

IMPLEMENTATION OF STRATEGIC MANAGEMENT WITH THE BALANCED SCORECARD METHOD IN IMPROVING THE QUALITY OF HIGHER EDUCATION INSTITUTIONS (CASE STUDY AT STIKES B JAKARTA)

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Abstract: The competitiveness of a nation is greatly influenced by the progress of its educational governance. Educational institutions should create qualified human resources ready to compete in the real world (Hima et al., 2022). Poor management of educational institutions results in low-quality human resources. In reality, the management of higher education in Indonesia does not match that of other countries. This can be seen from the competitiveness of its graduates and the high unemployment rate. One of the efforts to manage educational institutions effectively is strategic management. Marheni (2019) states that strategic management with the balanced scorecard method is a measurement tool for improving the quality of educational institutions. This condition has prompted researchers to examine the implementation of strategic management using the balanced scorecard approach to create good educational quality as a case study at STIKes B Jakarta. This study employs a qualitative method. The data collection instruments used are interviews, observations, and document studies. The results of this research analysis reveal that STIKes B Jakarta strives to improve the quality of the teaching and learning process through planning, improvement, and continuous development involving the entire academic community. The foundation of higher education management lies in strategic management. The implementation of strategic management in higher education is divided into four perspectives based on the Balanced Scorecard approach. The balanced scorecard method serves as a management approach from four perspectives: financial, customer, internal business processes, and learning and growth. This is the university's effort to enhance its governance quality by measuring the quality of the institution (Marheni, 2019).

Keywords: Strategic Management, Balanced Scorecard, STIKes B Jakarta.

1. Introduction

Hima et al. (2022) stated that a higher education institution with quality will become a benchmark for a nation's competitiveness. Various indicators in advanced countries are always parallel to the progress and quality of their higher education. Some characteristics of a growing higher education institution are marked by its ability to adapt to changing conditions and environmental conventions, constantly adjusting to changes and developments.

Given the rapid changes occurring every decade, university leaders must have fast adaptability. Universities must understand that changes are not stopping but rather continuing. An educational organization must be able to adapt or be responsive to changes in the development of the times (Ambar, 2013).

Ambar (2013) further states that the management of higher education institutions must be creative. The development of universities today must apply modern advancements. Educational management aims to create, improve, and enhance the quality of higher education, especially the Tridharma of Higher Education. Anticipating technological advancements and economic growth trends should be a concern for universities. In the era of globalization, the ability to compete internationally is essential.

Marheni (2019) suggests that university leaders need to develop appropriate strategies to assess educational quality. Several management tools that have been applied in the development and progress of global organizations should also be implemented in universities. For example, the Balanced Scorecard, which was originally developed for businesses, has now been implemented in universities. The Balanced Scorecard is an approach to measure organizational health, particularly educational quality (Arifudin, 2021).

Arifudin (2021) reveals the objectives of the balanced scorecard method, including evaluating the achievement of organizational vision and mission, creating indicators of organizational excellence, and serving as the basis for implementing and evaluating strategic plans. The balanced scorecard function allows users to utilize past performance evaluation data, which is essential in assessing a company's future position.

Exploring how the balanced scorecard can help develop strategic plans that impact the competitiveness of universities through its four perspectives is significant. Professor Robert Kaplan from Harvard Business School, one of the creators of the balanced scorecard model, provides theories on how to develop organizations through the Balanced Scorecard management system. University leaders must adopt the balanced scorecard in planning, implementing, and evaluating the university's performance to achieve excellence.

According to various accreditation reports, all universities engage in operational planning and strategic planning that is adjusted annually. University management invests its resources in developing strategic plans and budgets that contribute to improving the university's performance. However, in reality, most universities simply store their strategic plans in file cabinets and retrieve them at the beginning of the following year.

The university's strategic plan is only a document that does not have much impact on improving the performance of universities. When universities carry out their strategic plans, they are often constrained by inadequate resources. From various literacy sources on the performance of tertiary institutions over the past 25 years, it has been documented that 70 to 90 percent of private tertiary institutions have failed to achieve the targets outlined in their strategic plans. Almost all universities stated that the shortage of universities was not due to a bad strategy but because they failed to carry out the strategy they had chosen. Management at educational institutions is a priority in achieving the realization of strategic plans in improving the quality of educational institutions (Musnaeni et al, 2022).

University management even develops incentive compensation schemes related to achieving strategic targets. This seemingly simple action, however, poses challenges in evaluating management performance measures and leads to operational fragility in the long run. Arifudin (2021) states that evaluating the quality of higher education using the balanced scorecard model will develop specific quality evaluations related to finance, organizational growth, finance, and customer satisfaction aligned with strengths, weaknesses, opportunities, and threats. Developing a strategic planning system in universities is important to prevent them from focusing only on short-term actions and neglecting actions that align with long-term strategic goals.

2. Research Methodology

This study utilizes qualitative descriptive analysis. The researcher will describe the observed situation in more detail, transparency, and depth. The qualitative data collection techniques used include interviews with STIKes leaders, observations through observation and sensing to obtain more specific information using questionnaires, and document studies, such as reviewing the Strategic Plan documents, Quality Standard Achievement Reports, Learning Standards, and Learning Quality Evaluation Standards at STIKes B Jakarta.

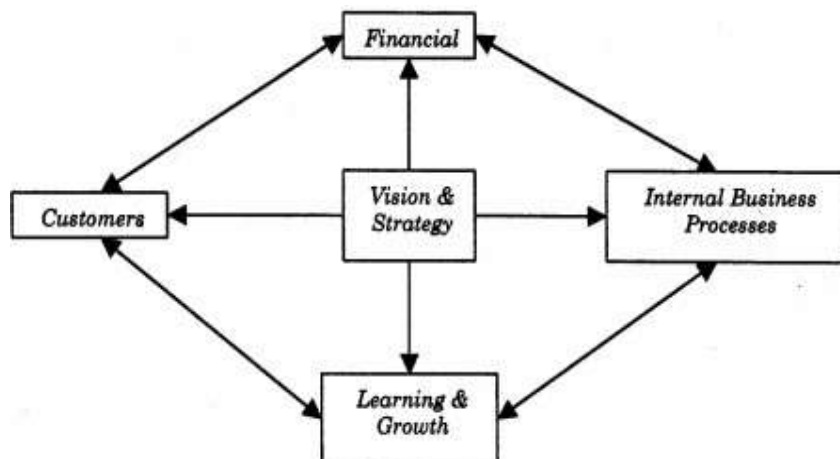
3. Theoretical Framework

Understanding Strategy Management

Strategic management is a science that is always growing and developing rapidly among academics or practitioners. The development of strategic management theory raises new ideas and theories so that they become rich and flexible. According to Hunger and Wheelen (2003), strategic management is a set of managerial decisions and actions that determine the performance of a company in the long term. Strategic management includes environmental observation, strategy formulation, implementation, evaluation, and control. Strategic management emphasizes the observation and evaluation of opportunities, and environmental threats by looking at the strengths and weaknesses of the company.

4. Balanced Score Card

A Balanced scorecard is a strategic management system that integrates an organization's vision and strategy into operational objectives and measures (Hansen and Mowen 2003). Operational objectives and measures are then expressed in four perspectives, namely the financial perspective, customers, internal business processes, and learning and growth (Kaplan and Norton 1996). The financial perspective describes the financial success achieved by the organization over the activities carried out in the other 3 perspectives. The customer perspective describes customers and market segments where the organization competes. The internal business process perspective identifies the processes that are essential to serving the organization's customers and owners. The learning and growth perspective describes the Sasi organization's ability to create long-term growth. A balanced scorecard as a management system that integrates vision, strategy, and the four perspectives in a balanced manner is shown in Figure 1.



a. Basic Concepts

Strategy management implemented in the balance scorecard method begins with how the vision and strategy of higher education can be translated into 4 perspectives which are then expressed by each perspective of vision and strategy in the form of goals to be achieved by the organization, the size (measures) of goals, targets expected in the future and initiatives or programs that must be implemented to meet strategic goals. The process of translating the vision and strategy can be seen in Figure 2.

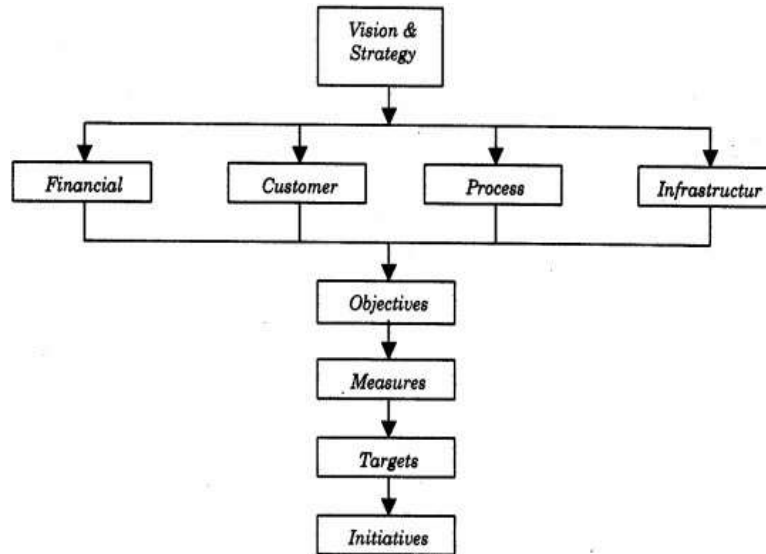


Figure 2. Strategy-Translation Process
(Source: Hansen and Mowen 2003)

b. Financial Perspective

From the financial perspective, the organization formulates the financial goals that the organization wants to achieve in the future. Furthermore, the financial goals are used as the basis for the other three perspectives in setting goals and their sizes. The financial goals of a business organization are usually related to profitability which can be measured based on operating profit, return on assets (ROA), return on equity (ROE), and others. Financial measures describe whether or not the implementation of an organization's strategy contributes to the organization's financial success.

c. Customer Perspective

From the customer perspective, the organization identifies the customers and market segments in which the organization will compete. The goal that can be set in this perspective is the satisfaction of customer needs. The measures used in this perspective include customer retention, customer satisfaction, customer profitability, new customer acquisition, market share, and others. In this perspective, the organization devises strategies aimed at meeting the needs of customers that ultimately provide financial benefits to the organization.

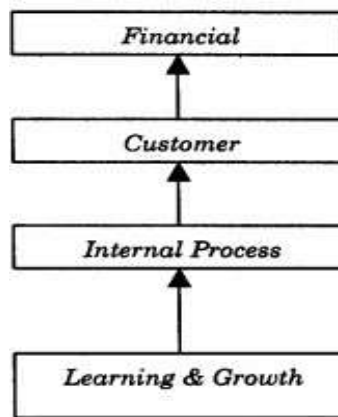
d. Internal Business Process Perspective

The internal business process perspective identifies the processes that are essential for an organization to serve its customers (customer perspective) and owners (financial perspective). The main components in the internal business process are 1) the innovation process, as measured by the number of new products produced by the organization, the time of delivery of products to market, 2) operational processes, as measured by improved product quality, shorter production process time, and others 3) the service process, as measured by after-sales service, the time required to provide services to customers, and others.

e. Learning and growth perspectives

This perspective describes an organization's ability to create long-term growth. The goal in this perspective is to provide infrastructure for financial perspectives, customers, and internal business processes so that the goals of these perspectives are achieved. This perspective aims to improve employee capabilities, improve information system capabilities, and increase alignment and motivation. Measures that can be used include employee satisfaction, employee retention, the amount of advice given by employees, and others. Each goal and measure from each perspective is a causal relationship, meaning that if the goals from the perspective of customers, internal business processes, and learning and growth are achieved, then ultimately an improvement in the

financial performance of the organization. Causal relationships are an important component of performance measurement models because causal relationships can help predict financial goals that will be achieved and can create effective learning, motivation, and communication processes (Malina and Selto 2004). The causal relationships between the four perspectives can be seen in Figure 3.



The picture above can be seen that the perspective of learning and growth is the basis for other perspectives. If from the perspective of learning and growth, there is an increase in workers' expertise, it is expected that there will be an increase in the quality of products produced in the perspective of internal business processes, then quality products will increase customer satisfaction (customer perspective)

5. Result and Discussion

As a private tertiary institution, STIKes BPI Jakarta also always strives to improve the quality of tertiary institutions to improve the quality of higher education services which will eventually become superior tertiary institutions and become a reference for the community in Jakarta and its surroundings. STIKes BPI Jakarta is in the process of developing a strategic plan using the balanced scorecard model management measurement. The balanced scorecard model was initially widely used in profitability-oriented industries but the balanced scorecard model has been widely implemented in the education sector.

In the process of implementing a balanced scorecard at the STIKes BPI Jakarta, it begins with asking the higher education leadership to clearly articulate strategic goals related to the four perspectives in the balanced scorecard into the STIKes BPI Jakarta strategy map for the fields of education, research, and community service. The STIKes BPI Jakarta management leadership makes a table of management functions starting from planning to evaluation related to the four balanced scorecard perspectives with discussion items in three sectors, namely education, research, and community service.

The strategic goals that will be achieved by each sector in the tri dharma of higher education will show the achievement of improving the quality of the STIKes BPI Jakarta. The basis for assessing organizational quality achievements is the implementation of the vision and mission. The implementation process of the balanced scorecard will have an impact on improving the quality of the educational component, namely student achievement and the effectiveness of learning by lecturers. In the community service component, for example; community involvement with the campus, the role of students in society. The research component is related to the utilization of research with its facilities to develop the use of useful technology.

STIKes BPI Jakarta as a private tertiary institution must ensure financial stability from a financial perspective on a balanced scorecard. Alignment of resources in the perspective of internal business processes at STIKes BPI Jakarta. Competition between tertiary institutions encourages STIKes BPI Jakarta to improve the quality of service quality from a customer perspective. In terms of developing human resources, training is for growth and development to improve qualifications and competencies as an implementation of an organizational learning and growth perspective.

Implementation of a balanced scorecard at STIKes BPI Jakarta requires an internal process that is efficient, effective, and productive in improving service quality that is satisfactory for the benefit of all parties, especially students as customers. STIKes BPI Jakarta is fully aware that to create a superior tertiary institution, it must invest in human resources to be able to improve the performance of higher education governance by increasing capacity and strong leadership. Supporting internal business processes related to the right resources is important in winning the competition.

STIKes BPI Jakarta leaders must increase the involvement of all organizational components in implementing a balanced scorecard to improve the quality of tertiary institutions. How to effectively implement the balanced scorecard by building a culture of strong communication, alignment of plans and goals, transparency, and accountability. The balanced scorecard as a strategy map for the STIKes BPI Jakarta is a powerful socialization tool that allows active leaders and management to share and discuss the four priority perspectives of the balanced scorecard in one framework.

STIKes BPI's strategy map in implementing this balanced scorecard will help the management team and leaders to be in the same perspective corridor in a joint effort to improve higher education performance. After the strategic objectives have been selected and placed on the strategy map for implementing the balanced scorecard, the higher education leadership at the STIKes BPI Jakarta selects important points of action for each strategic objective in the tri dharma of higher education. In this way, higher education management at STIKes BPI Jakarta believes that all elements and indicators can be easily traced back to their strategy.

For each perspective of the balanced scorecard from the four existing perspectives, higher education leaders at the STIKes BPI Jakarta then select targets, based on national performance standards. Then set priorities and fund strategic initiatives and action programs for a period of 6 to 12 months which are carried out on an ongoing basis to encourage universities to achieve targets with strategic steps.

The STIKes BPI Jakarta must also mobilize change through university leadership. Breakthrough results do not happen by chance but are part of the results of strong leadership with clear strategic planning. STIKes BPI Jakarta Management continues to strive to drive change, by developing innovations in realizing its vision, mission, goals, and objectives. Management at STIKes BPI Jakarta realizes that leadership, vision, and a revitalized higher education management system are the driving forces behind the success of the strategic transformation. The quality measurement model using the balanced scorecard has become a common language for leaders at the STIKes BPI Jakarta.

Translate the balanced scorecard strategy at the STIKes BPI Jakarta into operational terms, namely translating the strategy map and balanced scorecard to be implemented by all members of the organization. Higher education management has the responsibility to ensure indicators and strategic maps are updated every year from the results of evaluations carried out.

Higher education leaders at the STIKes BPI Jakarta can translate strategy into operations to assist the organization in raising wider funds, sustainable organizational growth, and satisfying service. Once the balanced scorecard is created at the top levels of the organization, it is passed down to the operational and support units. This allows each area of the organization to understand how it contributes to the strategy of the college.

The implementation of the balanced scorecard at the STIKes BPI Jakarta, allows higher education leaders to make breakthroughs that will provide solutions for all elements of higher education management to be accountable for their performance. Top management must create a strategy that everyone will work on. The strategy must be implemented in every person in college. Communication and training are very important for the execution of strategy implementation. There are already many universities that use the balanced scorecard to facilitate management in seeing the priorities of higher education institutions in achieving excellence and competitiveness.

STIKes BPI Jakarta makes implementing a strategic plan with a balanced scorecard model a continuous process. The balanced scorecard allows strategy to occur continuously, not just at the annual strategy review session. In tertiary institutions, indicators function as an agenda to facilitate strategic discussions that are scheduled at each meeting.

6. Summary

All management is truly willing to fully cooperate to carry out the strategic plan and vision and mission of the organization within the framework of the achievement measurement model framework through the balanced scorecard. The ongoing process must be a growing lesson for all interested parties. The implementation of the balanced scorecard model will improve the quality of tertiary institutions with performance achievements that make all team members at BPI STIKES proud.

An important long-term strategic advantage of an organization is that it can survive to grow and develop. Leaders will continue to participate with their team members in formulating strategic plans, how monitor them, how to encourage all parties to take responsibility for the results achieved, and how solve problems together. The balanced scorecard provides BPI Stikes with a different way of working and being able to implement a measurable strategic planning system. Through strategic planning using a balanced scorecard model, the leadership and management of BPI Stikes can maintain the quality of higher education institutions in the long term. Implementation of the balanced scorecard also builds an operational system that is organized for the targets set.

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