

EMPLOYEE PERFORMANCE MEASUREMENT THROUGH BALANCE SCORECARD INSTRUMENT

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ABSTRACT

Balance Scorecard (BSC) is a score card for viewing and recording performance in an organization. Balance scorecard is used to measure executive performance and is a measurement tool for evaluating executive performance both financial and non-financial, in the short and long term, internal and external. Balanced Scorecard in its development not only relates to the card used to record executive scores but more broadly covers all lines. The results of research in the first year were the application of the BSC in the National Population and Family Planning Institution (BKKBN) starting in 2007 and up to now has experienced many improvements. BSC which was initially only applied for Echelon II levels, in 2009 was applied at echelon III and IV levels, then has also been applied at the staff level. The application of BSC in BKKBN is considered to have many benefits including being able to communicate organizational strategy from the highest level to the lowest level, providing an objective measure of employee performance appraisal, providing feedback to improve performance, and increasing leadership commitment to evaluate and improve performance.

Keyword: application, balance scorecard, instrument, measurement, performance

ABSTRAK

Balance Scorecard (BSC) adalah kartu skor untuk melihat dan mencatat kinerja dalam suatu organisasi. Balance scorecard digunakan untuk mengukur kinerja eksekutif dan merupakan alat ukur untuk mengevaluasi kinerja eksekutif baik finansial maupun non finansial, baik dalam jangka pendek maupun jangka panjang, internal maupun eksternal. Balanced Scorecard dalam perkembangannya tidak hanya berkaitan dengan kartu yang digunakan untuk mencatat skor eksekutif tetapi lebih luas lagi mencakup semua lini. Hasil penelitian pada tahun pertama penerapan BSC di Badan Kependudukan dan Keluarga Berencana Nasional (BKKBN) mulai tahun 2007 dan hingga saat ini telah mengalami banyak perbaikan. BSC yang semula hanya diberlakukan untuk level eselon II, tahun 2009 diterapkan di level eselon III dan IV, kemudian juga diterapkan di level staf. Penerapan BSC di BKKBN dinilai memiliki banyak manfaat diantaranya mampu mengkomunikasikan strategi organisasi dari level tertinggi sampai level terendah, memberikan ukuran obyektif penilaian kinerja pegawai, memberikan umpan balik untuk meningkatkan kinerja, dan meningkatkan komitmen pimpinan untuk mengevaluasi dan meningkatkan kinerja.

Kata kunci: penerapan, *balance scorecard*, instrumen, pengukuran, kinerja

INTRODUCTION

From the beginning, it is very important to understand why

organizational performance measurement is so important and vital. An organization which operates without

a performance measurement system, such as an airplane flying without a compass, an F1 driver driving and blindfolded. The purpose of performance measurement is not only to find out how the business is performing but to be able to create better performance. The main objective of implementing a performance measurement system is to improve organizational performance so that it can be better to serve customers, employees, owners, and stakeholders. Whether the results of good performance measurement will inform how the business is and how it is done, and where it happens.

So far, performance measurement has only been done traditionally, with an emphasis on the financial side. Leaders who succeed in achieving high levels of profit will be considered successful and get good rewards from the organization. Assessment of organizational performance purely from the financial side will be misleading, because good financial performance today can be achieved at the expense of the long-term interests of the organization. And conversely, poor financial performance in the short term can occur because the organization makes investments for long-term interests.

Performance measurement in the management control system in an organization occupies a very important position in an effort to map strategies into actions to achieve certain targets. This performance measurement system is often used as a tool for organizational control, because it is strengthened by establishing a reward and punishment system (Ulum, 2009). On another dimension, leadership performance can affect the performance of subordinates (Widodo, 2017), or changes in policy and information technology also affect

employee performance (Handika, et al., 2018).

To overcome the problem of the organizational performance weakness measurement system focusing on financial aspects and ignoring non-financial performance, such as customer satisfaction, employee productivity, and so on, a performance measurement model was created that not only includes financial but non-financial as well, namely Balanced Scorecard concept (BSC). The concept of Balanced Scorecard is a means of communicating strategic perceptions within an organization in a simple and easy to understand manner by various parties in the organization, especially those within the organization who will formulate organizational strategies. The definition of Balanced Scorecard itself when translated can mean a balanced performance report card. The scorecard is a card that is used to record the performance score of a person and / or a group, as well as to record the score plan that is to be realized.

Performance measurement using the balanced scorecard is not only limited to business organizations, but also to public organizations. The difference between the two can be seen from the goals and parties concerned. The application of the Balanced Scorecard in the business sector is intended to increase competitiveness, while for the public sector, it places more emphasis on mission, values and achievements (mission, value, effectiveness). Meanwhile, from the financial aspect, the business sector prioritizes profit, growth and market share, while the public sector is intended to measure productivity and efficiency levels. Likewise with interested parties, the business sector will prioritize shareholders, buyers and management, while for the public sector

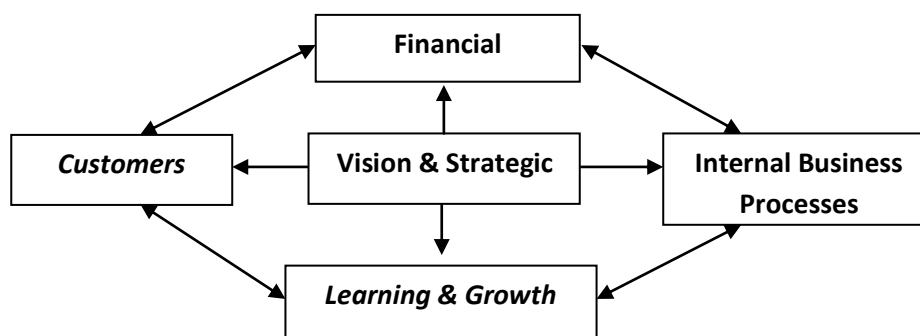
includes taxpayers, service users and legislators (Imelda, 2004).

Performance-based management is a method for measuring the progress of programs or activities carried out by public organizations / government agencies in achieving the results or outcomes expected by all parties (stakeholders). Performance Based Management in the USA Department of Energy Performance Management Handbook, identified as a systematic approach to improving performance through a continuous process of setting strategic performance goals; measure performance; collect; analyze; examine; and reporting performance data and using the data to spur performance improvements (BAPPENAS, 2006).

In the context of NPM performance appraisal should be seen as a continuous effort in order to improve the performance of public organizations. The basis for performance appraisal is not solely on the process taken, the treatment of subordinates or to the community and how accountability runs within the organization, but more broadly, with regard to service quality, relevance to the mission and vision or values the organization stands for, what suitability what public organizations do with the aspirations and needs of the community or users, and to what extent public organizations have learned to solve problems and improve the situations

they face, including designing their future. In other words, the assessment must be shown not only by the methods adopted by a government agency, but also the achievement of the vision / mission / objectives of the government institutions that are formulated and the expectations of the community (BAPPENAS, 2006).

First introduced in 1990 by Robert S. Kaplan and David P. Norton, Balanced scorecard is a strategic management system that translates the vision and strategy of an organization into operational objectives and measures (Hansen and Mowen in Imelda, 2004). Operational objectives and measures are then expressed in four perspectives, namely Financial Perspectives, Customers, Internal Business Processes, and Learning and Growth (Kaplan and Norton, 2000). The financial perspective describes the financial success achieved by the organization for activities carried out in 3 other perspectives. The customer perspective describes the customers and market segments in which organizations compete. The internal business process perspective identifies the processes those are important to serving customers and organizational owners. Meanwhile, the learning and growth perspective describes an organization's ability to create long-term growth. shown in picture 1.



Picture 1.

Basic Design of a Balance Scorecard Performance System

Source: Rohm in Imelda, 2004

According to Gaspersz (2005), there are differences in the perspective of balance scorecard applied to the public sector and those applied to the profit-oriented business sector. These different perspectives require modifying the implementation of balanced scorecard in the public/government sector. According to Kaplan and Norton in Gaspersz (2005), financial goals are not sufficient primary goals for the public/government sector. Government organizations measure their success through the ability to manage spending on a number of budgets that are tangible to the needs of the community, other government agencies and the central government (stakeholders). Thus, the main focus of government organizations is not on achieving financial goals but on objectives that focus on customers, in this case the public and central government.

The success of government and non-profit organizations is measured through effectiveness and efficiency in meeting the needs of stakeholders which are realized through tangible goals. Government officials can begin to define the segment of society served, and then select objectives and performance measures for that segment. The vision, mission and strategy statement of a community-focused

government organization should be translated into specific community-oriented goals and communicated throughout the organization.

Based on a focus on providing value to segments of society, government officials must define the internal processes of that government organization. In this case the performance of the internal processes that are most critical to achieving the goal of providing quality services to society must be identified, measured, analyzed and improved continuously.

Learning and growth perspective in balance scorecard, provides an infrastructure for government organizations to achieve the goals that have been identified through other perspectives. The purpose of the learning and growth perspective in government organizations is as a driver to achieve superior results from other perspectives, especially the customer perspective. The gap between the customer perspective (main focus) with the financial perspective, and the internal process to achieve strategic objectives should be a necessity for investment in a learning and growth perspective. This is closely related to the development of the capabilities of human resources who work in government organizations, the ability of

information systems to make decisions, increase motivation and empowerment of government officials (employees), and, most importantly, the suitability and interrelation of these things. The right investment in this area will give government organizations a better position to ensure the achievement of their mission and long-term goals of providing value-added (quality) public services to the public.

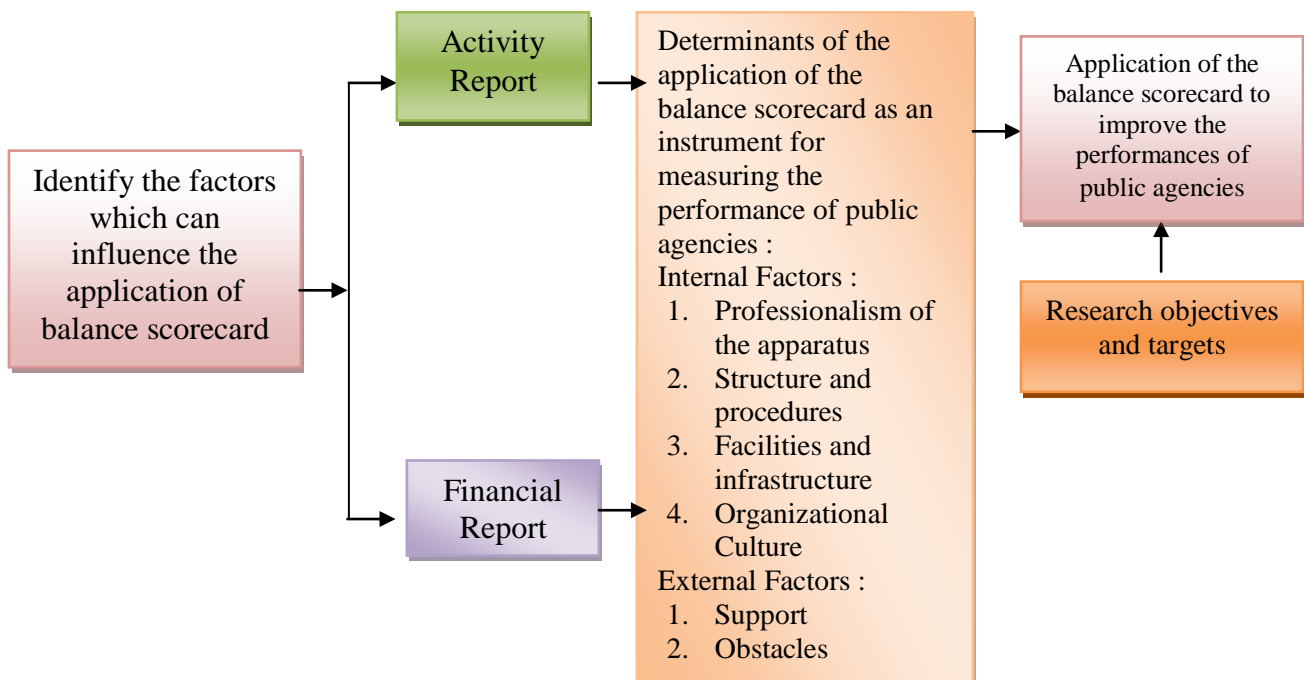
RESEARCH METHODS

The data analysis technique of this research is descriptive qualitative. In descriptive research, the process of analyzing and interpreting data is not only carried out at the end of data collection or independently, but simultaneously is also carried out when data collection takes place in the field,

so that in qualitative research it is often known as a cycle process.

Identification of the factors that affect organizational performance through the application of a balanced scorecard, the determinants of the factors that influence the success of implementing balance scorecard as an instrument for measuring organizational performance. The design of this study used research models such as participant action research, diagnosis of action research and empirical action research (Kemmis & Taggart, 1988). In addition to high levels of scholarship. This type of research was also chosen in accordance with the research objectives, namely to examine the application of balance scorecard for performance measurement (Bungin, 2001).

Figure 1.
Research Design Flowchart



Source: research result, 2018

RESULTS AND DISCUSSION

The implementation of the Balance Scorecard at the Central of National Population and Family Planning Institution (BKKBN) was initially motivated by efforts to reform the bureaucracy as a form of elaboration of Presidential Instruction Number 7 Year of 1999 concerning accountability for the performance of government agencies. This Presidential Instruction is a breakthrough in an effort to create a professional, efficient and effective state administration system, especially in government organizations to improve their performance and encourage the development of a performance-based management system for public sector organizations.

BSC is theoretically able to improve organizational communication through the elaboration of organizational strategy in the form of strategic objectives, sizes and targets from the highest organizational level to the lowest organizational level. In the performance management cycle, there are generally 3 stages that must be passed, namely Employee Performance Planning, Employee Performance Monitoring, and Employee Performance Appraisal. To plan employee performance goals, it is necessary to know in advance the bureau performance targets, which are derived from the organizational / ministerial performance targets which are translated into a vision, mission, and mapped into a strategy map. At the employee performance planning stage, employee performance targets are determined for the next one year and written into a form known as Employee Performance Assessment (EPA). The second stage is monitoring employee performance. In achieving performance targets, employees sometimes need to be given feedback, coaching and

counseling, or disciplinary action in accordance with applicable rules and regulations. In the third stage, the performance targets that have been set at the beginning will be evaluated periodically every quarter, and then will be assessed along with the competency aspects of the employees themselves each semester. The results of this assessment determine the compensation in accordance with employee performance, whether in the form of bonuses, promotions or other programs. At this stage it is also agreed on what development program the employee will need.

The BSC of BKKBN is a method used to translate the Strategic Planning and Road Map of BKKBN into strategies which are further depicted in the form of a strategy map to facilitate the reduction of the strategy from the highest level to the lowest level. BKKBN road map in this case is an elaboration of BKKBN Strategic Plan in more detail, which contains BKKBN programs and activities in general over a period of 5 years. Thus the BSC can be used as a tool that generates feedback for revising the Strategic Plan.

In his presentation on the application of the BSC in BKKBN for performance management, the Head of Central BKKBN Planning Bureau explained the step by step of the BSC development in BKKBN as follows.

Strategy Map Development

a. Creating the Vision and Mission of the Organization

The BSC of BKKBN formulation stage begins with a vision and mission. The vision and mission are created by analyzing the strengths, weaknesses, opportunities and threats of the organization. Among these analyzes can be done using

the SWOT or PEST analysis method.

From the analysis and assessment of the organization, it can be seen what is the vision and mission of the organization, its strengths and weaknesses, and even what actions the organization must take to meet community needs.

b. Determine the strategy map perspective

The strategy map in BSC generally consists of 4 (four) perspectives, such as :

- 1) Stakeholders and customers are parties who have an interest in the outcome of an organization.
- 2) Internal Business Process, which shows a series of processes within a unit to create value for stakeholders and customers (value chain);
- 3) Learning and Growth, namely activities to improve the ability of employees to support the achievement of the previous 3 (three) perspectives.
- 4) Financial, which describes the financial success achieved by the organization for its activities.

In BKKBN, these four perspectives are used, but with adjustments related to the target orientation and objectives of the establishment of this Agency.

c. Determine the key goals of the organization's vision and mission

In this case the direct example is used in BKKBN. It is known that BKKBN Vision is a Population Growing Balanced by 2015 and with the mission of Realizing Population-Based Development and a Happy and Prosperous Small Family. Underlines in several

sentences in the BKKBN vision and mission are key words that will be translated into strategic goals.

d. Translating Keywords Into Strategic Goals

After the vision and mission are known, the next step is to determine the ideal and realistic conditions that BKKBN wants to achieve through the elaboration of the vision and mission keywords above into a number of Strategic Targets (ST). The following is the Strategic Target (ST) as an elaboration of BKKBN vision and mission keywords.

Customer and Stakeholder Perspectives at BKKBN

- 1) Increasing Knowledge, Attitudes and Behavior of Society in Population Development and Family Planning;
- 2) Increasing commitment of stakeholders to Population Development and Family Planning;
- 3) Increasing the role of partners in population development and family planning.

BKKBN Internal Business Process Perspective

- 1) Increase partnerships in Population and Family Planning development;
- 2) Increase Advocacy, Mobilization and Branding to Stakeholders;
- 3) Improve communication, information and education on Population Development and Family Planning;
- 4) Increase the guarantee of the availability of facilities and infrastructure for Population Development and Family Planning;
- 5) Harmonizing Population Development and Family Planning policies;

- 6) Ensure the availability of the utilization of population parameters and population impact study information data;
- 7) Improve IT-based MIS;
- 8) Increase R&D Population Development and Family Planning;
- 9) Improve Good Governance.

BKKBN Learning and Growth Perspective

- 1) Planning and Developing Human Resources;
- 2) Organizing and managing;
- 3) Developing a CUK work culture.

CONCLUSION

The implementation of Balance Scorecard at National Population and Family Planning Institution (BKKBN) began in 2007 and up to now, there have been many improvements. Balance Scorecard which was initially only applied to the Echelon II level, was implemented in 2009 at echelon III and IV levels, then it was also applied at the staff level in 2010. Implementation of Balance Scorecard at BKKBN is considered to have many benefits, including being able to communicate organizational strategy from the highest level to the lowest level, provides an objective measure of employee performance appraisal, provides feedback to improve performance, and increases leadership commitment to evaluate and improve performance.

However, even though it has been implemented for several years, the obstacles in implementing Balance Scorecard at BKKBN are still encountered here and there. Some of the problems that can be identified are the development of Balance Scorecard in several work units running backwards, the lack of employee knowledge on the application of Balance Scorecard system at BKKBN, the cascading

process that is not fully implemented, flexibility in assigning weight assessments, and lack of support for information technology in implementing Balance Scorecard at BKKBN.

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