



Balanced Scorecard: Learning and Growth Perspective

Dwiarso Utomo¹; Zaky Machmuddah²; Yulita Setiawanta³

*Universitas Dian Nuswantoro, Semarang, Indonesia*¹²³

Received: / Revision: / Accepted:

Abstrac

The purpose of the research is to find an empirical evidence concerning the implementation of learning and growth perspective of Balanced Scorecard (BSC) in Assalaam Islamic Modern Boarding School Surakarta (AIMBSS) and to find factors supporting and being handicap of implementation of learning and growth perspective of BSC. The research will widen the object scope being able to be approached by BSC. It is a case study research. Qualitative research design is conducted using semi-structured interviews with 12 respondents from different stakeholders. Research findings showed that principally learning and growth perspective of BSC and attributes in strategy map of BSC have been implemented well in some levels of management in AIMBSS. Besides, the research found supporting factors of implementation of learning and growth perspective of BSC in AIMBSS, namely: strong commitment from management to adapt the change and most of employees are ready to adjust themselves with the change. Meanwhile, handicapped factor of implementation of learning and growth perspective of BSC in AIMBSS is resistant from certain employees. It causes the effectivity of system. For future research, it is suggested to add the number of research object so that the generalization of the research findings can be gained.

Keywords: BSC; learning and growth perspective; islamic boarding school.

Introduction

The development of Islamic Boarding School (IBS) number in Indonesia is very fast. Data from Religious Affair Ministry show that in 2012, the number of IBSs in Indonesia was 27.230. It was just 4.196 IBSs in 1997. The great number of IBSs indicates that IBSs may contribute to the effort of improving education quality in Indonesia. Seeing the potential of the IBSs, the role of government in supporting and developing the IBSs should be greater. Regulation, program and budget equaty for the IBSs from the government are real actions being able to be conducted by government in supporting the development of IBSs.

Republic Indonesia Decree No. 20 Year 2003 about National Education System and Government Rule No. 55 Year 2007 about Religion Education and Religiosity have placed IBSs as part of national education system. Such condition may strengthen the IBSs position as an institution participating actively in improving the quality of Indonesian education. In other sides, it will trigger people to send their children to IBS. The condition will be a challenge for IBSs to keep and increase the quality of the education. The IBSs Management should be more serious in managing the institutions. It is a fact that there are still many IBSs that are not well-managed yet. To be competitive, paradigm of IBS Management should be changed. One of them is by composing strategy management system.

¹ dwiarso.utomo@dsn.dinus.ac.id

² zaky.machmuddah@dsn.dinus.ac.id

³ yulita.setiawanta@dsn.dinus.ac.id

One of very popular and often used strategies is BSC pioneered by Kaplan & Norton (1992). BSC elaborates vision and strategy of an organization to operational and measurable performance through four different perspectives, namely: perspective of learning and growth, perspective of internal business, perspective of customers and perspective of finance. In 2001, Kaplan & Norton explained 5 principles in which an organization can be a strategy- focusing organization. The fifth principles are translating strategy to operational strategy, combining an organization with strategy, being involved in strategy process, creating strategy that continuously mobilizes change and processing change through top management.

In 2004 Kaplan & Norton measured and described intangible assets for better performance. It is seen from learning and growth perspective. Perspective of learning and growth constitutes basic perspective to support the other three perspectives. It is because the perspective is a perspective in which an organization builds an effective behavior, based on organizational capability to coordinate employee capability (Kaplan & Norton, 1998). There are three aspects in learning and growth perspective, namely: human, information and organization resource.

BSC has much helped profit oriented organizations to gain their goals. In its development, BSC also fits for nonprofit oriented organizations and public sectors. IBS is included in non profit organization focusing on education sector. IBS has unique characteristic if compared with the others, like implied in PSAK No. 45 explaining that non profit organization gains resources from member donation, other donations having no vested interest. Besides, each IBS has different characteristic depending on how the leadership style and the method of learning are. The phenomena show that there are still IBSs implementing traditional management system. They are trying hard to adjust and accept the change. Nevertheless, many are still difficult to change and tend to be status quo.

Abdullah *et al.* (2013), stated that of 1992-2012, many works about BSC have been conducted by academicians and practitioners. One of the research findings is that BSC can be successfully implemented and brings positive effects if obtaining cultural support from top up to low management. The performance measurement of learning and growth perspective is one of perspectives in BSC performance measurement. Many studies about the perspective have been conducted. One of them is in higher education setting. Qomariah (2013) found that performance of Muhammadiyah University Jember measured from learning and growth perspective was good enough (84.5% of maximal score). Four indicators used are employee satisfaction, retention of employee, employee productivity and information system capability.

Meanwhile Candela (2009) found that management support correlates with perspective of learning and growth. Besides, work climate analysis can be used in learning and growth perspective of BSC. Uz-zaman & Karim (2009), found empirical evidence that perspective of learning and growth is one of knowledge management activities used to improve human creativity in an organization. Nevertheless, Norreklit (2000) criticized that control model of Kaplan & Norton were Top Down. In other side, there is a need of control system that is more interactive among the key people in organization.

The study in the area of learning and growth perspective of BSC with IBS object has not been conducted yet so that there is a knowledge gap. It is needed an empirical evidence of object scope being able to be approached by BSC. The study will focus on the implementation of learning and growth perspective of BSC in Assalaam Islamic Modern Boarding School Surakarta (AIMBSS). The reason is that the object has been

managed well using good management principles. Based on the problem background, the problem formulation of the study is as follows: 1) how the implementation of learning and growth perspective of BSC in AIMBSS? 2) what factors supporting and being handicapped of the implementation?. The purpose of the study is to find empirical evidence concerning implementation of learning and growth perspective of BSC in AIMBSS and to find factors supporting and being handicapped of the implementation.

Data and Method

The research is a case study, a research focusing a certain object for certain time, done detailly, deeply and comprehensively, included its environment (Umar, 2008:6). Analysis technique used is descriptive and qualitative, a deep investigation to data, then analysed and described in words. Data are collected by doing field observation, documentation analysis and in dept interview but not structured to respondents represented by IBS management and employees. To access information about implementation of learning and growth perspective of BSC in AIMBSS, focus of question is on how the implementation of learning and growth perspective of BSC in AIMBSS and what factors supporting and being handicapped of the implementation.

Observation is conducted by doing direct field observation, then note all events and physical condition observed. Analysis of documentation is conducted by collecting written sources supporting the research, like organization structure, data about human resource and other important documents that are relevant with the research. Analysis of documentation is derived from primary data given by AIMBSS and information in the website.

Result and Discussion

AIMBSS is lied on Jl. Garuda Mas, Sukoharjo-Surakarta Central Java 57102. Right now, the student number of AIMBSS are 2.472 students. AIMBSS in its 32 year has graduated thousands of alumni spreading out all over Indonesia and many foreign countries. The purpose of AIMBSS built is to gain knowledge and good faith, close with Allah SWT, to have good behavior and to be able to actualize themselves in a plural community based on Holy Qur'an and Prophet's behavior (Al-Qur'an and As-Sunnah). Principles of AIMBSS are standing on and for all groups. While the Motto is achieving the balance among spirituality, intellectuality and morality. Vision of AIMBSS is being realized a human having the balance of spirituality, intellectuality and morality toward superior generation (ulil albab) having strong commitment to the goodness of people based on Al-Qur'an and As-Sunnah.

The number of employees is 386 people. Of 386 people, 12 people are being respondents of the research. The distribution of respondents involves 6 for top management, 4 for middle management and 2 for first line manager. Meanwhile based on Table 4.2 it is known that 201 employees are diploma up to master, with strata one level amounted 177, diploma amounted 15, S2 amounted 7 and doctoral degree amounted 2. The rest is senior high school level, 148 employees.

Learning and Growth Perspective

Human resource, information resource and organization resource are three main aspects in learning and growth perspective to gain long term performance. Human resource influences the gaining of organization goal through employee capability increasing, information system, motivation, empowerment and balance. Organization resource can be organizational culture, leadership style, teamwork, procedure, and policy fixed by organization.

Table 4.1 Recapitulation of Employee Number (from Loyalty Side)

Tenure	Number of Human Resource
More than 20 years	160
10 – 20 years	84
5 – 10 years	48
Less than 5 years	94
Total	386

Source: Secondary Data, AIMBSS, 2016

Tabel 4.2 Recapitulation of Employees from Education Level

Education Level	Number of Human Resource
S3	2
S2	7
S1	177
Diploma	15
Senior High School	148
Junior High School	14
Elementary School	23
Total	386

Source: Secondary Data, AIMBSS, 2016

In the learning and growth perspective, there are three main measurement, namely: retention of employee, employee satisfaction and employee productivity (Kaplan & Norton, 2000). Attributes in learning and growth perspective can not be all implemented in the object of research as performance measurement tool. It is because IBS has its own characteristic, like organizational culture, leadership style and procedure as well as policy fixed in IBS.

In this era, the focus of a company is changing to “*the right people for their job*”. It is different with old theory of human resource supposing human resource as the biggest organization resource. Thus, the responsibility of management increases if compared with the past. Now management must manage skill and ability of employees. It is a new challenge for management to converse its human resource to be players giving business value with following administrative rules (Beatty, 2008).

Contribution of employees to the success of organization must be measured so that its performance can be evaluated based on measurable performance basis. To measure employee performance, there are many tools developed by practitioners and academicians. BSC is a tool used by management to keep track record of activity and staff action, to control and monitor result or other action consequences (2GC, 2009). Different organization sectors have used BSC, not only as performance measurement tool but also as other management tasks (Farrokhi, 2012). In AIMBSS, employee performance appraisal is based on employee absence, the jobs finished, everyday presence, involvement in mosque activity and colleague relationship.

Human Resource Aspects

From observation and interview conducted concerning human resource, AIMBSS has motivated its employees by giving reward and punishment. For instance, management will give reward to the teachers succeeding in bringing their students to be champion in a competition. Punishment will be given to the employees breaking the rules fixed, such as discipline. Employees who often come late and are not discipline will be given a warning. If it is going on continuously, there will be a layoff. Such punishment will be also given to those who can not keep the reputation of the institution.

Dealt with the empowerment and balance of employees, AIMBSS always sends the employees to join workshop or training to improve the skill, like for information system department has been sent to follow programming certification other trainings needed continuously. Besides, for teachers it is given opportunities to continue their study to master. Such programs will be also given to first line managers, security, cleaning service, etc to improve their skill. From the activities, it is hoped that the employees satisfaction will increase and it will affect the employee retention and productivity.

The argumentation can be proved by seeing the data in Table 4.1 The data describe the tenure of employees of AIMBSS. Of total of employees, 160 employees have tenure more than 20 years. Eighty four employees have tenure between 10 up to 20 years. The data show that the loyalty of 63,21% employees of AIMBSS is very good. It is relevant with the founding fathers of AIMBSS stating that “*AIMBSS does not need clever employees only, the important thing is that they are loyal and honest*”. The height of employee loyalty of AIMBSS because of management/boss’s support. There is always a religion forum by holding Islamic preaching once a week, togetherness and familiarity and plant one feeling and fate, one religion, streamline the intention that life is not just for looking money.

Kaplan & Norton explained five principles through what an organization can be an organization focusing on strategy. The principles are translating strategy to operational terminology, combining organization with strategy, involving each human resource to the strategy process, creating continual strategy being able to mobilize the change and proceeding the change through top management (Kaplan & Norton, 2001). By communicating the scorecard to all employees, employees will comprehend a framework being able to help them to see many targets and organization strategy how a target and strategy are measured. Based on observation and interview, process of communication in AIMBSS has run well. The communication is not just top down but also bottom up. Process of top down communication happen when management delegates tasks to subordinates. Meanwhile process of bottom up communication happen when lower and middle management convey opinion to top management, whether it is conveyed directly or through coordination meeting.

From welfare side, the salary given by AIMBSS to employees is just standard. The interesting thing is about the mindset of employees of AIMBSS, that “*working is praying, not looking for salary, with praying driven, the livelihood will follow*”. In fact, it is proved that with the salary they receive, they can fulfil their needs, send their children to school up university, have their own house and motorcycle. The proof is seen from the loyalty of employees of AIMBSS (see Table 4.1).

Aspect of Information Resource

In line with the development, information resource must be always developed. Technology has changed the way to act, work, communicate and plan something.

Nevertheless, one of findings often found in the study of behavior and organization is that an organization and its members refuse the change. A change can appear as what it is just simple reaction in the earlier, but then the retention will go on many weeks, months or even many years.

Theoretically, many main resistant sources of change can be from individual or organization. Individual resources can be from habit, comfort zone, economic factors, being afraid of something not recognized yet and selective information processing. While from organizational source, like structural inertia struktural, focus on limited change, group inertia, threat to skill, threat to established power relation, threat of established source allocation (Robbins & Timothy, 2008). Based on observation and interview about information resource, it is known that information system in AIMBSS still needs to fix to make it effective and efficient. Besides, to respond a quick environmental change, information system must be updated adjusted with the requirement.

The following is examples of system implementation needing to be fixed. First, system of new student test still uses manual system. In other side, the participants are from many kinds of regions all over Indonesia. When the test is held, the tester must come to location by bringing copies of test, presence list, etc. It is not efficient and not effective. Second, clerical jobs are still done, for example: student's permission to leave the boarding. A permission procedure must be followed, first, asking permission to the official, one must write and to security one must write again. Many times of notes are still done, though there is a system managing. The third is about raport delivery system. Although there is a program application through SIAKAD being able to be accessed by their parents via on line but the raports are still sent via post. The process is not effective and efficient yet.

Based on observation and interview, there are many sources causing resistant to the information system change, from individuals as wel from organization. From Tabel 4.1, it is known that almost 2/3 employees have tenure more than 10 years. Besides, the fact indicates that most of employees have been confenient working in AIMBSS. The fact also indicates that most of the employees have good faith, behavior and rooted habit. The condition is handicap of system change. The condition is strengthened by data in Table 4.2 showing that more than 40% of human resource working are senior high school graduates.

The phenomena fit with theory, that: individually, 1) to face complexity of life, one will use his habit or programmed response, but when faced by change, the tendency to respond is suitable with the normal habit, being able to be resistant source, 2) employees having more safety feeling tend to refuse change because it will threat their safety, 3) many changes in tasks or job routinity cause economic fearness if employees are worried that they will not have capability to do their job or new routinity, likei previous standards, especially if the salary they want to receive is related with productivity, 4) uncertainty and ambiguity about something they do not know yet, 5) employees listen what they want to listen and neglect information changing world they have created.

Mentality of most of individuals in an organization will be mainstream of organisation. It means that certain mentality in an organization will affect organizationally (in case included mentality to avoid change). If those who are resistant with the change are just few and not occupy strategic position, such condition is relatively easy to overcome. It is different if those resisting with change occupy strategic position.

Theoretically, rationality of resistance toward change from organization side can

be conveyed as follows: 1) an organization has certain mechanism, like process of selection and formal regulation to create stability when an organization is faced with change, structural inertia will act as a balanced power trying to sustain stability, 2) an organization is built from many subsystems and they are interdependent one another, a subsystem can not be changed without affecting others, so change in many subsystems will tend to be neglected by bigger system, 3) change in organizational patterns can threat special occupation of group of certain expert, 4) each redistribution of decision making authority can threat power relation establishing in an organization, 5) groups in an organization controlling organizational resources in big proportion often respond a change as a threat, they tend to be satisfied with what they have done before (Robbins & Timothy, 2008).

To overcome resistance to the change of information system, there are seven tactics suggested by (Robbins & Timothy, 2008), namey: 1) resistance can be lessened through communication with employees to help them to see the rationality of a change, 2) before doing change, it is better to involve employees to give significant contribution so that it will lessen the resistance, winning commitment and increasing change decision quality, 3) if the fearness and worriedness are greater, counselling and employee therapy, training new skill and adjustment need to do, 4) offering a valuable thing to minimize resistance, 5) hidden efforts to influence need to do, 6) choosing people accepting change with experience openness, seeing change positively, being ready to accept risk and flexible in behavior, 7) threat giving or direct force to those refusing change.

Aspect of Organization Resource

Organizational culture, leadership style, teamwork, procedure and policy fixed by an organization constitute organizational resource. Culture symbolizes consensus of an organization about how an activity must be achieved dan comprehended as a result of group experience and learning together. Therefore, organizational culture is represented by shared values and basic assumption among member of an organization, included an organization philosophy, mission and sub culture (Melewar & Karaosmangolu, 2006). From the elaboration, it is known that organizational culture constitutes important factor in forming member of organization behavior (Van Riel, 1997). While culture constitutes main factor in forming the behavior of organizational member, culture can be supposed as context where employee behavior is formulated (Stuart, 1999).

From observation and interview result, it is known that organizational culture implemented in AIMBSS has been good. AIMBSS lays Islamic culture as a foundation in forming the character and personality of employees. Employees respect each other. Working together, cooperating, helping each other are the principle. By doing such habits, the goal of organization will be easier to achieve. Procedure and policy fixed by the organization fit with vision and mission of AIMBSS. In the case of organizational resource, AIMBSS has implemented well from lower management up to top management. The condition being the guarantee that BSC can be successfully implemented dan brings positive effect for organization (Abdullah *et al.*, 2013).

Conclusions, Suggestion and limitations

The conclusion of the research is that principally learning and growth perspective of BSC and attributes in strategy map have been implemented well in many levels of management of AIMBSS. Besides, the research finds factors being support and handicap

of implementation of learning and growth perspective of BSC. Supporting factors are strong commitment from management to make adjustment with the change and employees support to accept the change and make adjustment. While handicapped factor is the resistance of certain employees. It causes the system ineffectivity.

The limitation of the research is that it is a case study so that the research findings can be generalized. Suggestion of the research is that: 1) for the next research, it is better to add number of research objects in order to get generalization of research findings, 2) for AIMBSS, it is better to communicate BSC to all employees in order to comprehend the framework being able to help employees to see the targets and strategies of organization and continually make better and adjust the change of environment dealt with information system that always develops

References

- Abdullah Iqra.T.U., Yahya Rashid and Basharat Naeem. 2013. "Developments on Balanced Scorecard." *Word Applied Sciences Journal* 21 (1), pp: 134-141.
- Beatty, R. W., M. A. Huselid and C. E. Schneier. 2008. "New HR Metrics: Scoring on the Business Scorecard." *Organizational Dynamics*, pp: 107-121.
- Candela, Jose. and Manuel Cardos, 2009. "A Review of the Learning and Growth Perspective: A New Approach to Labour Climate." *International Journal of Management Science and Engineering Management*, Vol. 4, pp: 243-259.
- Farrokhi, MM., A. Aftabi and M. Hemati. 2012. "Evaluation and Weighting Balanced Scorecard Critical Factors by Means of Fuzzy Analytic Hierarchy Process (A Case Study)." *Word Applied Sciences Journal* 16 (2), pp: 300-312.
- Handler, T. 2010. "Theoretical and Practical Implementation Problems of the Balanced Scorecard." *University of Vienna, Vienna*.
- Ikatan Akuntan Indonesia. *Pernyataan Standar Akuntansi Keuangan No. 45*. IAI. 2004.
- Kaplan, R.S. and D.P. Norton, 1992. "The Balanced Scorecard-Measures that drive Performance." *Harvard Business Review*, pp: 71-79.
- Kaplan, R.S. and D.P. Norton, 1996. "Linking the Balanced Scorecard to Strategy." *California Management Review*, pp: 53-79.
- Kaplan, R.S. and D.P. Norton, 1996. "Using the Balanced Scorecard as Strategic Management System." *Harvard Business Review*, pp: 3-13.
- Kaplan, R.S., 1998. "Innovation Action Research: Creating New Management Theory and Practice." *Journal of Management Accounting Research*, pp: 89-118.
- Norreklit, H., 2000. "The Balance on the Balanced Scorecard – a Critical Analysis of Some of Its Assumptions." *Management Accounting Research*, pp: 65-88.
- Qomar, Mujamil. 2008. *Pesantren Dari Transformasi Metodologi Menuju Demokrasi Institusi*, Jakarta: Erlangga.
- Qomariah, Nurul. 2013. "Kinerja Manajemen Perguruan Tinggi Ditinjau dari Perspektif Pelanggan dan Perspektif Pembelajaran dan Pertumbuhan (Studi Kasus Pada Universitas Muhammadiyah Jember)." *Jurnal Akuntansi & Investasi*. Vol 14 No. 1 Edisi Januari 2013, Hal 32-49.
- Robbins, P. Stephen, Timothy A. Judge. 2008. *Perilaku Organisasi*, Jakarta: Salemba Empat.
- Roest, P., 1997. "The Golden Rules for Implementing the Balanced Business Scorecard." *Information Management and Computer Security*, pp: 163-165.
- Sawalqa, F.A., D. Holloway and M. Alam, 2011. "Balanced Scorecard Implementation in Jordan: An Initial Analysis." *International Journal of Electronic Business*

- Management*, pp: 196-210.
- Stuart, H., 1999. Towards a definitive model of the corporate identity management process. *Corporate Communication: An International Journal*, 4(4), pp.200-07.
- Umar, Husein. 2008. *Desain Penelitian Akuntansi Keperilakuan*, Jakarta: Raja Grafindo Persada.
- Undang-undang Republik Indonesia No. 20 Tahun 2003 tentang Sistem Pendidikan Nasional.
- Uz-Zaman, Md.H. and A.Karim H., 2009. "Perceptions of Firms Learning and Growth Under Knowledge Management Approach With Linkage to Balanced Scorecard (BSC): Evidence from A Multinational Corporation of Bangladesh." *International Journal of Business and Management*, Vol. 4, pp: 9.
- Van Riel, C., 1997. Protecting the corporate brand by orchestrated communication. *Journal of Brand Management*, 4(6), pp.409-18.

Appendix

List of Interview Questions

No.	Questions
1.	Tenure
2.	Job satisfaction
3.	Human resource performance appraisal
4.	Sustainable education
5.	Training and development of HR
6.	Motivation
7.	Reward
8.	Punishment
9.	System of information
10.	Effectivity and efficiency
11.	Planning and information system control
12.	Work culture
13.	Leadership style
14.	Teamwork cohesion

Lampiran

Tabel 1. Data Abnormal Return Harian Masing-Masing Saham ISSI

Hari	Jumlah	Minimum	Maksimum	Rata-Rata	Std. Deviasi
-15	196	-,23442	,22926	- ,0083236	,03412322
-14	196	-,05321	,22414	,0043641	,02448895
-13	196	-,16337	,24524	,0061965	,03267008
-12	196	-,04133	,24361	,0061237	,02457414
-11	196	-,14433	,18251	- ,0044678	,02881045
-10	196	-,16105	,19895	,0007863	,02807202
-9	196	-,03939	,23176	,0028550	,02993762
-8	196	-,08672	,27064	- ,0028353	,03303045
-7	196	-,16937	,25920	,0135215	,04055834
-6	196	-,03418	,34709	,0128013	,04589436
-5	196	-,13989	,34193	,0046550	,04496427
-4	196	-,07228	,34507	,0056395	,03625534
-3	196	-,18574	,25345	,0081114	,03680021
-2	196	-,25210	,24602	- ,0007098	,04133444
-1	196	-,19990	,22606	- ,0040432	,03550570
+1	196	-,12477	,25050	,0044877	,02714734
+2	196	-,17280	,25237	,0010744	,03556691
+3	196	-,12559	,24490	- ,0036913	,03892950
+4	196	-,14134	,10619	- ,0014281	,02790672
+5	196	-,09325	,17023	,0088488	,03177314
+6	196	-,14087	,17580	,0057879	,02790779
+7	196	-,16514	,34899	,0044886	,04200254
+8	196	-,13960	,28014	- ,0018842	,03372726
+9	196	-,13462	,22943	,0020090	,03579622
+10	196	-,12117	,15681	- ,0016962	,02487254
+11	196	-,06840	,21339	,0051923	,02932534
+12	196	-,20021	,22428	,0032746	,03119101
+13	196	-,07540	,16504	- ,0033441	,02285814
+14	196	-,16412	,22922	,0029798	,02775166

+15	196	-,24228	,17772	,0002805	,02938198
-----	-----	---------	--------	----------	-----------

Tabel 2. Rata-Rata Abnormal Return (AAR)

Hari	AAR	Hari	AAR
-15	-0,00832	+1	0,00449
-14	0,00437	+2	0,00108
-13	0,00620	+3	-0,00370
-12	0,00612	+4	-0,00143
-11	-0,00447	+5	0,00885
-10	0,00079	+6	0,00579
-9	0,00286	+7	0,00449
-8	-0,00284	+8	-0,00188
-7	0,01352	+9	0,00201
-6	0,01280	+10	-0,00170
-5	0,00465	+11	0,00519
-4	0,00564	+12	0,00328
-3	0,00811	+13	-0,00334
-2	-0,00071	+14	0,00298
-1	-0,00404	+15	0,00028

