

Research.

## Performance Measurement Design as a Company Performance Improvement Strategy Using the Balanced Scorecard Method

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**Abstract:** This research purposes to determine the performance of PT XX and what strategies can be implemented to improve the company's performance. This research uses a qualitative approach with descriptive analysis on case studies. The types of data used in this research are primary and secondary data as well as qualitative descriptive data analysis techniques. From the research results obtained by researchers, performance measurement using the balanced scorecard method can be concluded that researchers get several variations of the results. From a financial perspective, the company's ROA and NPM ratios show good results, the customer perspective which has been measured by the level of customer satisfaction and customer profitability also shows good results.

**Keywords:** *Balanced Scorecard, Performance Measurement, Strategy*

### INTRODUCTION

Performance measurement is one of the various ways that can be used to find out whether the strategy implemented by the company will be effective or not. Kaplan & Norton (2000) states that performance appraisals that only focus on finances cannot represent to conclude whether the performance of an organization is good or not, because performance measurements According to financial aspects only result in company orientation only towards short-term interests. regardless of the long-term viability of the company. With some of the limitations above, a new form of performance measurement emerged, namely the Balanced Scorecard which is a method used to measure company performance by translating the company's vision, mission and strategy into 4 perspectives, namely financial perspective, customer perspective, internal business process perspective and learning process perspective. and growth (Kaplan & Norton, 2001).

Performance measurement with the balanced scorecard method is currently needed by a company in achieving predetermined goals both in the short term and in the long term. Because by applying the balanced scorecard method the company has experienced good changes, companies know more about the importance of measuring company performance from all aspects, not only financial aspects, non-financial aspects are also a measure of company performance (Rosie, 2018). In the Balanced Scorecard, the four perspectives become a single unit that cannot be separated. The four perspectives are also performance measurement indicators that complement each other and have a causal relationship (Saihu, 2019).

The construction sector is an activity related to the construction or renovation of houses, buildings or construction, which can be used as residences or other means of activity. In this construction sector there is an activity to build facilities and infrastructure in the field of architecture, a construction is also known as a building or infrastructure unit built either in an area or several certain areas. Companies that are related to the construction

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industry and provide services in that field are construction service companies. An agency/institution/person that seeks or conducts procurement activities is also called a contractor. The procurement activity can be in the form of procurement of goods or services that will be paid for with a written contract value that has been agreed upon by both parties.

Established in 1984, PT XX is engaged in the construction sector which includes: drainage and irrigation networks, bridges, foundations and land drilling sites, commercial buildings, other non-residential buildings, piping, weirs and dams, with a variety of quality, efficient, responsive works. public, private and community interests. Our company has a commitment to "Produce the best work that is visionary, creative, innovative with the most effective solutions". The resulting final product is rooted in a deep thought process from various supporting sciences. To respond to the increasing challenges of the future, PT XX continues to improve its quality by taking the right steps to reposition its financial strengths, capital structure, completeness of equipment and quality of human resources.

Kaplan & Norton, (2000) states that performance appraisals that only focus on finance alone cannot represent to conclude whether the performance of an organization is good or not, because performance measurement According to financial aspects only results in company orientation only towards long-term interests. short term without regard to the viability of the company in the long term. In accordance with Saihu's research (2019) that perspective is an inseparable unit. The four perspectives are also performance measurement indicators that complement each other and have a causal relationship, this research is in line with Mulyadi (2001) The four aspects offer a balance between long-term and short-term goals, namely desired results, performance triggers, and benchmarks. Companies do not yet have a performance measurement system that they feel is effective, while they realize that a company really needs a system or guidelines used to measure performance related to the work they do.

One of the weaknesses that this company has is the lack of a division of labor system that exists between one employee and another, so that employees do not understand what targets they must fulfill in carrying out their work. These employees are only waiting for orders or instructions given directly from their superiors regarding what work they have to do if there is a project for the company. Through these limitations, it is necessary to conduct further research on performance measurement using the balanced scorecard so that it can determine the performance of PT XX and what strategies can be implemented to improve company performance.

### **Formulation of the Problem**

1. How to design performance measurement with the Balanced Scorecard method at PT. XX?
2. What is the right strategy to improve company performance?

## **LITERATURE REVIEW**

### **Agency Theory**

Agency theory can solve two problems that arise between agents and principals (Adam, 1996 in Kurniawansyah et al., 2018). The first is when a desire or goal that the principal has with the agent is in dispute and it is difficult for the principal to check or know the activities conducted by the agent who manages the company. A problem that will arise here is that the principal cannot check whether the agent is doing his job honestly or not. This agency theory explains how the parties concerned in a company will act, because basically these parties have very different interests. The difference in these interests will lead to a conflict called agency conflict, this conflict usually occurs because a separation between ownership and control in the company.

### **Signalling Theory**

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Signaling theory was developed as an attempt to provide information signals from parties who have more information to stakeholders who have less information in the company (Malau et al., 2020). In this signaling theory, a piece of relevant information will be given to the recipient and then the piece of information can be put to good use by the recipient. Then the recipient will adjust his behavior according to the understanding obtained from the piece of information, that piece of information that we can consider as a signal.

### **Definition of Performance Measurement**

According to Perdana & Retnani (2019), performance can be interpreted as an illustration of presence or level of success both individually and in groups of individuals. Performance can be classified only if an individual or group of individuals has success criteria only if an individual or group of individuals has predetermined success criteria. Mahmudi (2019) performance measurement is a process of assessing work progress towards achieving predetermined goals and objectives, including information on the efficiency of using resources in producing goods or services, quality of goods or services, comparison of work results with targets and effectiveness of actions in achieving goals.

According to some of the definitions above, we can conclude that performance measurement is an action by measuring a performance conducted on various activities that exist within a company. The measurement results obtained can be in the form of numbers or ratios which will then be used as feedback with an action that is most effective and efficient and provides information regarding the achievement of implementing a plan conducted and a point where the company will need appropriate adjustments to activities in planning and control conducted.

### **Balanced Scorecard**

Balanced scorecard is used to balance the efforts of executives to financial and non-financial performance. From these results it is concluded that to measure executive performance in the future, a comprehensive measure is needed that includes four perspectives: a growth and learning perspective, an internal business process perspective, a customer perspective, and a financial perspective (Nur Irawan, 2019).

The Balanced Scorecard as a strategic-based measurement tool, such as a financial perspective, customer perspective, internal business process perspective, and Learning and Growth perspective. The advantage of implementing the Balanced Scorecard is to be able to provide a measure that can be used as a basis for strategic improvement (Alimudin et al., 2019).

### **Balanced Scorecard Perspectives**

#### **1. Financial Perspective**

The financial perspective is considered the most important perspective among the others, especially in relation to strategy implementation and organizational performance appraisal (Al-Hosaini & Sofian, 2015). For most of the existing business organizations, profit is always the top goal to be achieved. Therefore, the top perspective here is a financial perspective which explains financial goals and how to reap sustainable profits.

Nur Irawan (2019) Identifies three stages of the business life cycle, namely:

- 1) Growth. Growth is the first stage and the initial stage of the business life cycle. At this stage a company has a product or service that significantly has a very good growth rate or at least has the potential to multiply.
- 2) Sustain Stage. Sustain stage is a stage where the company is still investing by requiring the best rate of return.
- 3) Harvest. This stage is the maturity stage, a stage where the company harvests the investments made in the two previous stages. The company is

no longer making any further investments except for equipment maintenance and facility repairs, not for expansion or building a new capability.

## **2. Customer Perspective**

The customer perspective that exists in the Balanced Scorecard method has the purpose of increasing the value that the company has for its customers. With good service and product or service quality, it can help increase customer loyalty towards the company. Likewise, on the other hand, if the company provides poor service or the products and services owned by the company are of poor quality, it will definitely cause customers to feel dissatisfied and look for other companies that have better systems or services and products or services.

A product or service is said to have value for its consumers if the benefits received are relatively higher than the sacrifices incurred by the customer to obtain the product or service (Nur Irawan, 2019).

## **3. Internal Business Process Perspective**

In this perspective, companies measure all activities conducted by managers and employees to create a product that can provide certain satisfaction for customers and shareholders (Kaplan & Norton, 2000). According to Harold & Thenmozhi (2014) this perspective allows managers to know how well their business is running, and whether its products and services are in accordance with customer needs.

Every company has different processes and unique values for its customers. In general, the internal business process perspective is divided into three parts, namely:

### **1) Innovation Process**

This process is an important part that covers the whole in the production process. But there are also several companies that do not put this innovation process into the production process. In the innovation process there are also 2 related components, namely: identifying the desires of its customers and carrying out a product design process so that it is in accordance with what the customer wants.

### **2) Operational Process**

The operational process is how the steps of an operational activity conducted by the company. This operational process can be seen from the design plans that are owned both in processing raw materials into finished products, marketing techniques that are owned, to speed and security in transactions between companies and their customers. The operational process also focuses on techniques for conveying a product or service to customers in a careful, fast and timely manner so that customers are satisfied.

### **3) After-sales Service Process**

After-sales service is a form of company service provided to customers as a guarantee of product superiority both in quality and quantity that has been purchased by customers. There are various kinds of after-sales services provided by the company, for example consulting services to customers, product repair and maintenance, to product warranty.

## **4. Learning and Growth Perspective**

This perspective emphasizes how a company can innovate and continue to grow and develop so that it can compete in the present and in the future. This learning and growth perspective focuses on the skills possessed by human resources.

The goal in the learning and growth perspective is to provide infrastructure that enables ambitious goals in the other three perspectives to be achieved, besides that the goals from the learning and growth perspective are the driving factors for producing excellent performance in the first three balanced scorecard perspectives (Kaplan & Norton, 2000).

## RESEARCH METHODS

Researchers used a descriptive analysis method in case studies. This method is a research method in which researchers analyze the data obtained and then conduct clear, easy-to-understand, fact-based and careful descriptions of various characteristics and relationships between events According to the facts that have been studied by collecting, classifying, presenting and analyzing the data obtained. about the application of the Balanced Scorecard method.

The source of the data is through interviews by asking several questions to employees in accordance with the company's circumstances, documentation is done by collecting existing data and information such as books, journals and the internet then the final data source is through a questionnaire which is done by make several lists of questions through the Google form regarding the indicators contained in the balanced scorecard.

In this research the researcher used a qualitative descriptive data analysis technique, where the researcher would collect the data obtained, process it, and present the data so that it would provide correct results According to facts to solve a problem that occurred, therefore several steps were needed as follows:

- 1) Collect, explore and analyze the data obtained which will then be used as a basis for measuring performance using the Balanced Scorecard method.
- 2) Digest and analyze the company's vision and mission, goals and strategies and study other related factors.
- 3) Develop a Balanced Scorecard framework. The next step is to design an accurate strategic assessment using the Balanced Scorecard method. Then using the Balanced Scorecard methods we will translate PT XX's strategy into the four perspectives on the Balanced Scorecard. In the process of translating the strategy, it will show a causal relationship between the four perspectives. Furthermore, the design results obtained will be used as the final evaluation result and conduct a review of the company's strategy.
- 4) Draw conclusions and make a suitable strategy map and discuss what strategies are needed in the future to improve performance. In this strategy map, a diagrammatic description of the causal relationship between perspectives in the Balanced Scorecard will be shown. Then from every existing data and strategy map that has been made, a strategy that is suitable and able to be considered and implemented by the company will be determined so that in the future its performance will increase to face the competition that will occur.

Determine the results of each measure studied, consisting of:

1) Financial Perspective

a) ROA (*Return on Assets*)

Return on assets is the ratio between the company's net profit to the total assets it owns. This will show how much the ability of the company's assets to generate profits.

$$ROA = \frac{\text{Net Income}}{\text{Total Assets}} \times 100\%$$

ROA is considered bad if it is less than 7%, is considered moderate if it is equal to 7% and is included in the good criteria if it is more than 7%.

**Table 1 ROA Criteria**

Ratio	Criteria		
ROA	<7%	7%	>7%
	Poor	Fair	Good

Source: Kaplan and Norton, 2001

b) NPM (*Net Profit Margin*)

Net profit margin, namely measurement in a financial perspective by measuring net profit which is then compared to income owned.

$$NPM = \frac{\text{Net Income}}{\text{Sales}} \times 100\%$$

NPM will be considered bad if it is less than 6%, it is included in the moderate criteria if it is equal to 6%, and it is included in the good criteria if it is more than 6%.

**Table 2 NPM Criteria**

Ratio	Criteria		
NPM	<6%	6%	>6%
	Poor	Fair	Good

Source: Kaplan and Norton, 2001

2) Customer Perspective

a) Level of Customer Satisfaction

According to the level of satisfaction that is owned by the customer from the value of the customer satisfaction survey results by giving questionnaires to approximately 20 respondents. The data from the questionnaire given will be qualitative which is then converted into quantitative data. To convert the data into quantitative, score the answers as follows:

1. If choose Dissatisfied, you get a score of 1
2. If choose Fairly Satisfied, you give you a score of 2
3. If choose Satisfied, you give a score of 3
4. If choose Very Satisfied, you give a score of 4

$$\text{Customer Satisfaction} = \frac{\text{Total Score off All Respondents}}{\text{Total Score}} \times 100\%$$

Of the 18 questionnaires distributed, there are 8 questions, all values from the questions will be included in the calculation because all questions are said to be valid. From these data we can determine the satisfaction interval so that we can determine the level of customer satisfaction.

Fitria & Ardiansyah (2019) Customer Satisfaction Index Calculation:

$$\begin{aligned} \text{Interval} &= (\text{Ikmaks} - \text{Ikmin}) : 4 \\ \text{Ikmaks} &= PP \times R \times \text{Exmaks} \\ &= 8 \times 18 \times 4 \\ &= 576 \\ \text{Ikmin} &= PP \times R \times \text{Exmin} \\ &= 8 \times 18 \times 1 \\ &= 144 \\ \text{Interval} &= (576 - 144) : 4 \\ &= 108 \end{aligned}$$

**Table 3 Range of Customer Satisfaction Scores**

Customer Satisfaction Scores				
a	144	-	252	Dissatisfied
b	252	-	360	Fairly Satisfied
c	360	-	468	Satisfied
d	468	-	576	Very Satisfied

Source: Data processed

b) Customer Profitability

In customer profitability, the amount of profit that the company has successfully obtained from selling products or services to its customers will be measured. This can be seen by dividing net profit by the number of customers owned and expressed in percent. The higher the value of customer profitability, means the higher the profit achieved by the company from each of its customers.

$$\text{Customer Profitability} = \frac{\text{Net Income}}{\text{Number of Customers}} \times 100\%$$

Customer profitability will be declared good if it increases, constant if customer profitability remains constant, and poor if it decreases.

**Table 4 Criteria for Customer Profitability**

Standard	Score	Criteria
Customer Profitability	Decrease	Poor
	Constant	Fair
	Increase	Good

Source: Kaplan and Norton, 2001

3) Internal Business Process Perspective

a) Innovation

This measurement was conducted by looking at company data and a brief discussion conducted by researchers with the company, by looking at what innovations the company had that year. Innovation will be considered good if it increases, moderate if it is constant, and will be considered poor if it decreases.

b) Operations Process

This measurement is related to time, namely calculating how long the customer order process takes, how well the product delivery process is to the customer, how well the transaction process is between the company and the customer. This measurement is assessed from the results of a survey by interviewing several employees. The results of the interviews will be summarized and concluded by researchers so that they become 3 categories. The operational process was declared good if there were more positive answers given, moderate if the positive and negative answers were the same, and considered poor if there were more negative answers than positive answers.

c) After Sales Service

This measurement is conducted by conducting a brief discussion between the researcher and the company and looking at the company's data. By looking at the various kinds of services provided by the company to customers who have ordered the company's products/services. After-sales service will be said to be

good if it increases, considered moderate if after-sales service is constant, and considered unfavorable if it decreases.

4) Learning and Growth Perspective

a) Employee Retention

Employee retention looks at the growth in the number of employees by measuring the number of workers who leave over a certain period of time.

$$\text{Employee Retention} = \frac{\text{Number of Employees Leaving}}{\text{Total Employees}} \times 100\%$$

In terms of employee retention, if the percentage increases, it can be concluded that the company is still unable to retain its employees. Vice versa, if the percentage decreases, it can be said that the company has been able to retain employees who are in demand and outperformed by the company, and it will be said to be moderate if the results are constant.

b) Employee Productivity

Measurement of learning and growth performance by measuring the level of employee productivity.

$$\text{Employee Productivity} = \frac{\text{Net Income}}{\text{Total Employees}} \times 100\%$$

In employee productivity, if the results obtained increase, it indicates that there is an increase in employee skills, innovation, and customer satisfaction so that the company's net profit has increased. The level of employee productivity will be considered good if it increases, fair if it is constant, and poor if it decreases.

## RESULTS AND DISCUSSION

### Measuring the Performance of PT XX

a) Financial Perspective

The performance of the financial perspective in this research uses the ratio of Return on Assets (ROA) and Net Profit Margin (NPM).

$$\text{ROA} = \frac{\text{Net Income}}{\text{Total Assets}} \times 100\%$$

**Table 5 ROA Ratio Results**

Year	Net Profit (IDR)	Total Assets (IDR)	ROA (%)
2019	26,519,348,841	56,758,853,372	46.72
2020	27,641,749,675	54,393,541,161	50.82

Source: Data processed

From the table above it can be seen that the company's ROA in 2019-2020 has increased. Comparison in 2019 to 2020 the number of ROA shows 50.82% with a difference of 4.1%, which means that in 2020 there has been an increase compared to 2019. These results indicate that there was an increase in 2020 because the increase in company profits compared to the previous year. With a company ROA value of more than 7%, it can be concluded that the results are good.

$$\text{NPM} = \frac{\text{Net Income}}{\text{Sales}} \times 100\%$$

**Table 6 NPM Ratio Results**

Year	Net Profit (IDR)	Earnings (IDR)	NPM (%)
2019	26,519,348,841	244,445,997,127	10.84
2020	27,641,749,675	241,889,799,000	11.43

Source: Data processed

According to the results of the processed data above, it can be seen that the company's profit margin in 2019 was 10.84%, while in 2020 it had increased to 11.43%. This shows that there is an increase of 0.59%. This increase could occur because the company's cost of operations in 2020 was less than in 2019 which affected profits so that there was an increase in the company's net profit. This clearly has to be maintained by the company, by using several new strategies that are deemed competent enough so that it will result in an increase in the company's profits in the long term. With a company NPM value of more than 6%, it can be concluded that the results are good.

**b) Customer Perspective**

The performance of the customer perspective in this study uses the ratio of Customer Satisfaction and Customer Profitability.

$$\text{Customer Satisfaction} = \frac{\text{Total Score off All Respondents}}{\text{Total Score}} \times 100\%$$

In this research, we used a distributed questionnaire to measure customer satisfaction with the services and facilities provided to customers who use PT XX's services. The questionnaire was distributed to as many as 18 respondents, each of which contained 8 questions and 4 categories of customer satisfaction, namely dissatisfied, fairly satisfied, satisfied, and very satisfied. The recapitulation results obtained by researchers are:

**Table 7 Results of Customer Satisfaction**

Score	Remarks	Ammout Selected	Total Score
1	Dissatisfied	1	1
2	Fairly Satisfied	41	82
3	Satisfied	85	255
4	Very Satisfied	17	68
<b>Total Customer Score</b>			<b>406</b>

Source: Data processed

Through the data the researcher got from 8 questions the dissatisfied category was selected only 1 time, the fairly satisfied category was selected 41 times, the satisfied category was selected 85 times, the very satisfied category was selected 17 times.

$$\text{Customer Satisfaction} = \frac{406}{576} \times 100\% = 70,5\%$$

From these calculations, it is known that PT XX has a good level of customer satisfaction with a total score of 406 with a percentage of 70.5% and the satisfied

category is the most chosen category by customers. With a total score of 406, it can be concluded that the customer is satisfied.

$$\text{Customer Satisfaction} = \frac{\text{Total Score off All Respondents}}{\text{Total Score}} \times 100\%$$

**Table 8 Customer Profitability Results**

Year	Net Profit	Number of Customer	Customer Profitability (IDR)
2019	26,519,348,841	25	1,060,773,954
2020	27,641,749,675	26	1,063,144,218

Source: Data processed

According to the table 8, it can be seen that customer profitability from 2019 to 2020 has shown an increase. In 2019, PT XX's customer profitability is IDR 1,060,773,954 per year, which means that on average one customer has the ability to generate revenue of IDR 1,060,773,954 for one year. In 2020 customer profitability increases to IDR 1,063,144,218. From the value of customer profitability, which has increased from 2019 to 2020, it has shown good conditions with increased profits accompanied by an increase in the number of customers as well. Good customer profitability must be accompanied by an increase in the service provided by the company to its customers. With the score of customer profitability rising in the following year, it can be concluded that the results are good.

### c) Internal Business Process Perspective

Internal Business Process Perspective Performance in this study will use 3 benchmarks, namely Innovation, Operations, and After Sales Service.

#### 1. Innovation

From the data obtained, the researchers concluded that PT XX's innovation was still not good. Where innovation regarding the products and services offered is lacking and limited, employees say that the company prioritizes the quality offered. Every year the company always tries to upgrade itself by adding several new innovations. Here the researcher provides suggestions for companies to create a special team for innovation, so that there are employees who are more focused on developing innovation so that it will be more optimal.

#### 2. Operation

From the results of the interviews obtained, the researchers concluded that the operation process conducted by PT XX was good. Where every year the company is growing and the projects it gets are also getting more and more. But the projects obtained in 2020-2021 yesterday were reduced because Covid-19. The company has made maximum efforts in carrying out its operational processes, the speed of service to its customers both in discussing and signing contracts has been maximized by employees so that customers get full comfort and service in accordance with the agreed contract, speed and security in payment transactions to the company have been maximized so there is no need to wait time to confirm payment and customers don't have to worry about security in transactions, as well as the delivery of products and services owned by the company has also been maximized through the company's website which can be accessed free of charge so that customers can see what kind of products and services can be received, customers can also send messages to the company's special email.

3. After-sales Service

From the data obtained, the researchers concluded that the after-sales service provided by PT XX was good. The company has provided the best in its service to customers, because before carrying out its work, the company and customers will discuss in advance to discuss what the customer wants. So that every work done by the company will be in accordance with the wishes of the customer because everything has been consulted before work. The company also provides services such as consulting, repair, maintenance and warranty according to the contracts that have been signed in the work packages that have been discussed. As long as the maintenance period is still running, the company will try its best to provide the best service to its customers.

d) **Growth and Learning Perspective**

Performance Growth and Learning Perspective in this study will use the ratio of Employee Retention and Employee Productivity.

$$\text{Employee Retention} = \frac{\text{Number of Employees Leaving}}{\text{Total Employees}} \times 100\%$$

**Table 9 Hasil Retensi Karyawan**

Year	Employees Left	Total Employees	Employees Retention
2019	2	46	4.35 %
2020	0	44	0 %

Source: Data processed

From the table 9 it can be seen that the results of PT XX's employee retention calculations in 2019 show a percentage of 4.35%, with a rate of employees leaving the company of 2 people. Meanwhile, the percentage shown in 2020 is only 0%, which means that there are no employees leaving that year. The fewer company employees who leave, the better it is for the company and vice versa. It can be concluded that PT XX is showing good performance because the percentage of employee retention has decreased in 2020. Even though the percentage of employee retention has decreased, the company is still unable to replace employees who left in 2019. Better if the company can add more employees to cover the employee's departure in 2019, so that other employees are not bothered with the piling up of tasks because the loss of the 2 employees.

$$\text{Employee Productivity} = \frac{\text{Net Income}}{\text{Total Employees}} \times 100\%$$

**Table 10 Employee Productivity Results**

Year	Net Profit	Total Employee	Employee Productivity (IDR)
2019	26,519,348,841	46	576,507,584
2020	27,641,749,675	44	628,221,584

Source: Data processed

By looking at the table 10, we can see that employee productivity from 2019 to 2020 shows an increase. In 2019 PT XX's employee productivity is IDR 576,507,584 which means that on average each employee can generate a profit for PT XX of IDR 576,507,584 for one year. As well as an increase in 2020 of IDR 628,221,584. From these data we can see that the performance of employees is getting better. Even though there were 2 employees who left in 2019, this did not affect employee productivity. It is proven that in 2020 the company experienced an increase in profits even though the number of employees decreased. So that it can contribute in the form of higher profits for PT XX.

**Table 11 Performance Measurement Results with the Balanced Scorecard**

Perspective Type	Year		Scorecard
	2019	2020	
<b>1 Financial Perspective</b>			
ROA (%)	46.72%	50.82%	Good
NPM (%)	10.84%	11.43%	Good
<b>2 Customer Perspective</b>			
Customer Satisfaction (%)	70,5%		Satisfied
Customer Profitability (Rp)	IDR1,060,773,954	IDR1,063,144,218	Good
<b>3 Internal Business Process Perspective</b>			
Innovation	Product and service innovation is still lacking		Poor
Innovation	The speed and accuracy of operation is good		Good
After Sales Service	The services provided are good and according to customer wishes		Good
<b>4 Growth and Learning Perspectives</b>			
Employee Retention (%)	4.35%	0%	Good
Employee Productivity (Rp)	IDR576,507,584	IDR628,221,584	Good

Source: Data processed

With the measurement results above, it can be concluded that the company's performance in each perspective is good, where there is only one drawback, namely in the perspective of internal business processes in the company's innovation section. The innovations owned by the company are still considered unfavorable by the employees who work there and the customers also say that the company's innovations in the form of products or services that are owned are still lacking.

By looking at the vision, mission, strategy and goals of the company and also by measuring performance at PT XX which is measured using the Balanced Scorecard method, it can show a priority that the company has. The financial perspective is the most prioritized priority by the company, we give a priority percentage of 50% because this company is also a private company that focuses on increasing profits. The company always tries to achieve maximum profit so that the operational activities conducted are always conducted properly. The second priority chosen is the internal business process perspective as well as growth and learning with the same percentage of 20%. This is in accordance with the company's vision and mission, namely that the company wants to continue to grow so that it becomes number one in West Nusa Tenggara both on a national and international scale by prioritizing its products, where they continue to maintain the

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quality of their products According to their innovation, knowledge or information. given to employees, utilizing their financial strength, and maximizing their human resources. The last priority chosen is the customer perspective with a priority percentage of 10%.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusion**

According to the discussions that have been conducted in this study, we can conclude that PT XX as a company engaged in construction services and purposes to remain consistent in developing the country is expected to have a performance benchmark as an evaluation material. The balanced scorecard has views on financial and non-financial perspectives that can be used as a benchmark for company performance.

The conclusions from the results of the concept of performance measurement conducted at PT XX with the balanced scorecard method are seen from four perspectives, namely:

#### **1. Financial Perspective**

- a) Revenue achievement as seen from PT XX's ROA (Return On Assets) ratio from 2019 to 2020 can be said to be good because it has increased by 4.1%. Namely, from 46.72% in 2019 to 50.82% in 2020, this means that PT XX's Return On Assets have succeeded in increasing the remaining operating results the following year.
- b) PT XX's Net Profit Margin (NPM) has also increased from 2019 to 2020. The company's Net Profit Margin can be said to be good because it has increased by 0.59%. That is, from 10.84% in 2019 to 11.43% in 2020. This means that PT XX has been able to maintain or increase the company's ability to generate profits.

#### **2. Customer Perspective**

- a) According to the results of the questionnaires distributed to several customers, the total results obtained from all categories amounted to 70.5%, with the most selected assessment category being the satisfied category of 44.27%. This means that customers are satisfied with the quality and services provided by PT XX.
- b) In terms of customer profitability, it is quite good, because customer profitability has increased from 2019 to 2020. The results obtained were IDR 1,060,773,954 in 2019, while in 2020 it increased to IDR 1,063,144,218, customer profitability increased by IDR 2,370,264. This means that the profits obtained from each customer are good and with increasing customers in 2020 it will also increase the profits generated by the company, this means that the number of customers will also affect the profits that the company will generate.

#### **3. Internal Business Process Perspective**

- a) Judging from PT XX's innovation, it can be said that it is still not good. Because from the data found and interviews conducted, many say that innovation in developing products and services owned by companies is still lacking.
- b) Judging from the operation of PT XX it can be said that it is already good. The company's operational processes, both in terms of marketing, transaction speed and security, and the services provided by employees to their customers, have been well implemented as much as possible.
- c) Judging from the after-sales service of PT XX it can be said to be good. The services provided by the company to its customers such as consultation, repair, maintenance and warranty will continue to be considered and the company will try its best to provide the best service.

#### **4. Growth and Learning Perspective**

- a) Judging from the retention of PT XX's employees it can be said to be good. Because employee retention from 2019 to 2020 decreased and the number of

employees who left was only 2 people. This means that the company's ability to retain its employees is quite good.

- b) Judging from the productivity of employees from the ability of employees to generate profits for the company is maximized. Because employee productivity from 2019 to 2020 has increased, namely in 2019 each employee generates an average income for PT XX of IDR 576,507,584 for one year and there is an increase in 2020 to IDR 628,221,584. This proves that the ability of employees to generate profits for the company is good.

As for the results of PT XX's performance measurement using the balanced scorecard method which can be seen from the four perspectives above it can be said to be quite good, where from a financial perspective, a customer perspective, and a learning and growth perspective the results obtained are good. There is one drawback in the perspective of internal business processes in the innovation section which results are not good. The results of interviews conducted with working employees said that the company's innovation was still lacking and the questionnaires distributed to several customers also said that they were not satisfied with the company's innovations.

### Recommendation

According to the results of the discussion in this study, suggestions that can be put forward by researchers for PT XX are: (1) Companies should use a Balanced Scorecard to measure company performance so that it is clear where the company's weaknesses or weaknesses lie both in the financial and non-financial fields so that the company can plan strategies to cover and improve these deficiencies and so that the success of the company can be measured better; (2) It is recommended for managers or company management to be able to form a special team for the development of company product and service innovations. Because from the perspective of the company's internal business processes it can be seen that the innovation that is owned is still lacking, so with this special team they will be able to focus on increasing the company's innovation so that customers can get even better innovation.

For further research, it is hoped that it will be able to expand the research area by getting more sources and spreading a wider questionnaire so that better research results can be obtained.

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