

IMPLEMENTATION OF A BALANCED SCORECARD AS A PERFORMANCE MEASUREMENT TOOL IN A WORKSHOP-BASED MANUFACTURING COMPANY

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INFO ARTIKEL:

Dikumpulkan: 03 Januari 2024;

Diterima: 14 Mei 2024;

Terbit/Dicetak: 30 Mei 2024

ABSTRACT

As business becomes increasingly complex and dynamic, organizations need to develop effective strategies to achieve their goals. One strategic management tool introduced to address this challenge is the Balanced Scorecard (BSC). The primary challenge in applying the BSC lies in designing and implementing balanced and relevant performance measures. This study, employing qualitative research methods, examines the use of the Balanced Scorecard (BSC) as a tool to measure performance in a manufacturing company operating in a workshop-based environment. Through in-depth interviews with stakeholders, including top management, functional managers, employees, and investors, the research uncovers the complexities, requirements, and opportunities associated with implementing the BSC in a workshop environment. The findings highlight the potential of the BSC as an appropriate framework for measuring production, quality, efficiency, and innovation, while also drawing attention to the barriers related to integration with existing management systems, understanding workshop procedures, and adaptation for successful implementation. The results of the study provide critical guidance for decision-makers considering the BSC as a performance measurement tool tailored to meet the needs of the shop floor, with the aim of enhancing operational and strategic performance in manufacturing organizations.

Keywords: *Balanced Scorecard (BSC), Strategic Management, Performance Measurement.*

ABSTRAK

Organisasi perlu mengembangkan strategi yang efektif untuk mencapai tujuan mereka karena bisnis menjadi semakin kompleks dan dinamis. Salah satu alat manajemen strategis yang diperkenalkan untuk menjawab tantangan ini adalah *Balanced Scorecard (BSC)*. Bagaimana merancang dan mengimplementasikan ukuran kinerja yang seimbang dan relevan merupakan isu utama dalam penerapan BSC. Dengan menggunakan metode penelitian kualitatif, penelitian ini mengkaji penggunaan *Balanced Scorecard (BSC)* sebagai alat untuk mengukur kinerja pada sebuah perusahaan manufaktur yang beroperasi di lingkungan berbasis *workshop*. Penelitian ini mengungkap kompleksitas, persyaratan, dan peluang yang terkait dengan penerapan BSC di lingkungan *workshop* melalui wawancara mendalam dengan para pemangku kepentingan, termasuk manajemen puncak, manajer fungsional, karyawan, dan investor. Hasilnya menggarisbawahi potensi BSC sebagai kerangka kerja yang tepat untuk mengukur produksi, kualitas, efisiensi, dan inovasi, tetapi juga menarik perhatian pada hambatan integrasi dengan sistem manajemen saat ini, pemahaman tentang prosedur *workshop*, dan adaptasi untuk implementasi yang sukses. Hasil penelitian ini memberikan panduan penting bagi para pengambil keputusan untuk mempertimbangkan penggunaan BSC sebagai alat pengukuran kinerja yang memenuhi kebutuhan rantai pabrik dengan tujuan untuk meningkatkan kinerja operasional dan strategis dalam organisasi manufaktur.

Kata Kunci : *Balanced Scorecard (BSC), Manajemen Strategis, Pengukuran Kinerja*



Volume 20. Number 2,
May 2024, pp. 50-59

<http://doi.org/10.23960/jbm.v20i2.2325>

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INTRODUCTION

An organization's vision and mission statements outline an ideal picture of what it aims to achieve in the future through its operational activities. To realize these goals, the organization plans strategic steps that must be implemented by all its members. However, during the implementation of these strategic plans, organizations often encounter obstacles and even failures. According to Setiowati & Bakhtiar (2016), constraints that can lead to failure in implementing an organization's strategic plan include various factors, such as inadequate resources, lack of support from stakeholders, and insufficient planning. While other factors may also arise, these three represent the most common ones. Sitorus & Rihandoyo (2016) assert that to achieve their goals and objectives effectively, an

organization must address certain constraints. One such constraint is the limited vision that occurs when most members of the organization do not have a clear understanding of its strategy. Additionally, individual constraints can emerge when members prioritize personal goals that do not align with the organization's strategy. The business may also face a shortage of time, energy, and money in critical areas. Evidence of management constraints is reflected in a lack of emphasis on strategic planning and an excessive focus on short-term tactical decisions.

According to Soemarsono (2018), an organization's success is significantly influenced by effective human resource management. Success in today's business environment requires sound management principles. Technological advancements have intensified competition and led to significant changes in business operations. To achieve the corporate goals set by management, it is crucial to establish a strategy for measuring performance as a key reference. Most companies currently focus solely on financial metrics to measure performance. However, many organizations fail to realize that limiting performance evaluation to financial aspects is only beneficial in the short term, as financial performance does not adequately capture an organization's past, thus hindering any prospects for improving its future direction.

Performance measurement is critical for organizations to assess their performance and ensure alignment with strategy, but traditional performance measurement methods often focus on financial issues. Such an approach can have serious consequences. Multidimensional performance measurement is essential to gain a comprehensive understanding of business performance. Good financial performance can be achieved by prioritizing the company's short-term interests, while poor financial performance in the short term can result from investing solely for long-term interests (Ganiyu, Barbara, & Paul, 2018).

To address this issue, David P. Norton and Robert S. Kaplan introduced the Balanced Scorecard (BSC) in 1992. This approach strikes an equilibrium between financial and non-financial factors. The BSC is a comprehensive tool for assessing performance, encompassing financial elements, customer satisfaction, internal business processes, and learning and development. The Balanced Scorecard (BSC) can assist companies in translating their business strategy into measurable goals and key performance indicators, improving communication and coordination between different work units, and enhancing customer focus. Improving the efficiency and effectiveness of business processes can also foster organizational learning and development.

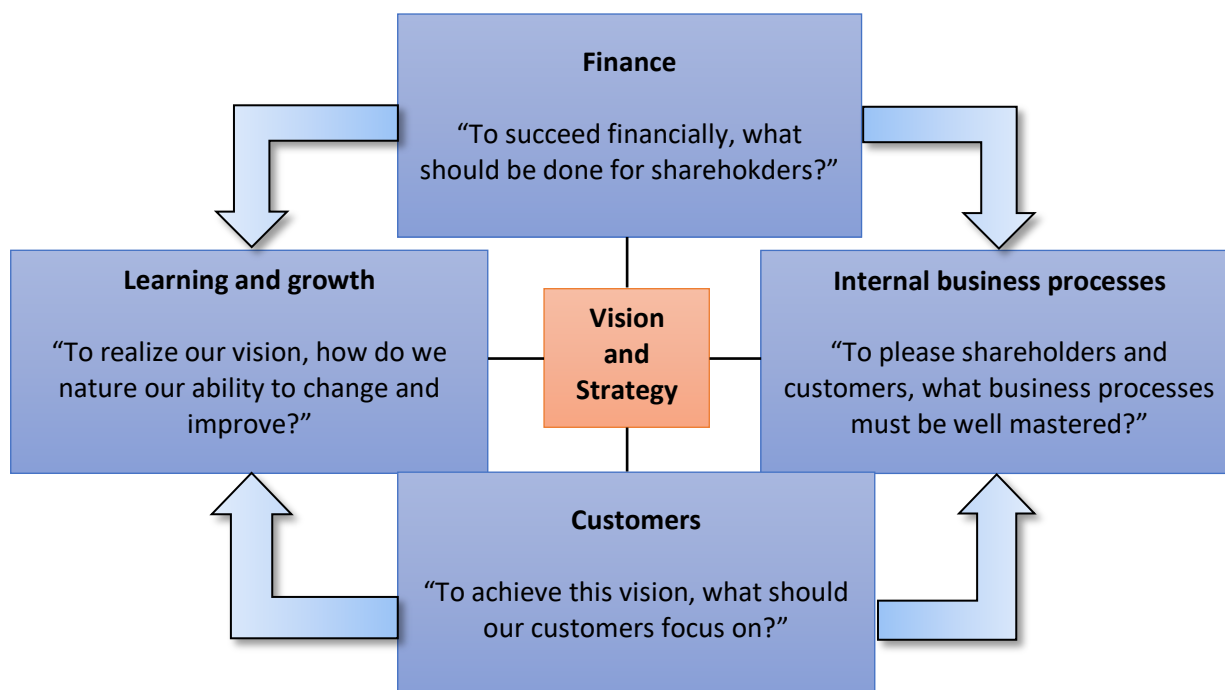
PT XYZ is a manufacturer of molded parts for the automotive industry, located in Bekasi, West Java, Indonesia. The company has become one of Indonesia's leading automotive component suppliers with more than 10 years of experience. However, the current reliance solely on financial performance metrics poses a potential threat to PT XYZ, as the organization is losing the ability to take a holistic view of its performance and is unable to optimize its strategies to effectively achieve its goals. In the highly competitive business environment, PT XYZ needs to improve its corporate performance to thrive amid increasing domestic and international competition. This research contributes to the scientific and business communities by analyzing previous studies and offering new insights into existing knowledge. Specifically, it provides an overview of the potential implementation of BSC as a performance measurement tool at PT XYZ, a workshop-based manufacturing company. The research offers recommendations on the steps and strategies PT XYZ should adopt to effectively implement the BSC in the context of a workshop-based manufacturing company.

Based on the aforementioned background information, the primary issue identified by the researcher is implementing a new strategy at PT XYZ to encourage strategic thinking and action from employees and management alike, in order to propel the company towards a prosperous future characterized by substantial and sustainable profits, as well as measurable strategic objectives. Thus, the title of this research focuses on this crucial issue: 'Implementation of Balanced Scorecard as a Performance Measurement Tool in a Workshop-Based Manufacturing Company'.

LITERATUR REVIEW

The Balanced Scorecard is a strategic management system that defines a strategy-based accountability accounting system (Hansen, 2006). It serves as a management system that integrates vision, strategy, and the four perspectives in a balanced manner, as illustrated in the following figure. The Balanced Scorecard translates an organization's vision and strategy into a comprehensive set of metrics, which serve as a framework for measuring and managing strategic systems (Kaplan & Norton, Menetapkan Strategi Menjadi Aksi Balanced Scorecard, 1996). When articulated through clear strategic goals, parameters, and metrics, and effectively communicated to all members of the organization, the vision and strategy will be successful.

Kaplan and Norton (1996) state, "If you can measure it, you can manage it." This statement forms the basis for assessing the operations of a company or organization using both qualitative and quantitative criteria. Mulyadi (2014) explains that Robert S. Kaplan, a Harvard Business School professor, and David P. Norton of the public accounting firm KPMG, created and introduced the Balanced Scorecard in the early 1990s in the United States, aimed at performance measurement in future organizations. The term "Balanced Scorecard" is a combination of two words - 'balanced' and 'scorecard.'



Picture 1: Balanced Scorecard Framework
Source: Robert S. Kaplan dan David P. Norton (2000)

The Balanced Scorecard is a methodology designed to align a company's desired strategy with its goals and objectives. By providing a clear framework for setting goals and measuring performance, the approach enables companies to easily identify and track progress toward achieving their most important goals. It is also useful for measuring the success of an organization's overall development strategy over time.

The Balanced Scorecard (BSC) is a widely used performance measurement tool in various industries. BSC assesses company performance from four perspectives: financial, customer, internal business process, and learning and growth (Sugiartono, Naufalina, & Saputra, 2021). Terms are always defined when they are initially used:

a. Financial Perspective

Financial metrics provide a comprehensive view of a company for analysis and comparison, particularly for financial institutions and shareholders. Profitability measures such as net profit margin (NPM), return on investment (ROI), and return on equity (ROE) are among the most important financial measures.

b. Customer Perspective

This strength is crucial because it affects how well customers feel about being served. Kaplan and Norton (1996) suggest that organizations should pre-specify and determine the market segments to be targeted, along with identifying the wants and needs of potential customers, in order to establish more focused benchmarks.

c. Internal Business Process Perspective

Internal measures of business processes focus on the various internal operations that significantly impact customer satisfaction and the achievement of the company's financial goals. From this perspective, a company's performance is measured in terms of the effectiveness and efficiency of producing products. Generally, Kaplan and Norton classify three fundamental principles: the innovation process, the operational process, and the after-sales service process.

d. Learning and Growth Perspective

The learning and growth perspective is the final component of the Balanced Scorecard. It is based on three principles: people, systems, and organizational procedures. The three factors to consider in the learning and growth process include employee skills, information technology infrastructure, and organizational costs.

Performance is crucial in a company, as noted by Nasution et al. (2020), who define performance as "the result of work and work behavior that has been achieved in completing the tasks and responsibilities given in a certain period." According to Sihaloho (2021), performance is the real behavior that each person displays as a work achievement produced by employees according to their role in the organization. Harahap and Tirtayasa (2020) describe performance as a reflection of the level of achievement in implementing programs or policies to realize the goals, objectives, vision, and mission of an organization, as outlined in the organization's strategic planning.

Based on the above understanding, performance can be concluded as an objective activity within an organization influenced by multiple perspectives to achieve organizational goals within a specified time frame. Performance measurement is a vital aspect of the management control system for assessing a company's success in achieving its predetermined goals, both short-term and long-term (Hery, 2016). Performance appraisal aims to ensure transparency in conducting appraisals and to motivate employees to meet organizational standards and goals (Koesomowidjojo, 2017). Performance measurement, as defined by Mahmudi (2010), is the process of evaluating progress toward achieving predetermined goals and targets, encompassing information on resource utilization, production of quality goods or services, alignment between performance and goals, and effectiveness in attaining objectives.

The Balanced Scorecard (BSC) has been widely adopted by organizations in various industries. Research has shown that implementing the BSC can positively impact an organization's performance in both financial and non-financial aspects. For instance, Lubis et al. (2023) found that PT Toyota Astra Motor achieved favorable results using the BSC as a performance measurement tool. Regarding financial performance, indicators such as ROI, profit margins, and operating ratios demonstrate solid performance. Additionally, the company exhibits strong customer satisfaction. From a business standpoint, the company has successfully implemented innovations. From a learning and growth perspective, the company demonstrates high levels of employee satisfaction. Research data suggests that using the Balanced Scorecard provides a more structured and comprehensive view. According to Marwan and Syahputra (2022), PT Sarana Argo Nusantara can enhance its performance measurement by implementing a more comprehensive Balanced Scorecard that considers the four perspectives: financial, customer, internal business, and growth and learning. This approach offers a more nuanced view of business performance than traditional metrics that focus solely on financial indicators. However, based on the results of the Balanced Scorecard calculations, PT Sarana Agro Nusantara's performance is categorized as less healthy. A study by Evan, Sondakh, and Pusung (2021) showed that PT Hasjrat Abadi Diponegoro's Palu branch achieved positive results using the Balanced Scorecard as a performance measurement tool. The company experienced year-over-year revenue growth from 2018 to 2019, as evidenced by GPM, ROI, and sales growth. Additionally, the research suggests that PT Hasjrat Abadi Diponegoro Palu branch achieved favorable performance from the perspective of its customers. The branch has demonstrated proficiency in customer acquisition and retention, established customer trust, and increased sales. The company has also prioritized employee retention as part of its growth and learning strategy. The Palu branch has experienced retention issues, but it is important to note that employee productivity has increased every year, resulting in commendable achievements.

While there are significant benefits to using a BSC-based performance appraisal methodology, challenges remain in implementing it within manufacturing organizations. One of the primary obstacles is linking employee performance reviews to the strategic goals of a shop-floor-oriented manufacturing organization.

METODE PENELITIAN

This research will be conducted using a descriptive qualitative method, chosen to deeply explore the feasibility of implementing the Balanced Scorecard (BSC) at PT XYZ. Data and information on the potential for implementing BSC as a performance measurement tool at PT XYZ will be collected through this approach. The research will take place at PT XYZ in the Delta Silicon III Industrial Estate, Lippo Cikarang, Bekasi Regency, West Java.

In-depth interviews with direct questions will be employed to gather information regarding the company's strategy, the current performance measurement system, the need for a performance measurement tool, and potential obstacles in implementing the BSC. Interviews will be conducted with key stakeholders involved in performance measurement at PT XYZ to collect relevant data and insights. Additionally, data and information will be gathered through a literature review and documentation analysis.

The data will be analyzed qualitatively using data reduction methods, data presentation, and the drawing of conclusions. The literature review and documentation analysis will be utilized to gather information on the theory and concept of the Balanced Scorecard and its application in various companies. The collected data and information will undergo qualitative analysis, including data reduction, presentation, and the drawing of conclusions based on the four perspectives of the Balanced Scorecard.

1. Financial Perspective
 - a. Net Profit Margin (NPE)

$$\frac{\text{Net Profit}}{\text{Total Sales}} \times 100$$
 - b. Return on Investment (ROI)

$$\frac{\text{Net Profit}}{\text{Total Assets}} \times 100$$
 - c. Return on Equity (ROE)

$$\frac{\text{Net Profit}}{\text{Total Equity}} \times 100$$
2. Customer Perspective: Customer cash receipts

$$\frac{\text{Total Sales}}{\text{Total Revenue}} \times 100$$
3. Internal Business Process Perspective: Efficiency process

$$\frac{\text{Operating Profit}}{\text{Total Sales}} \times 100$$
4. Learning and Growth Perspective: Employee's productivity

$$\frac{\text{Operating Profit}}{\text{Jumlah Employees}} \times 100$$

The analysis of data was conducted using the secondary data provided by PT XYZ's financial statements. These statements included the balance sheet as of December 31, 2020, 2021, and 2022, as well as the profit and loss statement ending on the same dates. Turnover and total employee reports as of December 31, 2020, 2021, and 2022. This enables an objective assessment of performance from one period to another. Measuring performance involves comparing results between two periods using a performance range as a measuring tool.

$$\frac{\text{Year Achievement "n" - Year Achievement "n-1"}}{\text{Year Achievement "n-1"}} \times 100\%$$

Source: (Riyana, 2017)

To evaluate the performance range of the instrument, a scoring sheet is used to determine the comparison results.

Table 1. Score Determination Table Based on Range of Performance Measurement Results

Performance Range	Rate	In Score	Relationship level
< 0%	D	1	Not Good
0 - 50%	C	2	Good Enough
51 - 100%	B	3	Good
> 100%	A	4	Very Good

Source: (Riyana, 2017)

RESULTS & DISCUSSION

1. Financial Perspective
 - a. Net Profit Margin (NPM)

The results of the net profit margin (NPM) calculation from 2019 to 2022 are shown in the table 2. Based on the calculations in table 2, the financial data of PT XYZ indicates a decrease in NPM from 2019 to 2022. In particular, NPMs were 14.66 percent in 2019, 7.77 percent in 2020, 11.20 percent in 2021, and 10.82 percent in 2022. From Table 2, we analyze the assessment of the financial perspective measured by the net profit margin (NPM) for the period 2019-2022. In 2020, the NPM amounted to -47.00 percent, which resulted in a decrease in performance with a score of 1 and received adverse criteria. In 2021, performance increased with a score of 2, as NPM reached 42.20%, receiving fairly good criteria. In 2022, there was a decrease in performance with a score of 1, which resulted in an unfavorable criteria, which amounted to -3.39 percent.

Based on these measures, it cannot be concluded that the employee performance of PT XYZ meets the good enough criterion, as there is a significant increase in 2021, followed by a subsequent decrease in 2022, resulting in negative results.

Table 2. Net Profit Margin (NPM) 2019-2022

Indicator \ Year	2019	2020	2021	2022
Net Profit	6.380.689	2.753.690	5.190.805	5.606.111
Total Sales	43.523.649	35.442.432	46.331.593	51.793.212
NPM	14,66%	7,77%	11,20%	10,82%
Performance Measurement				
Performance Range		-47,00%	44,20%	-3,39%
Rate		D	C	D
In Score		1	2	1
Description		Not Good	Good Enough	Not Good

Source: Secondary data processed (2023)

b. Return on Investment (ROI)

The results of the return on investment (ROI) calculation from 2019 to 2022 are shown in the table 3. Based on the calculations in Table 3, taken from the financial data of PT XYZ, which evaluates the return on investment for the years 2019-2022, it can be seen that the return on investment is decreasing. 2021 will see a return of 13.11 percent, followed by a slight improvement to 13.24 percent for 2022. From Table 3, analyze the assessment of financial perspective measured by Return on Investment (ROI) for 2019-2022. In 2020, the ROI was -55.33%, indicating a decrease in performance with a score of 1 and unfavorable criteria. In 2021, the ROI increased to 81.34%, scoring 3 and receiving good criteria. In 2022, the performance score dropped to 2, which resulted in a decrease of 1.02%, but the criteria were still considered to be quite good. Based on the calculations, PT XYZ has proven to be highly effective in utilizing the company's assets to generate substantial profits in the period from 2020 to 2022.

Table 3. Return on Investment (ROI)

Indicator \ Year	2019	2020	2021	2022
Net Profit	6.380.689	2.753.690	5.190.805	5.606.111
Total Assets	39.433.461	38.100.119	39.604.337	42.340.180
ROI	16,18%	7,23%	13,11%	13,24%
Performance Measurement				
Performance Range		-55,33%	81,34%	1,02%
Rate		D	B	C
In Score		1	3	2
Description		Not Good	Good	Good Enough

Source: Secondary data processed (2023)

c. Return on Equity (ROE)

The results of the return on equity (ROE) calculation from 2019 to 2022 are shown in the table 4. PT XYZ's financial data shows a decline in ROE from 2019 to 2022, according to the calculations in Table 4. To be precise, the ROEs were 20.97 percent for 2019, 8.30 percent for 2020, 15.10 percent for 2021, and 14.76 percent for 2022. From Table 4, evaluate the financial perspective based on the ROE measurement during the period 2019-2022. In 2020,

there was a decrease in performance with a score of 1 and adverse criteria, with the ROE measurement being -60.43 percent. For 2021, the ROEs increased to 81.97 percent, with a score of 3 and good criterion. In 2022, there was a decrease in performance of 2.26 percent, with a score of 1 and poor criteria. The calculations have led to the conclusion that the performance of PT XYZ is not sufficient. In spite of the increase in the capital issue, there has been no improvement in the company's maximum

Table 4. Return on Equity (ROE)

Year Indicator	2019	2020	2021	2022
Net Profit	6.380.689	2.753.690	5.190.805	5.606.111
Total Equity	30.422.732	33.176.421	34.367.226	37.973.337
ROE	20,97%	8,30%	15,10%	14,76%
Performance Measurement				
Performance Range		-60,43%	81,97%	-2,26%
Rate		D	B	D
In Score		1	3	1
Description		Not Good	Good	Not Good

Source: Secondary data processed (2023)

2. Customer Perspective: Customer cash receipts

The results of the customer cash receipts calculation from 2019 to 2022 are shown in the table 5. The ability of PT XYZ based on its performance recorded in this customer perspective in providing satisfaction to its customers is seen from the customer revenue for the period 2019-2022, namely based on the data from the financial statements of PT XYZ in 2020 of 0.68%, experiencing an increase in performance, with a score range of 2, including in fairly good criteria, in 2021 of 0.09%, experiencing a decrease in performance, with a score range of 2, including in fairly good criteria. From Table 5, it can be seen that the results of measuring the customer perspective can be said to be quite good, because the company's performance in the customer perspective meets the good criteria.

Table 5. Customer Cash Receipts

Year Indicator	2019	2020	2021	2022
Total Sales	43.523.649	35.442.432	46.331.593	51.793.212
Other Income	883.563	474.575	578.281	459.604
Total Revenue	44.407.212	35.917.007	46.909.874	52.252.816
Cash Receipts	98,01%	98,68%	98,77%	99,12%
Performance Measurement				
Performance Range		0,68%	0,09%	0,36%
Rate		C	C	C
In Score		2	2	2
Description		Good Enough	Good Enough	Good Enough

Source: Secondary data processed (2023)

3. Internal Business Process Perspective: Efficiency process

The results of the efficiency process calculation from 2019 to 2022 are shown in the table 6. According to the data presented in Table 6, measuring the performance of internal business processes using operating profit during the period of 2019-2022 resulted in a performance decrease of 53.59% in 2020, which falls under the poor

performance criteria with a score of 1. However, there was an increase of 67.17% in 2021, resulting in a score of 4 which falls under the excellent criteria. In 2022, there was a decrease of -10.09%, with a score range of 1, while also including the criteria for not meeting a satisfactory.

Based on the results in Table 6, the performance results in the period 2019-2022 are insufficient. The performance increases only in 2021 and then decreases in 2022. Furthermore, the operating profit obtained does not match the operating costs incurred by the company. The company's operating costs increased, while its operating profit fluctuated and decreased in both 2020 and 2022.

Tabel 6. Efficiency Process

Year Indicator	2019	2020	2021	2022
Gross Profit	28.857.616	22.736.998	28.983.610	31.745.557
Operating Exp	21.139.660	19.820.105	22.609.137	25.338.658
Operating Profit	7.717.956	2.916.893	6.374.474	6.406.899
Total Sales	43.523.649	35.442.432	46.331.593	51.793.212
Efficiency Process	17,73%	8,23%	13,76%	12,37%
Performance Measurement				
Performance Range		-53,59%	67,17%	-10,09%
Rate		D	A	D
In Score		1	4	1
Description		Not Good	Very Good	Not Good

Source : Secondary data processed (2023)

4. Learning and Growth Perspective: Employee's productivity

The results of the employee's productivity calculation from 2019 to 2022 are shown in table 7. Table 7 shows the fluctuation in employee productivity from 2019 to 2022, as the profit per employee fluctuated from year to year. In 2019 the employee productivity level was IDR133,068, in 2020 it was IDR52,087, in 2021 it was IDR109,905, and in 2022 it was IDR105,031.

PT XYZ relies on financial statement data, specifically employee productivity levels, to measure performance in terms of growth and learning. In 2020, Table 7 showed a decrease of -60.86%, scoring 1, considered poor performance criteria. However, in 2021, there was a significant increase of 111.00% to a score of 4, which meets the excellent performance criteria. In the year 2021, the score for the productivity of the employees decreased again by 4.43%, which falls under the unfavorable criteria. Therefore, based on the performance measured using the Scorecard, the level of employee productivity in 2019-2022 cannot be considered good. The performance of PT XYZ employees has not met the satisfactory criteria for the period 2019-2022, based on the measurements taken. This is due to the fluctuating number of PT XYZ employees each year, which affects their contribution to the company, resulting in revenue fluctuations.

CONCLUSIONS & SUGGESTIONS

Based on the research conducted on measuring corporate performance using the balanced scorecard technique at PT XYZ from 2019-2022, it can be concluded that the net operating margin of PT XYZ for the years 2019-2022 is not satisfactory. Although the net operating margin increased to 44.20 percent in 2021, it decreased to -3.39 percent in 2022. In 2020, PT XYZ had a net operating margin of -47.00 percent. The return on investment (ROI) performance of PT XYZ was -55.33 percent in 2020, increased to 81.34 percent in 2021, and increased slightly to 1.02 percent in 2022, meeting the minimum criteria. The performance of PT XYZ according to ROE does not meet the criterion, with negative 60.43 percent in 2020, 81.97 percent in 2021, and negative 2.26 percent in 2022. The profitability of PT XYZ's customers was analyzed by examining the company's financial statements on cash receipts from customers from 2019 to 2022. Based on the results, the company has performed well each year with percentages of 0.68% in 2020, 0.09% in 2021, and 0.36% in 2022.

The efficiency of sales and production costs was determined using operating profit as a measurement of PT XYZ's internal business process perspective for the period 2019-2022. Unfavorable results were obtained in 2020

and 2022, with percentages of -53.59% and -10.09%, respectively. However, in 2021, a satisfactory percentage of 67.17% was achieved. Based on PT XYZ's 2019-2022 growth and learning perspective performance measurements, using employee productivity levels, research findings indicate that employee performance meets satisfactory criteria despite yearly productivity fluctuations. The data shows a decrease of -60.86% in 2020, followed by a remarkable increase of 111.00% in 2021, and a slight decrease of -4.43% in 2022. However, these unstable outcomes are unsatisfactory because they are influenced by fluctuations in headcount, resulting in suboptimal profits for the company.

Table 7. Employee's Productivity

Year Indicator	2019	2020	2021	2022
Gross Profit	28.857.616	22.736.998	28.983.610	31.745.557
Operating Exp	21.139.660	19.820.105	22.609.137	25.338.658
Operating Profit	7.717.956	2.916.893	6.374.474	6.406.899
Total Employees	58	56	58	61
Employee Productivity	133.068	52.087	109.905	105.031
Performance Measurement				
Performance Range		-60,86%	111,00%	-4,43%
Rate		D	A	D
In Score		1	4	1
Description		Not Good	Very Good	Not Good

Source: Secondary data processed (2023)

It can be concluded that the Balanced Scorecard approach could potentially be implemented in a corporate environment to evaluate the performance of PT XYZ based on the research conducted on the Balanced Scorecard (BSC) method as a corporate performance measurement tool at PT XYZ. This can be observed through the use of four perspectives for performance measurement: the financial perspective, the customer perspective, the internal business process perspective, and the growth and learning perspective. Based on this research, we suggest refining the company's business strategy and reducing operating expenses to improve its performance. For future researchers analyzing company performance through balanced scorecard measures, we recommend incorporating additional indicators, including full financial ratios, to increase effectiveness, especially in workshop-based manufacturing companies.

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