

A PERFORMANCE MEASUREMENT IN THE FRAMEWORK OF THE BALANCED SCORECARD: ITS IMPLEMENTATION AT THE PUBLIC SECTOR

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ABSTRACT

This study aimed to reveal the essence of the uniqueness of the balanced scorecard practice in the public sector based on its dynamics and characteristics. This qualitative research utilized a case study model combining literacy, data processing, in-depth interviews, and the researchers' involvement. The results of the study indicate that the balanced scorecard can be adapted to an organization's vision and mission. Meanwhile, the customer perspective can be further divided into several perspectives, such as service partners and the stakeholder perspective, which became the ultimate goal of services. However, the financial aspect remained important and relevant for the object of the study even though it was not developed into a financial perspective independently. Instead, this aspect is included as a strategic objective from the perspective of learning and growth. In addition, the sharpening of the Key Performance Indicators (KPI) is also carried out after the results of the KPI achievement are measured and evaluated.

Keywords: *Performance Measurement, Balanced Scorecard, Key Performance Indicators, Public Sector.*

INTRODUCTION

Since the 1998 reformation era, the performance of our government has been in the public spotlight. Bureaucratic reforms continue to be rolled out so that community services are more transparent and accountable. A comprehensive performance measurement that does not only look at particular aspects like the government budget is required to actualize the performance of these accountable services. A balanced scorecard-style (BSC) performance measurement system was developed in western countries in the 1990s along with these dynamics. Initially, the balanced scorecard was applied in the private sector. The balanced scorecard has the advantage of allowing for a more comprehensive performance measurement system that includes not only a financial perspective (budget), but also a customer perspective, internal processes, and learning and growth (Kaplan & Norton, 1992). This broader measurement perspective is also what the service-based public sector wants. So far, the balanced scorecard has been successful in measuring the performance of the private sector based on four perspectives (financial, customer, internal business, as well as growth and learning), but whether these four perspectives are fulfilled is a

challenge for the implementation level in the public sector. The next point is how each perspective is translated into performance indicators, which are measured consistently. This study aimed to reveal the essence of the uniqueness of the public sector balanced scorecard practice based on its characteristics.

Due to its superiority in balancing the measurement of financial and non-financial aspects, many organizations have succeeded in achieving their goals, even exceeding the targets that had been set previously. It is not only the private sector that applies it, but the public sector also adopts it. The first success story in the public sector was in the City of Charlotte (USA), which used the balanced scorecard as a management tool (Zastempowski, 2015:53–63). The application of the balanced scorecard in the world is rife with the development of the New Public Management concept in government (Madsen et al., 2019). The Indonesian government is also considering implementing the balanced scorecard. It can be noted here that the Ministry of Finance is one of the government institutions that adopted the first balanced scorecard in 2008.

A clear distinction between the implementation of the balanced scorecard in the

public (government) and private sectors lies in the objectives to be achieved. The goals of the private sector are driven by profit and shareholder interests. Meanwhile, the public sector focuses on providing services to the public, either directly or indirectly (through service support).

Soebroto (2010) conducted an evaluation study on the implementation of the balanced scorecard at the Inspectorate General of the Ministry of Finance. His study is considered to be an early study of the implementation of the balanced scorecard in the public sector. In this study, he concluded that the balanced scorecard applied by the object had not been fully used as a performance management system. This was evidenced by the preparation of strategic targets, which did not follow the mission of the Inspectorate, and several Key Performance Indicators (KPI), which were not in accordance with the strategic objectives and types of balanced scorecard perspective. Then, Nor (2012) investigated how the balanced scorecard was used in local governments, specifically the East Kalimantan Provincial Government. He found that the balanced scorecard was implemented following the original theory and included all four perspectives; however, it began with a financial perspective (funding) to support innovation and learning, which was expected to encourage the performance of the internal process perspective, and finally actualized the customer perspective, namely economic growth. Furthermore, a study conducted by Cahyono (2020) revealed that public sector organizations could implement a performance measurement, but some obstacles were found in measuring the financial aspect. At last, a study of the balanced scorecard at the Ministry of Marine Affairs conducted by Dharmayuni and Khairuddin (2021) emphasized the stages of implementing the balanced scorecard utilizing three perspectives; they were customers, internal business processes, and learning and

growth. Thus, this study did not fully highlight the role of the financial perspective on the object.

In contrast to previous studies, which mostly highlighted the stages of implementing the balanced scorecard by mentioning several perspectives, this study took a more comprehensive view of the application of the balanced scorecard, not only from the perspective of the strategy map but also from how KPIs were measured and managed. This case study focused on the public sector at the Directorate of Evaluation, Accounting, and Settlement, Directorate General of Financing and Risk Management, Ministry of Finance. This study explored the use of the four perspectives of the balanced scorecard, whether all four must exist or had to be adapted to the context of achieving the vision and mission and the characteristics of the organization, and how to implement them, for example, the role of the financial perspective and the customer perspective in the framework of the balanced scorecard in the public sector. The study also explored the measurement of KPI achievement in relation to the strategic objectives of each perspective and the best ways to advance balanced scorecard practices moving forward in the public sector.

RESEARCH METHODS

This research, which focused on the use of the balanced scorecard at the Directorate of Evaluation, Accounting, and Settlement, Directorate General of Financing and Risk Management, Ministry of Finance, was conducted using a qualitative approach with a case study model. The data were analyzed using a framework developed by Miles and Huberman, which was divided into three stages: data reduction, data presentation, and decision-making (Miles and Huberman, 2007). In this research, the data consisted of primary and secondary data. The primary data were obtained through interviews with several participants, as listed in Table 1.

Table 1. List of Informants

No	Names	Performance Manager in
1	Santy	Subdirectorate of Calibration and Analysis of Financing Liabilities Transaction
2	Kelik	Subdirectorate of Transaction Settlement
3	Akhyar	Subdirectorate of Monitoring and Evaluation

Source: Processed from interview instruments

The secondary data, on the other hand, were gathered by conducting a content analysis of the Performance Report of the Directorate General of Financing and Risk Management, the

Performance Report of the Directorate of Accounting Evaluation and Settlement, and the Performance Contracts within the Directorate of Accounting Evaluation and Settlement. To

reinforce the analysis, balanced scorecard literacy in the public sector was extracted from its relevance to this study. Data extraction and processing were carried out from mid-2019 to mid-2020.

After collecting the data, the researchers selected, processed, and grouped the data based on their suitability for the research focus. It aimed to obtain a pattern or description of the implementation of the balanced scorecard at the Directorate of Accounting Evaluation and Settlement, especially through literature and performance reports. The interview script was prepared based on the results of the pattern or description of the balanced scorecard. The unique characteristics of the balanced scorecard on the research object were then investigated, and informants' responses were marked to make grouping the discussion materials about the study results easier. This research was assisted by Nolo Prabowo, Dina Vara Sari, and Sofatul Rachma, who were used to process data and write down the processed results.

The next step was presenting the data in a short narrative using the fourth model of the Miles and Huberman analysis data display, which was a matrix of roles referring to various opinions from the informants. The last stage was decision-making or verification. To avoid data bias from one source, the quality of data was assessed by checking through triangulation or a combination of various methods to examine interrelated phenomena from different points of view and perspectives.

The triangulation used in this research combined three different methods. The first method was the interviews conducted with the informants, who worked and were directly involved in managing the performance of the object of study. The second method involved comparing the results of the study with the performance report of the study object as well as some literacy on the application of the previously balanced scorecard. Finally, the researchers analyzed the implementation of the KPI achievement in relation to the strategic target map containing the balanced scorecard. The involvement of one of the researchers who was an employee of the study object was another advantage of this study since he understood the business process of managing an organization's performance. The role bias and subjective opinion should be avoided to the greatest extent possible by controlling the role of other researchers who were not members of the organization under this study.

RESULTS AND DISCUSSION

It is apprehended that Kaplan and Norton, who developed the idea of a company's scorecard, introduced the balanced scorecard (Kaplan & Norton, 1992:71–79). Then, this concept was translated into a measurement system that communicated a strategic intent to all elements of the company. Moreover, performance achievements were measured and monitored based on strategic objectives designed and reviewed from the perspectives of finance, customers, internal processes, growth, and learning. The government of Charlotte, North Carolina, in the United States, was the first institution in the public sector to implement the balanced scorecard concept in 1996. The Charlotte municipal administration had begun using the balanced scorecard as a management tool since it was introduced in 1990 (Zastempowski, 2015:53–63). They already had a vision and purpose statement that was developed and distributed to all citizens in order to ensure the quality of public services in a city where citizens could live, work, and relax pleasantly. It was said that the city council's role in approving the budget could not be isolated from the success of the local government.

One of the public organizations that implemented the balanced scorecard concept in Indonesia in 2008 was the Ministry of Finance. It gradually implemented the balanced scorecard from the top level (the ministry level and echelon I level) to the smallest organizational unit (Echelon III). The guidelines for performance management were included in the Decree of the Minister of Finance (Kepmenkeu) No. 12 of 2010 concerning Performance Management in the Ministry of Finance, which was later replaced by Kepmenkeu No. 454/KMK.1/2011 and then replaced again with Kepmenkeu No. 467/KMK.01/2014, as later amended by Kepmenkeu No. 556/KMK.01/2015, and the last amended by Kepmenkeu No. 300/KMK.01/2022. The policy of the Ministry of Finance to adopt the balanced scorecard as a tool to measure organizational performance as well as a strategic management tool is a breakthrough in the public sector.

Analyzing the Strategy Maps and Perspectives in the Balanced Scorecard

Referring to the vision of the Directorate General of Financing and Risk Management, "to become a professional unit in supporting APBN financing and public investment efficiently and to manage risks and maintain fiscal sustainability", the vision of the Directorate of Evaluation, Accounting, and Settlement is "to become the implementing unit for a transparent,

accountable, and credible evaluation, accounting, and financing settlement". If it is related to one of the Directorate General's missions, which is "to realize effective, transparent, and accountable management of the government debt portfolio", this vision is applicable, considering that to

maintain the management of the government debt portfolio, an implementing unit is required for the implementation of evaluation, accounting, and settlement. The Directorate of Evaluation, Accounting, and Settlement developed a strategy map as shown in Figure 1.

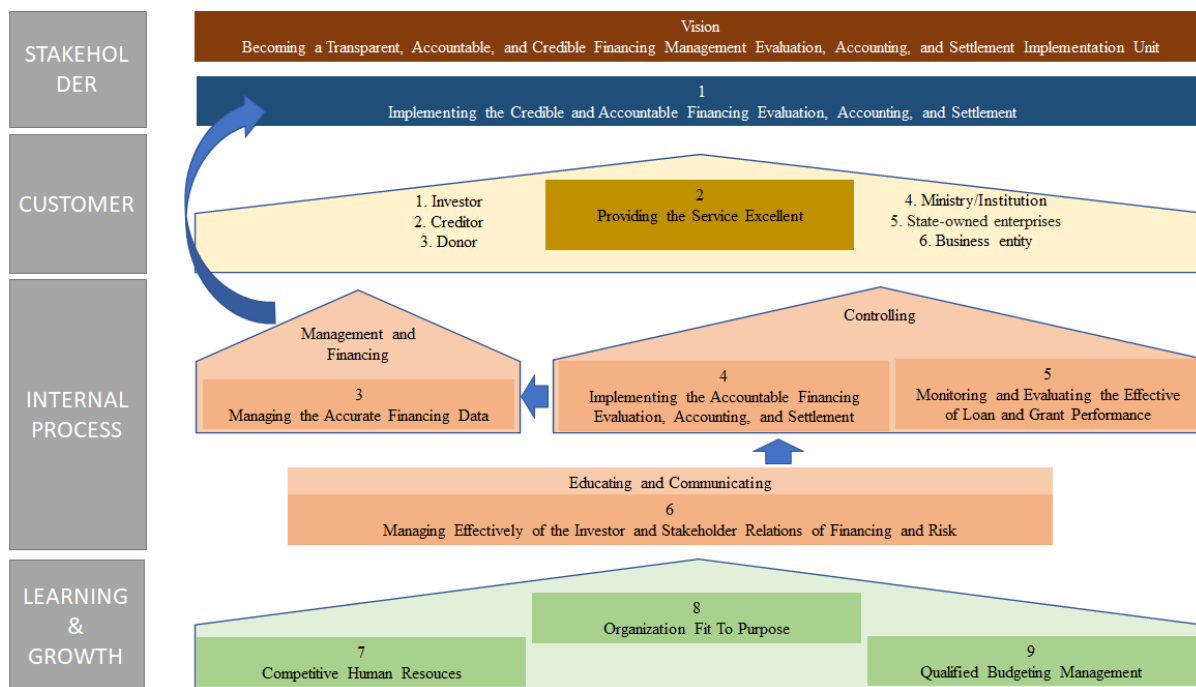


Figure 1. The Strategic Map of the Directorate of Evaluation, Accounting, and Settlement

Source: A Performance Achievement Report by Directorate Evaluation, Accounting, and Settlement

The financial perspective.

Referring to Figure 1, the study object did not explicitly apply a financial perspective in its strategy map, but it placed the strategic target number 9, namely quality budget management, in the perspective of learning and growth. It was an interesting point.

The programs and activities in the public sector will not run without a financial aspect (budget). For this reason, the budget aspect is still needed and its accountability must be measured in the balanced scorecard, so the budget aspect remains a KPI whose achievements must be measured even though it is not placed as a specific perspective (financial/budget perspective). This conclusion is different from the previous study about the application of the balanced scorecard to local governments conducted by Nor (2012), which still used the financial or budgetary perspective as an independent perspective. The disadvantage of having a stand-alone financial perspective is that it contradicts the mission of the public sector, which is not financially oriented. This is in line with the concept of "money follows programs" (Pranasari & Fitri, 2020), meaning that finance/budget is following the

programs/activities. This conclusion is also different from the previous study on the implementation of the balanced scorecard at the Ministry of Marine Affairs, conducted by Dharmayuni and Khairuddin (2021), which did not explore the budget perspective.

However, this conclusion does not contradict the theoretical framework stating that organizations can adjust the perspective and measurement aspects of the balanced scorecard (Gaspersz, 2006). Niven (2003) asserts that financial measures in the public sector ensure that organizations achieve results in an efficient manner and minimize costs. In fact, the balanced scorecard is incomplete without a financial perspective (budget) because this balanced scorecard reflects the balance of financial and non-financial aspects. Meanwhile, the study's object continued to utilize the financial aspect (budget) as a strategic target, with its KPI measured not as a separate perspective. The financial aspect was included in a learning and growth perspective, which could be interpreted as a key support for the successful implementation of organizational tasks and functions. This conclusion is in line with the confirmation of Cahyono's study (2020) that the

financial aspect is important even though it is often an obstacle considering the aspect of accountability is not easy.

Customer perspective.

Based on Figure 1, the uniqueness of the public sector balanced scorecard, which was also found in this study, was that the customer perspective was divided into two: the customer’s perspective and the stakeholder perspective. After being explored, it turned out that the stakeholder perspective demonstrated the ultimate goal of the object of the study, namely credible and accountable evaluation, accounting, and financing settlement services. This is in line with the tasks and functions of the organization supporting the tasks and functions of managing the state finances and financial risk. Meanwhile, the customer perspective showed the excellent service provided to the work partners of the study object, including investors, creditors, donors, ministries/agencies, State-Owned Enterprises, and business entities.

The peculiarity of the study object classified the customer perspective into the stakeholder perspective, which was the ultimate goal, and the customer perspective, which was a direct service to work partners. It did not contradict the basic theory of Kaplan and Norton’s (1992) balanced scorecard because the balanced scorecard could be adapted to the vision and mission derived from strategic goals (Chavan, 2009).

Internal process perspective.

Referring to the strategy map of the study object (Figure 1), there were three groups of internal processes: management and financing, control, and education and communication. This viewpoint reflected the primary tasks and functions of the object, allowing the process to ensure the implementation of relationship management with investors and financing stakeholders (debt). Internally, the implementation of financing was

also controlled so that financing risks to state finances were minimized and managed through an accurate data process. In short, the conclusions of this study were not different from the previous studies, considering that the strategic objectives from the internal process perspective were adjusted to the main tasks and functions of the organization. This required a management commitment to service improvement (Utomo, Mahmuddah, & Setiawanta, 2016).

Learning and growth perspective.

This viewpoint represented the resources required for the organization’s wheels to turn. The functions of supports in the strategy map of the study included competitive human resources, a fit-for-purpose organization (facilities, structure, culture, values, and the like), and a quality budget. It had been discussed in the previous section that the financial (budget) aspect was not used as a separate perspective but remained an important strategic target for measuring KPI achievements.

To be effective, the strategy map must be communicated to the organizational elements and related parties (service partners). The subject of this study realized that this was a challenge given the rotation of employees and changes. An informant stated as follows:

“The homework was how to communicate the meaning of the strategy map, so that people immediately sees what KPI is. Without knowing the strategy map, people don’t know what the goal is... Its job is how to communicate the strategy map so that we can know the goals of the organization going forward.” (Ms. Santy)

Based on the description and the deepening of the strategy map, it was concluded that the characteristics of the balanced scorecard of the object of study were displayed in Table 2.

Table 2. Characteristics of the *Balanced Scorecard* of the Public Sector

No	Perspectives	
	Theoretical Framework	Public Sectors
1	Learning and Growth	Learning and growth (in which there was a strategic target for the financial aspect)
2	Internal Process	Internal Process
3	Customer	Divided by customer and stakeholder perspective
4	Finance	None

The Overview of Strategic Goals and Key Performance Indicators

Based on the strategy map shown in Figure 1, the organization prepared its strategic objectives and developed its measuring tools through the formulation of KPI. Referring to Kepmenkeu No.

300/KMK.01/2022, strategic goals are statements about what an organization should have, run, produce, or achieve, while KPI is a measure of the success of achieving strategic goals or performance.

The strategy map contained nine strategic goals and 17 KPIs with four perspectives: stakeholder (proportion of KPI 11.7%), customer (11.77%), internal process (58.82%), and learning and growth (proportion 17.64%). The proportion of KPIs in the internal process perspective dominated

(58.82%) because it showed the main tasks and functions of the organization. The KPIs were measured, and their achievements were monitored to improve future performances. The details of the strategic goals and KPIs are shown in Table 3.

Table 3. Strategic Objectives and KPI

No	The Perspectives and Strategic Objectives	KPI	PIC
A. Stakeholder Perspective			
1	The implementation of credible and accountable evaluation, accounting, and financing settlement	a. The accuracy level of the payment of financing obligations	Subdirectorates of Transaction Settlement and Accounting and Reporting
		b. Financial report quality index	
B. Customer Perspective			
2	Excellent public services	a. Public satisfaction index for services	Subdirectorates of Transaction Settlement and Calibration and Analysis of Financing Liabilities Transaction
		b. The level of accuracy of recommendations on the calibration and analysis of billing documents for financing obligations	
C. Internal Process Perspective			
3	Accurate financing data management	a. Deviation of financing expenditure projection	Subdirectorates of Transaction Settlement and Accounting and Reporting
		b. Rate of the debt data accuracy	
		c. Index of timeliness of calibration and the analysis of the registration of loans, grants, Government Securities, and other government financings	Subdirectorates of Calibration and Analysis of Financing Liabilities Transaction.
4	Implementation of evaluation, accounting, and financing settlement that comply with procedures	a. Implementation level of the internal control	Subdirectorates of Transaction Settlement, Monitoring and Evaluation, and Calibration and Analysis of Financing Liabilities Transaction.
		b. Percentage of the Supreme Audit Agency's recommendations on the financial reports that are followed up	Subdirectorates of Accounting and Reporting
		c. Percentage of the Inspectorate General's recommendations that were followed up	Subdirectorates of Accounting and Reporting
5	Effective monitoring and evaluation of loan and grant performance	a. Timeliness index for submitting action plan recommendations to ministries/agencies for projects in the at risk category in a timely manner	Subdirectorates of Monitoring and Evaluation
		b. Percentage of the completion of monitoring and joint	Subdirectorates of Monitoring and

No	The Perspectives and Strategic Objectives	KPI	PIC
		recommendations on the implementation of activities financed from foreign loans in a timely manner	Evaluation
		Percentage of the completion of joint publications on the implementation of foreign loans and grants on time	Subdirectorate of Monitoring and Evaluation
6	Effective management of the investor and stakeholder relations of financing and risk	a. The effectiveness level of managing investor and stakeholder relations	Subdirectorate of Accounting and Reporting
D. Learning and Growth			
7	Competitive Human Resource	a. Percentage of employees who have met hard competency standards	Administration Subdivision
8	Fit-to-purpose organization	a. Percentage of risk management implementation	Subdirectorate of Monitoring and Evaluation
9	Quality budget management	a. Percentage of budget execution quality	Directorate of Evaluation, Accounting and Settlement

Source: Processed from Performance Achievement Report of Ministry of Finance- Two, 2019

In addition, in terms of numbers, the strategic objectives (9), KPI (17), as well as perspective (4) were quite adequate, meaning that they were neither too much nor too little. Too few KPIs could not measure the performance comprehensively. Likewise, too many KPIs could obscure the organizational focus in measuring the performance (Sulistyo et al., 2020). This is in line with Soebroto's (2008) writing that, based on its best practices, each strategic target had one to two KPIs, and in a strategy map, it should not exceed 30 KPIs.

The Achievement of KPI in Subdirectorate of Calibration and Analysis of Financing Liabilities Transaction

This Subdirectorate was responsible for the task and function of conducting analysis and calibration on the implementation of estimated transactions for payment of government obligations related to the management of loans, grants, Government Securities, and other government financings. The KPI achievements are shown in Table 4.

Table 4. The KPI Achievement of Subdirectorate of Calibration and Analysis of Financing Liabilities Transaction's

No	Key Performance Indicators	Target	Realization
1	The level of accuracy of the recommendations on the calibration and analysis of billing documents for financing obligations	100%	100%
2	Index of timeliness of calibration and the analysis of registration of loans, grants, Government Securities, and other government financings	100%	119,05%
3	Percentage of budget execution quality	95%	99,66%

Source: Processed from Directorate's Performance

The formulation of this Sub-Directorate's KPI was sufficient to support the strategic goals of the higher level (Directorate) with the realization exceeding the target. This was confirmed by the informant stating as follows:

"(It) Already supported and in line (inline). The determination of the vision and mission is directed in line with the duties and functions of Echelon I to Echelon IV. The determination of strategic targets is of course adjusted to the

direction to achieve the vision and mission. The determination in stages, translated into strategic goals which must be further elaborated in the form of achievement of both organizational tasks and functions as well as organizational outputs." (Ms. Santy)

The achievement of the current year's target would be evaluated for the development of future targets (continuous improvement). Fundamentally, the KPI target must be precise and challenging, but achievable. This is in line with the statement of the informant:

"KPI must be checked again. If the KPI has been fulfilled, for example, using another

approach. for example, from punctuality, and others." (Ms. Santy)

The KPI Achievements of Subdirectorate of Transaction Settlement

This subdirectorate had the duties and functions of preparing data and information on estimated payment of obligations, recording loan and grant transaction documents, reconciling payment data and debt positions, preparing withdrawal and payment data, calculating, processing payments, recording and reporting transactions, as well as implementing related internal controls with the management of loans and grants and other financing. The KPI achievements are shown in Table 5.

Table 5. KPI Achievements of Subdirectorate of Transaction Settlement

No	Key Performance Indicators	Target	Realization
1	Accuracy level of payment of financing obligations	100%	100%
2	Public satisfaction index for services	4,70	4,71
3	Deviation of financing expenditure projection	5%	0,2%
4	Rate of debt data accuracy	98%	99,9%
5	Level of implementation of internal control	99,78%	100%
6	Percentage of budget execution quality	95%	99,66%

Source: Processed from Directorate's Performance

The achievement of KPI realization exceeded the target so that, overall, the KPI revealed in this Sub-Directorate supported the success of the strategic targets at the upper level (Directorate). This was reiterated by the informant:

"The KPI of the Sub-Directorate of Transaction Settlement has been created to support strategic goals. Very helpful, has been very good." (Mr. Kelik)

KPI Achievements in the Sub-Directorate of Accounting and Reporting

This Subdirectorate had the duties and functions of implementing the accounting for the management of loans, Government Securities, and grants; preparation of debt and grant reports. The KPI achievements are shown in Table 6.

Table 6. KPI Achievement of Subdirectorate of Accounting and Reporting

No	Key Performance Indicators	Target	Realization
1	Financial report quality index	4	4
2	Level of implementation of internal control	99,78%	100%
3	Percentage of the Supreme Audit Agency's recommendations on financial reports that are followed up	89%	94%
4	Percentage of the Inspectorate General's recommendations that were followed up	100%	100%
5	The level of effectiveness of managing investor and stakeholder relations	87%	90,07%
6	Percentage of budget execution quality	95%	99,66%

Source: Processed from Directorate's Performance

This sub-directorate consists of six KPIs for which it is responsible. Based on Table 6, four KPIs presented the realized achievements that exceeded the target and two KPIs were realized

based on the target. The quality index of financial reports was crucial for it contributed to the preparation of financial statements at the level above it. The financial reports, which became the

responsibility of this Sub-Directorate were related to the Budget Section (BS) 999.01, BS 999.02 and BS 999.03. Overall, the performance of the Sub-Directorate of Accounting and Reporting supported the strategic objectives of the higher level (Directorate). The four KPI achievements exceeding the target would be an indicator for future improvement. As a learning organization, IKU was expected to have a target that continued to grow to the optimal point in order to improve overall organizational performance.

KPI Achievements of the Sub-Directorate of Monitoring and Evaluation. This Sub-Directorate had the duties and functions to carry out monitoring and evaluation related to the implementation of loans, grants, and project financing of ministries/agencies financed by the issuance of State Sharia Securities; preparing materials for analysis and drafting regulations related to financing and grant settlement business processes. The KPI achievements are shown in Table 7.

Table 7. KPI Achievement of Subdirectorate of Monitoring and Evaluation

No	Key Performance Indicators	Target	Realization
1	Level of implementation of internal control	99,78%	100%
2	Timeliness index for submitting action plan recommendations to ministries/agencies for projects in the at risk category in a timely manner	100%	112,5%
3	Percentage of completion of monitoring and joint recommendations on the implementation of activities financed from foreign loans in a timely manner	100%	100%
4	Percentage of completion of joint publications on the implementation of foreign loans and grants on time	100%	100%
5	Percentage of risk management implementation	100%	100%
6	Percentage of budget execution quality	95%	99,66%

Source: Processed from Directorate's Performance

Table 7 demonstrates that three KPI achievements exceed the target. The results of the exploration in the field revealed that this achievement showed a cumulatively good performance of the Sub-Directorate. However, it is possible that the KPI target will be lower in order to be achieved more easily. Consequently, it is not only KPI's achievement that exceeds the target is used as an improvement area, but it can also be used as an evaluation of the suitability of its achievements with efforts or optimizing resources and tools to achieve them. The informant stated the following:

“(In this regard) the KPI should be made more realistic, but not just looking for safety. Almost all KPIs in the Monitoring and Evaluation Sub-Directorate have supported the strategic objectives of the Directorate. (However, IKU) joint monitoring and joint publishing of the Foreign Loans and Grants Progress Report (no. 3 and 4 Table 7) are not realistic (because) there are differences in performance assessment during withdrawal activities between the Ministry of Finance and Bappenas so joint monitoring is not carried out. It is better not to have the KPI.” (Mr. Akhyar)

Thus, unrealistic reviews of KPIs, such as differences in the way of measuring performance between the Ministry of Finance and its partners,

cause the measuring instrument to be less valid. Therefore, it is necessary to look for other more suitable KPIs to reflect the concept of performance measurement based on the provisions of the Minister of Finance. The level of control over the KPI achievement is also important to note, namely whether the KPI achievement is only influenced by internal or external control of the organization. The two KPIs, namely the KPI related to the timeliness index for submitting action plan recommendations to ministries/agencies for projects in the at-risk category and the KPI about the percentage of completion of monitoring and joint recommendations on the implementation of activities financed by foreign loans in a timely manner, can be combined into a KPI percentage of recommendation results, monitoring the progress of projects/activities that are followed up. Then, the sub-IKU of the recommended action plan can be proposed to be removed and replaced by submitting an early warning to the ministry/institution. In addition, the KPI percentage of the completion of joint publications on the implementation of foreign loans and grants in a timely manner can be transferred to the strategic objectives of policy formulation. These KPIs can be reworded into KPIs at the level of completion and implementation of policies within the scope of the Directorate, with the formulation

of the KPIs following the concept of Ministry of Finance level one (Kemenkeu-One), namely the Directorate General level.

The proposed revision (refinement) of the KPI is essentially a means of evaluating and continuously improving the organization's implementation of the balanced scorecard concept. Every change, especially those regarding changes to elements in the strategy map, must always be communicated with internal HR and service partners in order to minimize the problem of misunderstandings. Syahdan, Munawaroh, & Akbar (2018) warn of the problem of cascading communication so that upper-level messages are not captured properly at lower levels or vice versa (suggestions from below are not responded to adequately). In fact, as a strategic management system, the balanced scorecard requires alignment of the vision and mission. This is supported by the statement of the informant:

"Final improvements... In addition to be useful, there must be communication and commitment. It should be kept simple because not everyone, especially the general public, can read the strategy map. For example, related to debts carried out by the Directorate General of Financing and Risk Management, the Ministry of Finance, the public does not know what the debt is for; they only know how much they owe. Their thoughts immediately become negative when they hear debts, even though there are benefits and advantages." (Ms. Santy).

CONCLUSION

Based on the results of the discussion, it can be concluded that the Directorate of Evaluation, Accounting, and Settlement and the Directorate General of Financing and Risk Management of the Ministry of Finance have implemented the balanced scorecard principle by translating the vision and mission into a strategic map covering strategic objectives in each perspective. Relevant Key Performance Indicators (KPI) were developed following the strategic objectives. Consistently, KPIs were measured and monitored for their achievements to evaluate future KPI improvements. Slightly different from the balanced scorecard designed by Kaplan and Norton (especially from the customer perspective), the object of this study modified or adjusted this concept into two perspectives, namely the perspective of the customer, who was directly served, and the perspective of stakeholders, which was the ultimate goal of the object of this study, based on its main service in terms of financing evaluation services, while at the same time

supporting the strategic goals of the units at the top level. The object of this study was also not to create a financial perspective but rather to create a strategic target for the financial aspect (budget) in the learning and growth perspective, which was measured by KPI's achievement. Still, the object of this study considered that the financial aspect (budget) was crucial to be managed in the balanced scorecard although it was not in the form of a separate perspective. The adjustment to the customer perspective and the financial aspect was a real adjustment to the implementation of the public sector balanced scorecard, considering that its mission was not to seek profit but to emphasize services according to their duties and functions.

The KPI, as an elaboration of strategic targets, was measured, and it was possible to evaluate its realization. The achievement of KPIs that exceeded the target, does not necessarily trigger the institution to stop and feel satisfied. The results of in-depth interviews revealed that several KPIs were less relevant to their strategic goals, especially those related to joint monitoring and joint publishing of the Foreign Loans and Grants Progress Report, considering that there were differences in the performance assessments between the Ministry of Finance and Bappenas. In addition, the KPI index for the timely submission of action plan recommendations to ministries or agencies for projects in the at-risk category and the KPI percentage completion of monitoring and joint recommendations on the implementation of activities financed from foreign loans on a timely basis can be combined into a KPI of the recommendation percentage of the results of monitoring the followed-up progress of projects or activities. Then, the sub-IKU of the recommended action plan could be replaced by submitting an early warning to the ministry or institution. The KPI percentage of completion of joint publications on the implementation of foreign loans and grants in a timely manner can be transferred to the strategic objectives of policy formulation.

The changes of KPI that were reviewed and implemented indicated that the public sector balanced scorecard was flexible and not rigid, adapting to the translation of tasks and functions (a derivative of organizational strategy). Thus, the translation of strategy into a measurable action through the KPI can be embodied in line with Kaplan and Norton's (1996) guidelines for translating strategy into action. Changes to refinement require adjustments to the organization's strategy map, and the next challenge is communicating the new strategy map to organizational personnel and service partners. In

this way, the balanced scorecard provides the meaning of continuous learning for the organization.

Although literature reviews, data processing, in-depth interviews, triangulation, and even the involvement of researchers had been carried out, this study was inseparable from limitations, namely the relatively short observation period (six months), limited informants outside the object of the study (for example, a sample of investors or grant donors to the government, creditors who buy state debt, BUMN, or Bappenas), and the limitations of previous studies. Subsequent studies can have a longer engagement period so that the improvement or adjustment of KPIs is more fully monitored. In addition, future researchers could add external sources so that the discussion is richer. Studies that look at the public sector's balanced scorecard as a whole (starting from the preparation of strategic maps, the formulation of strategic perspectives and targets, and the development of measured and monitored KPIs) are still limited. Due to these limitations, it is hoped that further studies will be more widespread, considering that the measurement of public sector performance needs to be developed in line with the demands of public services.

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