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Analysis of Company Performance Using the Balanced Scorecard Approach in Indonesian art production

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Abstract: This research aims to: (1) To determine the performance of CV. Art Production Indonesia using the Balanced Scorecard approach (2) This research is descriptive research with a quantitative and qualitative approach using calculations through the balanced scorecard concept for each Key performance indicators in the four business perspectives of the balanced scorecard by comparing targets and their achievements to produce the final balanced scorecard value achieved by the company. The results of this study show: (1) The achievement of the balanced scorecard in 2025 is 3,195. This value indicates that the target achievement achieved by the company is slightly higher than the target that has been set. (2) Key Performance Indicator (KPI) determined by CV. Art Production Indonesia is (a) Financial perspective which consists of Profitability index, Return on Capital Employed, Return on Investment, Current Ratio reaching a cumulative balanced Scorecard score of 1.475 (b) Customer Perspective which is implemented by analyzing customer satisfaction Customers consisting of physical evidence, reliability, responsiveness, assurance and concern achieved a cumulative BSC score of 0.75 (c) Process Perspective Business internal which consists of the innovation ratio and the compliance level ratio achieves a cumulative BSC score of 0.85 (c) Growth and learning perspective which consists of employee satisfaction, the number of employees who attend education and training, education and training costs, implementation time.

Keywords: Performance; Balanced Score; CV. Art production Indonesia

A. Introduction

Measuring a company's performance is very useful for comparing company performance in the past and future periods, so that it can be known that performance has improved or, conversely, has decreased. Performance measurement is an effort to map strategy into action. achievement of certain targets, not only the final target that needs to be measured and become company

performance measures, but also relates to the competencies and processes that has been implemented. In addition, the management can also use performance measurements to evaluate the previous period, by taking action that is deemed necessary to fix it Balanced scorecard is a tool to conduct performance appraisals whose concept is in the form of a balance between financial and non-financial



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perspectives, as part of the organization's strategy in the future. The Balanced Scorecard (BSC) was developed to complement the measurement of financial performance (otherwise known as traditional measurement) and as an important measurement tool for corporate organizations to reflect new thinking in the era of competitiveness and organizational effectiveness. This concept introduces a system of measuring company performance using certain criteria that are the elaboration of what is the company's long-term mission and strategy. These criteria are classified into four perspectives, namely: (1) financial perspective, (2) customer perspective, (3) internal business process perspective, and (4) learning and growth perspective. Through the measurement of these four perspectives, it will be easier for the company's management to measure the performance of the current business unit while still considering future interests, measure what has been invested in the development of human resources, systems and procedures for future performance improvements, and make it possible to assess intangible assets such as customer satisfaction, customer loyalty, and others. (Kaplan & Norton, 1996) (Budiarti Isniar, 2009) (Srimindarti Ceacilia, 2004)

Empirical facts in the field the application of the Balanced Scorecard on CV. Art production indonesia has succeeded well in transforming companies that were initially managed traditionally into modern companies, this is shown

That, Art Production Indonesia, 3 years ago was a traditional company that was only engaged in the garment sector. However, along the way, Indonesian art production is currently consistently implementing the Balanced Scorecard as a strategy tool in the implementation of strategy formulation and evaluation as well as the implementation of OSM (Office of strategic management). The

company's development can be seen empirically from the last 3 years art production indonesia has expanded to bandung.

B. Materials and Methods

LITERATURE REVIEW

Performance

The definition of performance is an overview of the level of achievement in the implementation of an activity or policy program in realizing the goals, objectives, vision and mission of the organization which are outlined through the strategic planning of an organization. Moehariono (2012) In employee performance or performance deficit as a result of performance that can be achieved by a person or group of people in an organization both qualitatively and quantitatively, in accordance with their respective authorities, duties and responsibilities in an effort to achieve the goals of the organization concerned legally, not violating the law and in accordance with morals or ethics. Performance is often associated with work performance because basically performance is the result of a person's work which will ultimately be seen as a work achievement. For the problem of work performance, Rivai (2013) Work achievement is a function of motivation and ability to complete tasks or work, in this case, the achievement of a person's work achievement can be caused by the motivation to achieve and a person's ability to understand what his duties and responsibilities are. A person will not be able to perform well if he does not understand what to do as his obligations and responsibilities.

Definition of Company Performance

Company performance is a complete display of the state of the company over a certain period of time, is the result or achievement influenced by the company's

operational activities in utilizing its resources. Performance is an overview of the level achievement of the implementation of an activity program or policy in realizing the goals, goals, vision and mission of an organization which is outlined through strategic planning of an organization I (M. Abdullah, 2014). According to Moerdiyanto (2010), it was revealed that company performance is the result of a series of business processes which at the expense of various resources, namely human resources and also company finance. If the company's performance increases, it can be seen from the company's incessant activities in order to generate the greatest profit. The profits or profits generated will certainly differ depending on the size of the moving company. Based on the process of increasing profit or profit income.

Definition of Performance Measurement

Whittaker (1993), performance measurement is a management tool used to improve the quality of decision-making and accountability, as well as to assess the achievement of goals and objectives (goals and objectives). Meanwhile, according to Moeheriono (2012), performance measurement has the meaning of a process of assessing the progress of work towards goals and objectives in human resource management to produce goods and services, including information on the efficiency and effectiveness of actions in achieving organizational goals.

Thus, a performance measurement is needed that can be used as a basis to assess the progress that has been achieved compared to the goals that have been set, as well as as a communication tool and management tool to improve organizational performance.

Objectives and Benefits of Performance Measurement

The purpose of performance measurement is to produce data, if the data is analyzed appropriately, it will provide accurate information for management in making decisions to improve company performance.

Meanwhile, the benefits of a good performance measurement system according to Yuwono (2008) are:

1. Tracking the performance against customer expectations so that it will bring the company closer to its customers and make all people in the organization involved in efforts to provide customer satisfaction.
2. Motivate employees to perform services as an internal customer and supplier chain.
3. Identify various wastes while encouraging efforts to reduce these wastes (reduction of waste).
4. Making strategic goals that are usually still vague become more concrete, thus accelerating the organizational learning process.
5. Building consensus to make a change by giving "reward" for the expected behavior.

Characteristics in Performance Measurement

According to Gaspersz (2011), the characteristics commonly used by world-class organizations in implementing a balanced scorecard to evaluate their performance measurement system are:

1. The costs incurred for performance measurement do not exceed the benefits received.
2. Measurement should begin at the beginning of the balanced scorecard program. Various problems related to performance and opportunities to improve them must be clearly formulated.
3. Measurements must be directly related to the strategic goals formulated by the strategic grid and must have at least one measurement.

4. Measurement should be simple and bring up data that is easy to use, easy to understand, and easy to report.
5. Measurements must be repeatable continuously, so that they can be compared.
6. Measurements should be able to be used to set targets, leading to future performance improvements. .
7. Measurement should involve all individuals who are in the process of engaging with the balanced scorecard program.
8. Measurements must be accurate, reliable, verifiable so that they can be accepted and trusted as valid by those who will use them.

Measurement should focus on corrective actions and improvements, not just monitoring or control

Performance Measurement Through Balanced Scorecard (BSC)

The Balanced Scorecard according to Kaplan and Norton (1996) is:

"A measurement and management system that views a business unit's performance from 4 perspectives: 1) Financial 2) Customers 3) Internal Business Process 4) Learning and Growth." (Balanced Scorecard is a management and arrangement system that shows the performance of business units in four perspectives, namely

1) financial perspective 2) customer 3) internal business process 4) learning and growing perspective).

According to Atkinson et al. (1995:445), the Balanced Scorecard is:

A set of performance target and result that reflect the organization's performance in meeting its objective relating to its customer, employee, business partners, shareholder and community. (A Balance Scorecard is a set of performance and

outcome goals that reflect a company's performance in achieving its goals. Related to customers, business partners, shareholders and the public).

According to Tunggal (2001: 4) the Balanced Scorecard is:

"A strategic management system or more appropriately called a: Strategic based responsibility accounting system" which describes the mission and strategy of an organization into operational objectives and performance benchmarks for 4 different perspectives, namely financial perspective, customer perspective, and internal business process perspective), learning and growth perspective".

According to Chen et al. (1997) The definition of Balanced Scorecard is:

A set of financial and non financial measure relating to company's critical success factors. (A Balanced Scorecard is a set of financial and non-financial measures related to critical factors of a company's success).

From the definitions mentioned above, we can conclude that the Balanced Scorecard is a management system and a company performance measurement tool that is carried out by measuring performance through four business perspectives which include financial and non-financial aspects, this measurement system is also

Measuring performance is not only for the short-term goals of a company's strategy but also for the long-term strategy that concerns the company's vision and mission to be able to create a competitive advantage.

As a management system, Balance Scorecard can be used by management to carry out various managerial processes that are important in the organization, namely:

1. The Balanced Scorecard can be used as a tool to describe the company's vision, mission, and strategy to make it easier

for management to direct the company in achieving its goals.

2. Management can communicate and relate strategic goals to its supporting set of benchmarks.
3. Management can plan, set targets, and adjust strategic initiatives.
4. Improve feedback and strategic learning processes.

BSC is a company performance measurement tool that measures the company's overall performance, both financial and non-financial, by considering four aspects related to the company, including: financial aspects, customers, internal business processes, and learning and growth. The BSC concept developed in line with the implementation of the concept. BSC consists of two words: (1) scorecard and (2) balanced. A scorecard is a card used to record the score of a person's performance results. Scorecards can also be used to plan the score that future personnel want to realize. Through the scorecard, the score that the personnel want to realize in the future is compared to the actual performance results. The results of this comparison are used to evaluate the actual performance.

Balanced scorecards are a powerful tool in strategic planning and as a planning tool. Balanced scorecard must have content, in the form of management knowledge that can be implemented in the management of a company (Moeheriono, 2012). Meanwhile, according to Hansen and Mowen (2011), the Balanced Scorecard is a strategic management system that defines an accountability accounting system based on strategy.

Advantages of Balanced Scorecard

The results of the evaluation of performance measurement based on a balanced scorecard that includes all four

perspectives, both financial and non-financial, turned out to be able to generate strategic plans that can be formulated, determined and achieved in the future in an effort to improve or improve the company's performance. The advantages of this balanced scorecard are contained in four characteristics (Mulyadi 2001), namely: (1) comprehensive, (2) coherent, (3) balanced and (4) measurable.

Balanced Scorecard Perspectives

1. Financial Perspective.

Measurement of financial performance will show whether the planning and execution of the strategy provides fundamental improvements to the company's profitability. These improvements are reflected in targets that are specifically related to measurable profits, business growth and shareholder value. This perspective is used by shareholders in order to assess organizational performance. In other words, the organization must meet the expectations of shareholders in order to be considered successful by shareholders.

2. Customer Perspective

In the perspective of a balanced scorecard customer, the company identifies customers and market segments to enter. The company strives to find out what customers expect of the company and how the customer sees the company itself. Related to the customer's perspective means also related to customer satisfaction. Meanwhile, the definition of customer satisfaction itself according to Philip Kotler is "Making customers feel satisfied means building customer loyalty, which is not an easy thing to do." The concept of a balanced scorecard, there are two groups of benchmarks that can be used to

measure perspective customers are customer core measurement and customer value proposition.

3. Internal Business Process Perspective

The perspective of internal business processes is a series of activities that exist in the organization to create the quality of products/services in order to meet customer expectations.

Moehariono (2012), the balanced scorecard approach in the perspective of internal business processes focuses on three main processes, namely:

- a. Innovation process, identifying the characteristics of market segments that want to be satisfied through the company's products and services in the future.
- b. The operations process is an effort to meet the needs of products and services to customers efficiently, consistently, and on time.
- c. Post-rable service is an effort to provide additional benefits to customers in the form of warranty, repair activities and payment processing. The three processes called the "General Value Chain Model" can be seen in the following figure

4. Learning and Growth Perspectives

Perspective Learning and growth describes the organization's ability to make improvements and changes by utilizing the organization's internal resources. How important is an organization business to continue watch Employees Monitor employee well-being and increase employee knowledge in improving the ability to participate in achieving company goals.

According to Tunggal (2009), there are three factors that need to be considered in making measurements, namely: 1) Employee Capabilities. Therefore, companies must make continuous improvements. 2) Information System Capabilities. In fierce

business competition, precise, fast and accurate information is needed as feedback. This information can be information about customers, internal business processes, finances and decisions made by employees

Research Methods

This research is an analytical descriptive research with a qualitative and quantitative approach, qualitative analysis is carried out to describe the results of the research in detail which will provide a factual and accurate picture of the research results, while the quantitative analysis in this study is carried out through numerical calculations in each balance and scorecard perspective to analyze between the targets that have been set and their achievements

Analysis Method

Performance measurement through the Balanced Scorecard approach is a comprehensive performance measurement that is carried out by paying attention to the corporate plan as a whole, the components and benchmarks used are formulated in such a way that links the company's vision and mission described in terms of operations and the determination of the benchmark of its achievement, for that the order of design of the performance measurement system to the benchmark The measurement of its achievements and the scores produced in the system are described through:

- 1) Key Performance Indicators (KPI)
Key Performance from a financial perspective Includes Profitability index, return On Capital Employed, Return On Investment, and Current The analysis ratio of the financial performance indicator indicators is measured through formulas that are generally applicable in the calculation of financial analysis. Key Performance Indicators from a Customer Perspective are seen

from the level of customer satisfaction. Key Performance Indicators from the Perspective of Internal Business Proces include innovation ratio and compliance ratio and Key Performance Indicators from the Learning and Growth Perspective include analysis of employee satisfaction, number of employees who participated in the training, the time of the training, the cost of education and training, the availability of information, the accuracy of information and the speed of information

- 2) KPI achievement targets
This target is the target set by the company in the business plan
- 3) Realization of KPI Achievement
KPI realization is the realization of KPIs achieved by the company
- 4) Final Assessment
The final assessment of the Balanced scorecard is carried out through stages of Weighting for each perspective, this weighting is determined according to the level of the company's needs based on the strategy taken by the company during the balanced scorecard period

Table 1. Final Assessment Form for Balanced Scorecard Achievement

No	Perspective	Weight	KPIs				Score (3)x(4)
			B	N	VxB		
1	Finance	Profitability Index					
		Rate of return on investment					
		Return on Investment (ROI)					
		Current Ratio					
		Total					
2	Customer	Customer Satisfaction Level					
		Total					
3	Internal Business Process	Innovation Ratio					

		Compliance Ratio					
		Total					
4		Satisfaction Official					
		Sum Employee					
		That following training					
		Cost education and training					
		Education time and training					
		Availability information					
		Accuracy information					
		Speed information					
		Total					

Source: Business Development CV. ART Production Indonesia

The determination of the balance scorecard score is measured through the following assessment standards:

Table 2. Balanced Scorecard Scoring Table

Value	Descriptive	Presentation
5	Achievement Exceeds Target	> 130%
4	Less than Target	111% - 130%
3	Almost On Target	91% - 110%
2	Minimum Target Achieved	80% - 90%
1	Less or Very Far From Target	< 80%

C. Result and Discussion Achievment Key Performance Indicator

The analysis of the research data in the framework of the Balanced scorecard begins by looking at the Determination of Key Performance Indicators (KPIs) by Cv. Art Prodcution Indonesia which is listed in the Business Plan document as a business target for each company's business perspective. The determination of Key

performance targets The indicators for each balanced scorecard perspective on Cv. Art production Indonesia are as follows:

Table 3. Determination of Target Key Performance indicators

NO	Perspective	KPI	TARGET
1	Financial Perspective	- Profitability index	2,5 %
		- Return On Capital Employed (ROCE)	50%
		- Return On Investment (ROI)	30%
		- Current Ratio (CR)	1,5%
2	Perspective Customer	Satisfaction level customer.	4
3	Business Process Perspective Internal	Innovation Ratio	0,2
		Compliance Rate Ratio	0
4	Perspective of Caregivers and Growth	Employee Satisfaction	4
		Education and Training	20%
		Training Implementation Time	6x1 Year
		Tuition and Training Fees	p.100,000,000 Million/Year 4
		Information Availability Ratio	4
		Accuracy of Information	4
		Information Speed	4

Achievement of Key Performance Indicator Targets

Analysis of the achievement of Key performance indicator targets is carried out by determining the gradation resulting from the comparison between the Key Performance Indicator target and the realization of its achievements. The gradation value will be the marker of the value with the size as presented in the

Balanced Scorecard assessment table (see Table 2)

The results of the analysis of the research data resulted in the achievement of the Key Performance indicator targets as follows:

Table 4. Achievement of Key Performance Indicator Targets

No	Perspective	KPI	Target Achievement	Targets that	Gradations	Value
1	Finance	Profitability Index	3,01%	2,5 %	120%	4
		YEAR)	66%	50%	132%	5
		KING	41%	30%	137%	5
		Current Ratio	1,85%	1,5%	123%	4
2	Customer	Customer Satisfaction Level	4	4	100%	3
3	Business processes	Innovation Ratio	0,3%	0,2%	150%	4
		Compliance Ratio	0,025%	0	250%	5
4	Growth and learning	Employee Satisfaction	5	4	125%	4
		Number of employees who follow	37%	20%	185%	5
		Cost Education and training	177.500.000	100.000.000	178%	5
		Education and training time	7x1 Years	6x1 year	117%	4
		Availability of information	5	4	125%	4
		Accuracy of information	5	4	125%	4
		Speed of information	4	4	100%	3

Data Sources Processed, 2025

From the table of achievement of the Target Key performance indicator mentioned above, it can be seen that from the financial side of the four indicators measured, two indicators get a value of 5 (far exceeding the target), namely ROCE and ROI, while the other two indicators get a value of 4

(Exceeding the target), namely the Profitability Index and Current Ratio. From this result, it shows that from a financial point of view, the company has achieved good financial performance. For the perspective of the offender getting a value of 3 which means that they have reached the target. This shows that the company has achieved the same target as the end result which is at the satisfaction level. For the achievement of value from the perspective of Internal Business Processes which is measured through two indicators, namely the innovation ratio and the ratio of compliance level generating value to the innovation ratio has exceeded the target, this shows that the company has made good innovations. Then the employee compliance ratio gets a value of 5 which means it far exceeds the target. This shows that the employees at Cv. Art production Indonesia have carried out their duties and responsibilities very well.

The achievement of the target in the growth and learning perspective shows that employee satisfaction reaches a value of 4 which means exceeding the target, this shows that the employee has felt satisfied with the company, then for employees who participated in the training get a score 5 which means far beyond the target this shows that the company has a very high commitment to the development of its human resources, this is in line with the indicators on education and training costs which also get a value of 5 which means far exceeding the target. For three indicators, namely training time, information availability and accuracy of information get a value of 4 which means that it has exceeded the target set by the company. The indicator for information speed gets a value of 3 which means that the speed of information has reached the target but still needs to be further improved

Table 5. Final Score Balanced Scorecard CV. Art Production Indonesia

No	Perspective	Weight	KPIs			Score (3)x(4)
			B (%)	N	VxB	
1	Finance	Profitability Index	30	4	1.2	0.42
		Rate of return on investment	20	5	1	0.35
		Return on Investment (ROI)	30	5	1.5	0.53
		Current Ratio	20	4	0.8	0.175
		Total	100			1.475
2	Customer	Customer Satisfaction Level	100	3	3	0.75
		Total	100			0.75
3	Internal Business Process	Innovation Ratio	75	4	3	0.6
		Compliance Ratio	25	5	1.25	0.25
		Total	100			0.85
4		Satisfaction Official	25	4	1	0.2
		Sum Employee	10	5	1	0.2
		Cost education and training	10	5	0.4	0.1
		Education time and training	15	4	0.4	0.087
		Availability information	10	4	0.6	0.12
		Accuracy information	10	3	0.4	0.08
		Speed information	10	3	0.3	0.06
		Total	100			0.84

The pioneering implementation of the Balanced Scorecard on Cv. Art Production Indonesia has started since the rollout of corporate management reform in 2022. by carrying out the transformation of management from traditional family management to modern management The Company started the transition through a program they named AUMS (Art Umbrella Management System) since then the company's strategy has begun to be characterized by a Balanced Scorecard starting from strategy planning, strategy implementation and strategy evaluation

The results of this study show that the application of the Balanced Scorecard concept has led the company to process properly, this is illustrated from the results of achieving the final score of the balanced scorecard at the level of 3,195, this value is in the performance criteria that have reached the target standards that have been determined by the company. Empirical facts also prove that the principles of performance measurement through the Balanced Scorecard have been well internalized in the organization and the members of the organization so that it is a marker of the effectiveness of the implementation of the performance measurement strategy through the Balanced Scorecard concept in Cv. Art Production Indonesia.

D. Conclusion

1. This research proves that the achievement of Cv. Art Production Indonesia's Performance. The Balanced Scorecard was achieved at the level of 3.195, which is that the performance criteria have been achieved in accordance with the targets that have been determined by the company.
2. The results of this study prove that performance measurement through the Balanced Scorecard concept can provide comprehensive information not only from the financial side but also from the operational side which in fact is a driver of success from the achievement of financial performance itself which is useful for management as important feedback in the preparation of business targets in the future.

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