Successfully Implementing the Balanced Scorecard: Empirical Evidence in Assalaam Islamic Modern Boarding School

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The aim of this research was to find an empirical evidence concerning the implementation of Balanced Scorecard (BSC) in Assalaam Islamic Modern Boarding School Surakarta (AIMBSS) and find factors to support and to be handicap. The findings can widen the object scope approached by BSC. The study was a case study with qualitative research design was conducted using semi-structured interviews with 27 respondents from different stakeholders. The results of the research indicated that principally BSC and its attributes in strategy map of BSC can be implemented well in various level of management in AIMBSS. Besides, the research finds supportive factors in implementing BSC in AIMBSS such as: strong commitment from top management to adjust the environment change and most of human resources are ready to change and try to adapt themselves. While handicapped factor in implementing BSC in AIMBSS is resistant from some employees. It causes the system implemented not effective yet. The research limitation is lacking of financial access from management so elaboration of financial perspectives is not comprehensive yet.

Keywords: BSC, Management Strategy System, Islamic Boarding School.

1. INTRODUCTION

The development of Islamic boarding school (IBS) in Indonesia is very rapid as indicated by religious affairs ministry data. In 1997, the number of IBS was just 4,196 then in 2012, the number increased drastically to 27.230. The data indicate that there is a significant increase of the number of IBS in Indonesia. The number can also indicate that IBS have big potencies to participate in improving the quality of Indonesian education. Considering the height and the great potencies of the Islamic boarding, its management must be good. The important thing is to change the paradigm of management of IBS. IBS should be managed in good principles of management.

One of management steps done is to compose a strategy management system one of which is BSC pioneered by Kaplan and Norton.[1] BSC has much helped profit oriented organization to gain their goals. In its development, BSC is supposed to be fit as a technique of performance measurement of nonprofit oriented organization and public sector.[2] Surely that BSC could be implemented in many organizations successfully.

IBS is a nonprofit organization running in education. It has a unique characteristic compared to the other nonprofit organizations, like implied in Ref. [3] explaining that nonprofit organization gets financial resources from member and people donation without hoping for the return. Besides, each IBS has specific characteristics depending on how the type of leadership and what method implemented in the teaching process.

From 1992 to 2012, there are many BSC works conducted by academicians and practitioners.[4] Researches about implementing BSC in many organizations have been conducted, such as Refs. [5–7].

Nevertheless, Ref. [8] conducted an experiment finding a proof that the division implementing BSC and division not implementing BSC shown some good indicators in profitability and gross selling, so that BSC performance aspect is questioned seriously. Moreover Ref. [9] highlighted two healthy authorities using BSC as performance appraisal framework but empirical study conducted indicated that the research was just ceremonial and symbolic to increase manager performance in healthy authority because findings indicated that there was no significant change of performance. Other reason of the research findings in public sector organization was that BSC was used for political purposes and for looking for legitimating.

Of review known that BSC has been implemented in many sectors. Research about BSC in IBS has not been conducted yet; so that, it is interesting to conduct a research to give empirical evidence of broad object scopes being able to approach by BSC. The current research focused on the implementation of BSC in AIMBSS. The reason of AIMBSS as a research object was that

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Assalaam has been managed well using good management principles. Based on the problem background, the formula of the problems is
(1) how is the implementation of BSC in AIMBSS?
(2) what factors support and be handicapped in the implementation of BSC in AIMBSS?

2. LITERATURE REVIEW

BSC is used by an organization as supporting tool to translate and communicate vision and strategy to management and member of organization to simultaneously reach the goal. BSC directs management toward comprehensive framework to translate vision and strategy to balanced and integrated performance measurement tool. From the description, it can be concluded that BSC translates strategy to be action in an organization. Four perspectives of BSC consist of learning and growth perspectives, internal business process perspective, customers' perspective and financial one.[1, 10–13]

3. RESEARCH METODOLOGY

AIMBSS was the object of the research. The research was a case study, a detail, deep, and whole study of certain object in certain time, included its environment.[14] Analysis technique used in the research was descriptive-qualitative, observation conducted deeply toward existing data, then analyzed and described in the forms of words. Data were collected through observation in the field, analysis of documentation and in-depth-interview but not structured to some respondents represented by management and staff, students' parents, alumni, and also students of AIMBSS. To get information concerning BSC implementation in AIMBSS, the focus of the interview question was on how the implementation of BSC in AIMBSS and what factors supporting and being handicapped the implementation. The observation was conducted by doing direct observation in the object and then records the events and physical condition observed and collect written sources supporting the research.

4. EXPERIMENTAL RESULTS

AIMBSS had 386 employees of which 160 employees had tenure more than 20 years, 84 employees had tenure between 10 up to 20 years, 48 employees had tenure between 5 up to 10 years and 94 employees had tenure less than 5 years. The data indicated that most of the employees had good loyalty to the organization. From the data it was known that 177 employees were strata one graduates, 15 employees had diploma level, master degree was seven employees and doctoral graduates were two employees. The rest was senior high school graduates, 148 employees. Junior high school graduates was 14 employees and elementary school graduates was 14 employees.

4.1. Financial Perspectives

Reference [15] explains that in financial perspectives, financial performance measurement gives guidance whether strategy, implementation, and the operation give contribution or not to the increasing of organization profit. Nevertheless, the object of the research, AIMBSS was nonprofit organization; so that, profit was not the main goal. In line with vision and mission of AIMBSS,

Table I. Number of students of AIMBSS.

Year	Number of students per year	Increasing (decreasing)
2011	2215	–
2012	2254	39
2013	2329	75
2014	2458	129
2015	2489	31
2016	2472	(17)
Total	14217	257

the goal of AIMBSS focused on customers. Therefore, financial performance measurement of AIMBSS could be seen from the increasing number of students, asset increasing and the comparison between budget and realization. From Table I, it is known that the number of students was increasing from 2011–2015. From asset, it is known that the number of asset was increasing from year to year. It means that financial performance indicated that the strategy implemented by AIMBSS could give contribution to the increasing number of students and assets. The argumentation was in line with the opinion of Ref. [15] stating that in BSC, there is no causality relation but logic relation.

The data and argumentation were supported by interview with top management stating that perspectives of customer are the main goal. If customers are satisfied, the number of students will increase. It will increase the asset and then affect the welfare of employees. Principally, financial perspectives in BSC could be implemented in AIMBSS, but the researcher did not get data to all attributes. It will be research limitation. Information related to financial perspectives was just the number of students registered in AIMBSS and the number of income of students tuition. They will represent asset owned by AIMBSS.

4.2. Customer Perspectives

According to Ref. [11] the measurement of customer perspectives includes retention of market, market share, customer satisfaction, customer acquisition and customer profitability. Attributes of customer perspectives were among other: price, quality, availability, choices, function, service, and image. Students, students' parents, alumni, users and people surrounding are customers of IBS.

Table II indicates that there is an increasing number of people expecting to join from year to year. It means that strategy fixed by AIMBSS can give contribution to the increasing number of people joining to AIMBSS. The proof was supported by the result of interview to 15 customers of AIMBSS, consisting of nine students, three students' parents, three alumni satisfying with the service given by AIMBSS, from academic, academic facilities, and boarding facilities.

Based on the interview with top management, quality was very important for the organization so that quality should be improved. Though the increase of students' tuition the customers were not

Table II. The number of people wanting to join AIMBSS.

Year	Number	Increasing (decreasing)
2011	2264	0
2012	2310	46
2013	2363	53
2014	2419	56
2015	2501	82
Total	11857	237

complaint. It means that there is price there is quality. It was in line with,[16] suppressing on how good is the process of service has met the standard.

4.3. Internal Business Processes Perspectives

Internal business process perspectives translate the strategy related with the process in the organization. It can be good service, cooperation relationship, innovation process, process of the implementation up to feedback from people or social responsibilities. The measurement of internal business process perspectives in IBS through development and integrated system benefit used to make easy and widen the access of service to customers, the increasing of reliable and real time administration service, the increasing of information system, cooperation and social responsibilities.

Based on observation and interview related to internal business perspectives, AIMBSS had implemented attributes of BSC in internal business perspectives, such as in academic service and non academic one. Reference [17] explained that there must be new dimension of performance that is able to measure performance and quality through process of new product development and identify key factors of product innovation. One of findings of research[4] was that BSC must be organized and benefited in such a way so that BSC was not just toward higher performance but also to be support of new product development and organizational innovation.

4.4. Learning and Growth Perspectives

Human resources, information resources and organizational resources are three aspects of learning and growth perspectives for long term performance. Human resources affect the achievement of organizational goal through the increasing of employees' capability, system of information, motivation, empowerment and balancing. Organizational resources can be organizational culture, leadership style, team work, procedures and policy of organization.

4.5. Human Resources Aspect

Of observation and interview related to human resources, AIMBSS had given motivation to employees by giving reward and punishment. Related to empowerment of employees, AIMBSS always sent the employees to join workshop or training to improve the employees' capacity. Besides, for teachers were given opportunity to continue their study to master degree. The motivation from management could increase job satisfaction of employees, and then retention and productivity of employees would increase. The argumentation could be proven by observing the data that indicate the tenure of employees.

From welfare side, actually the salary was just standard. Something interesting in AIMBSS was about mindset of employees of AIMBSS, namely: *"working is worship, not for looking salary, when the mindset of working is worship, the livelihood will follow."* In fact, they can fulfill their daily needs, sending their children to school up to university, buying house, motorcycles, even cars. The proof can be seen from the loyalty of employees to AIMBSS.

4.6. Aspect of Information Resources

In line with the development era, information system resource must be continuously developed because technology has changed

the way people do, work, communicate, and plan something. Nevertheless, one of findings recorded in many studies about individual behavior and organization was that organization and its members refused the change. A change could trigger what seemingly a small reaction in the beginning, but after that, resistance could go on in week, in months, even in years.

Based on data, observation and interview related to information resources in AIMBSS, the system of information should be improved because the implementation was not effective and efficient yet. Besides, to respond to rapid environment change, the information system must always be updated and adjusted with the need. There were still many organizational practices using manual systems, such as: new students' enrollment, academic reports and student permission.

To overcome the resistance toward change of information system, there are seven tactics suggested by Ref. [18], namely:
(1) resistance can be lessened through communication with employees to help them rationalize the reason of change,
(2) before doing change, the employees are involved in giving significant contribution to organization so it can lessen resistance, to win commitment and increase the quality of change decision,
(3) if feeling afraid and worry of employees are high, counseling and therapy of employees, new skill training and adjustment are done,
(4) offering valuable things to lessen resistance,
(5) efforts to influence in hidden way are necessary to do,
(6) choosing a figure accepting change with openness of experience, seeing positive change, ready to accept risk, and flexibility if behavior,
(7) direct threat or force to the people refusing the change.

4.7. Aspect of Organizational Resources

Organizational culture, leadership style, teamwork, procedure, and policy of organization are organizational resources. Culture symbolizes consensus in organization about how an activity must be gained and comprehended as the result of group experience and learning together. Therefore, organizational culture is represented in shared values and faith among members of organization and also included organizational philosophy, mission and subculture.[19] Of the description it can be concluded that organizational culture is an important factor in forming employee behavior in organization.[20] While culture is main factor in forming behavior of organization members, so culture can be supposed as a context where behavior of employees is formulated.[21]

Observation and interview result indicated that organizational culture implemented in AIMBSS was modern and applied Islamic culture as foundation in building the character of employees' personality. It is so with the leadership style used. They also respect each other, appreciate and tolerant. Team work had been formed per unit/department. Cooperation, helping each other was the main principles to gain shared goals. Procedure and policy were in line with vision and mission of organization. In the case of organizational resources, AIMBSS had implemented well from lower management up to top management. The condition will guarantee that BSC will be successfully implemented and bring positive effect for organization.[4]

5. CONCLUSIONS

The conclusion of the research is that principally BSC and its attributes in strategy map of BSC has been implemented well

in the levels of management of AIMBSS. Besides, the research finds factors supporting are: good commitment from management and ready to change employees. Meanwhile factors being handicapped are resistant from some employees that don't want to change. It has effect on the effectiveness of system built. The limitation of the research is from financial perspective analysis. It is caused by the limitation of information access of financial information from management. Suggestion for the future research is:

(1) the next research will be able to access more completed information about financial perspectives

(2) it is better for AIMBSS communicates BSC to the employees in order to comprehend a framework being able to help to see targets and organization strategy and then do continuous improvement and adjustment related with information system that always changes to win the competition.

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