IMPACT OF PERFORMANCE INFORMATION WITH APPROACHES BALANCED SCORECARD ON BUSINESS PROCESS IMPROVEMENT AT BANK ACEH

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ABSTRACT:
This study aims to determine the magnitude of the impact of performance information using the balanced scorecard approach to improving business processes at Bank Aceh. This research was conducted at 27 branch offices of PT bank Aceh in 2022. Data collection was carried out by distributing questionnaires to operations managers within the company. The research design used is the case study method with explanatory case studies as the type of research. The technique used is a population research technique with cross-sectional data types. Analysis of the data used is linear regression analysis. The results of research and hypothesis testing show that performance information with a balanced scorecard approach has an impact on improving business processes.

Keywords: Information, company performance, balanced scorecard, business processes.

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INTRODUCTION
Banks grow and develop because of Trust. The role of banks is so important in development, namely as a source of capital and financial intermediaries. Banks as financial institutions function as financial intermediaries (Sinungan, 2018). The implementation of these bank functions will accelerate the process of economic activity in a country which has an impact on accelerating its development. Islamic banks as part of the national banking sector also
play an active role in overcoming fundamental economic problems, especially in order to accelerate the revival of the national economy. Efforts that need to be made to strengthen the national banking infrastructure can be carried out by continuing to encourage the development of Islamic banks and the existence of BPRs (People's Credit Banks). These development efforts are in accordance with the objectives and background of the development of the Sharia banking system (Indonesia, 2021).

Banking is a service company that always makes gradual improvements to business processes. Improvements cannot be done all at once because banking service companies consist of tens and hundreds of sub-processes, so it is necessary to determine which business process areas will be prioritized. Determination of priority areas of business processes to be improved can be seen through company performance information that describes the company's performance in a certain period (Frias-Aceituno et al., 2014).

Banking services, performance information related to the soundness level of the bank based on the decision of the directors of Bank Indonesia no. 30/11/kep/dir dated 30 April 1997 concerning procedures for assessing the soundness level of commercial banks. In the decree it was stated that the assessment of the soundness level of a bank is based on CAMEL aspects, namely capital (capital), assets (productive asset quality), management (management), earnings (profitability), and liquidity (liquidity) (Siska, 2023).

Performance information on the CAMEL aspect of the assessment is more focused on financial performance information. Assessment of performance information to determine the success of achieving financial and non-financial performance targets in bank companies can use the balanced scorecard as a performance appraisal method (Lin et al., 2014).

Bank Aceh Syariah was born from the conversion on May 25, 2015, Bank Aceh changed its business activities from the conventional system to the entire Sharia system. The conversion process begins with the Bank Aceh conversion team supervised by the Financial Services Authority. After going through various stages and licensing processes required by the OJK, Bank Aceh finally obtained a conversion operational permit from the OJK Board of Commissioners to change business activities from the conventional system to the Sharia system as a whole. The conversion operational permit was determined based on OJK Board of Commissioners Decree No. KEP-44/D.03/2016 dated 1 September 2016 regarding the Granting of Permits for Changing Conventional Commercial Bank Business Activities to Become Sharia Commercial Banks (Khairullah et al., 2020).

The conversion of Bank Aceh into a Sharia Bank can have a positive impact on all aspects of the community's economic and social life. By becoming a Sharia Bank, Bank Aceh can become one of the
epicenters of economic growth and more optimal regional development (Djalante et al., 2020). Bank Aceh is expected to have the ability to develop and implement appropriate management strategies in order to achieve company performance targets, one of which is by conducting performance appraisals with a balanced scorecard to achieve better business processes.

Several studies that implement performance appraisal using the balanced scorecard. Christin Jurisch (2014) said that performance information has a positive effect on the business processes being carried out. Research by Erika and Endang (2016) states that there is a significant and strong relationship between balanced scorecard performance appraisal and business process improvement. Furthermore, research by Li (2021) states that human resource management strategies and company performance information simultaneously have a positive effect on improving business processes.

LITERATURE REVIEW

Performance Information with Balanced Scorecard Approach

The Nolan Norton Institute, research arm of the public accounting firm KPMG, sponsored a study on measuring future organizational performance. This study was driven by the awareness that the financial performance measures used by all companies to measure executive performance at that time were considered no longer sufficient. Good financial performance sacrifices or is created at the expense of the company's long-term interests, therefore performance is not only measured from the financial side but also from the non-financial side (Queen, 2015).

According to Ancella Hermawan (2021) Balanced scorecard consist of balanced (balanced) and (2) scorecard (score card). Cardscore is a card used to record a person's performance score. This scorecard can also be used to plan the score to be achieved or realized by personnel in the future. The purpose of this is to balance external measurements for shareholders and customers with internal measurements of internal business processes, innovation and learning and growth processes, as well as a balance between measurement of results from past efforts with measurements that drive future performance and a balance between objectivity and subjectivity.

Kaplan & Norton (1996) said further that the Balanced Scorecard can be seen from various perspectives, namely finance, customers, internal business processes, growth and learning. Kozlowski (2012) said that the objectives of the financial perspective can be very different at each stage of the business life cycle. Business strategy theory suggests several different strategies that a business unit can follow, ranging from aggressive market share growth to consolidation, exit and liquidation by identifying only three stages namely Growth, Sustain and Harvest.
Aksoy (2013) said that measurement from a customer perspective is common in all types of organizations. Measurement includes market share, customer retention, customer acquisition, customer satisfaction and customer profitability. Furthermore, from the perspective of internal business processes according to Carayannis (2015) consists of three processes, namely innovation, operations and post sale service. Meanwhile, the learning and growth perspective as stated by L’Écuyer (2019) consists of three main measurement categories namely employee capabilities, information systems capabilities, as well as motivation, empowerment, and alignment.

**Business Process Improvement**

The Concept and Importance of Business Processes

Andersen (1999) says that a business process is a series of related transaction logic that transforms inputs into results or outputs. The same thing was expressed by Harrington (1991) who revealed that there is no product or service without a process, there is no process without a product or service. Any activity or group of activities that uses inputs, adds value to them, and provides outputs to internal or external customers. The process of using organizational resources to produce definite results. Harrington (1991) further said that Business Process improvement is a systematic methodology developed to help organizations make significant progress in the way their business processes work.

Business process improvement can be done easily if the improvement is prepared in a detailed plan of the steps to be carried out in the business process improvement cycle within a company. This effort is commonly referred to as the preparation of a business process improvement model (Bredrup, 1995). Activities in carrying out process improvements and including planning, review, and actions to be taken. As an illustration of a cycle, it is difficult for us to determine where to start improving business processes (Anderson & Young, 1999).

Implementation of business process improvement begins with organizing improvements (organizing for improvement) so that successful development of leadership, understanding, and commitment can be achieved. The first step taken to start organizing repairs is to establish a repair executive team that represents all parts of the company. Harvey et al (1997) said that there are several requirements that must be met by members of the business process improvement team in order to be successful, namely knowledge of the process, representation of the affected groups, communication skills, problem solving skills, interpersonal skill, management skills, and the ability to be objective. Based on this statement, better business process improvements in order to realize effectiveness, efficiency and adaptability company can be done by increasing understanding of business processes.

The next stage in improving business processes after all teams know and
understand the business processes contained within the company is to modernize business processes (streamlining). Modernizing business processes is intended to modernize/improve existing business processes to make them more efficient, effective and adaptable in order to face competitors. Competition in an environment full of competition requires companies to provide services at the most economical cost level, always innovate and be responsive to consumer demands Harrington (1991). The stages of business process improvement that are carried out after modernizing existing business processes are carrying out measurement and control (measurement and control) of business processes. Its relation to measurement and control, Harrington (1991).

The last stage carried out in improving business processes is carrying out continuous improvement (continuous improvement). Continuous improvement demands continuously setting higher goals for the company. These company goals, of course, demand better business processes so that continuous and continuous improvement is an effort that will always be carried out in order to increase the company's responsiveness to consumer demands Harrington (1991).

**RESEARCH METHOD**

Sekaran (2013) said that the object of this research consisted of two variables, company performance information (X) and the dependent variable in this study was business process improvement (Y). The subjects in this study were companies, namely 27 PT Bank Aceh Branch Offices in 2022. This research was conducted to obtain data that provides an overview of company performance information and explains its impact on business process improvement.

The research design uses a case study method with explanatory case studies as the type of research. The framework for this research is to understand the various elements that form the basis of a scientific research contained in the operationalization of research variables. The operationalization of the research variables is described as follows:

**Table 1**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Dimensions</th>
<th>Indicator</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
</tbody>
</table>
### Impact of Performance Information with Approaches Balanced Scorecard on Business Process Improvement at Bank Aceh

<table>
<thead>
<tr>
<th>Information Performance Based on Balanced Scorecard (X)</th>
<th>Information Finance</th>
<th>Information Customer Information Business process Information Internal Information Learning And Growth</th>
<th>Earning asset quality: Ordinal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>The ratio of earning assets classified to earning assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The ratio of allowance for possible losses on earning assets to classified earning assets</td>
</tr>
</tbody>
</table>

**Management:**
- Asset management
- General management
- Profitability management
- Liquidity management

**Profitability:**
- Ratio of profit to total assets
- Ratio of operating expenses to operating income

**Liquidity:**
- The ratio of net call money to current assets
- The ratio of financing to funds raised

The Core Group consists of:
- Market share
- Customer retention
- Customer acquisition
- Customer satisfaction
- Customer profitability

1. Innovation Process
2. Operation Process
3. After-sales service process

1. Officer capabilities
2. Information system capabilities
3. Individual motivation, empowerment, and alignment with the banking company

<table>
<thead>
<tr>
<th>Repair Process Business (Y)</th>
<th>Organize Repair</th>
<th>1. Establish a repair team</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2. Appoint person in charge of business process improvement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Conduct training for the</td>
</tr>
<tr>
<td>Understanding Process</td>
<td>1. Explain the scope of understanding process and mission</td>
<td>Ordinal</td>
</tr>
<tr>
<td>-----------------------</td>
<td>----------------------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td></td>
<td>2. Describe process boundaries</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Provide team training</td>
<td></td>
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<tr>
<td></td>
<td>4. Develop broad process understanding</td>
<td></td>
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<tr>
<td></td>
<td>5. Describe business and customer assessments and expected processes</td>
<td></td>
</tr>
<tr>
<td>Modernize Business process</td>
<td>6. Process flow chart</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7. Collect cost, time, and value data</td>
<td></td>
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<tr>
<td></td>
<td>8. Tracing the journey of the process</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9. Determine the differences</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10. Adjustment of process documentation</td>
<td></td>
</tr>
</tbody>
</table>

| Measurement and Control | 1. Provide team training                                 |         |
|                        | 2. Identify improvement opportunities such as: errors and rework, low quality, backlog, high costs and delays |         |
|                        | 3. Cut the bureaucracy                                   |         |
|                        | 4. Removing activities that have no added value          |         |
|                        | 5. Simplify the process                                  |         |
|                        | 6. Proof of process error                                |         |
| Repair Exercising      | 7. Repair equipment                                      |         |
|                        | 8. Setting standards                                     |         |
|                        | 9. Automation                                            |         |
|                        | 10. Process document                                     |         |
|                        | 11. Select and train workers                             |         |
|                        | 1. Develop targets and process                           |         |
assessments
2. Establish a feedback system
3. Process checks regularly
4. Establish a low quality cost system

1. Process quality
2. Conduct periodic review of qualifications
3. Describes the problem with the deletion process
4. Assess the impact of changes on customers and business
5. Perform process comparisons
6. Conduct advanced team training

RESULTS AND DISCUSSION

In connection with the use of questionnaires in collecting research data, the seriousness of respondents in answering questions is highly expected. Therefore, in order for the measuring instrument to be valid and reliable so that it can describe the actual condition of the research object, two kinds of tests need to be carried out, namely: a test of validity and a test of reliability. Data that is valid and reliable is processed using simple regression statistics.

Hypothesis testing:

$H_0$: Information on the performance of bank companies partially has no effect on improving business processes.

$H_1$: Performance information affects the improvement of business processes.

$H_0 : \beta_1 \leq 0, \text{where} : i = 1$

$H_1 : \beta_1 > 0, \text{where} : i = 1$

Performance Information with Approaches Balanced Scorecard

$\beta_1 > 0$, dimana : $i = 1$

Business Process Improvement

Research result

The results of the data processing results can be illustrated by the research results that the impact of performance information using the balanced scorecard approach to companies at 27 PT Bank Aceh Branch Offices in 2022 is as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Variabel X</th>
<th>Impact</th>
<th>Achievement</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Company Performance Information Balanced</td>
<td>69.57</td>
<td>$\geq 60%$ s/d</td>
<td>Big</td>
</tr>
</tbody>
</table>
Based on the table above, it can be said that the impact of company performance information can be said that the impact of company performance information is in the large category with a percentage of 69.57%. The magnitude of the impact of performance information on business process improvement 0.5996. Based on the above calculation results, the magnitude of the impact of the company performance information variable (X) on business process improvement variable (Y) is 0.5996 or 59.96 percent. Therefore, the magnitude of the direct impact of the company performance information variable (X) on the business process improvement variable (Y) is in the large category. Based on the above results, the interpretation of the first hypothesis where $H_0$ not equal to zero ($\beta_{1x2} \neq 0$) and not smaller than zero, means the hypothesis $H_0$ rejected and means the hypothesis $H_1$ accepted (proven hypothesis). Acceptance of the hypothesis $H_1$ means that the independent variable of company performance information (X) partially has an impact on improving business processes (Y) with a strong level of influence.

The value of the impact of X on the Y variable of 69.57 percent is the contribution of the total impact of the company performance information variable (X) on the business process improvement variable (Y). The total impact of company performance information on business process improvement has a strong impact. Based on the results of data analysis and testing of research hypotheses, it shows that business process improvement at 27 PT Bank Aceh Branch Offices in 2022 is influenced by company performance information with a strong level of influence according to the interpretation of Guilford (2020). The positive impact value in this study is in accordance with research results Rohmat (2020) and Charles (2012), Rifkhi and Rahman (2021) in that there is a significant and strong relationship between performance appraisal balanced scorecard by improving business processes. Charles (2012) said that the HR management strategy and company performance information simultaneously and partially have a positive and significant effect on business process improvement.

The influence value is 69.57%. is basically a direct influence of company performance information on improving business processes at 27 PT Bank Aceh Branch Offices in 2022.

The magnitude of the influence of company performance information on business process improvement when compared to the variables not examined, illustrates that business process improvements at 27 PT Bank Aceh Branch Offices have been carried out based on company performance information using the balanced scorecard. Company performance information with approach balanced scorecard has four perspectives,
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namely: finance, customer, internal business process, and learning & growth.

Furthermore, the implementation of business process improvements that contain continuous improvement (continuous improvement) is positively influenced by company performance information and strategy implementation by operations management according to what was stated by Rifkhi and Rahman (2021).

CONCLUSION

Based on the results of statistical hypothesis testing in this study of 27 Branch Offices of PT Bank Aceh, conclusions can be put forward. The company's performance information has an impact on improving business processes at PT Bank Aceh Branch Offices, the results of data analysis and hypothesis testing show that the total influence of company performance information is 69.57% on business process improvement at PT Bank Aceh Branch Offices with a large level of impact based on the interpretation of Guilford.

BIBLIOGRAFI


