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**PERFORMANCE MANAGEMENT OF MENNONITE
ECONOMIC DEVELOPMENT ASSOCIATES**

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PERFORMANCE MANAGEMENT OF MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES

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ABSTRACTS

The objective of the study is including two major objectives, to identify the current performance activities of Mennonite Economic Development Associates and to evaluate the performance of Mennonite Economic Development Associates by using balanced scorecard. The primary data collected by interviewing with all beneficiaries and employees by using structure questionnaires total of 105 beneficiaries and employees of MEDA project. Description method is mainly used. The study used a balance scorecard approach with four perspectives of Financial perspective, Customer perspective, Learning and growth perspective and Internal process perspective. This study find that MEDA could provide ease access to get Information, understanding the specific needs of the Beneficiaries, help to reduce duplicating services, Help staff monitor progress, supporting staffs personal and professional development through training and mentorship, improving cost-saving and monitor, budget and actual thus increase partner satisfaction in the mean of overall moderate result. This study suggested that MEDA employees should be more careful about that the beneficiaries actual perceived condition. According to the analysis of the study, it is found that MEDA can take the corrective and prevention action if they found the gaps between beneficiary's satisfaction levels and their performance management practice. The use of balance scorecard has high potential in the evaluation of performance. Therefore, MEDA's needs to balance financial and non-financial for the improvement of performance management.

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LIST OF ABBREVIATIONS

BSC	-	Balanced Scorecard
MEDA	-	Mennonite Economic Development Association
NGO	-	Non-Governmental Organizations
NPO	-	Non-Profit making Organizations
PM	-	Performance Measurement
KFPs	-	Key Facilitator Partners
PSDs	-	Private Sector Development
MSME	-	Micro sized Medium Enterprises
LF	-	Lead Firm
HMAG	-	Harmony Myanmar Argo Group
GAAP	-	General Accepted Accounting Practice
SPSS	-	Statistical Package Social Science
KWEG	-	Karen Women Empowerment Group
NAG	-	Network Activities Group
SIT	-	Shwe Inn Thu
PDN	-	Parami Development Network
SKBZ	-	Shwe Kan Baw Za
KBC	-	Karen Baptist Convention
GAAP	-	General Accepted Accounting Practice
USD	-	United State Dollars

CHAPTER I

INTRODUCTION

Nowadays, Non-government organization (NGOs) are effective change agents in Myanmar for economic sectors including poverty reduction, HIV and AIDS, health, education, natural resource management, human rights, agriculture, Livelihood, alternative trading and the various kinds of vulnerability. Over the last decade, NGOs as part of the voluntary sector have become major players in international development particularly in developing countries. They have evolved over the years from relief and welfare to small scale local development and currently sustainable development systems (Korten, 1987; VanSant, 2003).

Furthermore, NGOs focus on achieving a mission and balancing cost efficiency with program effectiveness. NGOs need to examine how the financial and non-financial resources can be efficiently and effectively utilized. Performance in NGOs first came into focus soon after World War II when the extent of their performance problems was first exposed and scrutinized. The sector had been increasingly criticized for lack of professionalism and inability to meet targets (Courtney, 2002). The 1960s and 1970s saw significant growth in the number of voluntary Non-Profit Organizations. This was partly a result of public interest in the work of NGOs and partly because governments saw these organizations as a convenient and inexpensive means of delivering public services and implementing development policies.

Performance Measurement (PM) in non-profits is more complex than in for-profits due to multiple and sometimes contradictory stakeholder demands, complex missions and the fact that NGOs also have to demonstrate their legitimacy through their contribution to society (Greiling,2010). Sawhill and Williamson, (2001) argued that many nonprofits have difficulties in measuring progress in terms of realizing the organization's vision. For this reason, they advised the NGOs to focus on three main areas namely; measuring how efficiently the organization is using and mobilizing resources, measuring the efficiency of its.

Moreover, the nature of the working environment of NGOs forces these organizations to assess and enhance their strategies and performance. NGOs are required to manage and evaluate their performance from multiple perspectives, considering the project/programs performance, the needs of beneficiaries and the

international effectiveness. Therefore, NGOs need to aware of importance of performance management practice were not only beneficial to partners but also beneficial to the organization improvement. Having a good performance management, the organization can run more activities effectively to qualify for donor funding and to reach target groups beneficiary effectively, NGOs typically have to meet a range of funding conditions. Donors supporting NGOs need to take into consideration that their funding conditions may have a range of undesirable consequences.

Presently, Myanmar is increasingly becoming the world's donor dealing, with foreign aid donors and their implementing partners rushing into the country to deliver development assistance. Many donors are helping in humanitarian sectors, variety of sectors and development activities more than before. NGOs are working in Myanmar draw on various funding sources, bilateral donors, multilateral donors fund and private donors. Donors Funding is the act providing financial resources, usually in the form of money, or other values such as effort or time, to finance a need, program and project usually by an organization or government. The funding is not being deployed at the right opportunities, with sufficient flexibility, and critically, humanitarian and economic development assistance do not pursue mutually reinforcing goals.

Mennonite Economic Development Associates (MEDA) an International Non-Government organization. MEDA is a Canada based international NGO that has opened in Myanmar since 2015. Its main objective is to become active, respected and empowered economic actors and leaders for women in Shan and Kayin. The project is working within agricultural value chains and financial inclusion improved the standard of living and the business environment indirect goods and services provided by strengthened micro small and medium sized enterprises (MSMEs) in the agricultural sector. Performance measurement for NGOs are necessary to determine how they are delivering value to their beneficiaries and how efficiently they are performing to their beneficiaries.

The BSC developed for use by for profits (adopted for non-profits in 2001 by Kaplan) to address the added value that firms produce beyond simple profit, proposed a unified vision and strategy for viewing performance as a 'balance' among the following four elements which Kaplan and Norton called perspectives: financial, customer, internal processes and learning and growth as key performance measurement dimensions (Klout and Martin, 2001; Speckbacher 2003); (Moxham and Boaden, 2007;

Woods and Grunbnc, 2008), The financial perspective identifies how the company or organization wishes to be viewed by its stakeholders, while the customer perspective determines how the company wishes to be viewed by its customers. The internal business processes perspective describes the business processes at which the company has to be particularly adept in order to satisfy its shareholder and its customers. The organizational learning and growth involve the changes and improvements which the company needs to realize if it is to make its vision come true (Kaplan and Norton,1992; 1996).

1.1 Rationale of the Study

All Non-Government organization strives to achieves their mission effectively. So, performance management practices of organization are very important to achieve a mission effectively. Financial indicators cannot disclose the gap between exciting and future require capability of organizations people system and procedure. Failure of conventional performance rating to consolidate the financial and non-financial measures gives one sided unclear view regarding the performance of NGOs. Performance Management is of growing importance to NGOs in developing countries due to funding insecurity, multiple stakeholders' requirement and demand for effectiveness and accountability (Olujide,2005).

Currently, the performance of NGOs is on focus especially for donors and other partners including the target community. Previously, the NGOs were operating with a target to impact on the livelihood of the poor. Majority of them focused more on social impact rather than the financial equivalent returns. The nature of performance measurement in the NGOs sector did not include financial accountability, however, this has changed, and many NGOs are being concerned with financial accountability of the projects to the stakeholders and more so to the donors.

In past year Mennonite Economic Development Associates (MEDA) rely on the Logical framework as a gauge for measuring performance but, this performance measurement framework is mainly applicable at the operational level, where performance is measured against the achievement of outputs and outcomes. This study focused on limited attributes of performance and thereby leaving out other key attributes, especially those spelt out in the BSC necessary in performance measurement. This calls for the establishment of a more holistic performance measurement framework

that will incorporate measure of both lead and lag indicators to enable the MEDA (NGO) achieve their missions. One of such frameworks is the Balanced Scorecard (BSC), which has been successfully applied in the business sector and NGOs particularly in the developed countries and would be more relevant to test in the developing world.

The BSC has a number of benefits to effective and credible measures. Internally, performance measurement help identify strengths and weaknesses in the organization. Where problems are uncovered, they may highlight where quality is threatened and contribute to subsequent attribution of responsibility. They may also indirectly enhance productivity by ensuring more effective use of resources and organizational capacities as well as helping managers prioritize activities and target resources more effectively. In addition, it facilitates internal communication by summarizing complex situations and reducing the scope for ambiguity and misunderstanding.

Nowadays, Mennonite Economic Development Associates (MEDA) realized that not having trust and satisfaction by the beneficiary in the organization might not operate well although it has premium operational system. NGO's sector is a beneficiary oriented where the beneficiary is the focus and research are needed in search factor to understand beneficiary need and perception so as to build a long relationship with beneficiaries. Therefore, the term Performance Management become the critical topic and rational to study in Mennonite Economic Development Associates (MEDA). By studying this topic, the NGOs can take the corrective and preventative actions if they found the gaps between the beneficiary satisfaction levels and their Performance Management practice. It is for this reason that this study aimed at establishing the effectiveness of the BSC as an ideal performance measurement framework on performance management of MEDA (NGO) within Myanmar County.

1.2 Objectives of the study

The objectives of this study are as follows;

- (1) To identify the current performance activities of Mennonite Economic Development Associates (MEDA).
- (2) To evaluate the performance of Mennonite Economic Development Associates (MEDA) by using balanced scorecard.

1.3 Scope and Method of the Study

Descriptive statistics such as frequency distribution and percentage were used to analyze the performance measurement of MEDA. This study mainly emphasizes on the performance management of Mennonite Economic Development Associates (MEDA) during the period from 2015-2017 to 2018 -2019. The primary data was collected by conducting personal interview and questionnaires with 105 beneficiaries and employees in Yangon, Kayin and Shan. In this research, sample represent 21% of total population 505 financial services beneficiaries and employees of MEDA project. Employees and Beneficiaries from each branch were selected as the sample respondents in order to know about that the Performance Management in Mennonite Economic Development Associates (MEDA). Description method was used. Secondary data are collected from MEDA profile, audited financial statement, Internet, websites and other relevant articles and texts. Information and collected data were analyzed by using financial and non-financial based on Balanced scorecard of performance management.

1.4 Organization of the study

This study is organized into five chapters. This chapter one is the introduction, included in rationale of the study, Objectives of the study, Scope and method of the study and organization of the study. The Chapter two describes the literature review and the theoretical background of the performance management. The third chapter presents the background history and activities of MEDA. The chapter four describes the analysis on performance measurement of MEDA. The last chapter includes the conclusion, recommendations and suggestion of the study.

CHAPTER II

THEORETICAL BACKGROUND OF PERFORMANCE MANAGEMENT

This chapter focus on the theoretical background to serve as the framework for the study and begins with the theory regarding the identify concepts of the study. The first section includes defining of performance management, Performance measurement and Management practices in NGOs, financial and Non- financial measure of Performance in NGOs. The next section is the concept of Balanced Scorecard follow by NGOs and the customer perspective which was closely followed by internal processes perspective. The learning and growth perspective were also presented. The financial perspective came next. In addition, the conceptual frameworks were also discussed.

2. 1 Defining Performance Management

Performance Management is defined by Armstrong, (2009:1) as a systematic process to improve the performance of a company by developing the individuals and team's performance. For these outcomes to be reached Performance Management should be understood and applied utilizing an agreed framework of planned goals, standards and competency requirements. According to Armstrong, todays Performance Management is implemented into organizations through the progression of management by objective and performance appraisal that were developed some time ago (Armstrong, 2009: 2).

The overall technique of Performance Management is employed by line managers on a daily basis rather than as a yearly human resource exercise, hence becoming a natural process of management. Armstrong's overall sense of Performance Management is that it should be an on-going process in organizations having a systematic set of agreed targets and goals that will advance the organization. Similarly, to Armstrong, Redman and Wilkinson, (2009:179) depict that Performance Management is used as a tool to connect the objectives of the organization to a set of work targets for employees with objective setting and formal appraisal at the core of this process. The use of Performance Appraisal is moving from being a single method of the management of performance, to becoming a more integrated fragment of the overall Performance Management system.

Performance Management is described as a 'holistic process' which integrates all the various needs that are required in order to reach an advantageous system of people management that concentrates on 'learning and development. Performance Management give teams and individuals the responsibility to take liability for their own continuous improvement of business processes and of their own skills, behavior and contributions. Managers can then converse their viewpoint for the teams and individuals and in return they communicate how they consider them to be managed. Performance Management entails development in the setting of objectives and through the measurement of this.

Generally, Performance Management should provide a culture within the organization where exceeded performance is gained from the teams and individuals that have accountability for their own goals and the progression of the organization under efficient management focus should be targeted on giving the individuals and teams accurate tasks to be implemented through realistic goals (Armstrong, 2006).It is highly apparent that a common thread can be visualized throughout the various definitions of Performance Management in relation to it being carried out through the setting of goals and targets for the teams and individuals to meet the overall objectives of the organization Although the common performance appraisal systems are still apparent in organizations there has been a move to a more integrated management system to comprise all requirements needed to manage the performance of teams and individuals on an on-going basis.

2.2 Performance Measurement and Management practice in INGOs

In the performance measurement and management literature of NGOs, the significance and advantages of utilizing performance measurement and management to different organizational management structures, techniques and processes have been broadly proved (Teelken,2008). The literature reveals theoretical frameworks and empirical investigations that exhibit the necessity of performance measurement and management to strategy at all levels, organizational transparency, organizational objectivity, organizational learning, efficiency, performance enhancement and effectiveness. Measuring and managing performance in NGOs is not only a tool of planning that assists these organizations to assess their impact, outcomes and outputs. It can be likewise regarded as a strong instrument for inward feedback and learning. It thus seems to be the main way to effectively process and handle information within

NGOs and to disseminate it to the concerned stakeholders such as targeted communities, partners, donors and other public local governments. The concept of performance measurement and management in NGOs is extremely vital since it concentrates these organizations in the use of the performance information in their decision-making framework. This implies that managing and accessing the performance is a pre-requisite for NGOs strategic planners to improve their functions. Moreover, it is closely associated with the budgetary system inside NGOs since these organizations are fundraising-oriented. A further reason of the necessity of performance measurement and management in NGOs is the need for transparency and accountability toward different stakeholders. This is due to the fact that there is a sort of pressure from stakeholders on NGOs to demonstrate how they perform their operations.

2.3 Financial and Non - Financial Measures of Performance in NGOs

Financial Performance Measure is a vital measure to evaluate the quantitative parameters is the financial statements of organizations. Lewis, (2009). These statements provide the stakeholders with an insight on the financial situation of the organization and facilitate better planning and monitoring of activities. With soliciting and using the donor funds comes the responsibility of being able to justify and provide clarity on the usage of funds and also plan for effective utilization of the limited resources. Therefore, transparency is an essential condition for accountability. NGOs are striving to gain the confidence of their donors and internally create a committed organization. Many NGOs are proactively deciding what more can they inform their stakeholders. The disclosures in the financial statements are better and if any person from anywhere in the world is able to understand the financial statements then the objective of transparency is achieved.

Non-Financial performance Measure is in recent years the concern for quality has created a greater demand for more performance measurement strategies. The NGOs are under pressure to invest more in evaluating the work and measuring its implications both financially and non-financially. A measure of non-financial performance is essential to provide a balanced view of organizational performance. The scarcity of resources and increased competition from other organizations for funds has elevated the need for the NGOs to measure and proactively manage organization performance. The NGOs are accountable to their stakeholders most importantly to their donors and beneficiaries. The analysis of financial statement is usually a post hoc measure detailing

the result of the performance whereas on the other hand the non-financial parameter elevates the measurement for strategic reorganizing and continuous improvement to better the performance. NGOs should consistently measure the impact of the activities and efforts on the society and individuals and the progress made towards achieving the set objectives. To determine the ability of an organization to constantly grow and improve, the NGOs need to keep a track of the changes within and outside the organization. Necessary skills and tools in employees are essential to drive the strategic goals and align with organizational objectives. Another measure of performance in NGOs could be the level of relationship maintained and built through the years. The number of new donors added during the year or the repeatability of donors through the years. The jobs created during the year are also an indicator of the organization's development each year. (Epstein and McFarlan,2011) The main objective of these measurements is to align the resources, processes and financials to meet the organization's objectives.

Transform goals set to goals achieved. utilization of the financial resources combined with the efficient and effective non-financial resources. Such measures give an organization a more informed view of their performance and better understanding of the impact they are able to create on the communities they serve. Good performance is a criterion whereby an organization can determine its capability to achieve its objectives and prevail.

2.4 The Concept of the Balanced Scorecard

The balance score card is a carefully selected set of measures derived from an organization's strategy. The measures selected for the scorecard represents a tool for leaders to use in communicating to employees and external stakeholders the outcomes and performance drivers by which the organization will achieve its mission and strategic objectives (Niven,2002, p12). The BSC can also be defined as a set of measurements that give top managers a fast, but comprehensive view of the business including operational measures on customer satisfaction and the organization's innovation and improvement activities as well as financial measurements (Martin, 2006).

The BSC was introduced in 1992 by Kaplan and Norton as a business performance measurement tool. In the original BSC, four dimensions commonly referred to as perspectives were key in helping organizations achieve their visions and strategies. This included financial, customer, internal business processes and finally learning and growth perspectives (Kaplan and Norton, 1992, 1996, 2001). The original BSC had the perspectives effectively interlinked with one another while determining vision and strategy of NGOs. This implies that the four perspectives must exist for an organization to measure its performance. According to Lawrie, (2005), the BSC evolved in three distinct phases; the original BSC fondly referred to as the first generation BSC evolved from 1990-1996. Its focus was more on how to use the BSC to measure performance. In the second phase, BSC shifted towards improving the management of performance at organizational level from 1996-2000. In the last phase, (which covered the period 2000 to date) the BSC method evolved into a clear on going and replicable process for strategic management. All these evolution processes focused more on the business sector. In 2001, Kaplan began to shift the BSC focus towards non-profit making organizations with modification of the bottom line from financial (making profit) to customer satisfaction. This trend was later borrowed by other scholars (Niven, 2008:2003:2002) who have demonstrated the need to apply this theory in the NGOs sector. This new trend of the BSC has been applied in developed countries with reported success especially in fortune companies and UK companies. However, there is scanty literature on the theory's application in developing countries including Kenya.

A Balanced Scorecard initiative begins with identifying strategies derived from the organization's vision and mission. Strategic themes are then developed by viewing the vision and mission statements from four distinct perspectives including the financial, customer, internal business processes and learning and growth (Kaplan and Norton, 2004). According to Yang, Cheng and Yang, (2005), the BSC applied in private enterprises differ in two ways: vision and mission which are more important to NGOs than to business; financial perspective is not the overriding priority as profit is not the most important issue to NGOs. Therefore, NGOs should place their shareholders and customers at the top of their BSC and use the customer perspective to develop internal processes and learning and growth perspectives to maximize customer value. For non-profits to successfully acquire external funding, maintain government contracts, retain

competent staff and/ or address the outcome, relevant to community stakeholders, they need to continuously improve their ability to measure results in order to make decisions that lead to long term sustainability (Forbes, 1998). The applicability of the different perspectives of the BSC has not received much attention in the NGOs sector and especially in Kenya leading to a critical focus on the key BSC elements as discussed in the subsequent sections.

2.4.1 Customer Factors Related on Performance of Non-Governmental Organizations

The customer group was traditionally understood as people or organizations that buy or use the business or organization's products (Fretchling,2006). On the basis of this, it is apparent that the NGOs may serve three 'customers' segments including donors, constituents and employees. According to Kaplan and Norton, (1992), the customer perspective of the Balanced Scorecard (BSC) has to incorporate performance effectiveness as perceived by various customer segments. Based on the assessment information gained from the customer perspective, the organization can easily identify critical performance measures in the other three perspectives (internal processes, learning and growth and financial). Kaplan and Norton, (1992) further argues that monitoring customer processes through the BSC helps non-profits collect information about customer's perceived value, service quality, delivery time and costs, and customer's satisfaction. Thus, they will be able to align their strategic plans to the achievement of higher customer intimacy, superior service quality perception and operational Excellency.

Hartnett and Matan, (2011) supports the foregoing argument by asserting that this perspective is about the donor, volunteers or clientele (users of the services) experience, which is found by measuring satisfaction and retention as well as assessing the non-profit's market in its niche. Recent management philosophy has shown an increasing realization of the importance of customer focus and customer satisfaction. These are leading indicators: if the customers are not satisfied, they will eventually find other suppliers that will meet their needs. Poor performance from this perspective is thus a leading indicator of future decline, even though the current picture may look good (Kaplan and Norton, 1992).

Niven, (2003) concurs that being able to satisfy customer needs is fundamental to all corporations and to achieve positive financial results (both in the short and long

term), many organizations gear themselves towards their customers and also include them in their mission. According to Kaplan and Norton, (1996) by including the customer perspective in the BSC, organizations are forced to translate abstract statements into tangible and actionable measures. Hartnett and Matan, (2011), assert that every NGOs should measure the attitude of its strongest and most loyal customers (supporters) to gain the most for the organizations. Keeping donors and volunteers engaged and enthusiastic and identifying ways to do that through the BSC provides an incredible advantage for any organization. Hassan, (2010) argues that the determinants of NGOs' success are the relevance of services provided to social needs, which is a sole assessment of customers.

A study conducted by Morley et al, (2001) found that approximately 78% of NGOs conducted client surveys designed to measure customer satisfaction, client outcomes to be used as performance measures. This finding is comparable to Carman and Fredrick's (2008) result that 67% of NGOs collect data on consumer or participant satisfaction on regular basis. From the foregoing arguments NGOs should therefore put in place mechanisms that will enable them get feedback on customer satisfaction for them to realize their missions. This is because customer satisfaction will also enable them to access more donor funding which would ensure their continued survival.

2.4.2 Internal Processes Factors Related on Performance of Non-Governmental Organizations

The internal processes perspective captures measures regarding organizational operations and processes necessary to meet customers' expectations and increase their satisfaction (Kaplan and Norton, 2000); Niven,2008). In other words, the internal business processes are more about value chain management. Revising and improving internal business processes is dependent upon performance measures identified by the customer perspective of the BSC (Niven, 2008).

This perspective involves measuring the cost, throughput and quality of the non-profits key operational processes. This internal focus gives leaders a thorough understanding of how well the non-profit is running and can help them determine which programmers and services are meeting the real needs of the community (Hartnett and Matan, 2011). According to Balanced Scorecard theory, creating customer value and satisfaction as defined in the customer perspective entails the efficient operation of a

specific internal process within the organization, in order to serve the customer. These processes need to be identified and measures developed to track progress. To satisfy customers, new processes may have to be developed instead of making incremental improvement on existing ones (Kaplan and Norton, 1996). Common measures within this perspective are lead times, error reports and quality and productivity measures (Niven, 2002).

A study conducted by Atkinson, (2006) to investigate the role of the Balanced scorecard in strategy implementation found that in the internal process perspective, key goals and measures should highlight critical skills and competencies, processes and technologies that will deliver current and future organizational customer and financial success. Niven (2003) argues that the NGOs must select and measure those processes that will lead to improved outcomes for the customers, and ultimately allow them to work their mission. These processes to be selected must flow directly from the objectives and measures chosen in the customer perspective.

2.4.3 Learning and Growth Factors Related on Performance of Non-Governmental Organizations

Operating as mission-based organizations, NGOs rely heavily on the skills and alignment of their staff to achieve their socially important goals (Niven, 2003). According to Makakane, (2007), learning and growth perspective is about employee training, the organizational culture, tools, technology, infrastructure, skills and capabilities required to achieve the organizational objectives. It is essentially the foundation upon which the organizational success is built. The measures in this perspective are the enablers of all the other perspectives as they will ultimately lead the organization to achieve its results.

Fletcher and Smith, (2004) also concurs by suggesting that the learning and growth perspective was the leading indicator of internal business process which in turn, was the leading indicator of customer satisfaction. A degree of improvement in internal business and the level of customer satisfaction will also affect the financial perspective. Kaplan and Norton, (2000), argue that this perspective captures information about human capital and information technology needed to achieve competitive advantage. Since the staff and the volunteers represent the organization's major resources it is in order that their performance is appropriately measured.

Learning includes mentors and tutors, ease of communication among workers that allow them to readily get help on a problem when it is needed. Decisions concerning training and skill building can be based on, in part, their level of knowledge about the organization. The leadership should in addition take into account the business skills needed to advance the mission, donor development, marketing and branding, leadership, communication and the use of technology to support every aspect of the organization (Hartnett and Matan, 2011). Niven, (2003) observed that motivated employees with the right mix of skills and tools operating in an organizational climate designed for sustaining improvements are the key ingredients in driving process improvement working with financial limitations, and ultimately driving customer and mission success. According to Niven, (2002), organizations do not exist in a static, isolated environment: competition, new technology and other changes push forward the customer expectations and performance requirement of the organization, therefore organizations should always strive to learn all the time in order to actually know what their customers really want.

2.4.4 Financial Factors Related on Performance of Non-Governmental Organizations

According to Hartnett and Matan, (2011) and Niven, (2002), the financial perspective includes the measurement of operating income, return on capital and economic value added. NGOs just like for profit companies, must have a solid understanding of their financial situation. Timely data on funding sources cost of services and overhead costs must be incorporated into the non-profit's strategic plan to provide a complete picture of the situation. The leadership must be comfortable with the financial statements and budgets which provide a solid basis for operations and build confidence with funding, grantors and other sources of revenue.

This perspective can also be defining financial strategic objectives and financial performance measures that provide evidence of whether or not the company's financial strategy is yielding increased profitability and decreased costs. This view also captures how the organization must look to the customers in order to succeed and achieve the organization's mission (Ronchetti,2006). Niven, (2008) asserts that the financial perspective of the BSC is imperative for non-profits because it captures information about how efficiently they are using scarce resources and public/donor funds to offer

quality services. This perspective improves organizations accountability towards the public and enhances its fundraising potential, consequently, making mission achievement much imminent. Niven, (2003) and Lindvall, (1995) further argue that no organization, regardless of its status, can successfully operate and meet customer requirements without financial resources. Financial measures in the public and non-profit sector scorecard model can best be seen as either enabler of customer success or constraints within which the group must operate. According to Niven, (2002) an organization which is using significant time and resources on improving internal processes may effectively add little value if these improvements are not translated into improved financial performance.

Financial Performance of NGOs can also be defined in terms of financial accountability. Financial Performance has been one of the key elements in measuring overall performance and evaluating effectiveness of non-profits (Speckbacher,2003; Ritchie and Kolodinsky, 2003; Sowa, Selden and Sandfort,2004; Mc Cathy, 2007). As far as donors and community stakeholders are concerned, financial accountability focuses primarily on a non-profit's reputation for fiscal transparency and honesty as reflected on the IRS 990 forms for organizations with over\$ 25,000 in annual revenue (Keating and Frumkin,2003). More often than not accountability is represented by the data on these IRS forms and/ or the use of external independent auditors, operating standards, audit committees and boards' expertise (Whitaker et al 2004; Greenlee, Fischer, Geer, Macher and Cole, 2008).

Apart from fiscal transparency, financial efficiency relates to the amount of money needed to bring in revenues and access funding sources. Ritchie and Kolodinsky, (2003) identified three categories of financial performance that foundations use to evaluate the financial efficiency of non-profits: fundraising efficiency, fiscal performance and public support. The last approach to assessing financial accountability is performance-based budgeting (Joyce, 1997) in which funding and spending are linked to the actual goals strategies, programmes, revenues, services and results (Moravitz,2008).

Performance based budgeting consist of the following critical elements: creation of strategic plans linking missions with programmes, link strategic objectives to goals through a performance plan, use the budget to support the performance plan and priorities based on the financial resources and assessing progress against the plan

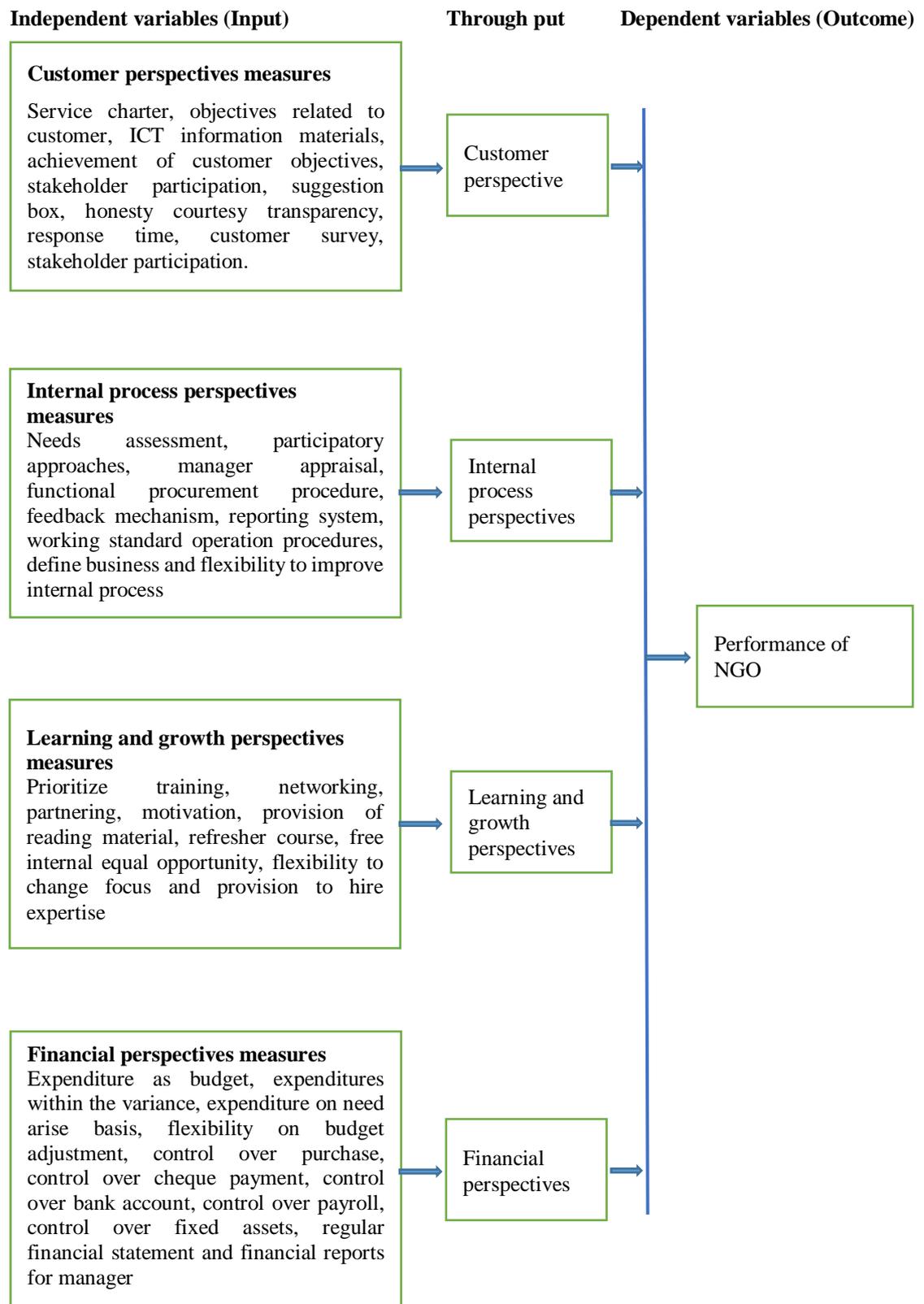
periodically. Melkers, (2008) argues that this approach encourages non-profits to move away from traditional line item budgets to those that are truly linked to service outcomes that document their social impact. Although NGOs are not financial generating entities, they are accountable to the funds donated by the benefactors. Therefore, a clear measurement and indication of how financial resources are managed become critical and necessary elements for NGOs' performance evaluation (Bin Md. Som, H. and Theng Nam, R.Y., 2009c).

The frameworks and systems commonly used to assess the success of donor-funded development projects are based on an underlying assumption that NGOs should be accountable to their key stakeholders, most importantly to their donors and beneficiaries (Cutt and Murray 2000). But accountability is not just about donor control. It includes the fulfillment of public expectations and organizational goals as well as responsiveness to the concerns of their wider constituency. It is also noted by Herzlinger and Nitterhouse (1995) that NGOs with high asset turnover are considered as generating more programmes or services than those with low asset turnover. Moreover, NGOs with low turnover are more likely to invest their assets to earn income than to provide services. The liquidity ratio measures the relationship between assets and liabilities and also helps to determine the consistency of goals and resources.

2.5 Conceptual Framework

The conceptual framework was adapted from the Balanced Scorecard theoretical framework by Kaplan and Norton, (1992) to explore the efficacy of the framework as a performance measurement tool within the Non-Governmental Organization (NGOs) fraternity. In this framework the four main perspectives of performance measurement dimensions were modified within NGOs/NPOs mission and strategy. In this context, each performance measurement perspective had a number of item measures in relation to the mission of the NGOs. The measures focused on all areas that attempted to reflect the perspectives within the organization. In addition, measurement items were aligned towards the achievement of the NGO's Mission.

Figure 2.1 Conceptual Framework from previous study



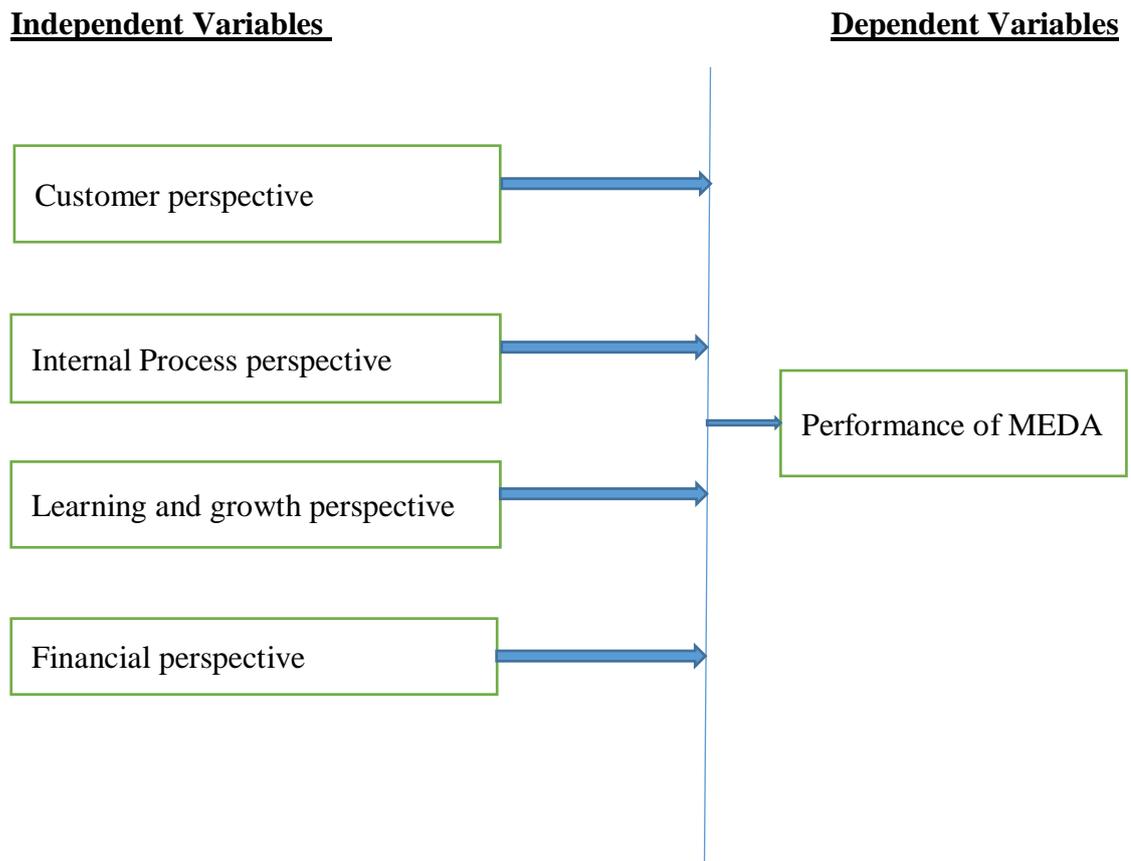
Source: Nasline Akinyi Ouko,2013

According to the Nasline Akinyi Ouko,(2013) the dependent variable was performance of MEDA. Based on this study the performance of MEDA is quantified in terms of the ability of an organization to achieve its set goals within a given period of time and with the resources available. The independent variable was the Balanced Scorecard (BSC). The BSC has four components fondly referred to as perspectives namely customer, internal processes, learning and Growth and financial. The perspectives are interlinked with one another while determining vision and strategy of NGOs.

The BSC framework was operationalized such that the customer perspective focused on measure employees are always available for customer services and enquires, employees shows respect and sensitivity for cultural differences, ease access to get Information., employees interacts effectively with all levels of staff, open and straightforward in dealing with others, demonstrates a positive attitude and team player and lastly employees are understanding the specific needs of the beneficiaries, thus increase partner satisfaction. The internal processes perspective focused on item measures such as improving the communication between community and partner staffs , help to reduce duplicating services, improving the participation skills in community, fast and efficient services of grant, effectively builds trust with internal staff and partners to improve on the internal business processes.

The learning and growth perspective focused on improving effectiveness of the partner organization, staff participation in the process of developing performance, supporting staffs personal and professional development through training and mentorship training and services provided by organization is matching with partner requirement Finally, the financial perspective focused on item measures including expenditure incurred as cost-saving, regular internal control system, proper monitoring the budget and actual., proper control and managing the partner Fund and cash management system.

Figure (2.2) Conceptual Framework



Source: Adopted from Nasline Akinyi Ouko (2013)

CHAPTER III

BACKGROUND INFORMATION OF MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES

This chapter present the about of the Mennonite Economic Development Associates (MEDA). This chapter include the five sections starts with history, profile, organization structure, current activities and performance management practices by the Mennonite Economic Development Associates (MEDA).

3.1 Profile of MEDA Myanmar

Mennonite Economic Development Associates (MEDA) is an international economic development organization whose mission is to create business solutions to poverty in Myanmar today. MEDA, with funding from the Government of Canada, was registered in Myanmar in 2016 to implement a new project that will support 25,000 women in Shan and Kayin states to become active, respected and empowered economic actors and leaders. The project will run for five years, from 2016 to 2021, working within agricultural value chains and markets where women are active participants. MEDA will work with local partners to improve the standard of living and the business environment for another 125,000 indirect clients who will benefit from the improved household incomes of producers and enhanced goods and services provided by strengthened micro small and medium sized enterprises (MSMEs) in the agricultural sector. MEDA signed a Memorandum of Agreement with Myanmar government thru the Department of Rural Development.

Currently, MEDA identified and contracted with seven local NGOs as our Key Facilitating Partners (KFPs), in Shan and in Kayin, to identify villages and mobilize women into savings groups. 305 villages and savings groups are organized with 6,569 women-savers in 194 project villages in Shan and Kayin. Total savings have been mobilized by 305 village saving groups in Taunggyi, Nyaung Shwe, Hpa-an, Hlaing Bwe and Kawkayeik. 880 loans were provided. 1,271 women invested in farming and 2,184 women invested in business. 351 women were linked to financial service providers and 21 were linked to private sectors.

Lead Firms were contracted under our Innovation Fund/Matching Grants. 200 farmers certified under organic and certification for Fair Trade is in progress through ECOMA, one of our Lead Firm Partners. 10 MSMEs were contracted during the period of 2019. 11 rice mills in Kayin are approved for upgrades under the Innovation Grants. Harmony Myanmar Agro Group (HMAG). ECOMA another Lead Firm partner, selected 405 farmers for organic certification from Control Union – the international certification body.

International Audits related to both organic and Fair-Trade certification were faced successfully. The farmer group became the first Fair-Trade certified project in Myanmar. They have already received some inquiries from their buying partners for organic and Fair-Trade products and are geared to convert them into successful business partnerships. The project will also support private sector partners to expand their businesses to reach out to more clients especially to women.

3.2 History of MEDA Myanmar

MEDA was Founded in 1953 by a group of Mennonite entrepreneurs, partner with people living in poverty to start or grow small and medium-sized businesses in developing regions around the world. MEDA have been proven time after time over our 65 years of experience. MEDA have worked in 62 countries helping 103 million families, creating jobs for people, improved access to suppliers and customers resulting in broad impact on entire industries such as agriculture, tourism and food processing. MEDA believe that all people deserve the opportunity to earn a livelihood and that unleashing entrepreneurship is a powerful way to alleviate poverty.

MEDA has been designing and implementing innovative and effective market-driven economic development programs that unleash the earning potential of millions of people living in poverty around the world. MEDA believes its work is not done until it is proven to be sustainable, replicable, scalable and measurable. MEDA is recognized as a global leader in pro-poor development, inclusive financial services, value chain development and investment-led programming especially for women, youth and rural populations. MEDA's professional and responsibly entrepreneurial staff have years of practical, proven experience that includes training, research, monitoring and evaluation, supply chain development, project design and management, smart incentives for market

expansion, and ICT solutions and other innovative mobile technologies. MEDA also works to catalyze growth of investment funds and SMEs, and to strengthen developmental contributions of the SME sector.

MEDA's economic development is accomplished with two key resources: investment and advisory services for our clients. Their work is not done until it is proven to be sustainable, replicable, scalable and measurable. MEDA also apply a gender lens approach to investment. To achieve this, all the work that we do is approached through two important lenses: Gender Equality and Social Inclusion and Environment and Climate Change.

3.3 Performance Management of MEDA.

The key performance management is used by MEDA from the project beginning until the end of the projects to evaluate success. The primary data are gathered to understand whether their activities are achieving the results as expected, what they can learn, and which approaches need to be refined to help their clients reach their true potential. MEDA share their learnings with partners and have a comprehensive Monitoring and Impact Measurement system integrated into every project.

3.3.1 Gender and Social Inclusion

MEDA is a leader in the integration of low-income and excluded populations women, youth and ethnic minorities among others into mainstream market systems. MEDA, partner with local business and organizations to sustainably deliver the support and services that allow disadvantaged groups to contribute to and benefit from economic growth. At the same time, targeted groups are empowered to participate more equitably in markets with enhanced agency, voice and control over resources. Another critical component of MEDA's success is the development of enabling environments in household, community, business and government spheres through a diverse range of proven approaches. Gender and social inclusion approaches must be highly context specific. MEDA collaborates with local partners whose socio-cultural knowledge complements of international best practices and innovation in business solutions.

3.3.2 Financial Services

MEDA has supported the development of many microfinance institutions through capacity building, investment or transfer of loan capital, and ongoing governance support. Today, MEDA's financial services programming ranges from savings groups to a full complement of microfinance services and SME banking, with innovative approaches and models to promote financial inclusion for all. MEDA's approach to financial inclusion includes both access to and use of services where financial inclusion is not defined solely by opening a bank account, using a transactional instrument, or taking a loan. Once accessed, a financial service must enable targeted communities to improve their earning capacity, provide security for their savings and increase their ability to manage their financial lives. MEDA works with a variety of stakeholders to reach vulnerable populations by designing and deploying appropriate products and services for women, men, and youth. MEDA's client-centered approach focuses on strengthening supply and demand, product design, and using capital to reach underserved markets.

3.3.3 Environment and Climate Change

MEDA takes a multi-disciplinary approach to the complex environmental issues our programming encounters. MEDA incorporate a range of environmental assessments that ensures work provides ecologically sustainable approaches to poverty alleviation. Across programming, Cross-Cutting Services' environmental experts assists both MEDA staff and clients realize a more equitable and sustainable approach, one that ensures our work is ecologically sound.

3.4 Current Performance Measurement in MEDA

The key performance measurement is important which focused on achievement of objectives in MEDA. Performance definition in the NGOs sector appeared unique for every organization represented in the study. The participants involved appeared to agree that performance measurement means assessment of achievement of targets/objectives as demonstrated by selected paraphrased. It is extent to which individuals and the organizations are able to meet target objectives, Social impact measurement of beneficiaries, achievement of quantitative /qualitative targets, Results based measurement, measuring supply chain efficiency. The definition included impact

measurement and outcome measurement with some managers noting that outcome measurement comes after performance measurement. Performance measurement, it is the extent to which individuals in an organization and therefore the organization is able to meet its objectives in terms of targets as well as is also the measure of the program that have been planned, but performance management is the measure of an annual cycle and it starts with the individual staffs setting up their individual objectives that are geared towards helping the organization to achieve its objectives and therefore on the basis of the set objectives.

The key financial performance measurement indicator is used by MEDA. The primary source of financial information is come from annual audit report. The financial statement has been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Practices (GAAP). Therefore, financial information is reliable, transparent, consistent and timey reporting of financial performance enhances donor's confidence in MEDA and provide equal opportunity to act on such information. The key Non-Financial performance measurement indicator are determined by project head and respective department team based on organization's condition and operation in that country. Non- Financial performance indicator are customer perspective; customers satisfactions and perception. Internal business process perspective; the perspectives aim to improved internal process and decision making. Learning and Growth perspective are number of training and mentorship for employee provided by MEDA.

The Country Director is responsible for the project implementation in the organization. The Senior managements teams are overseeing the operations activities and work strengthen interdepartmental relationships and enhance information flow. It oversees the grants appraisal and approval process. The Technical team are conduct the training to the beneficiaries regularly. Grant management team are monitoring and evaluating the key facilitator partner and private sector development partner monthly and quarterly. The synergy and cooperation which resulted from alignment of mission objectives and actions, which they regard as the result of application of the institution, helped the organization to improve its performance by achieving a higher developing in the organization.

CHAPTER 4

PERFORMANCE MANAGEMENT OF MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES

This chapter presents Research Design, findings of the study under thematic areas namely Questionnaire Response Rate, Background of the study participants, Customer perspective, Internal Processes perspective, Learning and Growth perspective and finally Financial perspective.

4.1 Research Design

The primary data was collected by conducting personal interview and questionnaires. The questionnaires were structured into sections thematically organized to capture the BSC key performance measurement elements including customer perspectives, internal business processes perspectives, learning and growth perspectives and financial perspectives.

Descriptive statistics such as frequency distribution and percentage are used to analyze the performance measurement of MEDA. This study mainly emphasizes on the performance management of Mennonite Economic Development Associates (MEDA) during the period from 2015-2017 to 2018 -2019. The primary data are discussed with by conducting in depth personnel interview with selected customer by using structure questionnaires. In this study, a purposive selection was done where the participants were chosen on the basis of their knowledge and participation in the performance measurement system. Based on these criteria, 50 Customers from the project and 55 employees of MEDA project in Yangon, Kayin and Shan were purposively selected. Sample represent 21% of total population of 505 financial service beneficiaries and employees from the Partners office.

This section dealt with the data analysis techniques that were employed in the study. Data was analyzed using descriptive statistics where quantitative and qualitative approaches were used. Quantitative data analysis was done by objectives. Data collected using questionnaires was entered into Statistical Package for Social Sciences (SPSS) spreadsheet and cleaned. Descriptive statistics were run to establish the

accuracy of entry of scores by assessing range, mean, standard deviation and normality of data.

4.2 Demographic Characteristics of the Respondents

This section presents analysis of the demographic descriptions of the respondents and this information was necessary to give an overview of the characteristics of the respondents. The survey has been conducted to deliver the questionnaires to 105 beneficiaries and employees who were randomly selected from among of Mennonite Economic Development Associates (MEDA). Questionnaires are mainly focus for demographic characteristics of beneficiaries and employees then their satisfactions upon the services of the organization. The results of the analyses are summarized in the subsections below.

Gender Group

To establish the distribution by gender, the respondents were asked to state their gender to assess whether the MEDA Organizations were in line with the constitutional requirement of either gender.

Table 4.1 indicates the results.

Table 4.1 Gender Group

Gender	Number	Percent
Male	34	32.4
Female	71	67.6
Total	105	100

Source: Survey data,2019

The first analysis of the demographic profile of respondents is the analysis on gender. According to table 4.1 total of 105 respondents of 32.4 % are male and 67.6 % are female. Even though the distribution was slightly skewed towards the female, the findings indicate that MEDA was in line with constitutional requirement of representation of either gender.

Marital Status

According to assess of marital status of the respondents who were sampled for the study. The total number of respondents was 105 and the results are summarized in table 4.2.

Table 4.2 Marital Status

Category	Number	Percent
Single	41	39.0
Married	60	57.1
Divorced	4	3.8
Total	105	100

Source: Survey data,2019

The analysis of the demographic profile of respondents on marital status total of 105 respondents of 39 % are single,57.1% are married and 3.8% are divorced.

Education Background

To establish the distribution by Education Background, the respondents were asked to state their education.

Table 4.3 Education Background

Category	Number	Percent
Undergraduate	20	19
Graduate	70	66.7
Postgraduate	15	14.3
Total	105	100

Source: Survey data,2019

According to the table 4.3, Total respondents of 105 among them the largest respondents are 66.7% of graduate,19% are undergraduate. The lowest respondents are 14.3 % of educational background of postgraduate.

Occupation Field

The study sought to assess the Occupation held by the respondents who were sampled for the study. The total number of respondents was 105 and the results were summarized in table 4.4.

Table 4.4 Occupation Field

Category	Number	Percent
Students	2	1.9
Dependents	2	1.9
Own Business	10	9.5
Professional management	15	14.3
Employee	76	72.4
Total	105	100

Source: Survey data,2019

The analysis on the demographic profile of respondents on Occupation table 4.4, total respondents of 105 among them the largest respondents are 72.3 % of Employees. The 1.9% of the respondents are students and dependent.

Income per Month (MMK)

The study sought to assess the Income held by the respondents who were sampled for the study. The total number of respondents was 105 and the results were summarized in table 4.5

Table 4.5 Income per Month (MMK)

Income per month	Number	Percent
Under 100000	2	1.9
200000 - 300000	28	26.7
300000 - 500000	28	26.7
500000 - 1000000	24	22.9
1000000 and above	23	21.9
Total	105	100

Source: Survey data,2019

According to the table 4.5, Total respondents of 105 among them the largest respondents are 26.7 % there are monthly income are between MMK 200000 – 500000. The 1.9% of the respondents are monthly income under MMK100000.

Experience in NGOs Field

It was also of interest to establish the distribution of the respondents according to their duration of service in NGOs field to ascertain whether they were conversant with performance measurement practices. The responses were summarized in table 4.6.

Table 4.6 Experience in NGOs Field.

Duration of Service	Number	Percent
<1 year	15	14.3
2 Years	14	13.3
3 Years	8	7.6
4-5Years	7	6.7
> 5 Years	61	58.1
Total	105	100

Source: Survey data,2019

Table 4.6 shows the duration of service in NGOs that the respondents had had in their various organizations. Out of the 105 respondents, 61 (58.1%) had experience in the organization for more than 5 years. This was followed by those who had stayed for 4- 5 years 7 (6.7%) lastly those who had experience for less than twelve months 15 (14.3%). This implies that the information that was given in the study was given by those who had stayed in the organization for 2 years for 14 (13.3%) and for 3 Years 8(7.6%).

4.3 Customer Perspective factors related as a component of the Balanced Scorecard

Customer perspective focus on the beneficiaries of MEDA whether NGOs meet the primary objective of offering services to the female lead farmer. This study measures the customer perspectives with 5 items measures including, focused on measure employees are always available for customer services and enquires, employees shows respect and sensitivity for cultural differences, ease access to get Information., employees interacts effectively with all levels of staff, open and straightforward in dealing with others, demonstrates a positive attitude and team player and lastly employees are understanding the specific needs of the beneficiaries, thus increase partner satisfaction. Descriptive statistics were run for all the items to assess for the accuracy of entry of data, mean score for each item and normality.

Table 4.7 shows the means recorded across all item measures the overall mean scores for the respondent perceptions of service quality.

Table 4.7 Mean customer perspective

Customer perspective item measures (n=105)	Mean	Std. Deviation
Employees are always available for our services and enquires.	3.74	0.73
Employees shows respect and sensitivity for cultural differences	4.03	0.93
Ease access to get Information.	3.69	0.84
Employees interacts effectively with all levels of staff, open and straightforward in dealing with others, demonstrates a positive attitude, team player.	3.72	0.81
Employees are understanding the specific needs of the Beneficiaries, thus increase partner satisfaction.	3.67	0.79
Average Score	3.77	0.65

Source: Survey data, 2019

Table 4.7 shows that high means above average 3.77 were recorded across all item measures with two items, ease access to get information and employees are understanding the specific needs of the Beneficiaries, thus increase partner satisfaction registering the lowest means. According to the measure of consumer perception of service quality, elements in responsiveness as telling the customer to access the information of the exact time frame within which service will be performed, willingness to be of assistance and never too busy to respond to customer request.

Therefore, responsiveness was the most important factor in determining customer satisfaction with service. The results show that all the respondents strongly agreed that employees show respect and sensitivity for cultural differences their current performance measurement tool was comprehensive with respect to measurement of performance. The item measures for the case service of employees interacts effectively with all levels of staff, open and straightforward in dealing with others, demonstrates a positive attitude, team player and services and enquires were generally satisfied for the service.

4.4 Internal Processes Perspective factors related a component of the Balanced Scorecard

The internal processes perspective captures measures regarding organizational operations and processes to meet customers' expectations and increase their satisfaction. The study sought to assess how internal process related factors as a component of the Balanced Scorecard affect performance. This perspective had 5 item measures put to test for their applicability in the MEDA Organizations. Descriptive statistics were run for all the items to assess for the accuracy of entry of data, mean score for each item and normality. These have been summarized in Table 4.8

Table 4.8 Mean Internal Process perspective

Internal business perspectives (n=105)	Mean	Std. Deviation
Improving the communication between community and partner staffs.	3.97	0.85
Help to reduce duplicating services	3.54	0.79
Improving the participation skills in community.	3.83	0.87
Fast and efficient services of grant.	3.85	0.93
Effectively builds trust with internal staff and partners	3.89	0.79
Average Scores	3.82	0.68

Source: Survey data,2019

Table 4.8 revealed that high means above average 3.82 were recorded across all item measures. All the item measures were normally distributed by the organization except for the help to reduce duplicating services. Further analysis was conducted to identify for improving the communication between community and partner staff's items that were strongly practiced by the organizations.

4.5 Learning and Growth perspective factors related as a component of the Balanced Scorecard

Since NGOs operate as mission-based organizations, they rely heavily on the skills and alignment of their staff to achieve their socially important goals. The study sought to establish the learning and growth-related factors a component of the BSC. This perspective had 5 item measures put to test for their applicability in the MEDA Organizations. Descriptive statistics were run for all the items to assess for the accuracy of entry of data, mean score for each item and normality and presented in table 4.9

Table 4.9 Mean learning and growth perspective

Mean learning and growth perspective item measures (n=105)	Mean	Std. Deviation
Improving effectiveness of the partner organization.	3.79	0.79
Increases staff participation in the process of developing performance.	3.82	0.83
Supporting staffs personal and professional development through training and mentorship.	3.60	0.78
Help staff monitor progress toward intended program results	3.66	0.76
Services provided by MEDA organization is matching with partner organization.	3.68	0.81
Average Scores	3.71	0.59

Source: Survey data,2019

Table 4.9 shows that high means above average were recorded across all item measures. All the item measures were normally distributed. Further analysis was conducted to identify those items that were generally practiced by the organizations except staffs personal and professional development through training and mentorship was low mean. The results show that all the respondents strongly agreed that staff participation in the process of developing performance to their current performance measurement tool was comprehensive with respect to measurement of performance.

4.6 Financial Perspective factors related as a component of the Balanced Scorecard

The financial performance of Non-Governmental Organizations is defined in terms of financial accountability. Financial performance has been one of the key elements in measuring overall performance and evaluating effectiveness of Non-Governmental Organizations. The study sought to assess how financial perspective related factors affect the performance of MEDA. In this study, the financial perspective had 5 item measures put to test for their applicability in the MEDA. Descriptive statistics were run for all the items to assess for the accuracy of entry of data and mean score for each item and were summarized in table 4.10.

Table 4.10 Mean Financial perspective

Financial Measures (n=105)	Mean	Std. Deviation
Improving cost-saving of the partner organization.	3.76	0.81
Improving the partners organization focuses on internal control system.	3.96	0.83
Employees are assisting the partner organization to monitor budget and actual.	3.76	0.94
Employees are Provide necessary information to partner for managing the partner Fund.	3.80	0.97
Improving the cash management system	3.98	0.72
Average Scores	3.85	0.66

Source: Survey data,2019

Table 4.10 shows that the item measures scored high means except two item measures; improving cost-saving of the partner organization and employees are assisting the partner organization to monitor budget and actual were lower mean. Further analysis was conducted to identify areas of financial practices across MEDA. All the 5 item measures for financial perspectives were generally distributed. The results show that most of respondents strongly agreed that cash management system to their current performance measurement tool was comprehensive with respect to measurement of performance.

4.7 Financial Performance of MEDA organization

To evaluate the performance of MEDA, the following comparison table shows grant award target budget and actual direct partners from 2018 to 2019.

Table 4.11 Financial Performance on over all partners grants award target budget and actual in MEDA organization (2018-2019), US\$'000

Partner	Grant Target Budget	Actual Budget	Percentage of Target
KFPs	9,721.89	4,545.30	47
PSD Lead Firm	8,941.19	4,618.52	52
PSD MSMEs	2,694.45	1,967.32	73
PSDs -Incentive	1,153.85	544.38	47
PSDs -Rice Miller	2,439.18	852.02	35

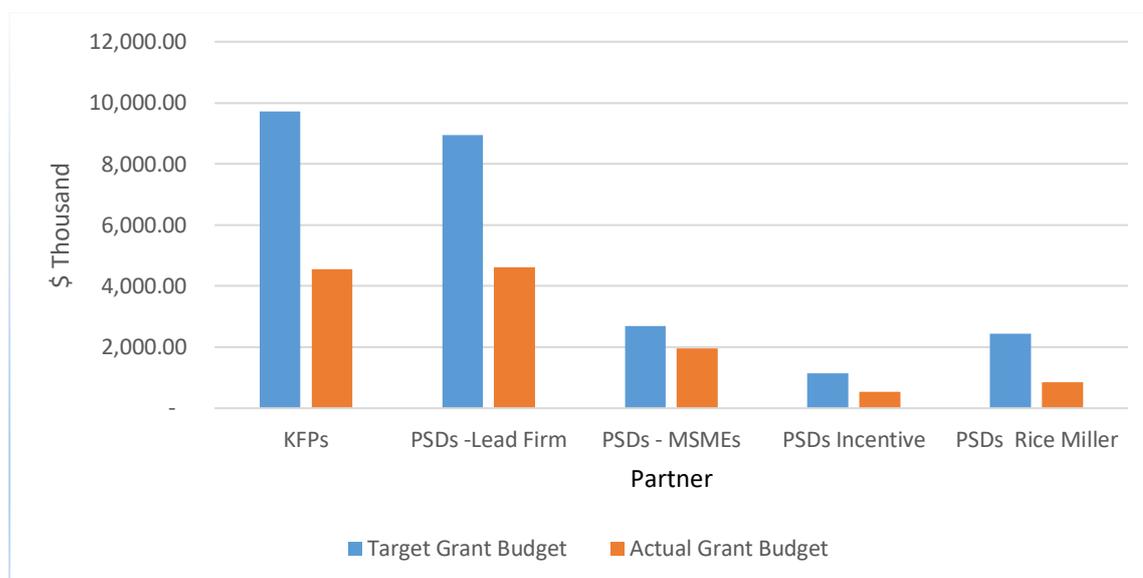
Source: Secondary data collection from MEDA,2019

According to the above Table (4.11), the result shows that percentage of Target versus actual on partners grants from 2018 to 2019. For each category of partners were collected for two years period of MEDA. It showed comparing actual budget of partners who accepted grant awards and against target budget of MEDA. The budget of grant award was highest in KFPs partner. MEDA was increasingly looking at the link between PSDs -Lead Firm, Incentive, MSMEs and rice miller. MEDA Improving market opportunity for women Program is working closely with partners. In collaboration with local partners and institutions, MEDA design and executive scalable, replicable business solution that encourage systemic market change. MEDA organization provide grants to local NGOs and private sector development. This grant helps the partners gained decades of experience forging partnerships to create share value among disconnected market actors while overcoming market failures and social barriers.

As illustrated in above table (4.11), the percentage of target budget from PSD-MSMEs budget is 73. Total grant award budget of PSD- MSMEs is 2,694.45 and actual spent of PSD- MSMEs is 1,967.32 But compare to the KFPs partners, the total grants

award of PSD- MSMEs are not higher than the KFPs partners. Based on the table, the following figures shows the status of MEDA project by partners.

Figure 2.3 Performance on Partner Target budget and Actual of MEDA (2018-2019)



Source: Secondary data collected from MEDA,2019

In the above figure (2.3), see partner of grant award budget by activities with a column for target and a column for actuals. MSMEs partner were good performance with grant award target.

MEDA's Revenue and Expenditures

The following table (4.12) gives information on the Revenue and Expenditures of MEDA -Myanmar for four years 2015 to 2019.

Table 4.12 Revenue and Expenditures (2015-2019), (US \$'000)

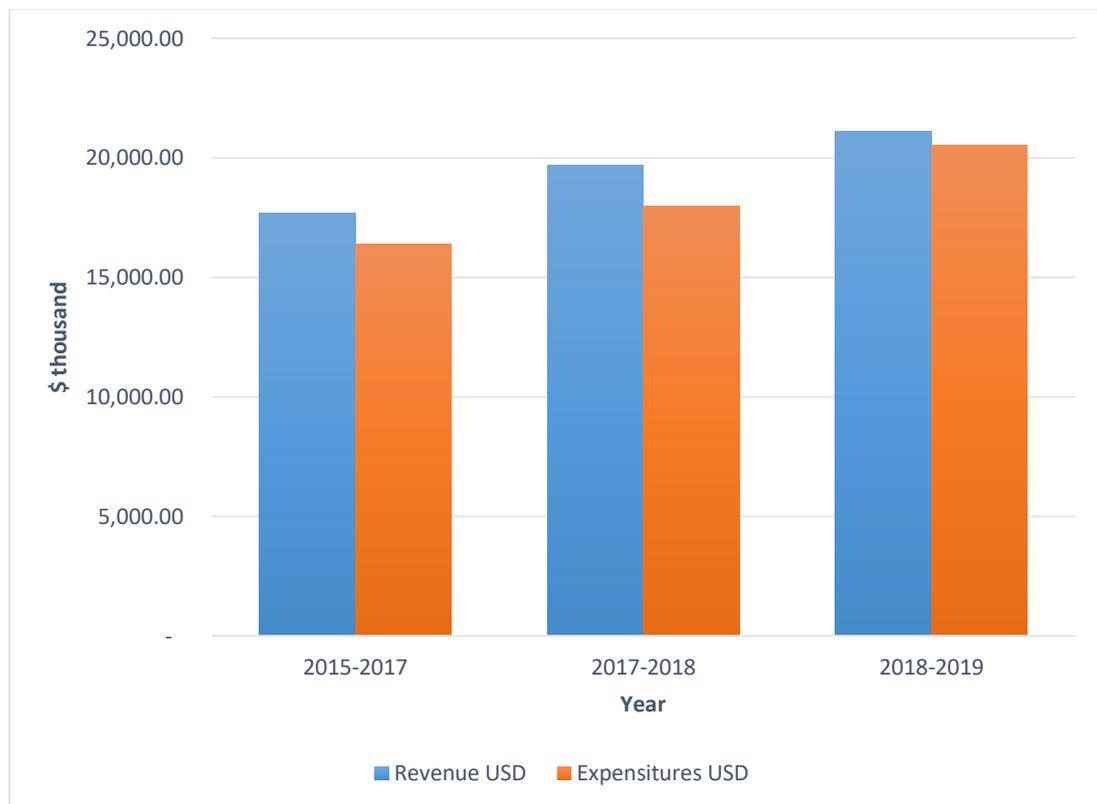
Year	Revenue	Expenditures	Percentage
2015-2017	17,695.57	16,377.26	92.55
2017-2018	19,692.41	17,979.23	91.30
2018-2019	21,106.33	20,543.17	97.33

Source: Secondary data collected from MEDA audit report (2015-2019)

During the period, the average percentage of Expenditure to Revenue ratio was 92.5% and maximum ratio was 97.33% in 2018- 2019. Minimum ratio was 91.3 % in 2017 -2018. The revenue were increased within four years and there was a different achievement result between 2015- 2017 to 2017- 2018.

According to the table (4.12), the expenditures from the 2018-2019 is very significant for MEDA Myanmar organization of running activities and financial situation. That year is very significant positive implemented result. The funds are invested in accordance with business and trading relationships that are profitable and sustainable for all concerned, while considering business interests and economic incentives.

Figure 2.4 Comparison of MEDA’s Revenue and Expenditures in Myanmar



Source: MEDA audit report (2015-2019)

According to above Figure (2.4), the bar charts illustrate that revenues and Expenditures at MEDA- Myanmar between 2015 to 2019 at four-year intervals. Revenue of MEDA Myanmar is gradually higher than higher. As a comparative study of revenues and expenditures, the result shows that revenues and expenditures were

upward trend in a period of four years. While revenue increases, expenditures also increase for four consecutive years. As per figure (2.4) all revenue was more than expenditures. The funding was increasing by yearly in MEDA Myanmar.

Revenue and expenditures per year is significant increase from the year before. It shows the good performance of funding and program activities for the period from 2015-2017 to 2018- 2019 in MEDA Myanmar.

In summary, based on the findings the BSC is an effective performance measurement framework that has been implemented in several of NGOs operating in MEDA Myanmar. Even though some NGOs did not have the Balanced Scorecard, they had majority of the item measures in the BSC a clear indication that the BSC can be implemented as a performance measurement framework in NGOs.

CHAPTER FIVE

CONCLUSION

This chapter summarizes the main findings of the study. This is followed by conclusions arising from the findings, and recommendations and Suggestions, and then need for Further Research.

5.1 Findings

The study is the analysis of Performance management of Mennonite Economic Development Associates Organizations (NGOs) in Myanmar County. The analyzed period was the financial year of 2015 – 2019 using the audited Financial statements of the organization to make recommendation based on result obtained from financial methods of analyzing the data obtained. The recommendation would seek to improve the financial and Non-Financial of the organization as soon as possible and also in the future in MEDA Myanmar organization. Therefore, organizations should always strive to know what their customers really want. The study sought to find out how customer related factors as a component of the Balanced Scorecard affect performance of MEDA Organizations in Myanmar County.

The Customer perspective finding revealed that it was effective in measuring of MEDA organization performance. The most dominantly practiced were presence of objectives related to employees are always available for customer services and enquires, Employees shows respect and sensitivity for cultural differences and Employees interacts effectively with all levels of staff, open and straightforward in dealing with others, demonstrates a positive attitude, team player. This clearly showed that the customer perspective is key in measuring performance. The finding shows that ease access to get information and employees are understanding the specific needs of the Beneficiaries, were insufficient of the measure of customer satisfactions.

The internal process perspective was to assess how internal processes related factors as a component of the Balanced Scorecard affect performance of MEDA in Myanmar County. The internal process perspective captures measures regarding

organizational operations and processes necessary to meet customer expectations and increase their satisfaction. The most dominantly practiced items were the organization has Improving the communication between community and partner staffs and Effectively builds trust with internal staff and partners and Improving the participation skills in community emerged as the true predictors of the Internal perspective after factor extraction. The findings revealed that Help to reduce duplicating services was insignificant in the internal process perspective.

The learning and growth perspective sought to establish how learning and growth-related factors as a component of the Balanced Scorecard affect performance of perspective. The most widely practiced item measures were Increases staff participation in the process of developing performance, Services provided by organization is matching with partner organization and improving effectiveness of the partner organization. The findings revealed that Personal and professional development through training and mentorship and monitor progress toward intended program results were insignificant in the Learning and growth perspective. It was noted that motivation of employees and prioritizing their training and professional development were some of the best predictors of this perspective.

The financial perspective was to assess how financial related factors as a component of the Balanced Scorecard affect performance of MEDA in Myanmar County. The financial performance of MEDA Organizations is defined in terms of financial accountability. Financial performance has been one of the key elements in measuring overall performance and evaluating effectiveness of MEDA Organizations. In this study, the financial perspective. The financial perspectives were widely utilized by the MEDA Organizations. The most dominantly practiced item measures were improving the cash management system, improving the partners organization focuses on internal control system and employees are provide necessary information to partner for managing the partner Fund. The two findings were insignificant indicating that they were not widely practiced in the MEDA. These were improving cost-saving of the partner organization. and employees are assisting the partner organization to monitor budget Versus actual.

5.2 Recommendations and Suggestions

In view of the findings of the study and the above conclusions, the following recommendations were made for the customer perspective. Organization understanding the specific needs as an item measure of the customer perspective was not widely used by the MEDA. However, specific needs of the Beneficiaries, thus increase partner satisfaction that would be immediate like the surveys that are conducted after given a period of time. Another performance measure that should be put in place is definite for customer ease access to get information. This would help improve service delivery in that the organization would be able to respond the needs of their customers as they arise. The other item measures were widely practiced in the MEDA and should be re-emphasized since they emerged as the true predictors of the customer perspective.

In Internal process perspective, help to reduce duplicating services was emerged as an item measure that was not widely practiced in MEDA Organizations. These item measures should be implemented in the organizations to enable them avoid duplication activities. Partnering would also enable them to understand some of the peculiar needs of their constituents.

In Learning and growth perspective, the other item measures were not widely practiced in the MEDA that are the staffs personal and professional development through training and mentorship. It would also be in order managers or management team to appraise employees to monitor for increasing the credibility of their professional and personnel performance systems. This can be achieved when the managers and employees strike a balance during performance appraisal. The item measures staff monitor progress toward intended program results was practiced in MEDA, but they were not significant. Therefore, MEDA should put more emphasis on these item measures. This would limit conflicts within organizations since the employees would be aware to focus their program result and understand the specific need of activities.

In Financial perspective, the management team of the MEDA should ensure that item measures improving cost-saving of the partner organization. MEDA is Partnering with other organizations and need to emphasis for achieving partner vision, mission and growth and significant to their organization. MEDA Employees need to assist the

partner organization to monitor budget and actual are enforced in their organizations. This practice would improve efficiency and effectiveness in these organizations.

5.3 Need for Further Research

This study was limited to MEDA organization in Myanmar Country within the objectives stated and therefore may have left out certain aspects of the research based on Balanced Scorecard unexplained. There is need to conduct a study that will cover a wider area of NGOs operation. A similar study among all the NGOs operating in Myanmar needs to be done to validate the effectiveness of this model. The study only focused on the opinion of top management officials, yet performance also depends on understanding of those working at operational level. Further studies need to assess the effectiveness of BSC among MEDA employees including workers at operational level. This study treated each pillar of the BSC independently, so it was not possible to compare which of the perspectives is the best predictor of performance. Further research needs to compare the competition among the perspectives of BSC and if possible, focus on their interactions as measures of performance.

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Questionnaire Survey for Mennonite Economic Development Associates (MEDA) beneficiaries

(MEDA 's Services)

Part A

PERSONAL INFORMATION

1. Gender

- Male Female

2. Marital Status

- Single Married Divorced

3. Education Level

- High School
 Diploma or Attending University
 Bachelor's degree/ Undergraduate Degree
 Master's degree/ PHD Degree (Post Graduate Qualification)

4. Occupation

- Student Dependent Own Business
 Professional Management Employee

5. Income Per month (Kyats)

- < 100000 200000-300000 300000-500000
 500000- 1000000 >1000000

6. Experience in NGO field

- < 1 years 2 years 3 Year 4- 5 Years
 > 5 Years

Part B

Opinion Upon Customers Perception

Please circle your response

Index

- 1 = strongly Disagree
- 2 = Disagree
- 3 = Neither agree nor Disagree
- 4 = Agree
- 5 = Strongly Agree

No	Item	Actual Service Perception
	Customer Perspective	
1	MEDA employees are always available for our services and enquires.	1 2 3 4 5
2	Employees shows respect and sensitivity for cultural differences	1 2 3 4 5
3	Ease access to get Information.	1 2 3 4 5
4	Employees interacts effectively with all levels of staff, open and straightforward in dealing with others, demonstrates a positive attitude, team player.	1 2 3 4 5
5	MEDA employees are Understanding the specific needs of the Beneficiaries, thus increase partner satisfaction.	1 2 3 4 5
	Learning and Growth Perspective	
6	Improving effectiveness of the partner organization.	1 2 3 4 5
7	Increases staff participation in the process of developing performance.	1 2 3 4 5
8	Supporting staffs personal and professional development through training and mentorship.	1 2 3 4 5
9	Help staff monitor progress toward intended program results	1 2 3 4 5
10	Services provided by MEDA organization is matching with partner organization.	1 2 3 4 5
	Financial Perspective	
11	Improving cost-saving of the partner organization.	1 2 3 4 5
12	Improving the partners organization focuses On internal control system.	1 2 3 4 5
13	MEDA employees are assisting the partner organization to monitor budget and actual.	1 2 3 4 5
14	Employees are Provide necessary information to partner for managing the partner Fund.	1 2 3 4 5
15	Improving the cash management system	1 2 3 4 5

	Internal Processes Perspective					
16	Improving the communication between community and partner	1	2	3	4	5
17	Help to reduce duplicating services	1	2	3	4	5
18	Improving the participation skills in community.	1	2	3	4	5
19	Fast and efficient services of grant.	1	2	3	4	5
20	Effectively builds trust with internal staff and partners	1	2	3	4	5