

## IMPLEMENTATION OF BALANCED SCORECARD AT PT. MB

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### Abstract

This study aims to determine the performance of PT. MB uses a balanced scorecard approach. Primary data were obtained from questionnaires using the nonprobability sampling purposive sampling method. Data obtained from customers and employees of PT. MB. Secondary data obtained from the financial statements of PT. MB period 2020 to 2022. The population is all customers and employees of PT. MB. The samples used were 94 samples for customers and 72 samples for employees. The data analysis method uses descriptive statistical test techniques. To determine the level of customer and employee satisfaction scores using factor analysis. The results of the balanced scorecard study on a financial perspective have an average performance from 2020 to 2022 for ROA has an average of 3.18%, ROE 3%, and NPM 2.30%. From a customer perspective, it is measured through a questionnaire with an average customer satisfaction level of 3,559. Customer acquisition costs have averaged \$3.35. Consumer profitability has an average value of 3.10%. In the internal business process preceptive, the AETR ratio has an average of 11.55%. The time cycle of availability of goods has an actual time of 8.09. Sales order cancellation 0.8%. From a growth and learning perspective, the average employee productivity rate is 0.39%. Employee training has an average of 66.67%. And the level of employee satisfaction showed an average of 3,108.

Keywords: Balanced Scorecard, Organizational Performance Appraisal, Implementation

### 1. Introduction

Today's company performance requires a measurement that not only measures past performance, but also requires performance measurement that is able to build the company's competitive capabilities in the future. Balanced scorecard performance measurement is a lot of attention where this measurement is derived from the vision and mission set by the company. Measurement is not only on financial aspects, but also on non-financial aspects. The measurement of company performance in the balanced scorecard includes four perspectives, namely the financial perspective, the customer perspective, the internal business process perspective, and the learning and growth perspective (Kaplan and Norton, 1996).

Balanced scorecard helps company leaders to be able to assess company performance to be more focused on small parts of participants in the company. From a financial perspective, it can be seen how the rate of return on investment is able to make the company compete with similar competitors. From a customer perspective, company leaders can assess how much value has been created to customers, where the value will reinvest in repeat orders. In the perspective of learning and growth, we can see how much worker resources in the company are able to increase productivity so that the performance of worker resources will be better in the future. In the perspective of internal business processes, you can see how efficient and effective the company's business processes are from ordering by customers to goods being delivered to customers.

Niven (2006) there are 60% of 1000 companies included in Fortune magazine have used a balanced scorecard. The research illustrates that the balanced scorecard is chosen by 60% as a tool to improve company performance. This indicates that many companies believe that the balanced scorecard is a tool used to measure company performance.

The following data regarding the finances of PT. MB from 2020 to 2022.

**Table 1.** Financial Data of PT. MB Year 2020 – 2022

	Year 2020	Year 2021	Year 2022
Assets	299.869.646.225	297.303.330.835	384.217.009.304
Debt	128.583.189.324	156.354.586.930	207.283.616.038
Sales	254.911.887.925	394.807.237.569	417.016.946.696
Assets/debts	2,33	1,9	1,85
Debt/Sales	50,44%	39,60%	49,71%
Sales Growth		54,88%	5,63%

Source: Financial Statements - Data Processed

The level of assets when compared to debt will produce an indicator where it is seen that there is a decrease in the company's ability to meet its debt. It can be seen that from 2020 to 2022 there was a decrease in the company's ability to meet maturing debts from 2.33 times in 2020 to 1.85 times in 2022.

Sales that occurred from 2020 to 2022 showed an increase. Total sales in 2021 against 2020 increased by 54.88%. Sales in 2022 against 2021 increased by 5.63%. The data above illustrates the existence of problem indicators where increased sales occur but not stably. The debt-to-sales ratio shows that an average of 46.5% of the company's revenue must be paid to both long-term and short-term debt. If it is assumed that debt is maturing at the same time and it is assumed that sales are cash and cash equivalents currently owned, then the remaining cash and cash equivalents available for subsequent annual operations will be reduced by almost 45% and this is a problem because the effective and efficient use of cash for the company's operational purposes is very poor. With the performance assessment through a balanced scorecard, it is expected that there will be a steady increase in sales for the coming year where the company can translate its vision and mission into strategies to gain competitive advantages with other companies.

## 2. Theoretical Background

### 2.1 Goal Setting Theory

Goal setting theory (Locke and Latham, 1990) suggests that there is an important relationship between goals and performance. Goals that have been set at the beginning are achievements that must be achieved in an organization. To achieve this, of course, there are various ways that can be done. During the process of achieving this way, a performance must be performed to measure the extent to which the process of achieving goals has occurred.

The research revealed that effective performance will be achieved when the goals that have been set are specific. When the goals that have been set are associated with performance evaluation, there must be adequate feedback and everyone involved in it must have commitment, strong motivation so that the goals set at the beginning can be achieved.

The concept of this theory is that everyone must understand what he is doing so that common goals can be achieved. When this process is carried out, it will affect a person's attitude at work. This theory also argues that the goals set if the goals are difficult then a

person tends to be motivated to improve his performance and thus the skills and expertise possessed by a person will increase.

## 2.2 Balanced Scorecard

Balanced scorecard as a performance management tool that can help management to measure company performance. Performance measured in the balanced scorecard is financial and non-financial performance. Financial and non-financial performance have a causal relationship between one another. Hansen and Mowen (2009) there are four perspectives in the balanced scorecard including financial perspective, customer perspective, internal business process perspective, and learning and growth perspective. The financial perspective describes the economic consequences of actions taken in three other perspectives. The customer perspective defines the market segments and customers to which the business unit will compete. The internal business process perspective describes the internal processes required to deliver value to customers and company owners. The learning and growth perspective defines the capabilities a company needs to obtain long-term growth and improvement. Kaplan and Norton (1996), state there are four perspectives in the balanced scorecard

## 2.3 Financial Perspectives

The balanced scorecard still maintains financial measures because financial measures are able to describe a series of economic actions that have been taken by the company. Financial measures are able to answer whether the strategies and policies that have been implemented today are able to support the formation of profits that grow from year to year. Financial measures related to profit are usually measurements using operating profit, return on capital employed, economic value added (Kaplan and Norton, 1996).

## 2.4 Customer Perspective

Customer perspective as one of the other perspectives in the balanced scorecard. In determining consumer-based segments, companies need to map customers and how product divisions will provide added value for customers. Some of the main measures of success in this aspect include customer satisfaction, customer retention, new customer acquisition, customer profitability, and market share in a particular segment (Kaplan and Norton, 1996). The customer aspect focuses on the customer and expects the customer to provide great benefits to the company in the form of profit.

## 2.5 Internal Business Process Perspectives

The perspective of internal business processes is another aspect of the balanced scorecard. An important aspect of concern is the entire internal business process that occurs starting from the receipt of incoming orders to the process of goods being sent to customers. In internal business processes are aspects that are interrelated with the previous two aspects, namely financial and customer aspects. The relationship is with the handling of customer orders that are right on target and responsive time, it will keep customers in the company and bring profits to the company in the future. The existing approach in internal business processes is divided into two, namely the traditional approach and the balanced scorecard approach (Kaplan and Norton, 1996). In the traditional approach, internal business processes only focus on monitoring and improving existing internal business processes. This is different from the balanced scorecard approach. BSC's approach is able to focus more on internal business processes that are

able to support customers rather than just focusing on current business operating processes that only focus on efficiency and effectiveness. These internal business processes must be mastered by both the company and these business processes are also expected to be able to achieve the company's financial goals in the future.

## 2.6 Growth and Learning Perspectives

Growth and learning perspectives are other aspects of the balanced scorecard. This perspective focuses on identifying the different types of resources that a company has to build immediately with the hope that these resources are able to create growth and improve long-term performance. Customer aspects, internal business processes will be maximally achieved if the growth and learning process is also focused on being developed.

The main resources in this aspect come from the company's people, systems, and procedures (Kaplan and Norton, 1996). The gap between growth and learning aspects with other aspects makes companies have to pay more attention to their resources, not only focusing on customers and the company's operating processes. Improving this aspect can be done by empowering and training human resources, improving information systems and technology, and harmonizing various daily activities and procedures within the company.

## 3. Methods

### 3.1 Types of Research

Research has a variety of approaches. The approach used in this study is a descriptive quantitative case study approach. Descriptive quantitative research design is a research design that aims to provide empirical evidence about a particular phenomenon, accompanied by quantitative and qualitative data extracted from a particular object (Chandrarin, 2018).

### 3.2 Population and Sample

Chandrarin (2018) population is a set of elements that have certain characteristics. The population used in this study is employees who work in PT. MB along with consumers who buy PT. MB. Chandrarin (2018) sample is a collection of subjects representing the population. The sample in this study is employees who work in the office environment of PT. MB and work with a minimum of 5 consecutive years of service. Meanwhile, samples for consumers of PT. MB is a consumer who has a store or factory with an order frequency of at least or equal to 6 orders in 2022 calculated based on delivery orders recorded in the system and the minimum pickup per each delivery order is 15 million rupiah. The sampling method used is the nonprobability sampling purposive sampling method where sampling is based on certain criteria (Chandrarin, 2018). The sample size uses slovin where the slovin formula is:

$$n = \frac{N}{1 + N\alpha^2}$$

Information:

n = sample size

N = population size

$\alpha$  = tolerant of inaccuracy (%)

For employees with an employee population of 257 people, the required sample is obtained as many as:

$$n = \frac{257}{1+2570,1^2}$$

So the result obtained is 71.98. So that the research sample used 72 employees. For customers with a population of 1467 customer groups, the required sample is obtained as many as

$$n = \frac{1467}{1+14670,1^2}$$

So, the result obtained is 93.61. Thus, the research sample used 94 customers.

### 3.3 Variable Operational Definition

This study uses the measurement of variables contained in the Balanced Scorecard concept, namely:

#### 1) Financial Perspectives.

Financial perspectives use several measurements including:

##### a. Return on Assets

A ratio that reflects how much return is generated on each rupiah of money invested in the form of assets (Murhadi, 2013). ROA is obtained by:

$$ROA = \frac{\text{Net Income}}{\text{Total Asset}}$$

##### b. Return on Equity

A ratio that reflects how much return is generated for shareholders for every rupiah of money invested (Murhadi, 2013). ROE is obtained by:

$$ROE = \frac{\text{Net Income}}{\text{Total Ekuitas}}$$

##### c. Net Profit Margin

Reflects the company's ability to generate net profit from each of its sales (Murhadi, 2013). NPM is obtained by:

$$NPM = \frac{\text{Net Profit Margin}}{\text{Revenue}}$$

#### 2) Customer Perspective.

The customer perspective uses several measurements including:

##### a. The level of customer satisfaction.

The level of customer satisfaction is measured by distributing questionnaires to PT. MB by using Likert scale 1-4 with the following formula:

$$\text{Customer Satisfaction} = \frac{\text{Jumlah Total Nilai Rata Responden}}{\text{Total Pernyataan Responden}}$$

##### b. New customer acquisition rate.

The new customer acquisition rate is a level to measure the number of customers a company gets in the current year. The level of customer acquisition can be measured by the costs incurred for acquired customers. (Habib and Monalisa, 2020) new customer acquisition rates are obtained by:

$$\text{Customer Acquisition Cost} = \frac{\text{Total Biaya Pemasaran}}{\text{Jumlah Pelanggan Baru}}$$

##### c. Consumer profitability

Consumer profitability is used to measure how much profit PT. MB for the sale of goods that have been made to its consumers. (Zudia, 2010) consumer profitability is obtained by:

$$\text{Consumer profitability} = \frac{\text{EBIT}}{\text{Net Sales}} \times 100\%$$

Measurement of customer perspective to be able to measure consumer satisfaction can be done with the help of questionnaires by giving weight to each statement that has been filled out by respondents. By using the Likert scale where the Likert scale can be used to measure attitudes or opinions. On this, it can find out the average value and give a weight that refers to the Likert scale.

**Table 2.** Likert Scale Table

Satisfaction Level	Score
Totally Agree	4
Agree	3
Disagree	2
Strongly Disagree	1

Source: Chandrarin (2018)

3) Internal Business Process Perspective.

a. Administrative Expense to Total Revenue

Internal business processes are related to internal activities in serving consumers. Measurement can be done with the ratio of Administrative Expense to Total Revenue (AETR) which aims to determine the efficiency and effectiveness of the process of receiving orders until the goods are delivered to consumers. The lower the AETR ratio, the better the company's performance seen from internal business processes. (Zudia, 2010) AETR is obtained by:

$$\text{AETR} = \frac{\text{Biaya Penjualan+Administrasi}}{\text{Total Pendapatan}} \times 100\%$$

b. Grace Period of Goods Availability Cycle

The grace period of the goods availability cycle relates to the length of time it takes from the incoming sales order until the item is delivered to the customer. The company certainly has an ideal time standard for this process so, the company needs to know so far how long it takes for the goods to arrive at the customer compared to the time standard set by the company. (Kaplan and Norton, 1996) The grace period of the cycle of availability of goods is obtained by:

$$\text{Grace Period} = \frac{\text{Standar Time}}{\text{Actual Time}}$$

c. Sales Order Cancellation Percentage

The percentage of order cancellations relates to the number of missed opportunities that should be revenue for the company. (Kaplan and Norton, 1996) the percentage of sales order cancellations is obtained by:

$$\text{Order Cancellation} = \frac{\text{Total Sales Cancel}}{\text{Total Sales}}$$

4) Learning and Growth Perspectives.

Performance appraisal on the perspective of learning and growth can be done by:

a. The level of productivity of employees.

This level is used to measure employee productivity in a certain period. (Zudia, 2010) the level of employee productivity is obtained by:

$$\text{Employee Productivity} = \frac{\text{EBIT}}{\text{Jumlah Karyawan}} \times 100\%$$



b. Percentage rate of employee training.

Employee training is important to know about whether the company is continuously developing employee hard or soft skills. (Zudia, 2010) the percentage level of employee training is obtained by:

$$\text{Percentage of Skilled Employees} = \frac{\text{Training Karyawan}}{\text{Jumlah Karyawan}} \times 100\%$$

c. Employee satisfaction level.

The satisfaction of employees working within the company also needs to be measured. Measurement can be done by distributing questionnaires to employees and then assessing the results of answers using the Likert scale. (Kaplan and Norton, 1996) the level of employee satisfaction is obtained by:

$$\text{Employee Satisfaction} = \frac{\text{Total Nilai Rata Responden}}{\text{Jumlah Pernyataan Responden}} \times 100\%$$

d. Balanced Scorecard performance measurement can be done by comparing each indicator with each perspective. The four indicators are given a score and adjusted to the standards of each perspective that have been set previously.

To score, it is necessary to set the minimum score and maximum score as follows:

Minimum Score : 1

Maximum Score : 4

After determining the minimum and maximum scores, determine the assessment criteria from three categories, namely very good, good, bad, and very bad with the total achievement of the score scores as follows:

1 – 1,99 = very bad

2,00 - 2,99 = bad

3,00 - 3,99 = good

4,00 = Excellent

The total achievement of the score value is calculated based on the sum of the results of the achievement of four perspectives (finance, customer, internal business processes, and learning and growth) determining the score value by giving weight to each predetermined perspective and then the weight is divided into each item measured. The achievement of the score value for each item is the result of the multiplication between the weight and the score value. The sum of all score achievements is the sum of all items for each perspective concerned. The weights for each perspective include:

- Financial perspective performance : 25
- Customer perspective performance : 25
- Performance perspective of internal business processes : 25
- Growth and learning perspective performance : 25

Mulyadi (2001) criteria for measuring strategic targets by measuring in a balanced manner one perspective with another perspective in a balanced scorecard. The final result to determine the company's performance is divided into 3 parts, namely:

- Unhealthy i.e. 0 to 33.34
- Unhealthy i.e. 33.35 to 66.65
- Healthy is 66.66 to 100

### 3.4 Research Instruments

Research certainly requires data to get research answers. Data is a manifestation of facts or phenomena that exist in practice (Chandrarin, 2018). Based on the type of data, this study uses time series data where data is taken sequentially during a specified period of time, namely in the period 2020 to 2022 (Chandrarin, 2018).

The data collection sources used in this study were primary data and secondary data. Primary data is data that comes directly from the object of research or respondents, both individuals and groups (Chandrarin, 2018). The primary data used in this study was data derived from questionnaires to employees of the office of PT. MB to measure employee satisfaction and primary data from customers to measure customer satisfaction. Secondary data is data that comes from parties or institutions that have used or published it (Chandrarin, 2018). The secondary data used in this study is data derived from the financial statements of PT. MB for the years 2020 to 2022.

### 3.5 The data analysis techniques used in this study are

#### 1) Data collection

Primary data was collected on the distribution of questionnaires to employees and customers. Secondary data can be directly taken from financial statements from 2020 to 2022.

#### 2) Test validity

Validity test is a research test related to the extent to which a researcher measures what should be measured (Budiastuti and Bandur, 2018). The validity test will be assisted by the SPSS program. Test validity by looking at item-to-total correlations where this value is compared to a significant level = 5%. In addition, by looking at inter-item correlations where this value must be greater than 0.30 (Budiastuti and Bandur, 2018). This validity test will be used to test questionnaire answers both for customers and for employees.

#### 3) Reliability test

Reliability test is a research test related to measuring the consistency of measuring instruments used in research (Budiastuti and Bandur, 2018). Reliability testing is assisted by the SPSS program. The reliability test looks at alpha's cronbach where the acceptable level of reliability is above 0.70 (Budiastuti and Bandur, 2018). This reliability test will be used to test questionnaire answers both for customers and for employees.

#### 4) Data analysis over four perspectives

The data analysis used is a descriptive statistical test (Chandrarin, 2018) where this will explain the existing phenomena associated with the balanced scorecard theory. The test carried out is to look at the average. The information that has been collected and analyzed will then be seen and understand what happened and what actions should be taken on the presentation of the existing analysis for further improvement.

#### 5) Conclusion drawing

Answer to research by looking at all aspects that have been researched.

## 5. Results and Discussion

### 5.1 Results

This section presents the results of the research analysis. Research analysis can be supplemented by tables, graphs (images), and/or charts. The discussion section describes



the results of data processing, interprets the findings logically, and relates to relevant reference sources.

Balanced scorecard is a performance measurement that assesses quantitative and qualitative aspects. A balanced scorecard can describe various strategies of a business unit as a whole. Balanced scorecard combines strategies where this strategy becomes the goal to be achieved with the driver of the strategic result measure (lag indicator) and the driver of performance (lead indicator) on this will be described in the table below.

**Table 3.** Balanced Scorecard PT. MB

Strategic Objectives		Strategic Size	
		Lag indicator	Lead Indicator
Finance			
	Increased Return on Asset Investment	Increased ROA	ROA Ratio
	Meeting Shareholder Expectations	Increased ROE	ROE Ratio
	Increase in Net Profit	Increased NPM	NPM Ratio
Customer			
	Increased Customer Satisfaction	Customer Retention	Customer Surveys
	Increase in New Customers	Customer Acquisition	Comparison of CLV and CAC
	Increased Revenue	Increased Sales of Goods	Customer Profitability
Internal			
	Increased Productivity	Increased Efficiency and Effectiveness	AETR Ratio
	Decrease in Working Capital Bonding	Shorten Operation Cycle	Grace Period
	Process Quality Improvement	Lower Sales Cancellations	Sales Cancel
Learning			
	Increased Worker Productivity	Worker Productivity	Worker productivity level
	Improving the Quality of Workers	Worker Competence	Percentage of Worker Training
	Increased Worker Satisfaction	Worker Satisfaction	Worker Satisfaction Survey

Source: Data Processed

The balanced scorecard size is made based on the strategy that has been set to achieve these goals. Causal relationships are relationships that can be used to link a chain of balanced scorecard measures to strategy. Improving worker quality and worker satisfaction will result in increased worker productivity. Increased growth and learning aspects will improve aspects of internal business processes. Internal business processes that are starting to be affected by the increase in aspects of growth and learning are increasing the productivity of the company's internal business processes. Increased

productivity will lead to a decrease in bonded working capital which will shorten the operating cycle and result in an improvement in process quality marked by a decrease in sales cancellations.

Increased productivity and process quality results in increased customer satisfaction and increased new customers in the company. This increase resulted in an increase in the company's revenue on sales to customers. An increase in revenue can be seen in an increase in net profit so that it will increase the return on investment of assets and can meet shareholder expectations.

Performance measurement for each perspective by giving equal weight to each outcome measure (Mulyadi, 2001). Then, provide targets for existing outcome measures after that conduct an analysis to find realization for each specified outcome size. On the basis of this, the achievement of the target will be known by dividing the realization with the target so that it will find the achievement of the target and then multiplied by the weight of BSC, the final result size score will be found.

The results of performance measurement scores using balanced scorecards from 2020 to 2022 are shown in the table below.

**Table 4.** Balanced Scorecard Score

	Year 2020	Year 2021	Year 2022
ROA	0,06	15,46	-2,35
ROE	0,35	16,83	-4,97
NPM	0,19	4	-0,74
Customer Acquisition	23,04	30,6	6,78
Consumer Profitability	0,08	13,74	-1,98
AETR	-27,08	-15,45	-16,43
Grace Period	-17,83	-22,97	-10,07
Order Cancellation	-4,8	5,03	5,1
Employee Productivity	0,06	0,06	0,06
Employee Training	12,5	12,5	0
Total	-13,43	59,8	-24,6

Source: Data Processed

**Table 5.** Overall Satisfaction Level

	Average Score	Description of Likert Scale
Customer Satisfaction Level	3,559	Very Good / Very Satisfied
Employee Satisfaction Level	3,108	Good / Satisfied

Source: Data Processed

Table 4 shows that the final score of the balanced scorecard in 2020 looks to get a score of -13.43 and 2021 gets a score of 59.8 and in 2022 gets a score of -24.6. This indicates that performance appraisal using a balanced scorecard has not had a good overall performance from year to year. Criteria for a healthy performance appraisal if it has a score above 66.66.

Based on the theory of goal setting, there have been several targets set but have not been successful and it is expected that all stakeholders in the company must work to spur more so that the targets set can be achieved. The results of the balanced scorecard performance assessment in 2020 were unhealthy and in 2021 were less healthy, and in

2022 were unhealthy. The results of data analysis from the four perspectives that have been analyzed produce causal relationships and are interrelated with each other.

## 5.2 Discussion

### 1) Financial Perspectives

Performance appraisal from the perspective of customers, internal business processes, and growth and learning will be illustrated in the financial perspective where to measure success in a financial perspective, various ratio analyses such as ROA, ROE, NPM are carried out. With a target ratio each year set, but broadly speaking, many of these targets are not achieved. ROA Element Seen unstable net profit from 2021 to 2022. In 2022, there was an increase in assets compared to 2021 because the company at the beginning of 2022 invested in cash flow in 2021 by purchasing various assets including machinery to increase production capacity and purchasing investments in the form of property legally on behalf of the company. The decrease in return on assets in 2022 resulted in a negative ROE in 2022. The increase in operating costs every year, as well as fluctuating company profits and a percentage increase in sales of only 5.63% from 2021 to 2022 resulted in a negative ROE in 2022. NPM which is negative due to operating losses in 2022. The low NPM ratio in 2022 is due to the high costs that must be borne by the company due to the inefficiency of the company's operations in terms of cost of goods sold that are higher than the established cost standard, as well as the tax burden and operating costs borne by the company are high so that the company's NPM becomes negative in 2022.

### 2) Customer Perspective

From the perspective of customers, it can be seen from the aspects stated in the questionnaire indicating that customers are satisfied with the goods and services provided by the company with a score of 3,559. Low consumer profitability is only an annual average of 3.10% and in 2022 the value is seen to be minus 1.56. This analysis indicates that the revenue provided by customers is compared to cost of goods sold and cost of sales as well as administrative costs. It can be seen that with a small ratio compared to the set target of 7.87%, the company needs to re-analyze the various components that make up COGS along with ways to reduce administrative costs so that the target set can be achieved. The new customer service procedure is required to use cash before delivery payment terms which is a way for the company to reduce the risk of loss that may occur because the company is working with customers for the first time and the company does not know how customers do business with the company. The CLV ratio is used to determine whether so far what has been provided by the company in the form of sales and marketing costs produces positive value or not. It can be seen that the CLV value is always above 1.

### 3) Discussion of Internal Business Process Perspectives

From the perspective of internal business processes, it can be seen that the average AETR ratio is 11.55%, which is far from the expected target of only 3.19% per year. AETR ratio assessment aims to develop innovation by focusing more on the effectiveness and efficiency carried out in the company's internal business processes. The cycle time of availability of customer goods looks far from the expected target. The expected target for the availability of customer goods is 3 days. However, in reality it is 8.09 days. The availability of customer goods is important because this analysis shows the turnover of working capital. The faster the goods are delivered to the customer, the more the company's working capital rotates faster. Thus, working

capital does not stop because of the waiting period for shipments. Sales order cancellation analysis is used to see how much opportunity is lost in generating profits for the company. It can be seen that with the target of the most order cancellations of 1%, the average realization is 0.8%, where the most order cancellations occurred in 2020 at 1.64%.

#### 4) Growth and Learning Perspectives

The performance of growth and learning perspectives can be seen from the results of the employee satisfaction questionnaire, so on average employees are satisfied with what has been given by the company with a score of 3,108. However, when examined in more detail, there are salary points and benefits provided by the company. The points given illustrate the dissatisfaction that makes employees dissatisfied with their work. On the basis of salaries and benefits with poor points, it can be seen that employee productivity is very low and employee training is not consistently held every year.

### 5. Conclusion

Based on the description described in the previous chapters, performance appraisal measured using four perspectives can be concluded:

- 1) The financial perspective performance using ROA, ROE and NPM ratios in 2020 showed poor performance despite improvements in performance in 2021, but in 2022 performance deteriorated again.
- 2) Customer Perspective Performance using the level of customer satisfaction, the level of new customer acquisition, and the level of consumer probability shows a number of things when viewed in terms of customer satisfaction and the level of new customer acquisition shows good performance. However, when viewed in terms of the level of consumer profitability, it showed poor performance in 2020 of only 0.06% and showed an increase in 2021 to 10.81% and decreased to -1.56%.
- 3) The performance perspective of internal business processes by using the AETR ratio, the grace period of the goods availability cycle, and the percentage of cancellation of sales orders, poor performance for the AETR ratio, and the grace period of the goods availability cycle. The percentage of sales cancellation orders showed good performance, as seen from the decrease in the percentage of order cancellations from 2020 to 2022.
- 4) Performance from a learning and growth perspective using the level of employee productivity, the percentage level of employee training, and the level of employee satisfaction found that the perspective performance when viewed from employee training, and employee satisfaction then looks good performance. However, when viewed from the level of employee productivity, poor performance can be seen as a percentage of productivity of only 0.39%.

Based on the conclusions above, there are several suggestions that can be used as input for PT. MB to improve its performance. Some suggestions that can be given include:

- 1) Broadly speaking, companies need to focus on improving factors such as workers, systems and company alignment and strategies to achieve good performance requires a large investment in human resources, systems, and processes that make up the company's capabilities. The company needs to determine the internal chain starting from the innovation process then in the operation process and ending in the after-sales service process. Identifying customers and market segments is the next stage that

companies need to do. By doing the above, the company's long-term financial goals will be achieved, namely the existence of high return on investment capital from each company business unit.

- 2) For a financial perspective, companies should increase profit margins. By increasing profit margins, the company's profits will increase and maintain expenses and operating costs at a reasonable level, as well as maintaining asset turnover, the company's efficiency in carrying out operational activities in a period of time.
- 3) For the customer's perspective, the company should manage costs to get and keep customers, the company can also develop new profitable products so that it will be able to enter new customer segments, and can analyze the types of customers who are less profitable.
- 4) For the perspective of internal business processes, companies should be more aware of inefficient administrative costs or ineffective company operational activities so that companies can increase business productivity.
- 5) For a learning and growth perspective, the company should involve employees to capture ideas where employees can contribute their ideas for the progress of the company.

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