

IMPLEMENTATION OF BALANCED SCORECARD IN IMPROVING PRIVATE UNIVERSITIES' PERFORMANCE

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ABSTRACT

The role of private universities in improving quality must accommodate all aspects of the performance of the tridharma of higher education. The rapid development of higher education institutions must be ready to change, changes that occur in the global business environment also trigger the increasing intensity of competition between higher education service providers, so that each higher education service provider will try to offer high performance higher education services. The purpose of this research is to see how far the implementation of BSC in improving the performance of private universities. Specifically, this study describes four perspectives, including: (1) financial perspective, (2) customer perspective, (3) Internal business process perspective, (4) learning and growth perspective. Using the theory of Robert Kaplan and David Norton. This study uses a descriptive method with a qualitative approach and data collection by conducting observations, interviews, and documentation studies. From the research results indicate that the implementation of the BSC has been applied in a systematic, measurable and planned manner so that the Vision, Mission and objectives are achieved. In implementation there is a balance between financial and non-financial.

INTRODUCTION

The development of education in Indonesia is currently very fast, this does not necessarily affect the improvement of the quality and quality of higher education. As stated in the Law of the Republic of Indonesia No. 12 of 2012 concerning Higher Education, which explains that higher education is an educational unit that organizes higher education (UU, 2012). The rapid development of higher education institutions must be ready to change, changes that occur in the global business environment also trigger the increasing intensity of competition between higher education service providers, so that each higher education service provider will try to offer high performance higher education services. Education is a secondary need, education still has a very important meaning, because without human education it will be difficult to develop and even become a backward group and good morals.

The role of Private University (PTS) in order to improve quality must accommodate all aspects of the performance of the tridharma of higher education. Universities compete with each other to develop all their potential and abilities to attract prospective students. This competitive ability is

strongly influenced by the performance of the university management concerned in planning-oriented strategies in order to build high competitiveness and the performance of the university can be seen from the quality of the accreditation it has.

Higher education accreditation status is very decisive for prospective students in choosing a place to study because accreditation status is always associated with the quality of higher education administration. Regulation of the National Accreditation Board for Higher Education Number 2 of 2017 concerning the National Accreditation System for Higher Education. "The national accreditation system for higher education is listed in the appendix and is an inseparable part of the regulations of the national accreditation body for higher education" (Peraturan Pemerintah, 2019).

One of the higher education mechanisms in dealing with this competition is to display their strengths and resources'. The measurement of higher education performance is felt to be very limited, this views a concept of higher education as an integral entity in education and a process of operating activities (Balanis, 2005). Performance measurement requires the right process to improve the quality of education so that this process can encourage each university to improve weaknesses and ensure the quality of the education (Chen, Lin, & Chang, 2009). Universities need to develop effectively to conduct performance evaluation as a continuous process to measure the performance of the organization as a whole because this is the key to the survival of universities (Lin, Hu, Tseng, Chiu, & Lin, 2016).

Performance is a display of the overall state of the institution during a certain period, which is the result or achievement that is influenced by the operational activities of the institution in utilizing its resources. Performance can also be said as a result (output) of a certain process carried out by all components of the organization against certain sources used (input). Furthermore, performance is also the result of a series of process activities carried out to achieve certain organizational goals. For an organization, performance is the result of cooperative activities among members or organizational components in order to realize organizational goals.

Performance is communication between individuals which includes: individual variables, organizational and psychological variables, provides a theoretical model of performance and analyzes the factors that influence individual behavior and performance; (1) individual variables, which consist of sub-variables abilities and skills, background, demographics, sub-variable abilities and skills are the factors that most influence individual performance, (2). psychological variables, which consist of sub-variables of perception, attitude, personality, learning and motivation. This variable is more influenced by demographic variables, the sub-variables of perception, attitude, personality and learning are very difficult to measure, and (3) organizational variables, which consist of sub-variables resources, leadership, rewards, structure and job design. Organizational variables have an indirect effect on individual behavior and performance (Gibson, 2000).

Approach to corporate performance appraisal that can be adopted in non-profit organizations. A performance appraisal tool called the balanced scorecard is a comprehensive performance appraisal method. This method assesses performance using a set of integrated performance measures that have been developed based on a vision and strategy. The application of the Higher Education BSC makes them more aware of the extent of the movements and developments that have been achieved.

The existence of the BSC really helps universities to provide a comprehensive view of the performance of universities (Arifudin, 2020). In order for performance to be more effective and efficient, accurate information is needed that represents the work system being carried out. The BSC provides universities with the elements needed to move from an 'always financial' paradigm to a new model in which the results of the BSC become the starting point for reviewing, questioning, and learning about their strategies. The BSC will translate the vision and strategy into a coherent set of measures in four balanced perspectives".

Balance Scorecard abbreviated as BSC, written by Robert Kaplan and David Norton in 1990, BSC is a performance-based strategic management approach. Thus, the focus and performance measures become the emphasis of the BSC. Balance Scorecard is a management system for managing the implementation of strategies, measuring performance not only focusing on a financial perspective, and for communicating the vision, strategy, and performance expectations of stakeholders (Kaplan & Norton, 2000). As Kaplan and Norton (1996), suggest that BSC helps organizations to complete critical management processes such as: (1) clarify and translate vision and strategy, (2) communicating and linking the objectives of the strategy and measurement, (3) planning, setting targets and aligning

initiatives from the strategy, and (4) increasing feedback and learning strategies. Kaplan and Norton's expression implies that BSC is a strategic management used in an organization or institution with standards measured through four perspectives, namely financial perspective, customer perspective, internal business process perspective and growth and learning perspective.

Based on the background of the problem above, in general this research aims to see the extent to which the implementation of "Implementation of the Balanced Scorecard (BSC) in improving the performance of private universities" (STEMBI College of Economics in Bandung City).

METHOD

This study uses qualitative research methods. Qualitative research emphasizes quality not quantity and the data collected does not come from questionnaires but comes from interviews, direct observations and other related official documents. Qualitative research is also more concerned with the process aspect than the results obtained (Creswell, 2012). Research that intends to understand the phenomena of what is experienced by research subjects such as behavior, perceptions, motivations, actions and others holistically and by means of descriptions in the form of words and language, in a special natural context by utilizing various natural methods (Moleong, 2021).

Given the method to be used in this study is a descriptive method, therefore the research uses a qualitative approach. The use of this approach is adapted to the main objective of the study, namely to describe and analyze the implementation of the Balanced Scorecard in improving the performance of private universities. BSC is an approach to management strategy developed by Kaplan (Harvard Business School) and Norton in the early 1990s. BSC itself comes from two syllables, namely balanced which means balanced and scorecard which means score card. Balanced here means that there is a balance between financial performance and non-financial performance in the short and long term, between internal performance and external performance. While the scorecard itself means the card used to record the score of the company's performance results. The scorecard can also be used to plan the score that the company wants to achieve in the future. Kaplan and Norton (1996), the four BSC perspectives are: "Financial perspective, Customer perspective, internal business process, Learning & growth. BSC is a management system to manage strategy implementation, measure overall performance, and communicate vision, strategy and goals to stakeholders.

RESULTS AND DISCUSSION

The results of this study are guided by research questions as a focus in presenting research results which are the objectives of the study. The implementation of PTS performance management carried out by the STEMBI School of Economics in Bandung can be explained and reviewed by using the BSC approach, namely (1) financial perspective, (2) customer perspective, (3) process perspective internal business process perspective, and (4) learning and growth perspective.

Financial Perspective Financial management in a private university is not an easy thing, it needs good cooperation between foundations and institutions so that the vision, mission and goals can be achieved effectively and efficiently. Sources of financial income from students and the government, it is hoped that educational institutions can manage finances well and maximally. Although the implementation of financial management is not profit-oriented only. Healthy, transparent and accountable financial management is the main goal so that it must always be upheld in the financial management system while remaining principled in accounting principles, including the implementation of internal and external audits set at the STEMBI School of Economics in Bandung.

It can be seen that the performance of the Bandung STEMBI College of Economics in terms of financial performance is quite good, it is proven that income and expenditure can run dynamically, seen from the implementation of the tridarma of higher education can be carried out well.

Customer Perspective, customers in this case are students and society. STEMBI College of Economics approaches the customer perspective by implementing and providing facilities and infrastructure to support the development of science and technology. The institution determines the targets, both quantitatively and qualitatively, which are included in the framework of the strategic plan that has been determined and formulated every year. Achievement of targets determined based on experiences and predictions that will occur in the future, both in terms of increasing income, increasing the number of students and increasing the capability and professionalism of HR managers. The implementation carried out to accommodate student creativity is in the form of a business

incubator container where students are involved in these activities so that it is easier for students to express their innovation and creativity. The institution contains a forum for searching alumni, job fairs, job vacancies, specialization in achievement pathways, potential and mapping of student interests. At this point, service improvement and academic quality assurance both internally and externally are more appropriately considered.

The success of performance in the customer's perspective can be seen from the number of students every year there is a very significant increase to study at the STEMBI College of Economics in Bandung.

Internal business process perspective means improving the internal business process perspective education must finalize and prepare academic processes to suit customer needs. The creation of graduates who are professional, highly competitive, have an entrepreneurial spirit and have a noble character who are able to think systematically and interestedly in planning, operating and controlling business units productively. Professionalism will not be able to succeed without being supported by strong scientific abilities, both in a philosophical and methodological sense, must also be supported by quality scientific works.

Implementation of the internal business perspective at the STEMBI School of Economics is clearly stated in the objectives of the performance standards below: (1) to prepare and develop the organization, including the facilities and infrastructure to develop science and technology for the welfare of the community, (2) conducting education and teaching and learning in order to create human resources who are experts in the field of business who are intellectual and have good morals, and (3) conducting research and community service as a form of the Institute's participation to improve the welfare of the community.

The obstacles that are felt in the internal business are facing conditions that are constantly changing and the limited resources they have require higher education institutions to find solutions.

Learning and growth perspective means the application of the Growth and Learning Perspective carried out by institutions is more about adjusting to economic growth and technology where growth cannot be separated in the world of education, for that it is necessary to increase the welfare of lecturers and employees. Lecturers and employees are given the opportunity to develop careers, examples of which previously only had an undergraduate education were sent to a higher level at a cost fully borne by the foundation. In addition, what is focused on students is improvement in coaching both academically and non-academically. The guidance carried out is that students are given business briefings such as making programs/applications.

The main objective with the existence of a growth and development perspective is to increase the level of skills in carrying out internal processes, harmonization between employee and institutional goals, improve information systems, etc. In order to increase and maintain the value of intellectual capital, STEMBI invests in continuous education and training of its personnel, establishes a system of evaluating employees and their performance, rewards and promotes qualified staff.

CONCLUSION

The concept of the BSC implementation approach at the STEMBI School of Economics Bandung with the application of 4 perspectives. Namely: (1) financial perspective, (2) customer perspective, (3) internal business process perspective, and (4) learning and growth perspective), carried out in a systematic, measurable and planned manner so that the Vision, Mission and objectives are implemented properly.

There is a balance between financial and non-financial, there is a synergy in its management, so that the implementation of the Institution's operations is carried out in accordance with the objectives to be achieved.

The application of the four BSC perspectives, one of which is the internal business process perspective, which is difficult to do where maintaining a program that has been well implemented is very difficult, but with these problems it does not become a barrier to carrying out the vision and mission of the institution.

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