

## Potential Application of the Balanced Scorecard (BSC) as a Performance Measurement Tool in Magister Management Program of Widyatama University

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**Abstract:** This study aims to review the possibility of implementing the Balanced Score Card (BSC) as a performance measurement tool in the Widyatama University Magister Management Program (MM UTama). The research method used is descriptive qualitative. Data analysis used triangulation, namely a combination of interviews, questionnaires, and observations. The results showed that the BSC is very possible to be applied at MM UTama. The benefit of using the BSC for MM UTama is that it will help make it easier for management to be able to assess and monitor business and organizational performance more thoroughly. Researcher's suggestion is that management can immediately try to apply the BSC to MM UTama and previously the existing BSC MM UTama performance indicators can be complemented or adjusted with indicators of performance assessment of study program accreditation both nationally and internationally.

**Keywords:** Balanced ScoreCard, Magister Manajemen, Widyatama University

### 1. Introduction

The Widyatama University Master of Management Program (MM UTama) is one of the best private undergraduate management (S2) management skills education providers in West Java. MM UTama is an MM program with A accreditation (BAN-PT, 2020) and with the highest number of students in West Java, reaching 450 active students (PDDIKTI, 2020). The acceptance of new MM UTama students each period reaches an average of 120 students, and is increasing to reach 150 students in 2020 (Hermina, 2020). MM UTama students consist of various professional backgrounds, namely civil servants, BUMN, BUMD, private sector, consultants, entrepreneurs, teachers, police, and others. The varied backgrounds of MM UTama students are certainly a good thing that shows the breadth of benefits or educational services that can be provided by MM UTama for the community.

Good accreditation and a large number of students are certainly positive things or capital for the stability and progress of MM UTama in the future. However, the accreditation and the large number of students cannot be used as a single measure of whether or not MM UTama's overall performance is good. To assess the overall performance of MM UTama, of course, a more comprehensive performance measurement is needed in addition to measuring the number of active students. One of the performance measurement methods that are often used by large companies and consultants and often researched by management experts is the Balanced Scorecard method or commonly known as the BSC. The first BSC was introduced by Kaplan and Norton (1996), the core concept of the BSC is how a business or organization or function is managed and its performance is assessed in a balanced manner from various aspects called perspectives. The perspective referred to in BSC consists of 4 perspectives, namely a financial perspective, a customer perspective, an internal business process perspective, and a learning and growth perspective (Dally, 2012; Ramoroka, 2019). BSC is often used because it is a relatively complete performance measurement system and is easy to apply to various types of businesses or industries (Kodrat, 2010). This research was conducted with the aim that MM UTama can assess the quality of its organization and business more comprehensively through BSC perspectives which are expected to be useful for MM UTama to manage, monitor, maintain, and improve its performance in the future.

### 2. Method

There are nine steps that need to be taken to be able to measure performance using the BSC according to Kaplan & Norton (1996), namely: (1) assessment of the organization as a whole, (2) identification of strategic themes, (3) determining strategic goals and objectives, (4) developing strategic maps, (5) preparing performance indicators, (6) selecting priority strategies,

(7)communicating strategies, (8) implementing strategies, (9) evaluating reviews. In this research, only up to the fifth stage is carried out, because as is known in the background of the research that is wanted to be produced, it is only limited to the performance measures of the main MM using the BSC concept or method. This type of research is qualitative research, so the data analysis method uses triangulation, namely questionnaire-observation-interviews (Sugiyono, 2008). Observations and interviews were addressed to the leadership of MM UTama consisting of the Head of the MM UTama Program / Secretary of the MM UTama Program and the Director of the Postgraduate School / Deputy Director of the Postgraduate School. Observations are made in the form of monitoring (or collection) and processing of secondary data, both written and unwritten.

### 3. Literature review

The balanced scorecard was first published in Kaplan and Norton's article in the Harvard Business Review (1992) in an article entitled "Balanced Scorecard Measure that Drive Performance". The article is a report of a series of research and experiments on several companies in America as well as regular two-month discussions with representatives from various fields of companies throughout the year to develop a new performance measurement model. BSC was developed as a performance measurement system that allows executives to view the company from multiple perspectives simultaneously.

The Balanced Scorecard concept is a company performance measurement that is carried out from four perspectives, namely a financial perspective, a customer perspective, an internal business process perspective as well as a growth and learning perspective, where these four perspectives represent the measurement of financial performance as well as non-financial performance, which means that this BSC will provides results of performance measures that are more informative and comprehensive than the measurement of financial performance in general (Kaplan and Norton, 1996).

The Balanced ScoreCard consists of financial benchmarks that show the results of the actions taken as shown in 3 (three) other operational benchmark perspectives; customer satisfaction, internal processes and organizational skills to learn and make improvements

### 4. Discussion

#### MM UTama Organizational Assessment

Based on the data of the Postgraduate School's strategic plan for the period 2018-2022. Then it can be identified the strengths, weaknesses, opportunities, and threats that are owned or faced by MM Utama (*Based on interviews with managers on March 8, 2021*), namely:

#### 1. Strengths

- ☐ Accreditation A (Excellent)
- ☐ The number of students is great
- ☐ Good academic information system
- ☐ The lecture system is a mixture of online and face-to-face lectures (blended learning)
- ☐ The lecture system is flexible
- ☐ Many concentration options
- ☐ Qualified lecturers
- ☐ Widayatama University's reputation as one of the best campuses in West Java and has an international ISO 9001: 2015 certificate
- ☐ Strategic location on campus
- ☐ A flexible and relatively affordable payment system
- ☐ Good financial strength

**2. Weaknesses**

- ☐ The classroom is almost full
- ☐ Limited parking space
- ☐ Lecturers are less than visiting lecturers
- ☐ The realization of international cooperation is still lacking

**3. Opportunities**

- ☐ There are many enthusiasts to study a master of management
- ☐ Widyatama University S1 graduate
- ☐ International accreditation
- ☐ International accreditation grant
- ☐ Special class in cooperation with private government agencies
- ☐ Promotion by alumni and partners (KADIN, HIPMI, ICMI, and others)

**4. Threats**

- ☐ Price bid is cheaper than competitors
- ☐ Unique concentration of competitors
- ☐ Decrease in people's purchasing power

**MM UTama Strategic Theme**

Based on the strengths, weaknesses, opportunities, and threats above, the strategic theme that can be chosen by MM UTama is strategic diversification. Through strategic diversification,

MM UTama will strive to pursue growth, outreach, innovation, productivity, and stability without reducing the efficiency and quality of service to consumers (students) (*Based on interviews with managers on March 8, 2021*).

**MM UTama Strategic Objectives**

From the strategic theme, it can be determined that the strategic objectives are to develop markets, develop new products (concentration), and create new markets (cooperation partners) (*Based on interviews with managers on March 8, 2021*).

**MM UTama Strategic Target**

Based on the strategy that has been chosen, the next step is to place the strategy into 4 (four) BSC perspectives. The perspectives referred to are financial, customer, internal business process perspective, and growth and learning perspectives with the following details (*Based on interviews with managers on March 8, 2021*):

1. Financial Perspective
  - ☐ Increased revenue
  - ☐ Increase in Profit
2. Customer Perspective
  - ☐ New Student Improvement
  - ☐ Expansion (Increase) of Market Share

- Active students
- Study Time
- GPA of Graduates
- 3. Internal Business Process Perspective
  - Lecture activities
  - Administrative Services
  - Academic Services
- 4. The Growth and Learning Process
  - Manager, Lecturer and Staff Satisfaction
  - Quality of Managers, Lecturers, and Staff
  - Productivity (Performance) of Managers, Lecturers, and Staff

### MM UTama Strategic Theme

Every strategic objective in the perspective of the BSC is interrelated. Good growth and learning perspectives (in the form of satisfaction, quality, and productivity of managers, lecturers, and staff) will affect the perspective of internal business processes (in the form of fluency and effectiveness of lectures, academic services, and administrative services. Furthermore, good internal business processes will increasing customer perspectives (in the form of increasing new students, expanding market share, lowering inactive students, studying students on time, and always high graduate GPA). A good customer perspective will certainly have an impact on increasing financial perspectives (in the form of increased income and profit) from MM Utama (*Based on interviews with managers on March 8, 2021*).

### MM UTama Scorecard or Performance Indicator

#### Financial Perspective

Strategies	Measurement	
	Lag Indicators	Lead Indicators
Revenue		Sales growth
Profit	Net income growth	

(Based on interviews with managers on March 8, 2021)

#### Customer Perspective

Strategies	Measurement	
	Lag Indicators	Lead Indicators
New Student Number	Student Intake	
Market Share	New market (market share)	
Active Student	Student Active Level	
Graduation Time		Studi time
GPA		Academic achievement index

(Based on interviews with managers on March 8, 2021)

#### Business Internal Proccess Perspective

Strategies	Measurement	
	Lag Indicators	Lead Indicators

Course activity	the level of lectures convenience index	
Academic Service		The e convenience level f o academic services
Administrative Service		The e convenience level f o administrative services

(Based on interviews with managers on March 8, 2021)

#### Learning and Growth Perspective

Strategies	Measurement	
	Lag Indicators	Lead Indicators
Management, Lecture, and Staf Satisfaction		Level of satisfaction
Management, Lecture, and Staf Performance	Level of performance	
Management, Lecture, and Staf Quality		Level of quality

(Based on interviews with managers on March 8, 2021)

## 5. Conclusion

From the discussion and discussion it can be concluded that the MM UTama performance indicators can be presented using the BSC method. By using the BSC method, the performance indicators of MM UTama are more complete and include various perspectives, namely financial perspectives, customer perspectives, internal business process perspectives, and growth and learning perspectives. From each perspective of the main BSC MM UTama, it can also be identified which is the lagging indicator and which is the leading indicator. The MM UTama performance indicators presented with the BSC method will also make it easier for managers to monitor performance and make performance monitoring priorities

The performance indicators of the MM UTama BSC in this research can then be immediately applied and used by the management of MM UTama Karen. Basically, the use of this method does not need fees, preparation, or special information systems. The application of this BSC in MM UTama should be done during the early stages of compiling the annual work program or MM UTama strategic plan. The performance indicators of the MM UTama BSC in this study can also be adjusted back to the performance indicators in the accreditation of study programs both nationally and internationally. The relationship of this research is the performance indicators of the MM UTama BSC which are compiled only from the opinion of the manager (**short or simple interview**).

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