, dissatisfied customer may switch to alternative products/services and communicate negative message to others. Customer satisfaction is a set of feeling or outcome attached with customer's experience towards any product/ service (Solomon, 1998). Hence, organizations must ensure the customer satisfaction regarding their goods/services. To reinforce customer orientation on a day-to-day basis, a growing number of companieschoose customer satisfaction as their main performance indicator. It is almost impossible,however, to keep an entire company permanently motivated by a notion as abstract andintangible as customer satisfaction. Therefore, customer satisfaction must be translated into a
number of measurable parameters directly linked to peoples job -in other words factors that people can understand and influence (Deschamps&Nayak, 1995).

The main satisfaction criteria consist of:

- **Personnel of the bank**: this criterion includes all the characteristics concerning personnel(skills and knowledge, responsiveness, communication and collaboration with customers,friendliness, etc.).

- **Products**: this criterion refers mainly to the offered products and service (variety, refund,cost, special services, etc.).

- **Image of the bank**: credibility of the bank (name, reputation), technological excellence, aswell as ability to satisfy future customers.needs are included in this criterion.

- **Service**: this criterion refers to the service offered to the customers; it includes theappearance of the stores, the waiting time (queue, telephone, etc.), the complexity ofservice processes and the information provided (informing customers in an understandableway, explaining the service and other relevant factors, informing for new products, etc.).

-**Access**: network expansion of the bank, branches location, as well as observed troubles inthe service system (strikes, damaged ATMs, etc.) are included in this criterion.

(Solomon, 1998) put the following Steps in Assessing Customer Satisfaction

- ✓ Develop a listing and categorize your customers. This will include:External customers-those that use your services (directly and indirectly) internal customers-all organizations have components that serve other components.These are internal customers.
- ✓ Categorize your products or services.
- ✓ Determine what needs and wants your services or products meet.
- ✓ Determine what sets your service apart from others?
- ✓ Establish a customer orientation to include:
- Customers should be encouraged to tell you about any problems,
- Customers should know their rights and responsibilities from the beginning,
- Customers should know how to take advantage of their rights,
- Customers should feel in control.
- Customers should know precisely who to contact
- Carefully scrutinize how your customers reach you and what barriers they encounter:

How does your telephone system work? What are average wait times? How manytimes is a caller referred before finding someone able to answer the question?

Where are you offices located? Are they convenient for customers to find? Is parkingavailable?

What languages do your customers use?

- What does your reception area look like? Pleasant or foreboding? How long mustpeoplewait?

What printed material do you have that describes your agency or organization? Doesit successfully inform existing and potential customers?

- How well are you using information technology to increase customer satisfaction?

Does the language on the site meet the language need of your customers?

These are some of the considerations that an organization should make as it starts to understand and improve customer satisfaction.

Customer satisfaction is positively influenced by perceived value. The extent ofsatisfaction depends on extent of perceived value and higher level of perceived value leadto higher level of customer satisfaction (Turel & Serenko, 2006).Customer satisfaction tends to positive post purchase behavior, thus, satisfaction plays amediating role in the relationship of perceived value and behavioral intentions (Lin &Wang, 2006). Among the determinants of satisfaction perceived value is the importantone (Chen and Chen, 2010) and perceived value plays mediating role between service orproduct quality and customer satisfaction (Chen & Tsai, 2008). Service quality and fairservice charge both have significant, direct effects on perceived value. Then, perceivedvalue influences on customer satisfaction that lead to positive behavioral intentions, i.e.customer loyalty (Lai , 2009)

2.1.5. Employee satisfaction

In this era of competitive world, success of any organization depends on its human resource. Banks are no exception to this. The employees of the Bank are valuable assets to the organization. If they are highly satisfied they produce more and it is profitable for the organization. So, for the success of banking it is very important to manage human resource effectively and to find whether its employees are satisfied or not only if they are satisfied, they will work with commitment and project a positive image of the organization. If they are highly satisfied they produce more and it is profitable for the organization (Suneja, 2013) Employee satisfaction is essential to the success of any business. A highrate of employee contentedness is directly related to a lower turnover rate. Thus, keeping employees' satisfied with their careers should be amajor priority for every employer. While this is a well known fact in management practices, economic downturns like the current one seemto cause employers to ignore it.

There are numerous reasons why employees can becomediscouraged with their jobs and resign, including high stress, lack ofcommunication within the company, lack of recognition, or limitedopportunity for growth. Management should actively seek to improvethese factors if they hope to lower their turnover rate. Even in aneconomic downturn, turnover is an expense best avoided (Gregory, 2005).

An employee may be entirely too overwhelmed tohandle the position; the responsibilities may prove to be too demanding.In an instance like this, the employee will search for another positionthat offers the financial security he or she needs with job characteristicsthat challenge them appropriately; thus increasing the initial company'sturnover rate (Koslowsky&Krausz, 2002).

Stress is one of the leading causes of employees' discontentment withtheir job. Branham (2005) asserts that, "it seems clear that one quarterto one half of all workers are feeling some level of dysfunction due tostress, which is undoubtedly having a negative impact on theirproductivity and the probability that they will stay with their employers."Stress can have many causes, including when companiescannot, or will not, supply the tools necessary to produce or work efficiently while on the job. This produces higher stress levels becausethese workers are expected to perform at certain rates, yet they areunable to do so. This results in lower productivity and higher turnover because quotas cannot be met by the employees on staff. Knowing thatmanagement is able to provide the tools essential for the position iscrucial to the employee trusting the intentions of their employer. Another source of stress is the now common practice ofemployers which attempts to cut costs by eliminating positions anddisbursing the workload to other employees. The issue that arises is thattaskswill not be performed effectively or efficiently because theemployees become more concerned with having an overbearingworkload. Consequently, the efforts of these employees fail to reach theirown, or their employers', standards (Gregory, 2005).

These actions, and employee responses to them, result inemployees who attempt to finish incomplete work assignments duringpersonal time, such as lunch breaks, in an effort to keep their jobs (Branham, 2005). When a company expects their employees to performoutside normal working hours, it detracts from those employeesrelaxation time. Personal time is essential in maintaining relationships, personal wellbeing, and sanity. The extra strain of needing to finish an unreasonable amount of work to keep the job dramatically increasesemployee anxiety. Employees that struggle to finish their tasks becomeless likely to attempt advancement and more likely to begin the searchfor a new job elsewhere.Those who do not attempt to complete all of the assignmentsare eventually terminated. The termination of some employees alsocauses stress to the remaining employees. Those remaining begin towonder whether they are going to be the next people "on the choppingblock." The excessive strain can have a very detrimental effect.

Employers that are untrustworthy are a burden to theiremployees and may cause stress (Suneja, 2013).

Dissatisfaction with the job may come from sources other than stress orpoor fit between employee and job. Employers that are deemedunethical by their workers may be viewed as such because they appearto care exclusively about company revenues, rather than the employeesthat are working for them. This perception of an employer may lead tojob dissatisfaction, and raise the company's turnover rate. Dissatisfactionmay also arise, with the same result in turnover, when the workenvironment fails to have any flexibility or any source of amusement forthe employees; the tone of the business will become stressful or tedious(Kaye & Jordan-Evans, 1999).

Often companies become morefocused on production and revenues, rather than with their ownemployees, or even their customers. In the case of employees, theemployeesmay rarely be praised for the quality of their performance. If a company does performance appraisals, the results may be given insuch a harsh tone that, rather than motivating an employee, itintimidates and an employee may feel uncomfortable in the workplace,rather than encouraged to achieve more.It may be common for upper management in some workplaces,to take the ideas of lower level employees lightly, which leaves theseemployees feeling neglected and worthless. It becomes difficult forworkers to see a bright future while working for the company. If anemployee fails to see a future with the company, why would they workto produce results?Those employees who do work well to support the companymay not be compensated for their efforts. Employers that choose to under compensate know that these employees will work hard for minimal pay, and these employers will compensate accordingly (Timpe,1986). At the same time, the same employers will pay more to otheremployees who are not willing to work for minimal compensation. Thiscompensation disparity leads to dissatisfaction because eventually thehard worker will notice that he or she is not being compensated fairlyfor the amount of work they are doing, and will begin searching foranother company that will appreciate his or her labor.

Barriers within thecompany may prevent some employees from reaching their fullpotential (Branham, 2005). Such barriers may include favoritism ofcertain employees or company policies requiring hiring from outsidethe company. Glass ceilings for minority employees may also causedifficulty in advancement.Organizations that do not provide sufficient trainingopportunities for employees are also doing themselves a disservice.These organizations are missing out on employees that are dedicated totheir companies and knowledgeable in their fields, and with sufficienttraining, have the potential to do well in higher positions.It is important that employers care about the happiness of theiremployees. Recent statistics show that throughout their careers,American workers hold an average of eight jobs (Rudman, 2003).The rate of turnover because employees are unhappy is alarming.Even is an economic downturn, employers must spend an enormousamount of money recruiting new employees, going through the hiringprocess, and finally training new employees. Dissatisfaction has manynegative side effects for the company, while satisfaction results in amuch better retention rate.The effects of dissatisfaction that results in an employee'swithdrawal from job and company can range from mild to severe.Tardiness, in showing up for work and coming back from breaks, showsa lack of interest by the employee for his or her responsibilities. Thismay escalate to the employee not showing up to work entirely. Someless obvious signs of withdrawal from the job include: taking careofpersonal matters while at work, playing games, engaging in non-workrelated talk, spending time on social networks, and diminishing jobperformance. These withdrawal behaviors, when evidence ofdissatisfaction, may end with an employee leaving the workplace; "theheuristic model posits that thinking of quitting is the most probableoutcome of job dissatisfaction" (Koslowsky&Krausz, 2002).

Therefore,withdrawal will lead either to the employee voluntarily leaving theorganization or being terminated for unprofessional behavior.Happiness in the workplace leads to much higher levels ofproductivity. It increases employee morale; therefore employees aremore willing to work harder to improve the company and its goals.

Companies need good, knowledgeable employees. If these employeesare not treated fairly, they are going to take advantage of other job offersthat will provide more stability, more benefits, and more compensation.The employer has a responsibility to ensure the satisfaction of all of its

employees. There are many precautions that managers can take to makecertain that they are meeting the working needs of their employees.Employers also should be more cautious during the hiring process.Having multiple people interviewing final candidates will help ensurethat the employee will work well with the company.During interviews, employers should ask questions relatingto the type of work that the potential employee enjoys doing.It isimperative to match the personal characteristics and values of theemployee with the organization. Employers should prepare for theinterview by doing a job assessment to see what skills are necessary forthe position, then testing applicants to see if they have the ability to betrained to the position and have the skills and knowledge thatcorrespond with the job description (Kaye & Jordan-Evans, 1999).

It iscritical that during this phase, the employer give an accurate descriptionof the job to candidates so they can prepare for the challenges ahead.Managers must learn to communicate better with lower levelemployees. Connection to the company gives staff a better feeling ofbelonging and worth. Supervisors should set an example by promotingfriendly relationships with the staff so the work environment ishealthier (Hoshi, 2014). They need to learn to listentothe employees when they have a concern or a question about the workthat they are doing or the direction that the company is taking. It isimperative that managers show respect for all employees, theiropinions, and their work.

Managers need to convey a good understanding of the missionand goals that the company is trying to attain so that the staff recognizeswhat the organization is working toward. Clarification, of theexpectations associated with different positions, assists employees incomprehending their direct relationship with the company and howtheir work affects that of others. Performance reviews are a goodmanagerial tool because they give administrators an idea of thoseemployees that are contributing to the organization’s success and those who need to work harder (Rafa&Agarwal, 2005). It also offers employees theability to gauge their performance. Often, employees will think that theyare performing better or worse than their managers perceive their workto be. The performance review presents the perfect time to bringtogether these different perspectives, to correct negative behavior, andto reward productivity.

Providing employees with the opportunity for growth is also a major contributor to satisfaction. Because performing the same jobbecomes uninteresting, it is important to challenge employees withwork that they can accomplish but stretches their abilities (Timpe,1986). It is a good opportunity to see the abilities of lower levelemployees. Giving employees new projects or goals allows them tobecome creative and skilled in new areas. This broadens theirknowledge while they become a more valuable asset to the company.

Lateral movement does not change the status of the employee, but helpsthem learn more about different aspects of the company. Doing anotherjob entirely gives the employee a change of pace and direction. Theemployee may find that they enjoy a different branch of the workforce better than the one previously held.Recognition of an employee’s hard work is essential to his or her satisfaction in the workplace (Kaye & Jordan-Evans, 1999).

Lettingemployees in on the decision making processes gives those employees afeeling that their opinions are respected and that they hold a place ofimportance within the company.Pay is a huge motivator for many employees. Making theconnection between money and performance motivates employees to bemore productive and to go the extra mile (Timpe, 1986).
Caring aboutemployees on a personal level is important as well. Let them know thatthe work that they do, the lives that they lead, also are of benefit to thecompany.The employer can make sure that employees are aware of theirachievements. These employers can show appreciation for thoseachievements. Conversely, employers should take notice whenemployees become overwhelmed and attempt to alleviate the dailyburden by adding more help when it is obviously needed.

2.1.6 Human resource development

Human resource development is the framework for helping employees develop their personal and organizational skills, knowledge and abilities. It is a set of systematic and planned activities designed by an organization or HR departments to provide its members with the necessary skills to meet current and future job demands. Human resource development have the function of; training and development, organizational development and career development Taragola & Lierde, 2008).

According to the American Society of Training and Development (ASTD), HRD is the integrated use of training and development, organizational development, and career development to improve individual group, and organizational effectiveness. Society ‘is faced with new challenges and changes daily which increases the need to provide employees with appropriate learning experiences. Moreover, HRD helps organizations to provide learning related to the goals of the organization and to its employees. This learning is accomplished by providing training, education, and development.

According to Leonard Nadler, author of *Developing Human Resources*,
• *Training* is a learning activity provided by employers to employees, to help them perform, their current jobs more efficiently;
• *Education* focuses on learning designed to prepare an individual for a job different than the one currently held; and

• *Development* focuses on providing knowledge or skills within a specified area, but is not necessarily job related.

Employees and organizations will experience inevitable change. Human resource development (HRD) enhances employee competence in their jobs by increasing knowledge, abilities, and skills. In this environment, the employee will be primarily responsible for career development but the company will also have responsibilities that include clearly stating the company's corporate strategy, its goals and providing information about its business. The organizations must follow those type of strategies which help in accomplishing organizational goals with an addition to develop the human resource (Pathak, 2007).

Human resources development is the process of increasing the knowledge,the skills, and the capacities of all the people in a society. In economic terms, it could be described as the accumulation of human capital and its effectiveinvestment in the development of an economy. In political terms, humanresources development prepares people for adult participation in politicalprocesses, particularly as citizens in a democracy. From the social and culturalpoints of view, the development of human resources helps people to leadfuller and richer lives, less bound by tradition. In short, the processes ofhuman resources development unlock the door to modernization (Silva, 1997).

The importance of human resources development (hereafter referred to as "HRD") is obviouswhen one considers that in any economic activity it is the human element that;commands, directs, organizes, controls, maximizes the factors of production. The quality of people appropriate to the particular level and complexities of the activity determines how well or poorly, these tasks are accomplished (Schaefer & Mousa, 2009).

2.2. Empirical Literature

Auzair and Langfield-Smith (2005) studiedthe impact of service process type, business strategy and life cycle stage on MCSs. Thescholars scope their efforts by investigating service organizations. Dimensions of MCSs under investigation are action versus result control, formal versus informal control, tightversus lose control, restricted versus flexible control, impersonal versus interpersonalcontrol, mass versus professional depicts the dimension of service process type. Dimensionsofstrategyare depicted by low or high emphasis on cost leadership strategy and a low orhigh emphasis on differentiation strategy. The dimension of life cycle stage is envisioned bygrowth versus mature stage. A high emphasize on a cost leadership strategy and a maturestrategy is hypothesized to individually lead to forms of bureaucratic management control.High emphasis on a differentiation strategy and a professional service process type areexpected to lead to forms of non-bureaucratic management control. The hypotheses are basedon the assumption that a certain strategy is always linked to management controls with afixed set of characteristics.

Saroj (2006) made a research by taking a variable Performance Measurement found that all commercial banks in Nepal bycomparing actual performance with predetermined target of their branches showed that 65.4percent respondents feel their actual performance is compared with predetermined target andremaining do not know whether their actual performance is compared with standard or not.The managers of different commercial banks still desire to evaluate the performance of theirbanks and branches on the basis of net profit margin. After net profit margin they tend tosupport ROE, ROI, EVA and others (including the degree of Non-performing assets/NPA)respectively.The findings of this research shows thatthe degree of competition in Nepalese commercial banking sector is very high. The majority (76.9 percent) managers of the branches of the commercial banks of Nepal feel intense competition. The commercial banks of Nepal are competing mainly on service followed by the cost and other factors respectively.

Silaen (2006) analyzed management control system in research and development organizations which was a case study in Indonesia. He take a sample of four organizations' R & D departments which were; textile industry, metal, machinery and electronic and biology for the objective of providing a contribution on practical and theoretical ground to the discussion of MCS, which is related to the needs of MCS used by organizations that deal with environmental uncertainty particularly R & D organizations. He concluded that, the practice of management control systems in Indonesia was found to be an archaic and centralized system. Such practice may be influenced by several factors including historical, political and cultural as well as the nature of R & D activities.

Doan (2008) conducted a study on a company called Electra results from the merger in 2001 of four competitors which were established in the 1920s. According to the results from interviewees (Holding management controller, Electra‟s director, and Tertiary director), the main strategic issue at that time was to conquer the market. The volume strategy was dominant, while the profit was nearly ignored. Moreover, both for motivation and for commercial reasons, the choice had been made to keep the historic brand names of the different companies, often considered as their precious goodwill.

Metkaet(2006) assessed implications of MCS in the formulation, implementation andmonitoring of strategies were investigated. Ideally, the role of strategy is dynamic, involving managers in continually assessing the way combinations of environmental conditions,technologies and structures enhance performance. MCS has the potential to aid managers inthis process by assisting them in formulating a strategy related to markets and products,required technologies and appropriate structures. This study' s basic conclusion is that MCSinfluence the implementation and monitoring of strategies, providing feedback for learningand information to be used interactively to formulate strategy further. Few studies in MCShave investigated these issues (Simons, 2000), rather, most have been restricted toidentifying MCS that are appropriate for different strategic models (Chenhall, 2003).

Joni (2009) examined several findings emerge from thestudy. First, the control packages of the business units were found to be virtually akin to eachother but, however, equally functional in the face of different contingencies. Second, thepackages seemed to rely more on informal and "organic" controls as opposed to formal and"mechanistic" controls. Third, whilst cultural controls were argued to provide a contextualframe for other controls, reward and compensation controls were asserted to remainrelatively separate from other package elements. Planning, cybernetic, and administrativecontrols, on the other hand, appeared to be tightly linked in practice. Finally, the businessunits‟ MCSs packages were argued to be of assistance in fostering organizationalambidexterity.

Nilsson (2002) analyzed that the classification of the business strategy of the acquired companies just before the acquisition and after it indicates, there were differences, though relatively minor, in the overall average scores of the four business units. However, both interview and the archival data showed significant differences in the business strategies of the four firms. In view of the differences in the quantitative and qualitative data, additional interviews were conducted to gain a better understanding of the empirical manifestations of the variable under study.

Sinikka (2007), conducted a study for achieving the objective of MCS in small business context found that strategic-oriented information relating to long-run planning, monitoring of external environment, more sophisticated cost accounting as well as capital budgeting practices (i.e. capital investment calculations and analyses, long-run budgets, market surveys and analyses, scenarios and forecasts relating to strategies, innovations and environment, ABC (Activity based costing), target costing, customer costing, life-cycle costing) are not so commonly adopted, even though over 50% of firms state that they are involved somehow in that kind of planning and analyses. These kinds of lower adoption rates are also in line with the findings of Laitinen (2001) on the adoption and use of sophisticated costing techniques in technology firms.

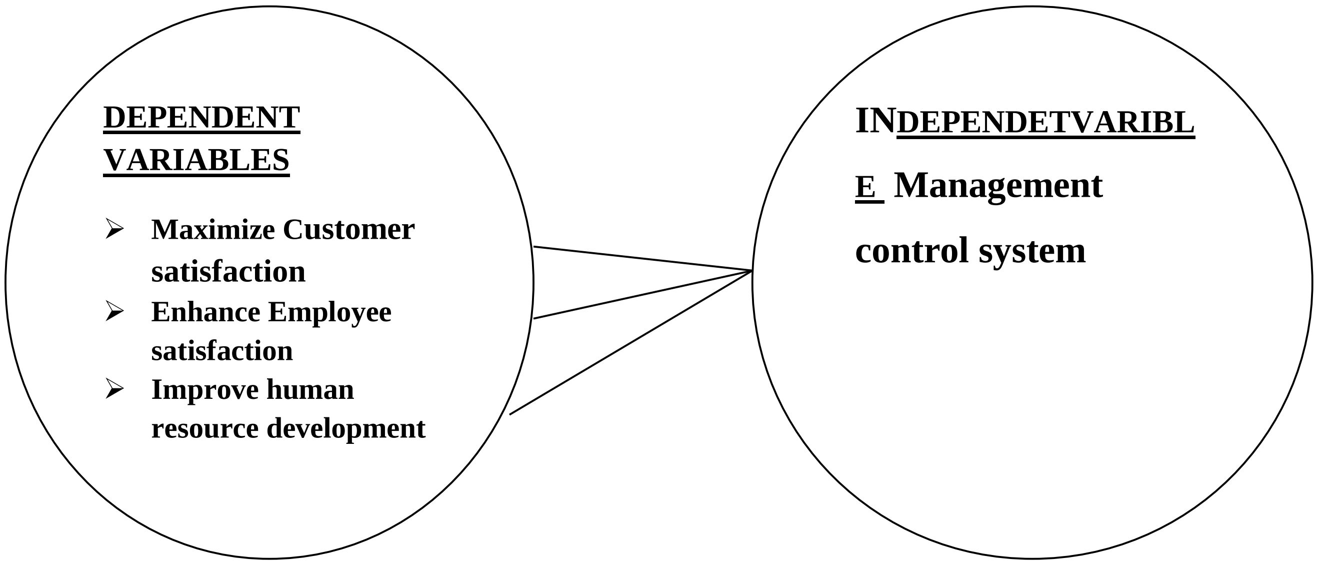
Ayichew (2011), made a study on the title of application of management control system in pubic and private banks which are found in Addis Ababa. He was conduct this study by focusing on some elements of management control system like; strategic plan and control, budgeting system, cost accounting and pricing, decision making, performance measurement and compensation and reward. His major findings were that; the banks were doing great in planning and controlling, they are using similar strategies which is differentiation strategy, they compare their performance with a predetermined performance, due to the intervention of NBE compel the banks to purchase the bond at a loss of 2%, there is serious problem of human capital and this is considered as one of the barriers to use MCS.

Siyoum (2010), analyzed the MCS of BGI Ethiopia by aiming at three selected elements of MCS specifically, result control, evaluating the practice through identifying and relying on theoretical propositions derived from the literature andfinally, recommend on how to improve these elements in their organization. The results show the following facts: the strategic planning practice being used by BGI Ethiopia is in line with the theoretical propositions derived from the literature and control by using goals is highly emphasized, BGI Ethiopia’s approach to performance measurement is supplementing extensive traditional financial measure less mix of non-financial measures. The reward and incentive are not used very significantly.

2.3. Research gap

Most of the researches which were made in Ethiopia such as Ayichew (2011) and Siyoum (2010) and in developed countries on this arealike, Joni (2009), Sinikka(2007), Nilsson(2002), Metkaet (2006), Doan (2008), Silaen (2006) were focused on only on financial control system aspects like cost accounting and budgeting. This shows that there is a gap due to the lack of research on management control system which focuses on non-financial controli.e strategic objective. In order to fill the identified research gap and literature gap concerning,therefore in this research,the researcher focused on management control that is non financial control system particularly strategic objective issues since in this area researchers are focused very little.

2.4. Conceptual frame work



CHAPTER-THREE
RESEARCH DESIGN AND METHODS

In this chapter of the paper, the research methodology employed by the researcher is presented. It contains the research design, type and source of the data, sample and target population, instruments of data collection and response rate and data analysis tool.

3.1.Research Design

The researcher used descriptive type of research design. Descriptive research design looks with intense accuracy at the phenomena of the moment and describes precisely what the researcher sees (Leedy, 1997).So since this study has the objective of assessing the managerial control system of commercial bank of Ethiopia to the achievement of its strategic objectives, specifically atAdamadistrict,it helps the researcher to look the managerial control system to achieve the selected strategic objectives of the bankwith intense accuracy and describe precisely the effort of MCS to the achievement of strategic objective.The researcher chooses descriptive study as suggested by the above scholar.In addition to the above mentioned scholar, Nilson (2002), Saroj (2006) and Ayichew (2011) also used the same research design to the assessment of different management control system elements in commercial banks.

3.2. Data type and source

In order to achieve the objective of this research, the researcher used only qualitative data type. In this study, the researcher used primary source of data through questionnaire.

3.3. Population rate

The 2014 annual report of Commercial Bank of Ethiopia indicates that there are 59 branches which hold 1200 employees in Adama district (CBE, 2014).

3.4. Sample Design and sample size

The researcher used non-probability sampling methodto choose branches of the district which are cost effective while gathering data. In other word, the researcher chose this technique to select branches which are near to the researcher and select 30 branches based onconvenience sampling technique. In general convenience sample is to obtain a large number of completed questionnaires or other source of data in quickly and economically way. So the researcher chosen this sampling method.

3.5. Instruments of Data Collection and response rate

Fromthe selected 30 branches, questionnaires were distributed to 120employees which were chosen by using judgmental sampling technique. Researchers select samples by using judgment sampling to satisfy their specific purposes, even if they are not fully representative (Kothari, 1990). The selected employees are only office workers;those are customer service manager,auditor, accountant and chief casher. The reason forfocusing only on the above four group of office worker (not including all office workers)from the sample branch is because,as long as the title is assessing the control system of the bank and as long as this system by its nature developed by upper level manager and applied to every lower level of the bank it is applied similarly in all branches of the bank and most of the responses in the same branch are similar. The other reason is that, all of them are senior employees and they know the managerial control system of the bank for a long time.From 120 questionnaires which were distributed, only 97 of them were properly filled and returned.The questionnaire was developed from (Gregory, 2005), (Lai, 2009) and (Siva, 1997).

3.6. Data Analysis procedure

The analysis method that was used by the researcher is descriptive technique for a better description of the management control system of the bank to the specified strategic objectives.After all the relevant data are collected, data preparation including editing, coding, classification and data entry was made. This step include activities that ensure the accuracy of the data and their conversion form raw form to reduced and classified forms that are more appropriate for analysis.The researcher used SPSS version 20 to analyze and organize the data. To visualize the data frequency table, bar graph and pie chart were used. Descriptive statistical tools like mean, median and standard deviation were also used in the study.

3.7. Ethical consideration

The researcher was used a letter which were written from the school department that described to be cooperative for those organization which the researcher will focus. In addition, most of the respondents were willing and happy to fill the questioner.

CHAPTER-FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Data extracted from the questionnaires were statistically analyzed using the SPSS version 20 software by descriptive statistics. Detailed analysis of the results derived from this analysis is presented in this chapter. This chapter deals with the data presentation, interpretation and analysis of the data. It has two parts. The first is background of the respondents; the second part is about the managerial control system to the selected strategic objective of the bank.

Part I

4.1. Domestic Background of the Respondents

Description of the characteristics for domestic background of the respondents gives some basic information about the sample population involved in the study. From the data collected and tabulated, the following significant characteristics of respondents have been obtained.

Table 4.1: Characteristics of the respondents

Variable	**Variable categories**	**Frequency**	**Percentages**
Sex	Male	70	72.2%
	Female	27	27.8%
	Total	**97**	**100.0%**
Age	<25	15	15.5%
	25-35	72	74.2%
	35-50	10	10.3%
	Total	97	100.0%
Educational Level	Diploma	2	2.1%
	Degree	90	92.%
	Above degree	5	5.2%
	Total	97	100.0%
Salary	2000-3000	4	4.1%
	3001-4000	6	6.2%
	4001-5000	30	30.9%
	>5000	57	58.8%
	Total	97	100.0%

Source: Own survey, April 2015

As displayed in table 4.1 about, 70 (72.2%) of the respondents were male, 72 (74.2%)were between 25 and 35 years of age, and 90 (92%) and 5 (5.2%) of them were having first degree andabove respectively. Amazingly most of the respondents (58.8%) of them are paid more than 5000 Ethiopian birr. The above survey shows that most of the respondents were male and their age is found between 25 and 35 years. More than half of them have a salary of more than 5000 Ethiopian birr. Almost all of the respondents have a degree. The above survey shows that there is about 44.4% difference between male and female employees and most of them are young. The bank is also hiring employees who have degree and above.

Part II

4.2. Questions Pertains to MCS

This section merely deals with the following strategic objectives of the banks and the control system to achieve those objectives.Those strategic objectives are; maximizing customersatisfaction, increase employee satisfaction and improve human resource development and at last the researcher tries to assess the human resource control system at all.

4.2.1. Customer satisfaction control

Table 4.2: customer satisfaction control

The bank control customer satisfaction by using	Choice item	Frequency	Percent	Cumulative Percent
A suggestion box which are available in your branch	Not used	21	21.6	21.6
	Very seldom	6	6.2	27.8
	Sometimes	15	15.5	43.3
	Quite often	7	7.2	50.5
	Always	48	49.5	100.0
	Total	97	100.0	
There is a mechanism of showing what to do when customers face a confusion about the service process (eg, lobby man)	Not used	5	5.2	5.2
	Very seldom	6	6.2	11.3
	Sometimes	12	12.4	23.7
	Quite often	14	14.4	38.1
	Always	60	61.9	100.0
	Total	97	100.0	
Giving an immediate solution for a customer with a complain	Not used	5	5.2	5.2
	Very seldom	6	6.2	11.3
	Sometimes	12	12.4	23.7
	Quite often	14	14.4	38.1
	Always	60	61.9	100.0
	Total	97	100.0	
Customer satisfaction survey every month (eg, preparing simple questioners regarding customer satisfaction, to the customers to fill)	Not used	41	42.3	42.3
	Very seldom	11	11.3	53.6
	Sometimes	24	24.7	78.4
	Quite often	16	16.5	94.8
	Always	5	5.2	100.0
	Total	97	100.0	

Source: Own survey, April 2015

Regarding the customer satisfaction control system of the bank related to a using suggestion boxes,around 48 (49.5%) of the respondents revealed that the bank always uses this kind of control system to control the customer satisfaction. Another 21 (21.6%) of the respondents confirmed that the bank never used such kind of system to control customer satisfaction. Whereas, some 15 (15%) and 7 (7.2%) of the respondents indicated that the bank use this kind of control system 'sometime' and 'quite often', respectively. Finally only 6 (6.2%) of the respondents reported that the practice is applied very seldom. This result indicates,most of the branches use a suggestion box to control customer satisfaction. In reverse, all branches don't use this system to control customer satisfaction.

Referring to a mechanism of showing what to do when customers face a confusion about the service process (eg, lobby man) 60 (61.9%) of the respondents indicated that this mechanism is always used. On the other hand 14 (14.4%) and 12 (12.4%) of the respondents asserted that the mechanism is made' quite often' and 'sometimes' respectively. As the above table shows only6 (6.2%) and 5 (5.2%) of the respondents agreed that the bank used the lobby man mechanism for 'very seldom' and 'not used' respectively. This shows that the bank most of the time controls its customer satisfaction by using this mechanism. More than half of the respondents approved that the bank always use lobby men to help customers and get satisfied. The bank got positive result according to this control system.

With respect to the customer satisfaction control practice of the bank in line with giving an immediate solution for a customer with a complain, the respondents disclosed their attitude. Accordingly, 60 (61.9%) of the respondents said that the customer satisfaction control by giving an immediate solution for any customer related problem used 'always' as a normal routines. Another 14 (14.4%) of the respondents confirmed that the practice is used 'quite often'. Whereas, 12 (12.4%) and 6 (6.2%) of the respondents reported that giving an immediate solution for any customer related problem is applied 'sometimes' and 'very seldom' respectively. Finally, only 5 (5.2%) of the respondents asserted that the customer satisfaction control practice relating to immediate solution for any complain of customer is not used at their branch. Large number of respondents assure that the bank gives an immediate solution for any complain of customer.

Regarding to customer satisfaction survey in every month (eg, preparing simple questioners regarding customer satisfaction, to the customer to fill) under the perspective of customer satisfaction control mechanism the majority of the respondents 41 (42.5%) agreed that the bank don't use this mechanism to control customer satisfaction, 24 (24.7%) of the respondents choose the alternative 'sometimes', 16 (16.5%) choose 'quit often' alternative .But only 11 (11.3%) and 5 (5.2%) of the respondents choose the alternative 'very seldom' and 'always' respectively. It is clear that the bank don't practice this kind of control system to control customer satisfaction.

To sum up the customer satisfaction control practice of CBE, is described by average of the listed questions for it and revealed that the range lies between 1.50 to 5.00 (i,e from 'very seldom' to 'always'. But the average results of the variables which were used to assess the customer satisfaction control of the bank shows that more than 'quite often' which is mean value of 3.6. This implies that the bank is controlling customer satisfaction quite rottenly by using different mechanisms. This explanation is supported with the following table.

Table 4.3: Customer satisfaction control

variable	N	Minimum	Maximum	Mean	Std. Deviation
Customer satisfaction control	97	1.50	5.00	3.6211	0.85780
Valid N (list wise)	97				

Source: Own survey, April 2015.

4.2.2. Employee satisfaction control

Improving employee satisfaction is one of the bank's strategic objective which needs to be achieve. Hence the employee satisfaction control of the bank by using survey study through questionnaire to the target respondents in line with the question whether the bank uses different mechanism to control employee satisfaction, inputs of the respondent explore in the following table.

Table 4.4: When employee wants to quit their jobs, the bank asks the reason why and tries to solve it.

Selected choice	Frequency	Percent	Cumulative percent
Not used	19	19.6	19.6
Very seldom	12	12.4	32.0
Sometimes	42	43.3	75.3
Quite often	7	7.2	82.5
Always	17	17.5	100.0
Total	97	100.0	

Source: Own survey, April 2015

The above table displays that howfrequentdoes the banks giving solution when employees want to quit their job. The table summarized the results as follow. 42 (43%), 19 (19.6%) and 17 (12.4%) of the respondents select the alternatives 'sometimes', 'not used', and 'always' respectively. The rest 12 (12.4%) and 7 (7.2%) of the respondents choose the alternative 'very seldom' and 'quite often' respectively. The above table can conclude that the bank sometimes ask the reason why employees want to quit their jobs and give a solution to stay on their jobs.

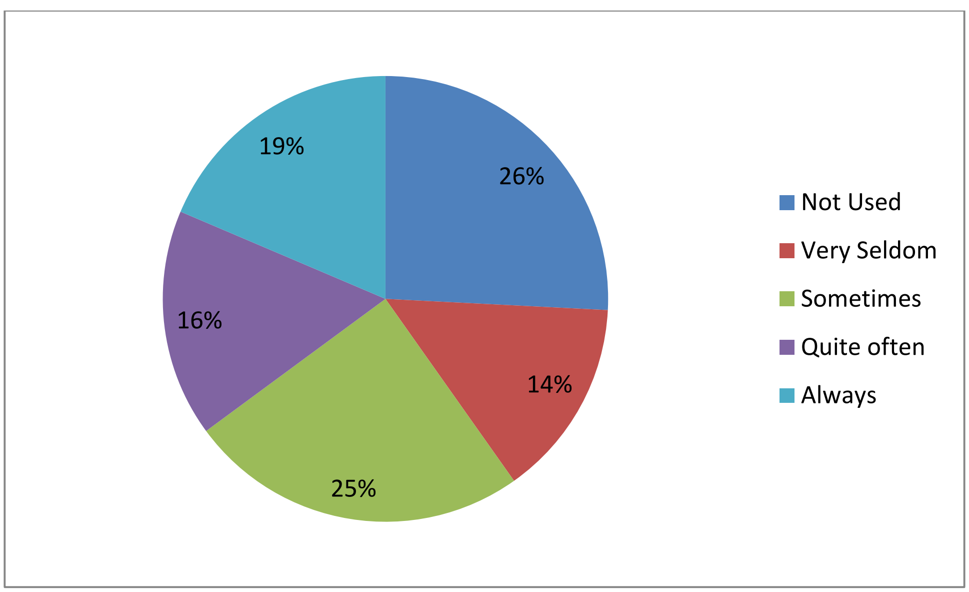


Figure 4.1: When employees are dissatisfied, there is a mechanism of raising complains.

The above figure 4.1 describes that CBE's employees don't have a complain raising mechanism. By looking the above figure, the CBE is sometimes use this mechanism to control employee satisfaction. The majority of the respondents i,e, 26% mark at the alternative 'not used' but even if most of the respondents don't agree that the bank don't use a complain raising mechanism for employees. Others (25%) of the respondents agree that the bank sometimes have a mechanism of raising complains. The remaining 19%, 16% and 14% of the respondents mark alternative, always, quit often and very seldom respectively. This result shows that the bank sometimes have a mechanism of raising complains when employees are dissatisfied.

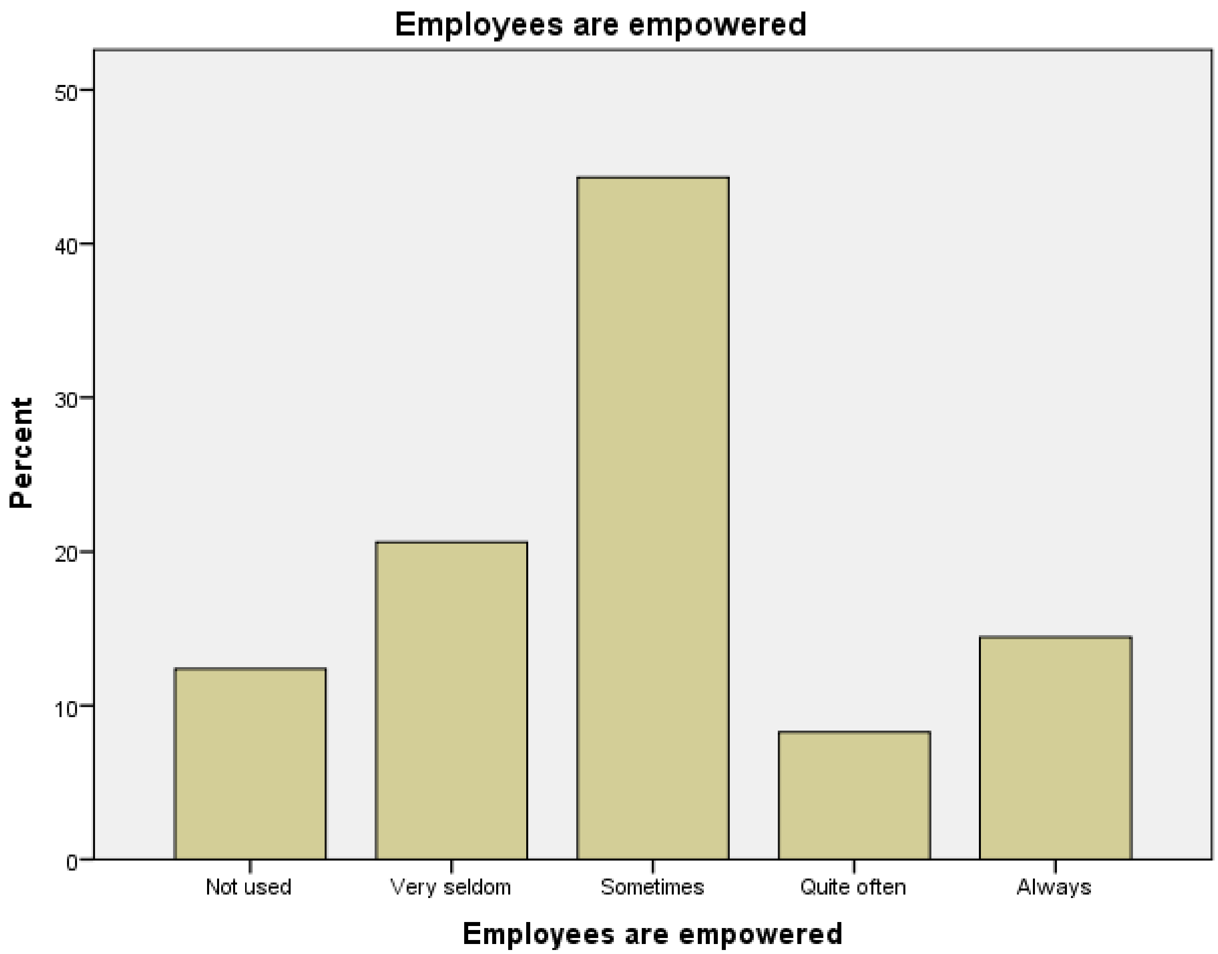


Figure 4.2: Employee are empowered

As the above graph displayed more of the respondents i,e, 43 (44.3%) and 20 (20.6%) select the alternatives 'sometimes' and 'very seldom' respectively. The rest 14 (14.4%), 12 (12.4%) and 8 (8.2%) of the respondents select 'always', 'not used' and 'quit often' alternatives respectively.To conclude depending on the high frequency rate of alternative ‘sometimes’, the bank’s employees are not always empowered.

Table 4.5: Employee are appreciated to give any suggestion related to their job and for any complain of employee the bank give quick solution.

Variable	Choice item	Frequency	percent	Cumulative percent
Employee are appreciated to give any suggestion related to their job or the bank service	Not used	14	14.4	14.4
	Very seldom	11	11.3	25.8
	Sometimes	19	19.6	45.4
	Quit often	24	24.7	70.1
	Always	29	29.9	100.0
	Total	97	100.0	
For any complain of employee, the bank give quick solution	Not used	25	25.8	25.8
	Very seldom	15	15.5	41.2
	Sometimes	33	34.0	75.3
	Quit often	13	13.4	88.7
	Always	11	11.3	100.0
	Total	97	100.0	

Source: Own survey, April 2015

To the regard of appreciating employees to give any suggestion about service of the bank and their job, 29 (29.9%) of the respondents select the alternative ‘always’. Also 24 (24.7%) of the respondents agree with the above respondents by selecting ‘quit often’ alternative. The rest 19 (19.6%), 14 (14.4%) and 11 (11.3%) of the respondents choose ‘sometimes’, ‘not used’ and very seldom alternatives respective to the given variable. The above information describes that the bank appreciates any suggestion raised from employees related to their jobs and the bank service.

For the second variable which is, ‘for any complain of employee, the bank give quick solution’ 33 (34.0%) of the respondents confirm by choosing ‘sometimes’ alternative. Other 25 (25.8%) of the respondents agree that it never give quick solution for any problem. Some of the respondents 15 (15.5%) choose the ‘very seldom’ alternative. The rest 13 (13.4%) and 11 (11.3%) of the respondents select ‘quit often’ and ‘always’ alternatives respectively. This information generalize the fact that the bank don’t give quick solution for any employee’s complain.

Table 4.6: Employee satisfaction control

variable	N	Minimum	Maximum	Mean	Std. Deviation
Employee satisfaction control	97	1.00	5.00	2.9670	0.95903
Valid N (list wise)	97				

Source: Own survey, April 2015.

The above table’s mean value tells that the bank have a weak practice of controlling employee satisfaction.

4.2.3. Human resource development (HRD)control practice of the bank

Here the researcher triedto assess the banks control system of human resource development practice. To analyze the data the researcher used table, pie chart and bar chart. For the first two questions, which were ,’whether the bank gives HRD after evaluating the performance of an employee’ and the second question which were ‘whether the bank provide reward for a better performer’ the researcher used table toanalyze it.For the rest questions that related toHRDC,were analyzed by using pie chart and bar chart respectively. Finally to make it easy for conclusionthe whole result of HRDC are computed with in one table.

Table 4.7: Human resource developmentcontrol (HRDC)

Variable	Choice item	Frequency	Percent	Cumulative percent
The bank HRD is given after evaluating the performance of an employee	Not used	1	1.0	1.0
	Very seldom	16	16.5	17.5
	Sometimes	31	32.0	49.5
	Quite often	31	32.0	81.4
	Always	18	18.6	100.0
	Total	97	100.0	
For a better performer employee, there is a mechanism of **A.** Increasing salary	Not used	50	51.5	51.5
	Very seldom	17	17.5	69.1
	Sometimes	16	16.5	85.6
	Quite often	4	4.1	89.7
	Always	10	10.3	100.0
	Total	97	100.0	
B. Upgrading the job position	Not used	9	9.3	9.3
	Very seldom	19	19.6	28.9
	Sometimes	33	34.0	62.9
	Quite often	19	19.6	82.5
	Always	17	17.5	100.0
	Total	97	100.0	
C. Giving an opportunity to upgrade their educational level	Not used	37	38.1	38.1
	Very seldom	22	22.7	60.8
	Sometimes	12	12.4	73.2
	Quite often	15	15.5	88.7
	Always	11	11.3	100.0
	Total	97	100.0	
D. Giving a reward like, car and house	Not used	78	80.4	80.4
	Very seldom	5	5.2	85.6
	Sometimes	9	9.3	94.8
	Quite often	-	-	-
	Always	5	5.2	100.0
	Total	97	100.0	

Source: Own survey, April 2015.

The alternative ‘sometimes’ and ‘quite often’ were chosen equally (32.0%) to the variable that ‘the bank give HRD after evaluating the performance of an employee’. Other respondents 18 (18.6%), 16 (16.25%) and 1 (1.0%) select the alternative ‘always’, ‘very seldom’ and ‘not used’ respectively. To conclude, the bank quit rottenly give HRD to the employees after evaluating the performance of an employee.

To the variable that ‘for a better performer there is a mechanism increasing salary’ more than a half of respondents which are 50 (51.5%) confirm that there is no such practice by selecting ‘not used’ alternative. The rest 17 (17.5%), 16 (16.5%) and 10 (10.3%) select the alternative ‘very seldom’, ‘sometimes’ and ‘always’ respectively. To generalize this, more than average number of respondents agree that the bank have no practice of increasing salary for a better performer.

There is sometimes an upgrading the job position practice in the bank. This is confirmed by 33 (34.0%) of respondents to the above alternative. The same number of respondents, 19 (19.6%) choose the alternative ‘very seldom’ and ‘quite often’ at the same time. The rest respondents which are 17 (17.5%) and 9 (9.3%) select the alternative ‘always’ and ‘not used’ respectively. This shows that the bank is frequently upgrading the job position of employees who have a better performance. In general the bank most of the time upgrade the job position of an employee who perform better.

According to the above table more than a half of the respondents (80.4%) agreed that the bank never used this kind of practice. Only 9 (9.1%) and 5 (5.2%) select the alternative ‘always’ and ‘very seldom’. To sum up, the bank is not familiar with upgrading employees educational level even if they perform better. The above information implies that the bank does not use this mechanism for most employees.

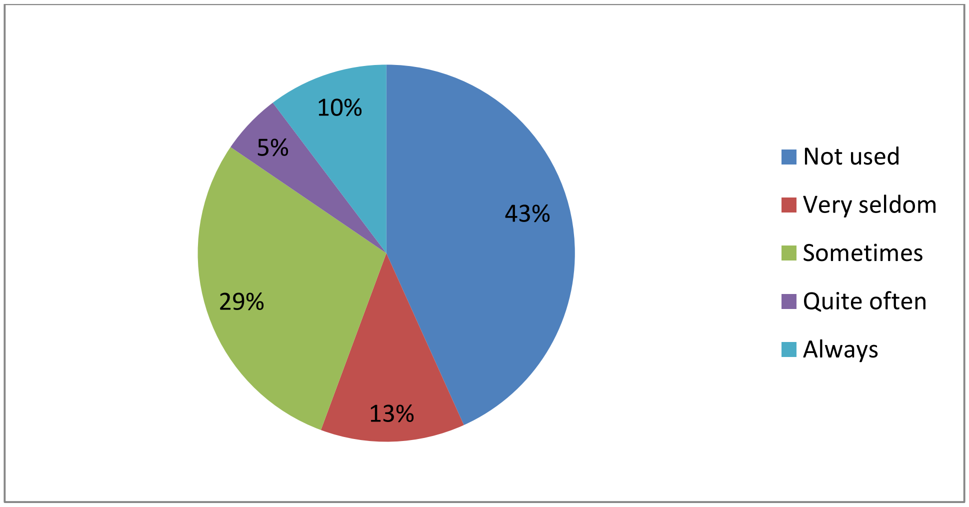


Figure 4.3: HRD of the bank is based on customer comment about that employee

Most of the respondents (43%) select the alternative ‘not used’. The rest (29%, 13%, 10%.and 5%) of the respondents were selected the alternative, ’sometimes’, ‘very seldom’, ‘always’ and ‘quite often’ respectively. This shows that the bank doesn’t use customers comment to give human resource for its employees.

Figure 4.4: The HRD is given by considering the employee experience

Figure 4.4: The HRD is given by considering the employee experience

More of the respondents, 43 (44.3%) agreed that the bank sometimes provide HRD to the employees based on their experience. Only 18 (18.6%) of the respondents choose the alternative ‘always’. The rest 13 (13.4%), 12 (12.4%) and 11 (11.3%) of the respondents select the alternative ‘very seldom’, ‘not used’ and ‘quit often’respectively. This implies, the bank did sometimes HRD based on an employee experience.

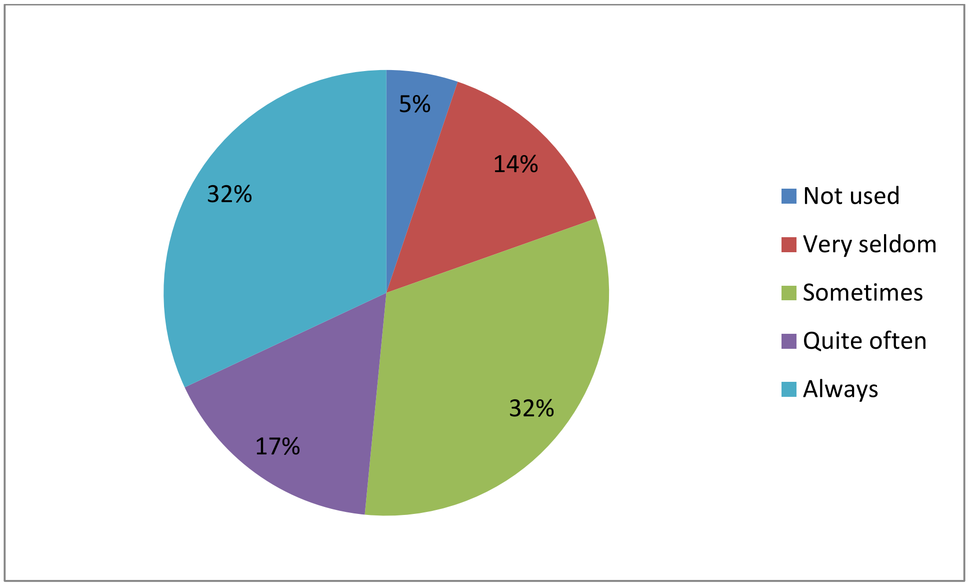


Figure 4.5: The intension of an employee to do more and the bank give training to improve the skill and knowledge of that employee.

The above figure tells us equal number 31 (32.0%) of respondents chose the item ‘sometimes’ and ‘always’ for the same time. This showed that the bank is in line with this practice. The others 16 (16.5%) and 14 (14.4%) of the respondents select the alternatives ‘quit often’ and ‘very seldom’ respectively. Only 5 (5.2%) of the respondents chose the ‘not used’ alternative. This shows that the bank apply this practice quit rottenly.

To summarize the HRDC of the bank the table below compute all the variables and alternatives.

Table 4.8: The bank human resource development control (HRDC)

Variable	N	Minimum	Maximum	Mean	Std. deviation
HRDC	97	1.38	4.50	2.6843	0.70736
Valid N (list wise)	97				

Source: Own survey, April 2015

The above table’s mean value tells that the bank have a weak practice of controlling human resource development.

4.2.4. How does CBE encourage its employees to learn new skill and knowledge?

In regard to the above open ended question most of the respondents mentioned the following. Most of the respondents agreed that the bank provides continues training when there new service system to know. Others said that the bank gives an educational opportunity for its employee to learn new skill and knowledge. Few of them replied by saying that the bank provides coaching and meeting for its employee to learn new skill and knowledge. From these responses to the related question, the researcher conclude that the bank most of the time gives training to encourage its employee to learn new skill and knowledge.

4.2.5. What are the barriers to use MCS practice and information?

For this question most of the respondents reply by saying; fail to practice the procedure, lack of freedom, competency gap, ethical problem (employees), scarcity of working material, lack of strong control system, resistance to new things and skill gap among employees. To summarize the bank face many problem regarding to applying MCS practice and information.

CHAPTER-FIVE

SUMMERY OF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This part of the study tries to summarize and conclude the key findings which arose out of the study and pass possible recommendations as remedies to alleviate the existing and observable potential hurdles.

5.1. Summary of Major Findings

This study initially aimed to assess the managerial control system with a focus on the selected strategic objectives of the bank such as how the bank control, customer satisfaction, employee satisfaction and human resource development. It also assessed how the bank control the human resource at all, in CBE, in a case of Adama district. The researcher summarized the main point of the study findings as follows.

- ✓ CBE Adama district frequently control customer satisfaction by using different mechanism, mostly they are good at showing what to do when customers face a confusion about the service process (there is a lobby man in almost all branches) and give an immediate solution for every customer with a complain. CBE is also not bad on using a suggestion box in every branch. The mean value 3.6211 shows the bank is giving high infuses for customer satisfaction control.
- ✓ The majority of the respondents (43.3%) revealed that CBE sometimesask the reason why employees quitting their job and tries to solve it, so they keep working for the bank.
- ✓ The more of the respondents (31%) agreed that based on the performance of an employee there is a human resource development. In contrast most of the respondents (51.5% & 38.1%) reported as the bank never increase salary and give an opportunity to upgrade the employees educational level respectively, when employee perform better. The bank most of the time upgrading their job position. This is proven by 34.0% of the respondents by selecting the alternative ‘sometimes’.
- ✓ Depending on the mean value which is 2.6843, the researcher summarized that the bank don’t always control the human resource development. It seems the bank don’t have a formal way to control human resource development.
- ✓ Around 33/0%, 40.2% and 37.1% of the respondents assure that there is no control when employees don’t respect their work time, absent with out permission and when

they don’t follow the rules and regulations of the bank. This shows that the bank is practicing weak human resource control mechanism.

- ✓ Also the mean value 2.8948 for human resource control tells that the bank is not strict on this issue.

5.2 Conclusion

Depending on the survey results, the researcher conclude that, the managerial control system of the bank is not aggressively work to achieve the strategic objective of the bank. There are some branches in the district which are highly control the selected strategic objectives to be achieved. In contrast there are also branches that don’t give that much strong influence to achieve these objectives. This situation may led the district not to get a good result as it wishes in achieving it’s strategic objective.

In regard to the barriers to apply MCS which was an open ended question most of the respondents mansion the following barriers: lack of freedom, competency gap ethical problem (employees), shortage of working material, lack of strong control system, corruption benefiting to each other friendly, government interference on the bank, resistance to new things, skill gap among employees and lack of good structure.

5.3. Recommendation

- ❖ One of the strategic objective of CBE is increasing employee satisfaction. As per the above conclusion controlling employee satisfaction is given less attention. As long as employee satisfaction effects an organization’s success, CBE needs to focus to increase employee satisfaction by giving high emphasis of controlling employee satisfaction.
- ❖ To improve the bank’s human resource development control, the bank should measure each employees performance very well and the compensation package should be link with their performance and the promotion of staff should be transparent.
- ❖ While assessing the barriers of MCS in the CBE, a number of respondents response by saying there a practice of mixing personal interestwith the bank interest. This will be obstacle to implement the MCS and to achieve the strategic objective.
- ❖ Lack of integrity between the top levelmanager and the bottom line is another barrier to MCS of the bank. In addition the managers and employees each branches should follow the procedure of applying MCS. This can remove the misbehavior of employees.

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Appendix

Adama Science and Technology University School of Business and Economics

Department of Management

Dear Participant,

This questionnaire is designed to conduct a research on the topic of ***'An Assessment of Management control system (MCS) to the achievement of strategic objectives, inCommercial bank of Ethiopia at Adama district'***. The purpose of the studyis for the partial fulfillment of the requirement of MBA degree in Business Administration. Forsuccessful accomplishment of the study, the response of back office employees (auditors, accountants, chief cashers and customer service managers) of the bank will have pivotalrole by being used as valuable input for the study. The reason for choosing the above employees is, because most of them are seniors and they know the bank control system for a long time. So, you are kindly requested to genuinely fillthe questionnaire.

Thank you in advance for your cooperation!

Instructions:-

- Writing your name is unnecessary.
- put "✓"mark as per the questions required in the box or answer in the space provided.

Part One: Respondent Profile

1. Sex Male ▢ Female ▢

2. Age (Years) below 25 ▢ 25-35 ▢ 35-50 ▢

3. Educational Level 10+3 or Diploma ▢ Certificate ▢
Degree ▢ Above Degree ▢

4. Your Salary paid by the bank (Ethiopian Birr Monthly)
1001-2000 ▢ 2001-3000 ▢ 3001-4000 ▢
4001-5000 ▢ above 5000 ▢

Part Two: Questions related with the topic

Use of management control system to the achievement of strategic objectives of the bank

There are listed of several management control system to the specific strategic objective of the bank. Please put tick (✓) mark for the appropriate alternative for each row.

A. Customer satisfaction control

The bank control customer satisfaction by using	Not used	Very seldom	Sometimes	Quite often	Always
1. A suggestion box which are available in your branch					
2.There is a mechanism of showing what to do when customers face a confusion about the service process (eg, lobby man)					
3. Giving an immediate solution for a customer with a complain					
4. Customer satisfaction survey every month(eg, preparing simple questioners regarding customer satisfaction, to the customers to fill)					

5. What is your suggestion for your bank management control system to maximize customer satisfaction?

B. Employee satisfaction control

The bank use different technique to control employee satisfaction like,	Not used	Very seldom	Sometimes	Quite often	Always
1.When employees want to quit their jobs ,the bank ask the reason why and tries to solve it.					
2.When employees are dissatisfied, there is a mechanism of raising complains					
4. Employees are empowered					
5. Employees are appreciated to give any suggestion related to their job or the bank service					
6.For any complains of employee, the bank give a quick solution					

7. What is your suggestion for your bank management control system to increase employee satisfaction?

C. Human resource development control

The bank human resource development is	Not used	Very seldom	Sometimes	Quite often	Alwasys
1. Given After evaluating the performance of an employee					
2. For a better performer employee, there is a mechanism of **A.** increasing salary					
B. upgrading the job position					
C. give an opportunity to upgrade their educational level					
D. give a reward like, car and house					
3. Based on customers comment about that employee					
4.By considering the employee experience					
5. The intension of an employee to do more and the bank give training to improve the skill and knowledge of that employee					

6.How does commercial bank of Ethiopia encourage its employees to learn new skill and Knowledge?

7.What are the barriers to use of MCS practices and information?

------------------------------- End!!!!---