

Balanced Scorecard As A Tool For Measuring Employee Performance

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ABSTRACT

This study examines the implementation of the Balanced Scorecard (BSC) at PT. DHF as a tool to measure employee performance, which is crucial for improving organizational efficiency and effectiveness. Using a qualitative case study approach, data were collected through in-depth interviews with management and employees, as well as internal document analysis. Overall, the study demonstrates that the implementation of the Balanced Scorecard method can serve as an effective tool for measuring employee performance at PT. DHF. The implications of these findings highlight the importance of considering multiple perspectives in performance measurement to achieve sustainable competitive advantage, with this study focusing on the learning and growth perspective. However, the study also revealed a low level of employee motivation at PT. DHF. This suggests that although the BSC is effective in measuring performance, other factors, such as employee motivation, also play a significant role in achieving optimal performance.

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INTRODUCTION

In the era of globalization and increasingly fierce business competition, organizations are required to continuously improve their operational efficiency and effectiveness. One of the key factors in achieving competitive advantage is the effective management of human resources. Employee performance, as the main indicator of the effectiveness of this management, becomes a primary focus for many organizations. Accurate and comprehensive performance measurement is essential to ensure that every individual contributes optimally to the achievement of organizational goals. However, traditional performance measurement methods are often limited to financial aspects, neglecting non-financial aspects that are equally important.

The Balanced Scorecard (BSC) emerges as a promising alternative in overcoming the limitations of traditional performance measurement methods. BSC offers a holistic framework that measures performance from four main perspectives: financial, customer, internal business processes, and learning and growth. This approach allows organizations to have a

more comprehensive understanding of their performance, not only in financial terms but also in customer satisfaction, operational efficiency, and human resource development. In the context of employee performance, BSC can help organizations identify individual strengths and weaknesses, as well as design appropriate development programs to improve their performance.

PT. DHF is a company engaged in the telecommunications sector that also uses a performance measurement system, enabling the organization to track their progress towards established goals. Within PT. DHF, there are several divisions, one of which is the operations and maintenance division, where this division undertakes work that requires careful supervision. All types of maintenance work must go through the maintenance planning department, which is intended to ensure the effective utilization of available resources and cost efficiency. Unplanned maintenance work will cause production loss and result in uneconomical resource utilization. These types of activities should be minimized as much as possible, and to make unplanned maintenance activities more effective, the authority for its execution can be given directly to the maintenance planner.

In the telecommunications industry, cellular service providers are responsible for the operation and maintenance of several tower sites spread across different locations. In this role and coordination, employee controllers play an important role in ensuring the optimal performance of each tower site. However, problems arise when the majority of employees do not attend the site tower locations according to the schedule or when needed. This leads to a decline in the performance of the tower sites that are not properly maintained, and the impact is not only felt by the company but also by their partners who use the infrastructure. The author conducted an initial observation in 2024. Based on the attendance target set by the company at 100%, company data shows that employee attendance only reached 80%. If left unaddressed, this could decrease the company's performance.

Attendance issues directly impact performance. Employee absenteeism can disrupt workflows, delay project completion, and reduce team efficiency. It can also cause financial losses, either through unnecessary overtime payments or lost business opportunities due to the inability to meet responsibilities. Poor attendance can also create an imbalance in workload among team members, potentially leading to stress, fatigue, and decreased morale.

This study aims to explore the effectiveness of BSC implementation as a tool for measuring employee performance. Focusing on a case study in the operations and maintenance division of PT. DHF, this research will analyze how BSC is used to measure employee performance. The results of this study are expected to provide valuable insights for organizations in their efforts to improve performance and competitiveness through effective BSC implementation, particularly through the learning and growth perspective.

METHODS

This study uses a qualitative approach, which aims to gain an in-depth understanding of the phenomena experienced by the research subjects, such as behavior, perceptions, motivation, and actions. This approach is carried out holistically and descriptively, using words and language in a natural context, and utilizing various natural research methods. (Polewangi et al., 2023). Data analysis serves to provide an explanation and description of the techniques

used to clarify the vision, mission, and objectives into the company's strategic plan, as well as to measure the performance of each perspective contained in the Balanced Scorecard framework. The steps of the analysis are as follows:

1. Study and observe PT DHF, specifically the operations and maintenance division, related to performance measurement.
2. Measure the performance of each perspective. This study focuses on measuring the performance of the learning and growth perspective. This perspective emphasizes how the organization can innovate and continue to grow to compete in the present and future. Therefore, human resources are required to be more productive and continuously learn in order to have the capability to innovate, work better, and ultimately improve employee performance.
3. To understand performance through business strategies, the author uses qualitative analysis by conducting interviews with the management and relevant parties as informants.

In this perspective, there are three categories:

a. Employee Retention

The employee retention category will measure the level of employee loyalty, employee productivity, and employee satisfaction based on the turnover formula according to Hasibuan (2012). The calculations are as follows:

- 1) Employee loyalty will be measured using the employee turnover ratio.
Formula: $Employee\ turnover = Employees\ leaving \times 100\% / Total\ employees$
- 2) Employee productivity will be measured using the revenue ratio (employee productivity). Formula: $Employee\ productivity = Operating\ profit \times 100\% / Total\ employees$

b. Employee Capability

Employee training, which indicates the percentage of skilled employees, provides the company with an opportunity to achieve further growth. This is calculated using the formula: $\%Skilled\ Employees = (Total\ Number\ of\ Employees\ Employees\ who\ received\ training) \times 100\%$

c. Employee Motivation

The measurement that can be carried out relates to employee absenteeism to determine the number of employee absences and to identify the total lost time absenteeism in the company's performance. Formula: $Absenteeism = Number\ of\ absent\ employees \times 100\% / (Total\ employees \times 365)$

RESULTS AND DISCUSSION

Results

Employee Retention at PT. DHF in the Implementation of the Balanced Scorecard

Employee retention plays a crucial role in determining the success or failure of a company's objectives. This means that when employees have a high level of commitment, the likelihood of achieving success significantly increases. The success of a company will have a positive impact on both the sustainability of the business and the well-being of its employees. The employee retention rate will be measured using the employee turnover ratio.

Table 1. Employee Retention

Year	Number of Employees	Number of Employees Leaving	Percentage
2020	2,189.00	6	0.27%
2021	2,201.00	17	0.77%
2022	2,226.00	0	0.00%
Average	2,205.33	7.67	0.35%

Employee commitment can also be assessed through employee productivity. Employee productivity at PT. DHF will be measured using the employee productivity ratio. The formula is: *Employee productivity = Operating profit × 100% / Total employees*

Employee Capability at PT. DHF in the Implementation of the Balanced Scorecard

Employee capability reflects the percentage of skilled employees, providing the company with an opportunity to achieve further growth. This can be demonstrated through employees who have received training.

Table 2. Employee Capabilities

Year	Number of Employees	Number of Employees Trained	Percentage
2020	2,189.00	12	0.55%
2021	2,201.00	205	9.31%
2022	2,226.00	33	1.48%
Average	2,205.33	83.33	3.78%

Employee Motivation at PT. DHF in the Implementation of the Balanced Scorecard

The measurement that can be conducted relates to employee absenteeism, to determine the number of employee absences as well as to identify the total lost time absenteeism in the company's performance.

Table 3. Employee Motivation

Year	Number of Employees	Number of Employees Trained	Percentage
2020	2,189.00	204	9.32%
2021	2,201.00	211	9.59%
2022	2,226.00	194	8.72%
Average	2,205.33	203.00	9.20%

After conducting performance measurement from the Learning and Growth perspective according to the Balanced Scorecard, the summarized results of the Balanced Scorecard can be presented as follows:

Table 4. Measurement Summary

Learning and Growth Perspective	Average
Employee Retention	0.35%
Productivity Level	0.36%
Employee Capability	3.78%
Employee Motivation	9.20%

From the figure above, it can be seen that employee retention is low, meaning that the number of employees who left over the span of three years is only 0.35%. However, this does not align with employee productivity, which is only 0.36%. This is due to the fact that employee capability, as reflected in the provision of employee training, remains low at just 3.78%. Furthermore, motivation, as reflected by the average annual absenteeism rate, is relatively high at 9.20%, indicating that employees at PT. DHF lack motivation in their work. Therefore, the company needs to consider ways to improve employee motivation. To achieve optimal performance, an individual must have strong motivation and a deep understanding of their job. These three factors—motivation, understanding, and job mastery—are crucial; without them, good performance is difficult to achieve (Pandaleke et al., 2021).

Discussion

The implementation of the Balanced Scorecard (BSC) at PT. DHF has contributed positively to the effort of comprehensively measuring employee performance. By adopting the multi-perspective approach offered by the BSC, the company not only focuses on financial aspects but also covers the learning and growth dimension, which is highly relevant in the context of human resource development. The primary focus on this perspective aims to encourage innovation and enhance employee competencies to better face the growing challenges within the telecommunications industry.

The measurement results indicate that employee retention at PT. DHF is relatively low, with an average turnover rate of only 0.35% over the past three years. This figure reflects a relatively stable level of loyalty among most employees. However, the success in retaining employees does not entirely align with their productivity level, which is recorded at only 0.36%. This discrepancy suggests that employee loyalty has not been fully translated into significant productive performance. Furthermore, from the perspective of employee capability, measurement results show that the level of training provided by the company remains very limited, with an average of only 3.78%. This low figure indicates that the company has not yet maximized training as a means to enhance employees' skills and competencies. In fact, strengthening employee capability through well-structured training programs is essential to support long-term productivity and performance.

Employee motivation has also emerged as one of the main challenges for PT. DHF. Data shows an average annual absenteeism rate of 9.20%, which indicates a serious motivation problem among employees, potentially affecting team effectiveness and the overall continuity of operations. High absenteeism rates can also create workload imbalances and lower team morale.

This condition illustrates that, although the Balanced Scorecard is capable of providing a comprehensive picture of employee performance, motivation remains an essential factor that should not be overlooked. Without strong motivational drive, employees are likely to experience stagnation in productivity and innovation, which will eventually affect the company's competitiveness in the market.

This study also affirms the importance of the connection between motivation, understanding of tasks, and job mastery in driving optimal performance. As stated by Pandaleke et al. (2021), these three elements complement each other and must be fulfilled

simultaneously to create superior performance. The absence of any of these components can hinder the overall achievement of organizational goals.

Through the findings of this research, PT. DHF can formulate more targeted strategies to boost employee motivation. Steps such as recognizing employee achievements, improving employee welfare, implementing transparent management practices, and creating a supportive work environment will be highly beneficial in fostering a positive and productive workplace culture. In addition, the company should also focus on increasing the frequency and quality of training programs for employees. With improved skills, employees will not only feel more confident in performing their tasks but will also be more motivated to contribute optimally to the achievement of organizational goals. Finally, the effective implementation of the Balanced Scorecard requires active involvement from all levels within the company. Management must ensure that every perspective measured truly reflects actual conditions in the field so that the measurement results can serve as a solid foundation for strategic decision-making. In this way, PT. DHF can formulate more targeted policies to improve employee performance and enhance the company's competitiveness.

CONCLUSION

The findings of this study demonstrate that the implementation of the Balanced Scorecard (BSC) method serves as an effective tool for measuring employee performance at PT. DHF. These results emphasize the importance of adopting a multi-perspective approach in performance evaluation to achieve sustainable competitive advantage, with a particular focus on the learning and growth perspective. However, the study also reveals that employee motivation at PT. DHF remains relatively low. This suggests that while BSC provides a comprehensive view of performance, additional factors such as enhancing employee motivation are still crucial to achieving optimal performance. To improve employee motivation, several recommendations can be proposed: (1) recognizing and rewarding employee achievements, (2) prioritizing employee welfare and well-being, (3) adopting transparent and open management practices, (4) fostering a supportive and comfortable work environment, and (5) providing opportunities for employees to grow and innovate.

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