

## Balanced Scorecard Analysis as An Alternative Management Performance Measuring Tool: Case Study

Heru Ariwibowo

*Faculty of Economics and Business, University of Hasanuddin, Makassar, Indonesia.*

*E-mail: heruariw@gmail.com*

### Abstract

The aim of this research is to analyze the performance of the Vocational Education Quality Assurance Development Center in the field of Marine, Fishery, Information and Communication Technology using the Balance Scorecard Perspective approach which analyzes four perspectives; financial, customer (in this case educators and education staff), internal business processes, and learning and growth. The research method was carried out qualitatively. The sample in this research is the financial report of the Center for Vocational Education Quality Assurance Development in the Maritime, Fishery, Information and Communication Technology sector (BPPMPV KPTK).

**Keywords:** Balanced Scorecard; Management Performance.

### INTRODUCTION

Performance is the real result of an employee which is calculated periodically, both in quality and quantity, based on targets, standards and criteria that have been previously determined as a result and responsibility for a job in a company or organization. Performance is the success of personnel, teams or organizational units in realizing previously determined strategic targets. According to Mulyadi (2005), performance is the periodic determination of the operational effectiveness of an organization, its parts and employees based on previously established targets, standards and criteria.

Performance measurement is a measurement action carried out on various activities in a company or organization. The measurement results are then used to provide information about the performance of implementing a plan and adjustments to planning and control activities. According to Mahmudi (2010), performance measurement is a process of assessing work progress towards achieving predetermined goals and targets, including information on the efficiency of resource use in producing goods or services,

the quality of goods or services, comparison of work results with targets and the effectiveness of actions in achieving goals.

According to Mahmudi (2005), the purpose of performance measurement is to determine the level of achievement of organizational goals, provide learning facilities for employees, improve performance in subsequent periods, provide systematic considerations in decision making, provide rewards and punishments, motivate employees and create public accountability.

Performance measurement has a very important meaning for organizations. In the management control process, performance measurement is very important in motivating employees to achieve organizational goals and as a basis for evaluating organizational performance.

Performance assessment can be used by an organization for (Mulyadi and Johny Setyawan, 1999):

- Can manage the organization effectively and efficiently by providing maximum motivation to employees;
- Assist in making decisions related to employee awards, such as: promotions, employee transfers, and others;
- Identify employee training and development needs to provide selection and evaluation criteria for employee training programs;
- Provide feedback for employees regarding how superiors assess employee performance;
- Provide a basis for distribution of rewards.

In designing a performance measurement system, a model is needed that is able to capture overall performance in an organization, both private and government. In this case, there are several performance measurement system models that have been designed by academics and practitioners, one of the best one is the Balance Scorecard (BSC). Until now, the Balanced Scorecard is the most popular model for Performance Measurement Systems. The Balanced Scorecard framework uses four perspectives (financial, customer, internal business processes, and learning & growth processes) with a strategic starting point as the basis for designing a Performance Measurement System

The Balance Scorecard (BSC) concept was first introduced in 1990 by Robert S. Kaplan and David P. Norton, as a performance measurement tool in business organizations. In addition to improving the executive performance measurement system, with BSC, agencies will know more about the extent of movement and development that has been achieved. The word Balanced in the Balanced Scorecard reflects the balance that the Balanced Scorecard has in terms of balance of financial and non-financial performance measurements, balance between lead indicators (key factors that determine and influence future performance) and lag indicators (financial measures as a measure of past management success), balance between external and internal perspectives in short-term and long-term goals

The case study used in this case is the office of the Vocational Education Quality Assurance Development Center for Maritime Affairs, Fisheries, Information and Communication Technology (BPPMPV KPTK), was previously named as LPPPTK KPTK.

BPPMPV KPTK is a technical implementing unit of the Ministry of Education, Culture, Research and Technology in the field of developing quality assurance of vocational education in the fields of maritime affairs, fisheries, information and communication technology. BPPMPV KPTK was inaugurated on May 10 2014, BPPMPV KPTK carries out its main tasks and functions based on Minister of Education and Culture Regulation Number 18 of 2015 concerning Organization and Work Procedures where in its operationalization, BPPMPV KPTK is responsible to the Director General of Vocational Education. In carrying out its main duties and functions. BPPMPV KPTK is led by the Head of the Center (echelon III-B); assisted by the Head of Administration Sub-Division (echelon IV-B) based on Minister of Education and Culture Regulation Number 26 of 2020.

## METHODS

The analytical method in this research is by describing relevant measurements from 4 (four) Balanced Scorecard perspectives, as follows:

### 1) **Financial Perspective Analysis**

Financial perspective is a performance measurement viewed from a financial perspective based on the consequences of financial budgeting carried out, in the case of government agencies, the absorption capacity carried out by each agency.

### 2) **Analyze Customer Perspective**

Customer perspective is an analysis to see consumer satisfaction (educators and education staff) at BPPMPV KPTK by looking at the Customer Satisfaction Index, by analyzing consumers which is used to measure the achievement of strategic targets from a customer perspective. A training institution must be able to provide excellent and quality service to its consumers, so measuring consumer satisfaction is very important for the Center in order to control and evaluate the agency's performance.

Rangkuti (2003), states that the characteristics of service quality can be evaluated in five dimensions, there are:

- Reliability, the agency's ability to provide appropriate and reliable services.
- Responsiveness (quick response), the agency's ability to provide services to customers quickly.
- Assurance, the employee's ability and politeness as well as the trustworthy nature of the employee.
- Empathy, employee understanding of consumer needs and the attention given by employees.
- Tangible (visible), the appearance of physical facilities such as equipment, employees and communication facilities.

To determine the level of consumer satisfaction, in this case teachers have been given training by the Center, the data processing used is as follows:

Qualitative data obtained from filling out questionnaires by respondents was converted into quantitative data by giving a score to each answer choice on a Likert scale as proposed by Sugiyono (2011: 94) as follows:

1. Very dissatisfied (STP) = 1
2. Dissatisfied (TP) = 2
3. Fairly Satisfied / Neutral (CP/N) = 3
4. Satisfied (P) = 4
5. Very Satisfied (SP) = 5

From the sum of all the scores obtained from all respondents, the achievement of the customer satisfaction index will be known, as formulated by Sugiyono (2011: 99) as follows:

$$IKC = PP$$

IKC = Customer Satisfaction Index

PP = Perceived Performance

After knowing the IKC of all respondents, they are then classified on a scale

- a) very dissatisfied,
- b) dissatisfied,
- c) quite satisfied,
- d) satisfied, and
- e) very satisfied.

### 3) Internal Business Perspective Analysis

Internal process business perspective, one of the balanced scorecard performance measures that explores various new processes that must be mastered well by an agency in order to meet various customer goals and financial absorption capacity which includes: (Kaplan & Norton, 2000: 169)

➤ Efficiency of training programs

This measurement is carried out by observing the agency how many programs/activities will be carried out.

➤ Efficiency of training time

This was done with the aim of finding out how consumers, in this case teachers, receive training in an efficient manner (not too long and not too fast).

➤ Improving service facilities and infrastructure

This measurement is carried out by looking at the effectiveness and efficiency of the agency in providing services.

#### 4) Learning and Growth Analysis

Learning and Growth identifies structures that must be built to create growth and improve long-term performance including: (Kaplan & Norton, 2000: 174)

➤ Efficiency of Training Time

Employee Training Program Program implemented by the agency, which aims to monitor the performance of each employee. If the results of the training are below standard, employees will be given the opportunity to improve it by providing refreshments according to each employee's duties.

➤ Employee Training Program

Program implemented by the agency, which aims to monitor the performance of each employee. If the results of the training are below standard, employees will be given the opportunity to improve it by providing refreshments according to each employee's duties.

➤ Employee Satisfaction Index

Employee Satisfaction Index Measurement can be done by measuring the level of employee satisfaction with the agency. This is a pre condition for increasing productivity, responsiveness, quality and service to customers/consumers. This measurement is carried out by distributing questionnaires to employees. The questionnaire was developed based on the Kaplan and Norton theory, which is seen from 4 perspectives: finance, customers, internal business processes, and learning and growth as well as performance measurement. All these factors are described in the questionnaire questions. Answers to work questionnaire opinions and employee motivation are assessed based on a Likert scale:

1= strongly disagree,

2= disagree,

3= quite agree,

4= agree,

5= strongly agree.

Information Systems Testing

##### a. Validity Test

The validity test is used to measure whether a questionnaire is valid or not. A questionnaire is said to be valid if the questions in the questionnaire are able to reveal something that the questionnaire will measure. The validity test is carried out by calculating the correlation between the score of each question item and the total score

##### b. Realibility Test

Reliability is a measuring tool for measuring a questionnaire which is an indicator of a variable. A questionnaire is said to be reliable if a person's answers to statements are consistent or stable over time. To measure reliability, the Cronbach Alpha ( $\alpha$ ) statistical test is used. A construct or variable is said to be a variable if it provides a Cronbach Alpha value  $> 0.60$  (Nunnally, 1969). The employee satisfaction level and student satisfaction

level use a Likert scale to calculate the weight of each assessment. This Likert scale relates to statements about a person's attitude towards something (Umar Husein, 1998: 89).

## **EXPECTED RESULTS AND DISCUSSION**

The expected result of this research is to know the performance of the agency, in this case the Quality Assurance Development Center for Vocational Education in the Maritime, Fisheries, Information and Communication Technology Sector (BPPMPV KPTK) with the four perspectives in the Balanced Scorecard (BSC); finance, customers, progress internal business, learning and growth, as well as input for agencies in solving problems that exist in the agency.

## **CONCLUSION**

This research was conducted to determine agency performance using the Balanced Scorecard (BSC) model. The sample used in this research is the audited BPPMPV KPTK financial report for the 2022 fiscal year.

The expected result of this research is to know the performance of the agency, in this case the Quality Assurance Development Center for Vocational Education in the Maritime, Fisheries, Information and Communication Technology Sector (BPPMPV KPTK) with the four perspectives in the Balanced Scorecard (BSC); finance, customers, progress internal business, learning and growth, as well as input for agencies in solving problems that exist in the agency.

## **ADVICE**

The limitations explained previously provide the basis for providing suggestions for future researchers in developing new research, of course with more varied and innovative research in accordance with existing conditions in the future. Suggestions and input that can be reconsidered are explained as follows:

- 1) Research is not only carried out at the central government but can also include regional governments and other state-owned institutions;
- 2) Extend the research period to obtain results or a broader picture regarding this research topic;
- 3) Data collection from the official website can be done much earlier to shorten and make research easier.

## **REFERENCE**

### **Journal**

- Mulyadi, and Setiawan, J. (1999). Corporate Culture and Performance. Prenhallindo, Jakarta.
- Mulyadi. (2005). Management Planning and Control System. Salemba Empat, Jakarta.
- Mahmudi. (2010). Public Sector Performance Management. UPP STIMYKPN, Yogyakarta