BALANCED SCORECARD ANALYSIS TO DETERMINE COMPANY STRATEGY IN THE FUTURE AT SELECTA RECREATION PARK

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ABSTRACT

The research was conducted in Selecta Recreation Park since the increase of competition in the tourism industry in Kota Batu. As the oldest tourist which features nature, Selecta Recreation Park has to have a strategy in order to be able to compete with other tourism entrepreneurs. To realize this strategy, the company should have a good performance measurement system.

The purpose of this study is to analyze the performance of Selecta Recreation Park by using the Balanced Scorecard method. The use of the Balanced Scorecard is to measure the performance of companies through the four perspectives which are: financial perspective, customer perspective, internal business processes perspective, and learning and growth perspectives.

From the results of measurements that have been achieved, it can be seen that overall the performance of the Selecta Recreation Park has been good. It can be seen from scorecard tables that exist in every perspective. In the financial perspective suggests that performance on this perspective is good. In the customer perspective, the scorecard table shows that the performance is already good. In the internal business process perspective, it can be concluded that this perspective is considered very good. In the learning and growth perspective, researcher concludes that the performance is also good.

The conclusion that can be drawn from the results of the analysis that was done, is that the Balanced Scorecard is a performance measurement tool that is suitable to be applied in Selecta Recreation Park. This is because the Balanced Scorecard is able to measure non-financial performance such as customer perspective, internal business processes perspective and learning and growth perspective.

Keywords: performance measurement, Balanced Scorecard
INTRODUCTION

The development of tourism aspect in Batu Tourism City (BTC) making investors in vying to make and build a modern artificial tourism object. This phenomenon will certainly lead to a tight competition of tourism. By exploiting the potential that exists in BTC, investors are taking steps to invest in the tourism sector. The evidence is by the increase in new artificial tourism object like BNS (Batu Night Spectacular) and Secret Zoo. With the advent of new, modern tourism object and interesting, this condition will affect the long-standing tourism object. One such tourism object is Selecta Recreation Park. As the oldest tourism place in BTC, Selecta Recreation Park is a natural park that relies on its natural beauty and the cool air. To maintain its presence in the tourism industry, Selecta should be able to compete competitively with other tourism object.

One effort to survive is by way of making a strategy that aims to achieve its goals effectively. Strategy is a way of company or tactics used remedy achieve company goals and oriented to the future. Thus, Selecta Recreation Park need to run its strategy to gain a first position of tourism object in BTC or equal with other tourism place which are more attractive and modern.

To implement this strategy, companies need to measure performance to determine whether the strategy will be executed effectively, efficiently and economically. Performance measurement is an important factor in the business world. Companies need to be able to measure the performance of its business. Performance measurement is an activity to evaluate the performance of an organization so that it can be used as a benchmark of whether the objectives of the enterprise can be realized properly or not. Thus, performance measurement can generally be summed up as a method of measurement to assess the effectiveness of an organization based on standards that have been set.

Performance measurements which are the most popular and widely used according to Rangkuti (2012: 3) are traditional method and the Balanced Scorecard. Traditional performance measurement system only focuses on the financial aspect, with comparing the company's financial statements from year to year. In fact, the non-financial aspects also play an important role in the development of an enterprise. Because when the companies only pay attention for the financial aspect, then it can boost the financial performance which it is the hope of every shareholder. In addition, to survive in the increasingly fierce competition, companies have coined the strategy that will be poured into action, so the performance can not be
just from financial aspect. This reason is what makes Kaplan and Norton (1990) created a tool for more effective performance measurement called the Balanced Scorecard. Balanced Scorecard is a strategic management system that is able to measure the performance of companies using perspectives that were previously difficult to measure. With the Balanced Scorecard, the company can more effectively measure the performance of the company because the Balanced Scorecard is different from traditional management systems that were oriented on the financial aspects only.

As a company that is still raced on traditional performance measurement systems, Selecta Recreation Park needs to be analyzed using the Balanced Scorecard approach. The Balanced Scorecard able to measure performance based on non-financial aspects, so the company can determine the strategy of the company in the future.

**LITERATURE REVIEW**

**Definition of Balanced Scorecard**

Balanced Scorecard is defined as a set of measures that provide a comprehensive view of the top managers, including financial measures and equipped with operational measures on customer satisfaction, internal processes, and innovation and organizational development activities, as a trigger for the financial performance in the future. Balanced Scorecard is essentially made up of two words, namely the balanced and scorecard. The purpose of the word ‘scorecard’ is used to record the score results of the performance of an organization. While ‘balanced’ word intended to show that the performance will be measured in two perspectives are balanced between financial and non-financial, short term and long term, as well as internal and external. Balanced Scorecard is considered as an effective performance measurement tool because it can translate the vision and mission of the company.

**Four Perspectives of Balanced Scorecard**

Scorecard measures the performance of companies on a balanced four perspectives which are: financial, customer, internal business process, and learning and growth (Kaplan 2000: 2). Balanced Scorecard completing the set of financial measures of past performance with measures of future performance drivers. In the Balanced Scorecard, four perspectives is a unity that can not be separated. Basically, every perspective of the Balanced Scorecard has a causal relationship between one and the other. This is a unique characteristic of the Balanced Scorecard. With the Balanced Scorecard, managers can
see the business from four important perspectives.

Balanced Scorecard translates mission and strategy into performance measures of the four perspectives. Financial perspective indicates whether the strategy and operations of companies providing added value to the owner. Customer perspective indicates how the strategy and operations of companies providing added value to customers and then to the owner. Finally, the learning and growth perspective indicates how well the infrastructure works for the long-term innovation and growth.

**Balanced Scorecard Strength**

Balanced Scorecard as a performance measurement tool in a company certainly has its strength and weakness. There are four strength of Balanced Scorecard which are comprehensive, coherent, balanced and measurable. (Mulyadi, 2005: 15-18). Comprehensive measuring the performance of a more extensive and covers all major aspects of the organization. Then, coherent means that Balanced Scorecard expands the previously limited which only focus on financial aspect. Balanced Scorecard requires personnel to establish a causal link between the various strategic objectives resulting in strategic planning. Then, balanced in this context means that assessment on all aspects of management to make judgments not only focus on finance. Because all of these factors certainly have an impact in the organization for the company. Measurable is the last strength of the Balanced Scorecard according to Mulyadi (2005: 18). Strategic targets traditionally is difficult to measure the Balanced Scorecard measurements to be managed properly.

**RESEARCH METHOD**

In this study, researcher uses a qualitative research with case study approach. Researchers used a case study because the study was conducted only on one company and aims to examine the problems that exist in that company with respect to the Balanced Scorecard. The case studies in this research could present the data and findings on the perspectives in the Balanced Scorecard, as well as provide information and a deeper understanding of the relationship between the perspectives. Researcher using qualitative research with case study approach as a method aims to describe a detailed object study and learn methods to resolve the problem.

**FINDING AND DISCUSSION**

Selecta Recreation Park is one of the tourist object in BTC. Along with the rise of competition in the tourism industry in BTC, Selecta Recreation Park should strive to have a strategy in accordance with the
company's vision. Therefore, researchers conducted a study to measure the performance using the Balanced Scorecard at Selecta Recreation Park. Balanced Scorecard is a performance measurement tool that was created by Kaplan and D. Norton. With the Balanced Scorecard, the company can translate its vision and mission to make the company's strategy can be better targeted and achieved good results for the company's progress.

In the Balanced Scorecard approach, there are 4 (four) perspective is used to measure performance. The most important measurement is financial perspective. Financial perspective shows the economic consequences of decisions and actions taken by the company management. With these financial measurements, it can be seen whether the planning and implementation of the strategy has been a fundamental improvement or not. In this perspective, researchers used several benchmarks that used to measure the performance of the company are: Current Ratio, Debt Ratio, Return on Assets and Profit Margin on Sales. The current ratio has increased in the year 2010-2012. Improvement in current ratio due to the increase of cash and cash equivalents in 2011 and 2012. Cash equivalents are investments that are highly liquid, short-term and can be used to quickly cash in the sheer number that have been known without facing a significant risk of changes in value. The company's debt ratio is considered good, because it can reach the target. If the target is set at 50%, then the company's debt ratio at 42.37%. If measured using the score interval performance measurement results, the debt ratio is included in good category with a score of 4. Total debt in 2012 was Rp. 5.058.611.263, with total assets of Rp. 11.937.784.383, so the debt ratio in 2012 was 42.37%. Increased debt ratio in 2012 due to increasing of employee pension funds. The company is preparing for severance and employee appreciation rights that have fulfilled the requirements for retirement (55 years old or the minimum tenure of 30 years). With the increasing of costs for pension funds, the debt ratio in 2012 being the increase of too. After calculating ROA of Selecta Recreation Park, the ROA is 23,03%. This shows that the company's ability to generate profit is good. The realization of the PMoS was 13.80%.

If measured using the performance measurement score interval, the PMoS included in the category good enough with a score of 3. PMoS owned firms increased from 2010-2012. Increase is caused due to increased sales in Selecta Recreation Park. Overall, the financial performance is on Selecta Recreation Park included in good category. However, companies must constantly strive to make
improvements and it is expected that in the next period financial performance may be better in order to obtain the maximum profit.

For customer perspective, researcher uses market share and level of customer satisfaction as benchmarks. From the analysis, the company is able to maintain existing market share. This is demonstrated by the realization that meet the target. If the target company is pegged at 20%, then the company is able to gain market share by 25%. This is because Selecta Recreation Park is a tourist park suitable for all people. The admission price is very affordable and adequate facilities provided. To determine the level of customer satisfaction, researcher uses questionnaires as a research instrument with as many as 50 respondents. The results of the questionnaire showed that the level of customer satisfaction is excellent.

Measurement of customer satisfaction provide feedback on how well the company's doing business. This section describing the distribution of the variable of items: Reliability, Responsiveness, Assurance, Empathy, Tangible, Working Environment. All of them are obtained from respondents through questionnaires, both in the number of respondents and the percentage number.

In internal business process, benchmarks that used in this perspective are Innovation process and Customer Relationship. In the process of innovation, the company has been able to meet the target in the realization of the investment. Realization of investments is in accordance with the Recreation Park Selecta RAB (Rancangan Anggaran dan Belanja). With the increasing number of challenges in the competitive arena of business tourism, companies must constantly innovate. Innovations made during the years 2010-2012 is said to have met the target. Then, the customer relationship can be categorized excellent. This is shown by the good cooperation between Selecta Recreation Park with another company. The company continues to provide the best service so that the visitors that loyal always pleased to come back to Selecta Recreation Park.

For Learning and growth perspective, researcher using two benchmarks, namely: Turnover ratio dan Level of Employee Job Satisfaction. The results after analyzing the turnover ratio is included in the excellent category. This is because no employees who resign because they feel uncomfortable at work. Employees who came out of his work due to pension time. Maximum number of employees that came out of the years 2010-2012 only 5 people. This shows that the company is able to retain good employees. The results on employee job satisfaction is good.
Therefore, the employer continues to maintain good relationships with employees and implement high professionalism in order to maintain the attitude of the employees and have high discipline. However, the company also did not forget to appreciate the employees who are loyal and have an achievement by providing rewards to maintain employee productivity. Overall, the performance measurement of each perspective is good.

SUMMARY

This study is aimed to analyze the performance measurement using Balanced Scorecard at Selecta Recreation Park. This study shows that Selecta Recreation Park is one of company that suitable to apply Balanced Scorecard as tool of measure the performance. Basically, Balanced Scorecard can measure non-financial aspect like customer perspective, internal business process and learning and growth perspective.

The results of this study shows that performance of each perspective was good. Financial perspective shows that financial performance was good. Customer perspective also considered good because the market share at Selecta Recreation Park was great. For internal business process, can be conclude that performance of this perspective was excellent. This is because Selecta Recreation Park able to make realization for their investment program, also have ability to maintain customer relationships over the long term. For the last perspective, named learning and growth perspective, the researcher stated the performance of this perspective considered good because the company able to retain employees and make employees feel comfort in working environment.

REFERENCES


