

Performance Assessment Analysis of XYZ Private Universities Using Balanced Scorecard Method

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Abstract

This study aims to analyze the performance of XYZ Private Higher Education when measured using the Balanced Scorecard with four perspectives, that are Finance, Customers, Internal Business Processes, and Learning and growth. The research uses a qualitative descriptive approach with a case study approach. The research was carried out in the period from May 2021 to the end of June 2021. The populations in this study were Lecturers, Educational Staff, and Students in PTS XYZ. This research was conducted using mixed quantitative and qualitative methods. The results show that the financial, consumer, and internal business approaches can show good performance, but the learning and growth approach shows poor performance. Based on the performance measurement of PTS XYZ, in general, the performance shows success, but from the perspective of learning and growth, various breakthrough strategies are still needed to improve PTS XYZ's performance in the future.

Keywords

University Performance, Finance, Customers, Internal Business Processes, and Learning and Growth

1. Introduction

This research begins with the phenomenon of the low performance of universities in Indonesia. Universities have to carry out Tri Dharma activities, one of which is Research and Publication. The data in Table 1 shows the performance of international publications for the period 1996 – 2021.

Table 1 Asia Country Ranking in 1996-2021 Publication (Scimago Version)

Rank	Country	Documents	Citable documents	Citations	Self-citations	Citations per document	H index
1	China	7.454.602	7.229.532	78.201.759	44.817.420	10,49	1.010
2	Japan	3.074.206	2.895.478	54.130.480	13.573.127	17,61	1.118
3	India	2.128.896	1.946.730	22.218.913	7.526.767	10,44	691
4	South Korea	1.307.978	1.249.982	20.238.524	3.782.419	15,47	762
5	Taiwan	748.274	712.734	11.832.828	2.045.004	15,81	585
6	Hong Kong	368.737	335.225	8.826.828	1.006.759	23,94	639
7	Malaysia	368.061	351.217	3.533.978	827.096	9,60	373
8	Singapore	352.240	315.906	8.245.716	841.769	23,41	646
9	Thailand	223.696	210.356	2.929.417	447.160	13,10	369
10	Indonesia	212.806	206.360	1.054.947	268.853	4,96	259

Source: (Scimagojr 2021)

The table above shows the ranking of publications in ten countries in Asia over the last 25 years. Indonesia is ranked 10th, below three other ASEAN countries, Malaysia, Singapore, and Thailand. This condition indicates that the performance of research and publications in Indonesia is still relatively low and needs to be improved. There are still two other Dharmas, namely Education and Teaching and Community Service, but the performance of Research and

Publications can be used as an illustration that the performance of universities in Indonesia is not optimal and needs to be improved.

XYZ Private Higher Education (PTS XYZ) is committed to improving the quality of education and internal teaching on an ongoing basis and making accreditation one of the institutional strategies to compete with other universities. This competition requires PTS XYZ to build the image and reputation of the institution and introduce it to prospective students so that they can attract the interest of these prospective students to join PTS XYZ. From internal data of PTS XYZ, the problem in achieving the number of students from year to year is still below the set target, but there is an increasing trend in new student admissions over 3 years. At the beginning of the operation of PTS XYZ in 2018, the number of new student admissions was 128 people, in 2019 the number of new student admissions was 374 people so that the number of students became 502 people, and in 2020 the number of new student admissions was 663 people so that the number of students became 1,165 people (from the previous target of 5,000 then revised to 1,200 people).

To realize the vision, mission, and goals of PTS XYZ, a performance measurement tool is needed to determine the extent to which PTS XYZ can maintain and improve the quality of education and teaching. The application of the Balanced Scorecard in the analysis of PTS XYZ's performance is formulated in various strategic initiatives and indicators that can be implemented by the institution so that the performance of the institution can be achieved in a comprehensive, coherent, measurable, and balanced manner.

Taking into account the importance of the Balanced Scorecard in measuring institutional performance, the researchers are interested in conducting a study entitled "Performance Assessment Analysis of XYZ Private Universities Using Balanced Scorecard Method". This study aims to analyze the performance of XYZ Private Higher Education when measured using the Balanced Scorecard with four perspectives, they are finance, customers, internal business processes, and learning and growth.

The conceptual framework is used in this study. A conceptual framework is a description and visualization of the relationship between concepts or variables to be observed or measured through research conducted (Notoatmodjo 2012). Presentation of the conceptual framework aims to explain in a structured way the researcher's line of thought in compiling a thesis. A good conceptual framework is (Sekaran 2006): The research variables under study must be clear; The conceptual framework must be able to explain the relationship between the variables to be studied and there is an underlying theory, and the conceptual framework needs to be stated in the form of a diagram so that the research problem to be answered is easy to understand.

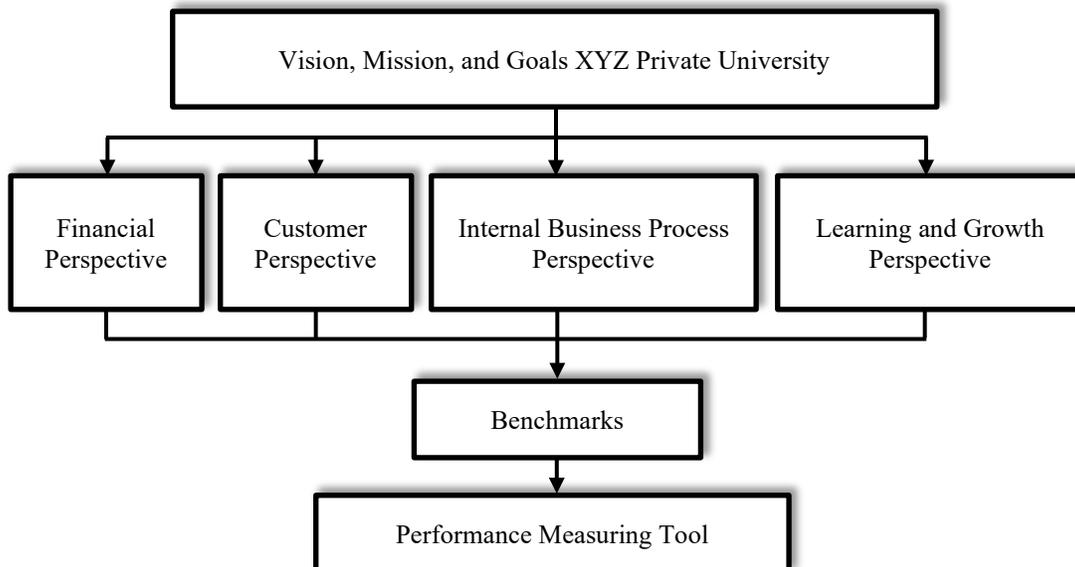


Figure 1 Research Conceptual Framework
Source: Data Processed by Researchers (2021)

Explanation of Figure 1 is as follows:

- 1) Vision, mission, and institutional goals are translated into strategic goals into each perspective in the Balanced Scorecard.
- 2) Financial Perspective
Measuring the performance of institutions in providing education and teaching Economically, Effectively, and Efficiently.
- 3) Customer Perspective
Measuring Customer Satisfaction and Customer Growth
 - a. Customer satisfaction
Measuring the performance of institutions in providing student and academic services.
 - b. Customer Growth
Measuring the performance of the institution in retaining old customers and adding new customers.
- 4) Internal Business Process Perspective
 - a. Innovation
Measuring the performance of institutions in innovating to develop new products and developing new methods in curriculum planning and preparation, as well as innovations in teaching and learning methods.
 - b. Operation Process
Measuring institutional performance in quality assurance of education and teaching, implementation of quality standards and accreditation, and accountability of formal legal aspects to Government Regulations. The quality learning process, improving the educational qualifications of teaching staff (lecturers), improving campus facilities and infrastructure in the form of laboratories, libraries, computers, and others.
 - c. After Sales Service
Measuring the performance of the institution in establishing cooperative relationships with outside parties, alumni, and/or companies where alumni work.
- 5) Learning and Growth Perspective
 - a. Employee satisfaction
Measuring the performance of institutions in providing welfare, facilitating teaching and learning facilities and infrastructure and research as well as maintaining the effectiveness of the ratio of lecturers and education staff to the number of students.
 - b. Employee competence
Measuring the performance of the institution in its commitment to improving the quality of its employees by providing scholarships, training, career development, and opportunities to occupy available functional positions.
 - c. Technology support
Measuring the performance of institutions in providing reliable information systems.
- 6) Benchmark
To read the various strategic objectives in each perspective, a benchmark is needed in the form of performance measures in each perspective. In addition, strategic mapping is also needed to show the causal relationship between each perspective.

2. Methodology

This research is qualitative descriptive research with a case study approach. This type of qualitative descriptive research with a case study approach is a research method that utilizes qualitative data and is described in a descriptive manner that is carried out intensively, in detail, and in-depth on a particular organization or phenomenon (Mohajan 2018). In this study, the phenomenon in question is a description of the performance of XYZ Private Higher Education (PTS XYZ) when measured by four balanced scorecard perspectives.

The research time starts at the end of May 2021 until the end of June 2021. In this study, the research population is teaching staff (lecturers), education staff, and students in PTS XYZ. In this study, the sample size was determined based on the following criteria: Permanent Lecturers: 48 people; Permanent Education Staff (permanent employee status): 9 people; and First Class Students: 128 people.

The data analysis technique is the process of systematically collecting data obtained from the answers to questionnaires, interviews, field notes, and other materials to facilitate researchers in obtaining conclusions and presenting them to others (Sutton and Austin 2015). Qualitative data analysis is inductive, namely, analysis based on

the data obtained. In this study, qualitative data analysis techniques were used, namely analysis based on the data obtained. The stages are as follows (Namey et al. 2008):

1) Data Collection

In this study, the data used are primary in the form of questionnaires distributed to lecturers, employees, and students, as well as secondary data in the form of financial data, lecturer data, employee data, student data, and others.

2) Data Reduction

Data reduction is a process of selecting, simplifying, classifying, and removing data that appears from written notes in the field that are not needed in research in such a way that the data results produce meaningful information and facilitate conclusion drawing and verification. The purpose of data reduction is the selection of whether the data is relevant or not with the final goal of the study. In data reduction, instrument testing was also carried out from the collected questionnaires.

The questionnaire as an instrument or data collection tool must be able to measure or describe the variables to be studied precisely and accurately so that the questionnaire is included in the appropriate category. To determine the feasibility of a questionnaire, the researcher must conduct a Validity Test and Reliability Test on the question points contained in the questionnaire.

a. Validity test

A validity test is a test of the accuracy or accuracy of a measuring instrument in measuring what is being measured. Validity is a measure that shows the level of feasibility of a questionnaire. The higher the level of validity of a questionnaire, the questionnaire is appropriate to be used as an instrument for collecting research data. In this study, the technique used to measure the validity of the questionnaire is the Corrected Item Total Correlation technique, where the conditions are: at a significance of 5%, if $r\text{-count} > r\text{-table}$, then the question item is declared valid, and if $r\text{-count} < r\text{-table}$, then the question item is declared invalid and must be removed from the list of questions in the questionnaire, then the validity test is repeated until all question items are valid. (Ghozali 2011).

b. Reliability Test

A reliability test is a tool used to measure the consistency of the questionnaire which is an indicator of the variables. A questionnaire is said to be reliable (reliable) if a person's answer to a question is consistent or stable over time. In this study, Cronbach's Alpha Reliability Test was carried out with the criteria if the reliability coefficient had a Cronbach's alpha value >70 , then the questionnaire was declared reliable or consistent, and if Cronbach's alpha value <70 , then the questionnaire was declared unreliable or inconsistent. The higher the value of Cronbach's alpha, the more reliable (reliable) the questionnaire (Ghozali 2011).

3) Data Analysis

Analyzing each data (primary and secondary data) with the theory used according to the four perspectives of the balanced scorecard, namely the financial, customer, internal business processes, and learning and growth perspectives.

4) Data Presentation

Data presentation is an activity when a collection of data is arranged systematically according to the subject matter, as well as compiling a pattern of relationships between sub-problems so that it is easy to understand. Presentation of data can be realized in the form of narrative text (in the form of field notes), graphics, tables, or charts as a place to guide information about what happened.

5) Drawing Conclusion and Verification

Conclusions are drawn by comparing the suitability of statements from research subjects with the meanings contained in the basic concepts of research. Verification is intended so that the assessment of the suitability of the data with the intent contained in the basic concepts of research is more precise, objective, and scientifically accountable.

3. Result and Discussion

This sub-chapter is to discuss the results of the research analysis that has been carried out. The results of the balanced scorecard model as a whole are good with a score of 108.1 with a Good predicate. Thus the performance from the four perspectives is good. However, in the concept of a balanced scorecard, what is desired is a continuous performance evaluation between the four perspectives contained in the balanced scorecard concept.

After we know the results of the overall performance evaluation, it is necessary to conduct further studies so that the next development program will be held to get more organizational value, both in terms of customer satisfaction and in terms of finance.

From the four perspectives of the balanced scorecard, the first thing that needs attention is to be evaluated, because if the customer has a positive response to the university, the satisfaction level will automatically be high, and ultimately will create customer loyalty.

If customer satisfaction is high, then the customer becomes loyal as a result, the number of customers will increase and ultimately the University's income will also increase. Based on the data obtained, student satisfaction with the factors studied is as follows.

Table 2 Customer Satisfaction Level

NO	Factor	Regular	Intensive	Graduate	Univ	% on a 5 scale
1	Employee Friendly	3,18	2,90	4,05	3,38	68%
2	Ability to understand customer needs	2,78	3,15	3,85	3,26	65%
3	Ability to explain product	3,03	2,95	3,75	3,24	65%
4	Employee Attention	2,65	3,00	3,75	3,13	63%
Average		2,91	3	3,85		

Table 2 presents data on student satisfaction with employee services. These four factors are the factors that have the lowest satisfaction value. In this case, the lowest level of student satisfaction is the employee's attention factor, on a scale of 5 the level of satisfaction is only 63%. Of the three classes studied the least attention was felt by regular class students. The next factor is the employee's ability to explain the product by 65% and the employee friendliness factor by 68%. Of the three class groups studied, the highest satisfaction was felt by postgraduate students, and the lowest was felt by regular class students.

These results are as initial data to make a new strategic action to increase customer satisfaction for the four factors mentioned above. From a learning and growth perspective, the most important thing to do is to hold training programs and human resource development related to empathy, service excellence, and product knowledge. After conducting the above training programs, the university needs to hold a motivational development program for employee attitudes and loyalty.

The results of employee training and development are periodically assessed. Assessment can be done vertically, namely, the leader assesses his employees and is also accompanied by a horizontal assessment, namely by taking opinions from co-workers about attitudes and behavior at work. At the next stage, it is necessary to conduct a re-survey of customer satisfaction, especially in classes that have a low level of satisfaction. Thus, it will be known how students respond after the employee training and development program is held.

The expected result is that if student satisfaction is high, student loyalty will increase, which in turn affects the financial perspective, namely increasing sources of income, or increasing university income. The next thing that needs attention is the success of product development and innovation strategies. The research data are as shown in table 3. below this.

Table 3 Produk Product Development and Innovation Program

No.	Description	2017/ 2018	2018/ 2019	2019/ 2020
1	Cooperation with parties outside the campus for the implementation of education and human resource development	14	15	10
2	Cooperation with DIKTI for assistance programs and Competency Grants	1	2	3
3	Cooperation with Companies/Business partners	1	4	4
Amount		16	21	17

The main objective of the product development and innovation program is to improve the image and quality of the campus both in material and non-material terms. The second is to gain an edge and obtain new sources of income for the University.

The first point is a program of cooperation with parties outside the campus for the provision of education and human resource development. This program is to establish parties outside the normal working area of the University, to organize formal and non-formal human resource development programs.

The number of collaborations established in 2019/2020 was 10, a decrease when compared to 2017/2018 which was 14. This needs attention because this program has a dual function, namely to help increase Human Resources and become a source of income for the University. If the number of collaborations decreases, the University's income from this source will also decrease.

In other cases, the University in 2019/2020 had its achievements in the Cooperation program with DIKTI for assistance programs and Competency Grants. In 2017/2018 the University did not have the program but in 2018/2019 and 2019/2020 managed to get the program. Although the scale of success obtained is relatively small compared to the target to be achieved.

But this is a milestone for the University to continue to spur the growth of the program. Because two things will be obtained together, namely firstly increasing the positive image of the community and government, secondly increasing new sources of income for the University, especially to increase the value of the investment in campus facilities and infrastructure.

The third program is Cooperation with Companies/Business partners. This program has the aim of fostering relationships with business partners to improve relations between the University and business partners and also bring students closer to business partners. The indirect effect is to harmonize the climate of education and the business world so that in the end the alumni are no longer awkward when entering the world of business and the world of work. The number of programs that have been carried out in 2019/2020 amounted to 4, an increase compared to 2017/2018 which was 1.

This program must remain a special program to improve both qualitatively and quantitatively. Among the programs that have been launched is building an incubator for business partners. In this program, the University will prepare a room and invite several companies to open a side office at that location. The expected result is that with the existence of several companies within the University, the company can directly know the learning process held by the University. Furthermore, students are expected to be able to take part in an internship program, and eventually, the company can order prospective workers as desired.

In the end, it can be concluded that the balanced scorecard performance evaluation can be applied at the University, and complements the existing performance appraisal system, namely the ISO 9001:2000-based quality management system which has been implemented by the University Management. Many other studies have been conducted which are in line with this research. Such as research by Zolfani and Ghadikolaei (2013). Both studies were conducted at private universities with the same characteristics. In private universities, there are several things that need to be considered so that the quality of education can improve and compete with large universities or state universities. These efforts include: According to the authors, (1) every student prefers to study at a prestigious and high-quality university since it provides them confidence and allows them to be more calm about their future. The authors recommend that these colleges collaborate with other groups and industry to build their goals. International participation, such as holding international conferences, can aid in the development of a university's brand. (2) Academic excellence is a goal for any university when it is founded, and there are several key aspects to consider, such as how universities can improve their brands and hire stronger academic staff, and how this plan may assist attract students with better attributes. Another plan for building their brands is to establish appropriate relationships between private colleges and high-quality universities throughout the country and the world. (3) Hiring expert

employees in higher education management and educational classes for human resource development are excellent approaches to manage educational planning and have a positive impact on product quality. (4) Because private universities are supported by fees paid by students for their education, there is a natural link between student satisfaction and the existence of these institutions. There are a lot of elements that have inspired this research and have come out of it that isn't related to it. (5) Budget control is one of the simplest and most critical aspects of an organization's existence and development. Budget control should be assigned with strategic goals and by the situation; the organization's goals policy should be used.

4. Conclusion

The conclusions that can be drawn in this study are:

- 1) That PT XYZ is currently running operations using a Quality Management system based on ISO 9001:2001 as a work standard to ensure quality procedures for processes that have been established and run well. Succeeded in maintaining certification for 6 consecutive years.
- 2) The implementation of the Balanced scorecard for the performance evaluation and assessment system is more complete so that the University can conduct a comprehensive performance evaluation on four perspectives, namely the Financial perspective, the Customer perspective, the Internal Business Perspective, the Growth, and Learning perspective.
- 3) A balanced scorecard produces measures of factors and strategic objectives that have been successful and factors that have not been successful so that the University can take various strategic actions to achieve the vision and mission that have been set.

Some things that can be suggested by researchers on the results of this study are as follows.

- 1) The application of the balanced scorecard, in general, is suitable to be applied at PT XYZ
- 2) Evaluation of the success of strategic policies on the balanced scorecard should use a shorter period, for example using the semester, mid-semester, or month period. So that short-term strategic actions can be taken immediately.
- 3) The target set for each strategic measurement in this study is based on the achievements in the previous period, it is better to consider the presence of competitors in the future so that the University is finally able to win its business competition.

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Biographies

Hendarto has completed his undergraduate studies in the field of Engineering Physics ITS in 1998, and is now completing a thesis to get a Master of Management degree in the Master of Management program, Faculty of Economics and Business at Narotama University Surabaya. From 1999 to 2017, he was involved in several local and foreign Manufacturing Industries such as PT. Matsushita Lighting Indonesia which is engaged in manufacturing lamps, PT. Supra Aluminum Industries engaged in manufacturing aluminum foil, PT. Segar Sumber Makmur which is engaged in beverage manufacturing, including as a project engineer in the production unit relocation project from Japan (the parent company) to Indonesia. Currently, active as an entrepreneur.

Hermien Tridayanti is the Head of Quality Assurance Body at Narotama University, Surabaya Indonesia. She got doctoral degree in economics from 17 Agustus University, Surabaya, Indonesia.

Agus Sukoco has completed his undergraduate studies in the Department of Marine Engineering ITS in 1996, completed his master's degree in the Master of Management in finance at Narotama University in 2006 and completed the Doctor of Management Science at STIESIA Surabaya in 2021. Active as a lecturer in department of Management at Narotama University since 2008 with courses in Mathematical Economics, Business Statistics, Business Research Methods, Strategic Financial Management and Financial Management Research. Actively participates in the research and service grant program from the Ministry of Education and Culture, DIKTI since 2010 until now. Active in national and international organizations, namely ADRI, IORA, ICOGOIA, INKINDO, World Conference, IPEST. Active in writing national and international scientific articles, writing books and several intellectual property rights products registered with the Indonesian Ministry of Law and Human Rights (SINTA).

Amrun Rosyid born in Magelang on January 7, 1979. Completed his undergraduate study program at the Sepuluh Nopember Institute of Technology (ITS) Surabaya in 2002. In 2018 he completed his Masters in Management at STIE Yapan Surabaya. Currently teaching at the Management Study Program, Narotama University, Surabaya. In addition to teaching, other activities carried out are being editors of several international journals managed by Narotama University or by other professional organizations. Other activities carried out are conducting research as well as providing workshops on Reference Managers, writing international publications, and also on the management of the Online Journal System (OJS). Currently also listed as one of the Mendeley Advisory.