

# Empowerment Of Educational Organizations In The Perspective Of The Balanced Score Card (Bsc) As An Alternative To Measuring The Performance Of Educational Institutions

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## **Abstract.**

*Educational institutions can function well if their performance can be measured clearly. Educational institutions should be empowered towards optimal empowerment, by developing schools with strategic planning, a vision and mission, an independent school, empowering the community by many efforts to increase the role and participation of the community through school committees. To make schools as educational institutions of high quality, they need to be evaluated and controlled. The School achieved can be said that the institution is measurable. One alternative is offered in measuring the performance of schools known by the Balanced Scorecard (BSC). The Balanced Scorecard was introduced by Robert Kaplan and David Norton by understanding the school's mission and strategy into objectives and measures, which are arranged in four perspectives.*

**Keywords:** *Balanced Score Card (BSC), Performance Measurement and Educational Institutions.*

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## **I. INTRODUCTION**

In today's increasingly sophisticated era, every organization including educational institutions is required to be able to carry out the dynamics of change. Various changes must be made as a logical consequence of globalization, economic liberalization, and socio-political changes in various countries. With such a constellation, every educational institution as a place to give birth to quality human resources is required to be able to compete, so that it can survive in global competition. The strategy to always compete is by strengthening the capacity of the educational institutions themselves and their human resources. Making changes to educational institutions and their human resources is one of the strategies to be able to adapt to the environment. This is a reflection that the educational institution is an organization that responds to stimuli or stimuli from the external environment. Changes made can be in the form of revitalizing organizational strategy, redesigning organizational structure, or creating human resource behaviors or competencies. However, efforts to improve the management of educational institutions, especially schools caused by policies that place schools as education providers, are very dependent on bureaucratic decisions that have a very long path and sometimes even policies issued are not in accordance with the conditions of local schools. Thus, schools lose their independence, motivation and initiative to develop by advancing their institutions in improving the quality of education. In changing educational institutions towards empowerment, the strategy developed is to develop schools that have strategic planning by building a school vision and mission, developing schools that are independent, developing schools that empower the community through efforts to increase the role and participation of the community through the school committee as a representative the role of the community in the process of administering the school.

Of all the steps taken to make educational institutions a quality institution, it is necessary to evaluate and control the implementation of their work which is the result of the work of educational institutions or it can be said that the performance achieved by these educational institutions must be measurable. One of the alternatives offered in measuring the performance of school institutions is to use the Balanced Scorecard (BSC). This Balanced ScoreCard was developed by Robert Kaplan and David Norton by translating the school's mission and strategy into various objectives and measures, which are arranged in four perspectives,

namely a financial perspective, a customer perspective, an internal business perspective and a learning perspective. Performance is the result of an organization's work in order to realize its goals. [1] Pabundu (2010: 31) At a glance, performance can be interpreted as the behavior of work, appearance or work. Therefore, performance is a multi-dimensional form of building so that the way to measure it varies greatly depending on many factors. According to [2] Wibowo (2010: 306) defines performance as the implementation of achievement results from the limit of human and technical capabilities in realizing targets that are timely and in accordance with the objectives. Meanwhile, according to Mankunegara, performance can be defined as the result of work in quality and quantity that can be achieved by a person/employee in carrying out tasks in accordance with the responsibilities given to him. While the definition of organizational performance or the performance of educational institutions is a function of the results of work/activities that exist in educational institutions which are influenced by internal and external factors of institutions or organizations in achieving the goals set for a certain period of time. From this understanding there are four elements contained in the sense of performance, namely: 1) The results of the job function. 2) Factors that influence employee performance, such as motivation, skills, role perceptions, and so on. 3) Achievement of the goals of the institution/organization 4) A certain period of time. Meanwhile Sluyter defines organizational performance as quoted by Bernadine as the effectiveness of the organization as a whole in meeting the identified needs of each group of service users (customers) through systematic efforts, which continuously improve its ability to respond to needs.

However, performance is the appearance of the work of employees both in quantity and quality. According to [3] Wirjana (2007) Performance can be in the form of individual or group work performances. Organizational performance is the result of complex interactions and performance aggregation of a number of individuals within the organization. While the value of school performance is an integrative value of all components of the school, as well as an indicator of the success of the principal's leadership which is accumulated in each period. Meanwhile Anthony, Banker, Kaplan, and Young define performance measurement as: the activity of measuring the performance of an activity or the entire value chain" (in Yuwono: 23) [4] from these views it can be concluded that performance measurement is an act of measurement carried out on various activities in the value chain that exists in an organization. The measurement results are then used as feedback which will provide information about the achievement of implementing a plan and the point at which the organization requires adjustments or planning and control activities. Performance measurement or measuring the results of work is a management tool to assess the success or failure of implementing strategies to achieve organizational goals/objectives. Performance measurement needs to always be articulated with the vision, mission of the organization, goals and objectives of the organization. Performance measurement is a must because if performance is not measured, it is not easy to distinguish between success and failure. If a success is not identified then we cannot appreciate it. When success is not rewarded, we are more likely to reward failure. And if we are unable to prove the results of work then the public cannot provide support.

According to [5] Dadang (2010:36) Performance measurement has enormous strength in relation to results-oriented concepts. If you don't measure results, then you can't recognize success and failure or if you don't measure results, you can't tell success from failure. Performance measurement includes determining performance indicators and determining the results of performance indicators. Performance must always be measured so that improvement actions can be taken. Improvement actions in question include improving performance that is still weak, improving better relations between staff and management, as well as increasing closer relationships with customers. While performance standards are benchmarks used to measure performance. To be effective the standards used should be related to the expected results. To implement an appropriate performance measurement system in order to achieve the goals in strategic planning.

## II. METHODS

The research method used is descriptive qualitative, namely describing or describing the situation in the field by photographing and presenting data as it is and interpreting correlations as existing factors that apply including perspectives or ongoing processes regarding the empowerment of educational organizations in the perspective of a balanced score card ( bsc) as an alternative to measuring the performance of educational institutions. Data collection was carried out using triangulation techniques using interviews, document studies, and field observations. The analysis was carried out through data reduction, data presentation, and drawing conclusions.

## III. RESULTS AND DISCUSSION

In knowing the level of success of a person's or organization's performance, a performance measurement tool is needed. Whittaker (in Tangkilisan, 2007: 171)[6]states that organizational performance measurement is a management function tool that is used to improve the quality of decision-making and accountability. Stout (in Tangkilisan, 2007: 174)[7]stated that the measurement of the performance of an organization is the process of recording and measuring the achievement of implementation in activities in achieving the mission through the results displayed in the form of products, services or a process. Performance measurement in school institutions which are part of public sector organizations is very important. Bastian (2007: 275)[8]explained that there are benefits of performance measurement both internally and externally in public sector organizations, namely: (a) Ensuring implementers understand the measures used to achieve performance. (b). Ensure the implementation of the performance plan that has been used. (C) Monitor and evaluate performance implementation and compare it with the work plan and take action to improve performance. (d) Providing objective rewards and punishments for the performance of executors who have been measured by an agreed performance measurement system. (e). Being a communication tool between subordinates and leaders in an effort to improve organizational performance. (f). Identify whether satisfaction has been met. (g) Helping to understand the process of government agency activities. (h) Ensuring that decision making is carried out objectively. (i) Demonstrate improvement needs to be made. (j). Reveal the problems that occur.

More specifically, Muhroji (2012)[9]explaining the benefits of performance measurement in a school institution, namely: (a). to improve the quality of educational services that have been held. Therefore, information in achieving the performance of school institutions is able to provide input to schools regarding the various educational services expected by the community. (b) Teachers and employees must measure their own various activities so as to increase motivation at work. Schools prioritize programs and activities that improve school performance. (c). Provide information on the position and position of the school by comparing it with other schools. (d). Help identify various problems faced by schools, both internal and external.Haryanto (2008) [10]states: assessing performance in an organization needs to be returned in terms of the purpose or reason for forming a system within the organization. School is an organization that has the main function of providing a quality educational service to the community. In relation to these educational services, the government has established National Education Standards as a reference basis for measuring school performance. Therefore, taking into account the various opinions of experts regarding the dimensions of organizational performance measurement, the measurement of performance in school institutions in this study refers to the National Education Standards, as stated in Government Regulation Number 19 of 2005[11]. There are eight National Education Standards that can be used as a reference for measuring school performance, as stated in Article 2 Paragraph (1), namely content standards, process standards, graduate competency standards, educator and education staff standards, facilities and infrastructure standards, management standards, funding, and educational assessment standards.

*Balanced Scorecard (BSC)* is a method proposed by Robert S. Kaplan of Harvard Business School and David C. Norton, President of Renaissance Solution Inc. in measuring company performance. The Balanced Score Card, which was originally a separate activity related to target setting, was then integrated with strategic management, and even further developed as a means for communicating between various units within an organization as well as a tool for organizations to focus on strategy. Balanced means balance, while

a score card is a card that is used to record the score of a person's/group's performance or literally is a "rapot" or performance report. This Balanced Score Card is an idea to balance financial and non-financial aspects as well as internal and external aspects of the organization. Institutional performance measurement is carried out by considering four aspects or perspectives, namely: financial, customer, internal business processes and learning and growth perspectives. If viewed from an internal and external perspective of the institution, the business/internal process perspective and the learning and growth perspective are more focused on the internal institution. Meanwhile, the financial and customer/consumer perspectives are more focused on external institutions. However, when viewed from a process and people perspective, the learning and growth perspective and the customer perspective focus more on people, while the financial perspective and business/internal perspective focus more on process.

If what is measured from a financial perspective are sales, profit, net margin, then from a customer perspective what is measured is the level of customer satisfaction, market share, and for the business process perspective the things that are measured are production volume, defect rate, and others. These four perspectives are related to cause and effect. Early in its development, the Balanced ScoreCard was intended to improve the executive performance measurement system. Prior to the 1990s, executives only measured their performance from a financial perspective. As a result, the focus of executive attention and effort is more devoted to realizing financial performance, so that there is a tendency for executives to ignore non-financial performance, such as customer satisfaction, productivity and cost-effectiveness of the processes used to produce products and services, employee empowerment and commitment in producing products and services for customer satisfaction. Innovative institutions use the ScoreCard as a strategic management system that manages the agency's strategy over time. The institution uses the measurement focus of the balanced scorecard to carry out critical management processes, as follows: (a) Clarify and translate vision and strategy; (b) Communicating and linking strategic goals and measures; (c) Plan, set goals, and align various strategic initiatives; (d) Improve feedback and strategic learning.

Kaplan and Norton (1996:71) [12] concluded that the Balanced Scorecard will be very successful when used to drive change. The Balanced Scorecard is not only used as a performance measurement system, but is developed further as a strategic management system. Balanced Scorecard when associated with the vision and mission of the organization there are 4 perspectives, namely: 1). financial perspective (stakeholders shareholders) 2). Perspective of customers (customers) 3). Perspective of internal business processes (internal-business) 4) perspective of learning and growth of employees, management and organization (learning and growth). According to [13] Kaplan and Norton (1996:71), Balanced ScoreCard: "...a set of measures that gives top managers a fast but comprehensive view of the business...include financial measures that tell the result of actions already taken...complements the financial measures with operational measures on customer satisfaction, internal processes, and the organization's innovation and improvement activities operational measures that are the drivers of future financial performance. Thus it can be understood that the Balanced Scorecard is a management, measurement and control system that is precise and comprehensive can provide managers with an understanding of performance. The performance measurement is viewed from four perspectives, namely: the financial perspective, customers, processes within the organization and learning and growth processes through cause and effect mechanisms. (lead indicators)

The aspects measured in performance management using the Balanced Scorecard approach include 4 perspectives:

- a. From a financial perspective, financial performance measurement takes into account the stages of the business life cycle, namely: growth, sustain and harvest. Growth has the best growth potential. Sustain the best rate of return, the financial target at this stage is directed at the level of return on the investment made. Harvest is the third stage where the institution actually harvests/reaps investment returns. The main financial goals in this stage are maximizing cash inflows and reducing working capital.
- b. Customer perspective, the customer perspective has two measurement groups, namely: customer core measurement and customer value propositions. For the first, it has several measurement components, namely measuring the level of satisfaction, loyalty, engagement, consumer acquisition from the target market and the probability of customers or the level of profit obtained from the target market served. This

measurement reflects the portion controlled by the institution/company over the existing market, which includes the number of customers, the number of sales, and the volume of sales units. The second is performance triggers regarding what must be presented to achieve high levels of customer satisfaction, loyalty and acquisition. To satisfy customers, institutions need to create and provide products and services that are of added value to consumers.

- c. Internal business process perspective, this process consists of three stages, namely innovation, operations and after-sales service. The innovation stage is the product research and development stage. This perspective allows managers to know how well their business is running and whether their products and or services meet customer specifications. The Balanced ScoreCard approaches or tries to identify all the processes needed to support the success of the institution's strategy, even though these processes have not been implemented. In the Balanced ScoreCard the innovation process is included in the perspective of internal business processes. Innovation process, in this process the institution explores an understanding of the main needs of customers and creates the products and services they need. Operations process is the process for creating and delivering products/services. The operational process is divided into two parts, namely the product manufacturing process and the product delivery process to customers. Meanwhile, after-sales service is a product/service sale and purchase transaction service.
- d. From the perspective of learning and growth, this is sourced from human resource factors, systems and organizational procedures. This perspective can be seen from the ability of employees including the level of employee satisfaction, employee transfers, employee added value. Included in this perspective are employee training and organizational culture. How employees contribute all their abilities to the organization, adequate information system capabilities, the need for all levels of management and employees for accurate and timely information as well as a continuous process for efforts to provide maximum motivation and initiative for employees.

Conceptually, the Balanced Scorecard assumes that strategy is central to organizational movement. The Balanced Scorecard is a unification of several fragmented improvement initiatives into a systemic improvement system. To reap the benefits of the Balanced Scorecard's effectiveness, measurement must be integrated into the management system. With the Balanced ScoreCard an institution can shift from a performance measurement system to an organizational framework of a strategic management system. Strategic management as stated by Wahyudi, is an art and science of formulating, implementing and evaluating strategic decisions between functions that enable an organization to achieve future goals effectively and efficiently. 10 Because of this, strategic management is usually associated with an integrative management approach that puts together all elements of planning, implementing and controlling by taking into account the mission and objectives of the organization, analysis of the organization's internal and external environment, strategic choices that are aligned and in accordance with strengths and weaknesses institutions with external environmental opportunities and threats and adopt organizational structures and control systems to implement selected organizational strategies. In strategic management there are six activities carried out, namely strategy formulation, strategic planning, programming, budgeting, implementation, and monitoring and evaluation. For the first activity aimed at producing the vision and mission of the institution.

The strategy formulation process is carried out through external and internal analysis, self-determination, and the formulation of the strategy itself. For strategic planning includes the process of setting goals, benchmarks, targets and initiatives. Followed by the preparation of the program, namely the elaboration of initiatives for the next few years, estimating the investment and calculating the profit earned. While the preparation of the budget aims to determine the following year's activities and the resources needed. Implementation is the stage of implementing activities according to plan, In line with strategic management, to implement the Balanced Scorecard there are four things that need to be considered, namely: 1) Clarifying and translating the vision and strategy; 2) communicating and linking various strategic goals and measures; 3) planning, setting targets, and aligning various strategic initiatives; 4) improve feedback and strategic learning. Thus it can be understood that the first step is to ensure that the vision and mission of the organization exist and are actually implemented. If we further analyze the four perspectives used in the

Balanced ScoreCard for companies, namely the financial perspective, (shareholders stakeholders), customer perspective (customers), internal business process perspective (internal business) and the learning and growth perspective of employees, management and organization (learning and growth), then the perspective of the Balanced Scorecard applied to non-profit organizations/institutions requires modification. If for a profit organization for a financial perspective it is incoming cash and working capital, then for a non-profit organization the main focus is not on financial achievement, but on achieving customer-focused goals, in the context of government organizations is the community, then public services must be provided at a cost level competitive and efficient.

If for profit organizations/institutions from a customer perspective it focuses on the number of customers, sales volume, and unit sales volume, then for non-profit organizations/organizations it is seen from the effectiveness and efficiency in meeting community needs. So that public services must be in accordance with the needs and expectations of the community ratio. Whereas for the internal process perspective is to identify and implement performance improvement programs to achieve the main goal of providing quality services to the community, and for the learning and growth perspective is to control achieving superior results in another perspective, by having added value in service to the community, namely by mastering technology and providing training for continuous improvement in service. According to [14] Gaspersz (2002:69), there are two types of measurements in the Balanced ScoreCard, namely: "1) Outcome performance-outcome (lagging) measurement, and 2) Control of performance driver performance (leading) measurement". Schools as government organizations and institutions that provide public services in the field of education are seen from a financial perspective, schools are seen as able to provide services to the community, from a customer perspective, the community as service users can be directly involved in the process of formulating policies as well as being able to evaluate school performance. Viewed from a learning and growth perspective, schools can continue to improve and create value for society and other interested parties (stakeholders). Meanwhile, from an internal process perspective,

From a customer perspective, the strategic objective is to increase the provision of quality education services by schools to children from underprivileged families. This can be measured by decreasing DO and repeat rates and increasing continuation rates (performance outcome) as well as from surveys and data collection on school education (control performance). From the perspective of internal processes with the strategic objective of increasing the capacity and infrastructure of children from underprivileged families subsidized by the government, it can be measured by increasing the capacity of schools and increasing study groups in schools (outcomes), as well as by looking at the ratio of students: classrooms and the ratio students: with study groups (performance control). By measuring the performance of institutions, it is hoped that educational institutions can provide feedback, so that they can make quality, effective educational institutions with the right solutions according to the needs of the institution. Educational institutions that can meet their needs to answer the times and society, usually stand driven by a challenge based on the results of feasibility studies, research, and in-depth observations, and then set forth in a concept that is discussed in depth by various education experts, scholars, entrepreneurs, government and various experts.

#### **IV. CONCLUSION**

From the previous explanation it can be concluded that: Balanced Scorecard when associated with the vision and mission of the organization there are 4 perspectives, namely: (1). financial perspective (stakeholders shareholders); (2). Perspective of customers (customers); (3). Internal business process perspective (internal-business); and (4) learning and growth perspective of employees, management and organization (learning and growth). Schools as government organizations and institutions that provide public services in the field of education are seen from a financial perspective, schools are seen as able to provide services to the community, from a customer perspective, the community as service users can be directly involved in the process of formulating policies as well as being able to evaluate school performance.

Viewed from a learning and growth perspective, schools can continue to improve and create value for society and other interested parties (stakeholders). Meanwhile, from the perspective of internal processes, schools with programs and activities implemented can provide results as expected. Performance

measurement or measuring the results of work is a management tool to assess the success or failure of implementing strategies to achieve organizational goals/objectives. Performance measurement needs to always be articulated with the vision, mission of the organization, goals and objectives of the organization.

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