



IMPLEMENTATION OF BALANCED SCORECARD AS A STRATEGIC MANAGEMENT TOOL IN FINANCIAL SERVICES COMPANIES

Hariadi

Faculty of Economics and Business, Hasanuddin University. Email: hariadi89877@gmail.com

Abstrak

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The purpose of this study was to analyze the implementation of the Balanced Scorecard as a marketing strategy for service companies. The method used in this research is qualitative. The data generated is descriptive data in the form of written or spoken which can be observed within a certain range from a comprehensive perspective. This study uses a literature study with a content analysis approach. The data used is secondary data in the form of writing sourced from articles and books. The results of the study show the need for a balance of financial and non-financial aspects which include: (a) a financial perspective. A good financial aspect then this indicates the good health of the company's performance, thus creating a positive perception for consumers. (b) Customer Perspective. Service companies need marketing strategies that are in accordance with the target market or market segments. The marketing strategy that can be used is a digital marketing strategy. Digital marketing strategies enable service companies to reach a wider market segment. (c) Internal Business Process Perspective. Service companies need to provide value propositions that are able to attract and retain customers in the desired market segment and satisfy shareholders. Internal business processes can be carried out through innovation processes, operational processes and after-sales services. (d) Learning and Growth Perspective. Service companies need to provide the infrastructure for achieving a financial perspective, a customer perspective, and a process perspective to generate long-term growth and improvement. It is important for a company when investing not only in equipment to produce products or services, but also investing in infrastructure, namely: human resources, systems and procedures.

A. INTRODUCTION

The use of balanced Scorecard (BSC) has been widely used in various companies to measure company performance. Company performance measurement needs to be done to find out whether the marketing strategy with the implementation of BSC has been effective within a certain period of time (Saputri, 2021; Devani, 2016). Performance can be interpreted as one of the efforts carried out by the company to quantitatively evaluate the results of transactions that have been carried out by the responsibility center in a certain period (Irawan, 2019). BSC is also used in companies in order to increase competitiveness (Dewi & Homan, 2023).

BSC is not only used by business organizations but also by non-profit organizations. BSC can assist governments and non-profit organizations in controlling finances and measuring organizational performance. Non-profit organizations are organizations established with the aim of providing services to the community. The success of government or non-profit organizations is measured through effectiveness and efficiency in providing services to the community. In other words, success lies not in financial achievement but in customer satisfaction. By using a balanced scorecard approach, government organizations or nonprofit organizations can conduct short-term and long-term performance assessments (Devani, 2016).

One of the keys to effective use of BSC is to have integrity and full support for management leadership (Hadi, 2023). This is so that the company's performance is expected to run efficiently and organizational goals will be achieved consistently. The use of BSC was initially only intended to improve the financial measurement system, then expanded and was used to measure four perspectives, namely finance, customers, internal business processes and learning and growth (Kaplan & Norton in Wasliman et al., 2023). Financial perspective where finances are expected to be managed properly and optimally. Income obtained from various sources can be managed properly and can be accounted for. For this reason, it is necessary to understand financial literacy well, so as to provide benefits for all stakeholders.

Customer perspective where customers in this case are all stakeholders who are directly involved or have a direct interest with the company. Companies must strive to increase customer satisfaction which will have an impact on financial performance. Satisfied customers will make repeat purchases, recommend, and not switch easily. Process perspective where the creation of a good atmosphere in the process of service to all stakeholders. Companies always need to have good service quality measured through reliability, responsiveness, assurance, and physical evidence. Meanwhile, digital transformation is also needed to provide more efficient and effective service processes. 4) Learning and growth perspective where it is important for the company to pay attention to the development of employee competencies. Employees with good competence will improve company performance. Competency development in carrying out through education and training (DIKLAT) (Arifudin & Mayasari, 2021)

The use of BSC by service companies can have a balanced and comprehensive view of organizational performance and not only focus on financial aspects as the main one (Lubis, 2023). It assists organizations in identifying and setting long-term goals, monitoring progress, and taking corrective actions as needed to achieve those goals. BSC also enables organizations to link long-term strategies with day-to-day operational actions and initiatives. By considering four key perspectives, organizations can strike a balance between short-term and long-term goals, as well as create sustainable added value for all stakeholders.

The use of BSC as a marketing strategy in measuring the performance of service companies provides very significant results. The results of research from Heprilina (2021), Zuniawan et al. (2020), Lufriansyah (2020), and Setyawan (2018) found improvements and better evaluation of company performance due to the balance of assessments from financial and non-financial aspects. This proves that the financial performance of a good service company must be supported from the aspects of customers, internal business processes and development and growth.

B. LITERATURE REVIEW

BSC is a scorecard used to measure performance by paying attention to the balance between financial and non-financial sides, between short and long term and involving internal and external factors (Rangkuti, 2013). BSC is a solutive idea that can be used as a reference for a company in order to improve the company's work ethic so that it is always in the corridor of the visionary corporate vision and mission (Kaplan & Norton in Utama, 2017). This is intended so that the company is able to compete in any case, which does not only focus on the company's material but various other internal and external factors, namely: financial aspects, customer aspects, aspects of business and internal processes, and aspects of learning and growth (Mahmudi, 2013).

In BSC, organizational performance is measured through four main interrelated perspectives, namely:

1. Financial Perspective: Pay attention to financial indicators such as revenue, net profit, and return on capital. This perspective describes whether the organization is achieving financial goals and providing added value to shareholders.
2. Customer Perspective: Focus on customer satisfaction and the organization's ability to meet customer needs and expectations. The indicators used can be customer satisfaction level, market share, or customer retention rate.
3. Internal Process Perspective: Highlights the efficiency and effectiveness of the organization's internal processes. In this perspective, key indicators related to the processes that produce a product or service are identified, including innovation, quality, and productivity.
4. Learning and Growth Perspective: Measures an organization's ability to learn, adapt, and improve its capabilities. This perspective covers aspects such as employee development, knowledge management, and innovation capabilities (Kaplan & Norton in Utami in Main, 2017)

The main advantages of the Balanced Scorecard (BSC) four-perspective approach are:

1. The balanced scorecard brings together the different elements of a company's competitive agenda in one report.
 2. By combining all crucial operational metrics, managers per division or department are forced to weigh an achievement against potential risks (Kaplan & Norton in Utama2017)
- The Balanced scorecard (BSC) has the following functions:

1. As a measure of the company whether the vision and mission adopted have been achieved.
2. As a measure of competitive advantage owned by the company.
3. As a strategic guide for running a business.
4. The strategy effectiveness analysis tool that has been used.
5. Provide an overview to the company related to its SWOT.
6. As a corporate performance tool.
7. As feedback to the company's shareholders.
8. As a communication tool, information, and enterprise learning analysis system (Kaplan & Norton in Main, 2017).

C. RESEARCH METHODS

The method used in this study is qualitative according to Sugiyono (2013) qualitative methods are used to examine the natural condition of objects that understand the phenomenon

of things that are assessed based on the research subject. The data produced is descriptive data in the form of written or oral that can be observed in a certain scope seen from a comprehensive point of view. This study used a literature study with a content analysis approach. The data used is secondary data in the form of writing sourced from articles and books (Moleong, 2014).

D. DISCUSSION

Balanced Scorecard is a measurement method to measure the company's performance in the future by considering four perspectives to measure company performance, namely: financial perspective, customer perspective, internal business process perspective, and growth learning perspective. The four perspectives, it can be seen that BSC measures its performance by taking into account the balance between financial and non-financial, short-term and long-term sides and also involving internal and external factors.

BSC develops a set of business unit objectives beyond a summary of financial measures. BSC covers a wide range of value creation activities generated by highly skilled and motivated company participants. While keeping a close eye on short-term performance, namely through a financial perspective, BSC clearly reveals the factors that drive the achievement of superior long-term financial and competitive performance. BSC aims to communicate company targets, compile employee job descriptions that are in accordance with the strategy, determine the priorities of projects, products and services, measure and monitor the company's progress towards targets.

Financial Perspectives. Measurement of financial performance shows whether planning, implementation and execution as well as strategies provide fundamental improvements. Service companies that have good financial performance can be measured by developments in financial ratios which include liquidity ratios, activity ratios, profitability ratios, and solvency ratios. The financial aspect is good, it is expected that the company's long-term goals related to shareholder welfare can be achieved. Ways that can be taken by service companies through (a) Increasing customer satisfaction through increasing revenue. (b) Increased productivity and commitment of employees through cost-effectiveness, resulting in increased profits. (c) Increased ability of the company to generate expected returns by reducing capital employed or investing in projects that generate high returns. In essence, with a good financial aspect, this indicates that the company's performance is good, thus creating a positive perspective for investors.

Customer Perspective. Service companies need marketing strategies that are in accordance with the target market or market segment. Marketing strategies that can be used are digital marketing strategies. Digital marketing strategies allow service companies to reach a wider market segment. Consumers will feel satisfied when information related to the needs and desires of the product brand is obtained quickly. Therefore, the existence of content through various social media will help companies disseminate information, thereby shortening the purchase decision process. Furthermore, service companies need to create products that have added value. The added value provided can be used as an indicator of the company's success in creating consumer satisfaction in the core group and supporting groups. Customer benchmarks are divided into two groups, namely the core measurement group and the customer value proposition. The core measurement consists of: (a) Market share. (b) The rate of acquisition of new customers or customer acquisition. (c) The company's ability to retain existing customers or customer retention. (c) The level of customer satisfaction or customer satisfaction. (d) The level of customer profitability. While this supporting group is divided into three groups,

namely: (a) Product attributes (price, quality, function). (b) Relationships with customers. (c) Image and reputation.

Internal Business Process Perspective. Service companies need to provide a *value proposition* that is able to attract and retain customers in the desired market segment and satisfy shareholders. Internal business processes can be implemented through the Innovation process. The innovation process is the most important part in the entire service process. In the innovation process, companies need to identify customer desires and carry out a service product design process that is in accordance with customer wishes. If the results of innovation from the company are not in accordance with customer wishes, the product will not get a positive response from customers. This does not provide additional income for the company. The perspective of internal business processes can also be implemented by means of operating processes. The operation process is related to the activities carried out by the company which can be seen from planning, marketing processes, to the transaction process between the company and buyers. This process emphasizes delivering products to customers efficiently, on time, and based on facts which is the main focus of most organizations' performance measurement systems. In the end, internal business processes can be carried out through after-sales service. After-sales service is a service provided by a service company to consumers as a guarantee of the quality of service that has been purchased by consumers.

Learning and Growth Perspectives. Service companies need to provide the infrastructure to achieve the previous three perspectives and to generate long-term growth and improvement. It is important for a company when investing not only in equipment to produce products or services, but also investing in infrastructure, namely: human resources, systems and procedures. Benchmarks of financial performance, customers, and internal business processes can trigger large gaps between existing capabilities of people, systems, and procedures. To narrow the gap, a company must invest in the form of reskilling employees, namely: improving the capabilities of systems and information technology, and rearranging existing procedures. The perspective of learning and growth can be implemented by improving employee capabilities. Employee capabilities are part of employees' contributions to the company. In relation to employee capabilities, there are 3 things that must be considered by management: (1) Employee satisfaction. Employee satisfaction is a precondition for increasing productivity, responsibility, quality, and service to consumers. Elements that can be measured in employee satisfaction are employee involvement in making decisions, recognition, access to information, encouragement to work creatively, and use initiative, as well as support from superiors. (2) Employee retention. Employee retention is the ability to retain the best employees in a company. Employee retention can be measured by the percentage of turnover in the company. (3) Employee productivity. Employee productivity is the result of the overall influence of improved skills and morale, innovation, internal processes, and customer satisfaction. The goal is to relate the output produced by employees to the number of employees who are supposed to produce that output. (4) Information System Capabilities. The benchmark for information system capabilities is the level of information availability, the level of accuracy of available information, and the period of time to obtain the information needed. (5) Organizational Climate. The climate of organization is one that encourages motivation, and empowerment is important to create employees who take initiative.

E. CONCLUSION

Financial Perspectives. Measurement of financial performance shows whether planning, implementation and execution as well as strategies provide fundamental improvements. The financial aspect is good, it is expected that the company's long-term goals related to shareholder welfare can be achieved. In essence, with a good financial aspect, this indicates the health of the company's performance is good, thus creating a positive perception for consumers.

Customer Perspective. Service companies need marketing strategies that are in accordance with the target market or market segment. Marketing strategies that can be used are digital marketing strategies. Digital marketing strategies allow service companies to reach a wider market segment. Consumers will feel satisfied when information related to the needs and desires of the product brand is obtained quickly. Therefore, the existence of content through various social media will help companies disseminate information, thereby shortening the purchase decision process.

Internal Business Process Perspective. Service companies need to provide a *value proposition* that is able to attract and retain customers in the desired market segment and satisfy shareholders. Internal business processes can be implemented through Innovation processes, operation processes, and after-sales services.

Learning and Growth Perspectives. Service companies need to provide the infrastructure to achieve a financial perspective, a customer perspective, and a process perspective to generate long-term growth and improvement. It is important for a company when investing not only in equipment to produce products or services, but also investing in infrastructure, namely: human resources, systems and procedures.

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