

Performance Management System Based On Balanced Scorecard

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Abstract

The aim of the study was to analyze the performance management system in a government-owned company engaged in the gas and oil industry in Indonesia, named PT. Pertamina. The performance management system used is a Balanced Scorecard (BSc) with 4 perspectives as the basis of analysis, namely finance, marketing, internal business and growth learning. The research method is a case study with an interview approach, focus group discussion (FGD) and a questionnaire as a data collection tool for 3 months. The sources of interviews were directors, general managers, managers and supervisors on all lines with 78 people. The results of the study show that there must be a clear separation of subsidized and non-subsidized commodities in financial and marketing performance. While for internal business performance and learning growth does not need to be distinguished. PT. Pertamina must balance business interests, especially for non-subsidized products by paying attention to competitors, so that performance measures related to improving product quality, acquisition of new customers, increasing sales volumes, and increasing consumer consumption are very important. For subsidized products, the performance measure that must get the main attention is related to the achievement of distribution targets, stock stability, cost savings, and supply and working losses.

Keywords: *Performance Management, Balanced Scorecard*

I. INTRODUCTION

PT. Pertamina is a state-owned company, whose shares are 100% owned by the Government of the Republic of Indonesia, engaged in the gas and oil industry with products produced including petrochemicals, fuel retails, marine industries, aviation, lubricants, LNG and PLG. The company was founded in 1957 with the main task of carrying out exploration, processing and distribution of gas and oil throughout Indonesia. As a government-owned business entity, the company must carry two responsibilities at once, namely business and social. The performance of state-owned enterprises in Indonesia is governed by the regulation of the Minister of State-Owned Enterprises Number: Kep-100 / MBU / 2003 performance assessed in three

factors namely Financial Performance (70%), Operations (15%) and Administration (15%).

The assessment criteria are not sufficient for the existence of PT. Pertamina because it has not touched fundamentally the role and function of state companies which contain non-financial aspects, especially related to some subsidized products or public service obligations (PSOs) and also have not shown the company's business interests in the future. The management of the Balanced Scorecard (BSc) strategy introduced by Kaplan and Norton in 1996, has the advantage that organizational strategy management must cover four organizational perspectives, not just focusing on financial performance. The four perspectives of the Balanced Scorecard are Financial, Consumer, Internal Business, and Growth Learning Perspectives.

II. THEORITICAL REVIEW

A. *Concept of Performance Management*

Simajuntak.P.[18] Performance is closely related to efforts to achieve results in accordance with predetermined goals, thus this concept places more emphasis on achieving results both for individuals and for organizations. While Bacal's [3] performance concept is more focused on the agreement between individuals and members of the organization with supervisors on the results achieved on an ongoing basis. This agreement can be used to provide clear expectations of what each employee must do. Wibisono [24] performance is directed into the establishment of critical indicators to direct the success of the organization. Based on these three concepts, it can be concluded that performance is more related to performance outcomes both for organizations and individuals. Furthermore Wibisono [24] conveyed things related to the principles that can be used in the process of measuring performance (1) partnership relationships between members of the organization, (2) the existence of employee empowerment for all levels, (3) the existence of an integrated system in the process of performance improvement (4) team independence. In the process of achieving performance with these principles, it must begin with the formulation of the vision and mission of the organization which is further elaborated on the objectives by implementing a series of activities. Gupta's evolutionary process of measuring performance management occurred since the Second World War, namely the introduction of total quality management in Japan in 1970, ISO 9000 in the 1980s, followed by the MBNQA system and Six Sigma system at the end of the 20th century.

Vanani [23] stated that the development of company performance measurement revolved since the traditional measurement delivered by Galayani and Noble in 1996, this performance measurement was based on the accounting management system. The results are more focused on financial performance

indicators such as: investment turnover, return on sales, price variances etc. All of the techniques used in traditional performance measurement systems have been developed since the 1920s but there are no fundamental developments for organizational progress. Teague and Eilon in 1973 included the element of productivity as part of the process of measuring performance management, in addition to financial measurement. Furthermore, in 1951, General Electric (GE) has succeeded in implementing a performance measurement system that considers two aspects, namely product costs and organizational profitability, but this is also not enough to ensure that the organization continues to survive in the long term, due to the increasingly complex problems in the organization. then GE includes elements of market share, productivity, employee attitudes, public responsibility and short and long term balance. According to Vanany [23] this traditional performance management system is no longer in tune with the business environment that experiences dramatic changes and turbulence. Some of the weaknesses of this traditional system include (1) not based on consumer desires (2) not correlating with organizational strategy (3) not relevance with practicality (4) short-term oriented (5) less flexible and not oriented to continuous improvement.

The era of the 1990s came out of an integrated performance management system to anticipate the weaknesses of traditional performance management systems that were less aligned with the increasingly dynamic and competitive economic and business conditions. Some integrated performance management systems include: (1) the beginning of the 20th century DuPont used a pyramid of financial ratios that had an explicit hierarchical structure to measure organizational performance at different levels. (2) Keegan in 1989 introduced PMM or Performance Measurement Matrix by including cost and non cost as well as internal and external. (3) Fitzgerald in 1991 introduced performance measurement by including two elements namely first relating to the second desired outcome

(competitiveness and financial performance) relating to business ventures that determine the achievement of these results (quality, flexibility, resource use and innovation). (4) In 1996 Kaplan and Norton [9] introduced a Balanced Scorecard performance measurement system, by incorporating 4 perspectives as a basis for performance measures namely financial, consumer, internal business processes and growth learning.

The advantages of integrated performance measurement according to Neely and Bourne [13] are (1) able to provide a balanced picture of the organization (2) able to briefly describe organizational performance conditions, (3) able to measure organizational performance broadly and (4) able to integrate organization both in terms of function and hierarchy. In this study using the Balanced Scorecard approach delivered by Kaplan and Norton became the basis of reference in measuring Pertamina performance by reasoning the Balanced Scorecard performance model is an integrated integrated performance measurement to integrate Pertamina's business, especially in the marketing unit, because there is a competition concept especially for non-subsidized products, this is relevant to the perspective of consumers, internal business on the BSc system.

B. The concept of the Balanced Scorecard

Mulyadi [12] states that the Balanced Scorecard is a performance management system to improve organizational sustainability. Rampersad [20] describes the Balanced Scorecard-based performance management concept into a personal performance management system not for organizations by introducing the Total Performance Scorecard (TPS) concept. OndrejZizlavsky [15] mentions that the constraints of applying the Balanced Scorecard require the cost of planning implementation and large use. Suprpto et al. [17] stated that the Balanced Scorecard applied by SMEs in Malaysia has a measure of performance from learning and growth, customer satisfaction and

innovation achieved by the organization in the process of achieving vision and mission.

ArmanPoureisa [2] Balanced Scorecard is able to provide solutions in a more comprehensive performance management process because it is able to improve customer satisfaction, organizational efficiency and effectiveness. FahmiFadhil Al-Hosaini and SaudahSofian [8] that the Balanced Scorecard is very well implemented as a basis for performance management guidance because it can help set priorities, provide a clear structure for continuous quality improvement, build a culture of academic quality among institutions, evaluate the use of resources efficient power for each academic program, and document the contribution of each activity. Next is A.A. Malgwi& H. Dahiru [1] that the Balanced Scorecard provides advantages in measuring performance management because it is able to provide a balance between financial and non-financial measurements. The next thing is also conveyed that the Balanced Scorecard as a tool to bring positive results to performance, however, the implementation of the Balanced Scorecard faces several obstacles, especially in the readiness of the IT system to support the analysis collection and calculation process (SairaKhatoon and Ayesha Farooq, [16] G. Manfille [6], states that the process of collecting internal data related to the measurement of the Balanced Scorecard is something that requires high motivation in the process to make it an organizational KPI.

Tejaningrum [21] further explains that in the financial perspective, two major parts are assessed, namely increasing income and decreasing costs. This concept provides direction that companies can get excellent financial performance by focusing on two things, namely doing various kinds of activities in order to increase company revenues such as increased sales volume, expanding market share, increasing selling prices, increasing income from secondary products etc. various kinds of efforts to reduce company costs such as reduced scrap,

operational cost efficiency, increased utilization of assets etc. In the Kaplan and Norton Financial perspective, some measures include ROI (return on investment), revenue growth, cost reduction. Mulyadi [12] mentions EVA (economic value added), revenue growth (revenue growth), asset turnover, cost effectiveness. While Wibisono.D. [24] align this financial concept with the term investor perspective which includes: Earning Before Interest Tax (EBIT), Economic Value Adequacy (EVA), Free Cash Flow (FCF), Shareholder Value (SVA), Cash Value Adedd (CVD) and Cash Flow Return on Investment (CFROI).

Kaplan and Nortol [9] stated that for the consumer perspective measured from five major things, namely: market share, customer retention, customer acquisition, customer satisfaction, customer profitability. Mulyadi [11] mentions there are three measures in the perspective of consumers, namely: the number of new consumers, the number of consumers who are non-consumers and the timeliness of service. Wibisono.D. [24] in the customer aspect things that should be measured are: customer benefits, customer complaints and product returns, quality of new products or services, business level between customers and suppliers, customer loyalty, value from old customers etc. For the size of Internal Business, both Kaplan [9] and Mulyadi [11] mention matters relating to the process of the occurrence of innovation in the company, both innovation in product performance, delivery time and in simplification of procedures. In the fourth perspective, learning and growth measures delivered by Kaplan and Norton [...] are: employee capabilities, information system capabilities and employee motivation, empowerment and harmony. Mulyadi [12] mentions two measures, namely Skill coverage and quality work life. The following is a Balance Scorecard-based performance management system scheme that was submitted by Kaplan and Norton [9] adjusted

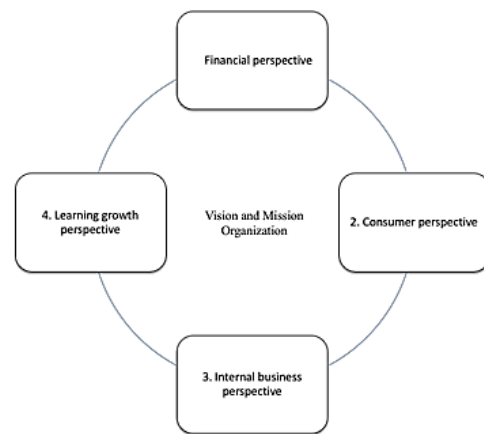


Fig 1 : Performance Management Scheme Based on the Balanced Scorecard

III. RESEARCH METHODOLOGY

A. Research Method

In this study using qualitative research methods, with a case study approach, carried out at PT. Pertamina for 3 months, data collection techniques with interviews with top leaders, general managers, managers, supervision and staff as many as 78 people, also carried out in-depth analysis of secondary data. The analysis starts from the vision and mission of the organization which is then explained to the indicators of the success of achieving the vision and mission through the FGD forum

B. Scope of Research

This research was conducted at Pertamina's marketing unit, and the object of research was the East Kalimantan Marketing Unit or called UPms VI. The process of data retrieval is done by interviewing the ranks of management directly in stages, also using the FGD (focus group discussion) method to finalize the results to be integrated between departments. Secondary data is also used as a source in processing results, especially related to KPI for Pertamina UPMs, which are assigned by Pertamina's head office, Pertamina's vision and targets to be achieved.

C. Calculation of Performance Score

Calculation of performance scores using a Likert scale from one to four, where the greater the value the better the performance. The nature of the calculation of the score from the performance measures based on the Balanced Scorecard compiled is dynamic, meaning that the prepared performance measures can be used for present and future conditions, as long as the business process does not change, this is because the performance model or size is always compared to the target planned for the future.

IV. RESULT AND DISCUSSION

A. Implementation of the Balanced Scorecard

Based on the results of tiered interviews with 79 respondents starting from directors, general managers, managers, assistant managers, supervisors and added analysis of secondary data as well as FGD activities, the performance measurement variables of PT. Pertamina Marketing Unit based on the Balanced Scorecard which is classified into 4 perspectives, is presented in the following figure 2.

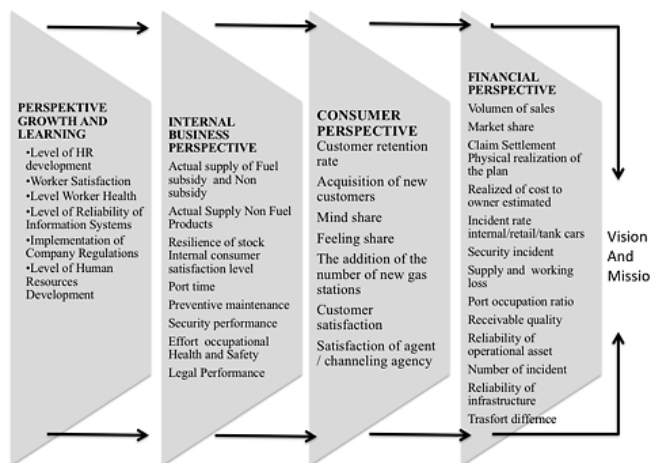


Fig 2. Measures of Performance Based on the Balanced Scorecard for PT. Pertamina's

Based on Figure 2, the following is an explanation of each perspective and its measurements.

B. Financial Perspective

The measure of financial performance analyzed through the balance sheet and profit and loss cannot be implemented in Pertamina's marketing unit because it is a holding sub-unit of Pertamina. Thus the measure of financial performance is focused into two major parts, namely increasing income and reducing costs.

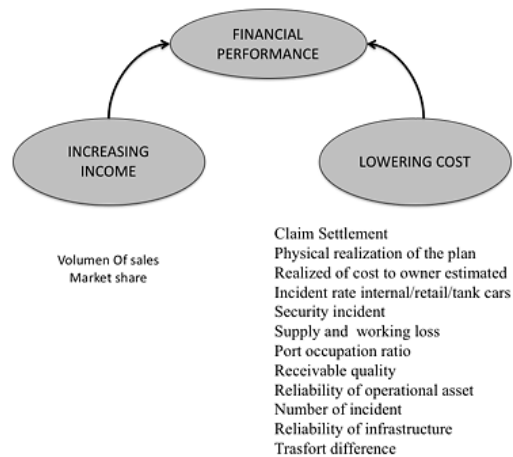


Fig 3. Financial Performance

In financial performance related to increasing opinion, there are two size indicators which are related to increased sales volume and increased market share.

Measurement of Sales Volume of PSO Fuel /Non Fuel PSO / Non-Fuel Products

The volume of fuel PSO (Public Services Obligation) is Pertamina's contract with the government which is obliged to provide fuel for the community. Every year Pertamina will be given a target by the Government. In the process of achieving the sales target of FUEL PSO, Pertamina should not exceed the target because it will lose money in business, due to the provision that the Government will only pay subsidies according to the targets set. There fore the performance measure is said to be good if it fits the target, and the performance will decrease once the sales exceed or less than the target.

Volume of Fuel sales Non PSO is related to Pertamina's ability to increase total revenue through increasing the quantity of goods sold. Non-fuel products include: Lubricants, Aviation, LPG, Asphalt, Non fuel / Paraffin Wax. In contrast to the sales volume of fuel PSO, then in the sale of fuel non PSO, performance is achieved if sales are high, meaning that the higher the sales, the higher the performance of the company.

Measurement of Market Share of Non-Fuel / Asphalt / Lubricant / Premium, Kerosene, Non-PSO diesel products

The indicator of success using market share is a very strategic indicator for Pertamina's business in the future, given the pattern of Pertamina's business change from monopoly to free market, along with the enactment of the Oil and Gas Law: No. 22 of 2001. This condition is very relevant to Pertamina's marketing unit UPMs VI's mission is to market high-quality and environmentally-friendly oil and gas products with a focus on mastering the Kalimantan market, especially for fuel products, non-PSO (Public Service Obligation) and non-fuel products, namely asphalt and lubricants.

Things related to Decreasing Costs, there are 12 indicators, namely claim claim, physical realization of the plan, realized of cost to owner estimates, internal incident rate / retail / tank cars, incident security, supply and working loss, port occupation ratio, receivable quality, reliability of operational assets, number of incident, reliability of infrastructure, transport difference. Cost is one component that determines the level of financial health. Within normal limits, the greater the costs can be reduced, the greater the chance for Pertamina to improve financial performance. The following is a description of the description of each indicator. While the score for the indicator is shown in Figure 4.

Claim Settlement

The process of reducing costs that can be done is by increasing the ability of the marine department to function in the claim settlement process. Performance appraisal in this section is to look at the proportion of the number of claims returned compared to the number of claims processed, the higher the proportion, the better.

Physical Realization of the Plan and Realization of Costs to the Owner Estimate

Investment is related to the physical development process that occurs compared to a predetermined plan. Physical development includes building good gas stations that will be managed privately or Pertamina. In investments other than in the assessment of the above, measurements are also made to the extent to which the function of technical services is able to realize the cost of the owner's estimation, the smaller the proportion, the better the performance of the technical services section.

Internal Incident rate / Retail Incident Rate / Incident Rate Tank Car / Security Incident

For this incident rate there are 4 main objectives, namely the internal incident rate, the incident rate in the channeling institution, the tanker incident rate and security incident. The following are the size criteria for the performance: The internal incident rate is related to the ability of the occupational health and safety function in the process of preventing pollution, accidents, fires and diseases caused by work. There are four criteria referred to as the incident of this activity, namely (a) Number of pollution cases with spill volume > 15 barrels per incident (b) Number of pollution cases with spill volume > 15 barrels per incident, (c) Number of pollution cases with spill volume > 15 barrels per incident (d) Number of fire cases with a loss of > \$ 10,000 (e) Number of work accident cases that cause missing days x 2 x 24 hours (f) Number of cases of occupational illness (illness caused by his work or

work environment), (g) Accidents resulting in damage to facilities with a total loss of \geq \$ 10,000.

Performance measures for this section only have two choices, namely if zero accidents are high performance (worth 4), while if one accident occurs from the four criteria above, the performance is very bad or worth 1. The next performance measure is the retail Incident rate, which is the incidence accidents, fires etc. at the channeling agency. To measure this, it can be seen from the number of channeling institutions that experienced incidents (fire, accident, etc.) compared to the number of existing suppliers. The tank car's incident rate is related to the extent to which Pertamina is able to prevent accidents in the tank car. The process of this calculation is to look at the proportion between the number of tank cars that have an accident (fire or spill) compared to the total number of tank cars owned. Security incident is related to how much security or security is to keep company assets from losing due to negligence of security officers. The smaller the incident that occurs, the better the performance of the security department.

Measurement of Fuel Supply to Lose and Working to Lose

One function of Pertamina's marketing unit is distribution of fuel, this distribution is carried out from the depot to the gas station from the ship to the depot depot. For this process the measure of performance is measured by the amount of fuel loss during the distribution process. There are 2 performance measures for this distribution process, namely supply to lose and working to lose. Supply to lose are fuel losses that occur during the distribution process, while working losses are fuel losses that occur during a decrease in loading and unloading. To assess this performance, compare the amount of fuel before and after distribution for supply loss and measurements before and after loading and unloading for working loss. From Figure 4, it can be seen that supply loss reaches very

good criteria when it reaches \leq 0.23% while for working loss \leq 0.8%.

Port occupation ratio

Port occupation ratio is related to the use of the dock by ships that will dock. To assess this performance is to see the extent of the average amount of time used by the ship since it began to dock at the dock until the ship went back to leave the dock.

Quality of Receivables

One part of the cost reduction strategy is to measure the extent to which the financial function is able to reduce the risk of the possibility of not returning the accounts. One effort into this risk reduction process is to look at the quality of the accounts receivable, namely by analyzing the proportion of problematic receivables compared to the total amount of receivables.

Reliability of Operational Assets

Reliability of operational assets is related to the extent to which assets can operate properly. The assets included in this section are storage tanks, pipes, pumps, flow meters and docks. The assessment in this section is to look at the proportion of assets that are ready for operation compared to the overall assets managed.

Number of Incident

One of the cost savings that can be done is to reduce the level of risk from an accident. There are two things that are assessed for performance, which are related to prevention so that there is no pollution in the waters with spillage volumes of more than 15 barges per event, and fire facilities on ships with a greater loss of \$ 10,000. For this measurement, the value is only two, if there is no accident, the value of four or classification is very good and if there is an accident, the performance is zero.

Port Infrastructure Reliability

Port infrastructure reliability is assessing the proportion of the Port infrastructure that is ready to use (not damaged) with the amount of infrastructure owned. The infrastructure analyzed in this section is in the form of protection of the aquatic environment.

Transport Differences

One of the departments at Pertamina VI is Marine, where this section has duties related to the provision of sea transportation equipment with regard to supply and distribution of fuel and non fuel. In a financial perspective, the marine function can make savings regarding loses that occur in goods before and after they are loaded. Therefore, the measured performance of the marine function is to suppress or reduce the occurrence of transport differences. The following is an assessment score for each financial perspective indicator, shown in Figure 4.

No	Indicators of Financial Perspective	Very Good	Good	Enough	Bad
1	Market share of asphalt	>80%	75%-80%	70%<-75%	<70%
2	Market share of lubricants	>56%	54%-56%	53%<-54%	<52%
3	Market Share Non PSO	= 96%	90%<-96%	80%<-90%	<80%
4	Sales Volume of PSO fuel from target	99%-100%	95%-99%	<95%	>100%
5	Sales Volume of Non PSO fuel from target	>110%	> 90%-110%	70%-90%	<70%
6	Sales Volume of Non fuel from target	>110%	> 90%-110%	70%-90%	<70%
7	Claim settlement	96%-100%	85%<-96%	75%<-85%	<75%
8	Actual development of the Plan	=100%	95%<-100%	90%<-95%	<90%
9	Actual cost of The owner estimated	<85%	85%-100%	>100%-110%	>110%
10	Incident rate internal	0			1
11	Incident rate retail	≤2%	>2%-3%	>3%-4%	>4%
12	Incident rate tanker	<0.6%	0.6 % - 0.8%	>0.8%-0.9%	>0.9%
13	Security incident	0	1	2	>2
14	Working loss	<0.08%	0.08%<-0.15%	0.15%-0.12%	>0.12%
15	Supply loss	<0.23%	0.23%-0.25%	0.25%-0.26%	>0.26%
16	Bert occupation ratios	=70%	65%-71%	60%-64%	<60%
17	Quality of receivables	0%	>0 %≤ 0.03%	>0.03%- .07%	>0.07%
18	Reliability of operational asset	>95%	90 % - 95%	85%<-90%	<85%
19	Number of incident	0	-	-	1
20	Reliability prasarana pelus	>95%	90%-95%	85%<-90%	<85%
21	Transport difference	<0.13%	0.13%-0.15%	>0.15%-0.17%	>0.17%

Fig 4 : Score Assessment of Performance Measures of Financial Perspective

C. Consumer Perspective

Kaplan and Norton [9] mention that the consumer perspective can be measured by consumer profitability. There are 4 indicators of this, namely share of feeling and share of mind, consumer retention rate, new customer acquisition and level of

customer satisfaction. This condition is shown in the following figure 5.



Fig 5 : Customer Perspective

Share of mind Non Fuel / Fuel / Lubricants, Asphalt, Premium, Kerosene, Non (PSO)

The share of mind is related to the extent to which consumers or prospective consumers know Pertamina and the products it produces. For this purpose, the survey must be related to the following questions: "call the first company that comes to your mind about" Lubricants and LPG ". For the purposes of analysis of mind share, the products surveyed are still limited to lubricants and LPG because other products such as premium, kerosene and diesel fuel, are still 100% macro controlled by Pertamina.

Share of feeling Non Fuel / Fuel / Lubricants, Asphalt, Premium, Kerosene, Non PSO

The share of feeling is related to the extent of consumer preferences to answer the question "call the preferred company / product for lubricants and LPG". The higher the value of the proportion that answers Pertamina or Pertamina products, this gives an indication that the share of the company's feelings is high

New customer acquisition

The acquisition of New Customers is divided into two, namely for Lubricants and Realization of New Pattern Gas Station. The measure of customer acquisition measures, in absolute or relative terms,

the strength of the business unit attracts and wins new customers or businesses. Customer acquisition can be measured by the number of new customers or the number of sales to new customers in the existing segment.

Consumer Satisfaction fuel and non-fuel channeling institutions

To assess the performance of this section is to conduct a survey of end consumers and measure three important parts in assessing customer satisfaction, namely from quality, value and emotional factors. In addition, by measuring the satisfaction of the final consumer of Pertamina's products, an in-depth analysis of the customer satisfaction of the channeling institutions was also carried out. For measurement, a questionnaire is used as a tool to collect data. Calculation of the score for the consumer perspective is shown in the following figure 7:

No	Indicators of Financial Perspective	Very Good	Good	Enough	Bad
1	Mind share of fuel	>80%	70%-80%	60%-70%	<60%
2	Mind Share of non fuel	>80%	70%-80%	60%-70%	<60%
3	The share of feelings fuel	>80%	70%-80%	60%-70%	<60%
4	The share of feelings non fuel	>80%	70%-80%	60%-70%	<60%
5	New customer acquisition from target	>100%	90%-100%	85%-90%	<85%
6	Realization of New Pattern oil depots from target	>100%	90%-100%	85%-90%	<85%
7	Consumer satisfaction of fuel	4.5-5.00	4.00- < 4.5	3.5- < 4.00	< 3.5
8	Consumer satisfaction of non fuel	4.5-5.00	4.00- < 4.5	3.5- < 4.00	< 3.5
9	Distributor's satisfaction	4.5-5.00	4.00- < 4.5	3.5- < 4.00	< 3.5

Note: for rating points 7,8 and 9 use likers scale, with scale 1 to 5

Fig 6 : Score Assessment of Performance Measures Consumer Perspective

D. Bussines Internal Perspective

Actual supply PSO / Non PSO Fuel / Non Fuel Products

To ensure that customers get what is needed, then the measure of performance from the supply and distribution department is to be able to provide PSO

and non-PSO fuel, namely in the form of premium, kerosene and diesel fuel, according to the needs or demands of consumers through the sales function. Therefore, the measure of performance is to see how far the fulfillment of the needs of the sales department is met. In addition to having the ability to meet sales needs in terms of fuel, the performance of the supply and distribution department is how far it is able to meet the needs of the sales section in terms of non-fuel.

Stock Resilience

Stock resilience is related to the extent of the function of supply and distribution or called S & D is able to store a minimum inventory of fuel both PSO and Non PSO. The higher the buffer stock is prepared, the better the demand for customers will be, but on the other hand, if excessive stock will result in high storage costs.

Internal Customer Satisfaction

Internal customer satisfaction is related to the extent to which a part or department is able to serve other parts or functions. In this process it is shown to see that what is done by a function supports the activities of other functions. This performance is expected to provide satisfaction to all functions to be better able to serve other functions.

Port Time

Port time is the length of the ship in the port in a state of operation awaiting time arrival outer bar until the ship departure (awaiting time departure outer bar). This performance is related to the extent to which the function of the Marine department is able to maximize the use of the dock.

Preventive Maintenance (Stock Tanks, Pipes, Pumps, Flow Meters, Pier)

Preventive maintenance is related to the extent to which the functions of the technical service department are able to carry out preventive maintenance of various facilities and infrastructure

owned by Pertamina including storage tanks, pipes, pumps, flow meters and docks. The purpose of this performance measure is that in order to achieve a condition of facilities and infrastructure that are ready to use so that it will support the S & D function which will further affect external customer satisfaction.

Security Performance

The next internal business process is related to security performance, namely the extent to which the security section is *able* to resolve cases related to the security of company assets. The size of the proportion here is how large the proportion of events that can be handled by security compared to the number of incidents or events as a whole.

Effort of the Health Management System and Work Safety

The Effort of the Occupational Safety and Environmental Health Management System is related to the efforts made by Pertamina in the framework of implementing elements of work safety. The higher the implementation value, the better the performance of Pertamina.

Legal Performance (Judicial Level; Outside the Court)

Legal performance is related to the ability of the HR function to resolve legal cases related to the company. In this assessment it is divided into two classifications, namely the first relating to legal performance in the process of resolving legal cases at the court level and the second is legal proceedings outside the judiciary, especially related to the settlement of troubled contracts. The following is an assessment score for an internal business perspective, shown in figure 8.

No	Indicators of Financial perspective	Very good	Good	Enough	Poor
1	Actual supply fue PSO and non PSO from target	≥ 110%	90% < 110%	70% < 90%	< 70%
2	Actual supply non-fuel product from target	≥ 110%	90% < 110%	70% < 90%	< 70%
3	Stock endurance	> 10 day	8-10 day	5-7 day	< 5 day
4	Internal customer satisfaction	4.0 – 5,0	3,0 < 4	2,0 < 3,0	< 2,0
5	Port Time	< 40 jam	40– 45 jam	> 40 – 50 jam	> 50 jam
6	Preventif Maintenance	> 95%	90% - 95%	85% < 90%	< 85%
7	Security Performance	> 95%	90% - 95%	85% < 90%	< 85%
8	Effort of occupational Health and Safety	≥ 75	70 - < 75	65 - < 70	< 65
9	Legal performance	95% 100%	90% < 95%	85% < 90%	< 85%

Note: for rating points 4 use likers scale, with scale 1 to 5

Fig 7 : Score Assessment of Performance Internal Business Performance

E. Growth Learning Perspective

This perspective of learning and growth essentially identifies the resources needed to carry out internal processes as a way to give customers the breadth. There are three main resources needed to carry out internal processes, namely human resources, information resources and organizational capital.

Level of HR Development

The level of HR development is related to two measures of performance, namely the first is the proportion of the number of HR who take courses divided by the total number of HR. The higher the value of this proportion, the better the performance of the HR function is. The second measure is related to the proportion of the number of increases in the number of workers who fulfill the conditions for group increase.

Employee Satisfaction Level

The level of job satisfaction is related to the extent to which employee satisfaction is achieved. The more satisfied the workers feel at work, means to show the performance of the functions of the HR and General department has succeeded in creating a conducive work climate. Therefore, one measure of

the performance of the HR and General functions is how much the satisfaction of workers is felt in Pertamina's environment. For this purpose, it is used as a material for data collection.

Worker Health Level

To ensure that all workers in Pertamina are in a healthy condition and ready to work, the company requires all workers to conduct Medical Check Up (MCU). For workers who do not do the MCU, sanctions are imposed. The measure used as the basis for assessing the success of the HR and General functions, is the proportion of the number of healthy workers compared to the total number of workers who conduct medical checks.

Level of Reliability of Information Systems

The level of reliability of information systems is one measure of the success of the functions of the HR and General department in the perspective of growth learning, because it relates to the extent to which investments in the field of IT (Information Technology) are able to continue to operate according to plan. In the process of assessing this part, we can see how far IT equipment operates. There are two parts that are used as a benchmark for assessment, namely: reliability of vital tools, especially with regard to IT tools that are directly related to the company's operations, and operational IT tools.

Implementation of Company Regulations

The implementation of company regulations relates to the extent of company regulations in this case the Pertamina is adhered to by all workers. The greater the proportion of workers who do not violate the rules the higher the performance of the HR and General functions.

Level of HR Development

The level of human resource development relates to the extent to which managers and section heads are able to provide guidance to their subordinates, so

that it will have an impact on increasing motivation to work from workers. To assess the level of coaching is to use a questionnaire given to workers, from the results of this questionnaire it will be seen whether their superiors have high concern or not in the process of coaching. The questionnaire used is likert scale. The following is an assessment score for a growth learning perspective.

No	Indicators of Learning Grow Perspective	Very Good	Good	Enough	Poor
1	Level of HR Development	95% - 100%	90%-95%	85%-<90%	<85%
2	Level of employee satisfaction	4,0 - 5,0	3,0-< 4,0	2,0-< 3,0	< 2,0
3	Level of employee health	95%- 100%	90%- < 95%	85%- < 90%	< 85%
4	Level of reliability of management information systems	95% - 100%	90%- < 95%	85%- < 90%	< 85%
5	Implementation corporate role	95% - 100%	90%- < 95%	85%- < 90%	< 85%
6	Level of HR development	4,0 - 5,0	3,0-< 4,0	2,0-< 3,0	< 2,0

Note: for number 2 and 6 score points use the likers scale, on a scale of 1 to 5

Fig 8 : Score Assessments of Performance Learning Grow

V. CONCLUSIONS AND SUGGESTIONS

The Balanced Scorecard performance appraisal method is an integrated performance management system with regard to four indicators as a reference assessment, namely financial, consumer, internal business processes and growth learning. Balanced Scorecard based performance measurement is very suitable for PT. Pertamina marketing unit, because there are two inherent tasks, namely business and social. In the financial perspective the performance measurement indicators proposed are: market share, sales volume, claim resolution, investment, incident ratio, incident rate, supply and working losses, occupation, quality of receivables, reliability of operational assets, number of incidents, reliability, transport difference. The consumer perspective consists of: share of mind, share of feelings,

acquisition of new customers, and level of customer satisfaction. The learning and growth perspective consists of: the level of human resource development, the level of employee satisfaction, the level of worker health, the level of reliability of the information system, the implementation of company regulations, the level of human resource development. From the proposed performance measure, it should be synergized with accurate research, especially with regard to measuring market share, share of feelings and share of mind.

The most important obstacle in the process of implementing the Balanced Scorecard is the activity of collecting field data that requires separate effort, especially related to customer satisfaction surveys both enduser and distributor or agent. In addition to this, to support the successful implementation of the Balanced Scorecard as a performance management system requires reliable information technology assistance in the performance data processing.

In further research it should be translated into more detailed indicators to be implemented into each function / department / section / until it becomes an individual Key Performance Indicator (KPI).

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