



Hak Cipta Dilindungi Undang-Undang

1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber:
 - a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penyusunan laporan, penulisan kritik atau tinjauan suatu masalah.
 - b. Pengutipan tidak merugikan kepentingan yang wajar Unand.
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Unand.

MANAGEMENT PERFORMANCE USING BALANCE SCORECARD CONCEPT IN PT BANK NAGARI MAIN BRANCH OFFICE PADANG

THESIS



**YOLANDA DWI SARI
0810534048**

**JURUSAN AKUNTANSI
FAKULTAS EKONOMI
UNIVERSITAS ANDALAS
PADANG 2012**

ABSTRACT

In era globalization, the world of business experienced growth to resulting in an increasingly competitive conditions competition. In order to enhance organizational performance, alignment of organizational and individual objectives within the organization is important. Accordingly, the performance appraisal system is needed that describes the condition of the company's performance accurately. The Balanced Scorecard is one of the alternative performance measures that aims to combine the size of financial and non financial performance. This measurement is the result of a process based on its mission and strategy of a firm. There are four aspects that are measured in the Balanced Scorecard (BSC) is a financial perspective, customer perspective, internal business process perspective, growth and learning perspective.

The objective of this research is to analyze the performance of PT Bank Nagari Main Branch Office Padang using the Balance Scorecard Concept. The collected of data using primary and secondary data. The primary data obtained from questionnaires that distributed to employees and customers of PT Bank Nagari Main Branch Office Padang. Secondary data obtained from annual reports of PT Bank Nagari Main Branch Office Padang per December period in 2009, 2010, 2011. Those data are compared to the standard set whether each variables in each perspective categorize as "good", "enough", or "bad" condition.

The result of the research shows that the overall performance of PT Bank Nagari Main Branch Office Padang is good, where the the value of each perspectives are mostly categorized as "good" standard. For the learning and growth perspective, all the variables measured are in the good standard. In the internal business perspective, the result reveals enough performance. While in the customer perspective the overall result from each measurement is in the good criteria. The crucial thing to be recognized is about financial condition, where the ROA is in the good criteria, but for LDR is stand in the bad condition. So the company need to set better strategy to fix their performance in the financial aspect to make the organization balance both in the financial and non financial to increase its performance.

Keyword: Balanced Scorecard, Business Performance

UNTUK KEDJAJAAN BANGSA

ACKNOWLEDGEMENT

Alhamdulillahirrabil'alamin. Thanks to Allah for blessing and guidance, so I am able to finish this thesis as a partial fulfillment to achieve Undergraduate Degree from Accounting Department of Andalas University. Shalawat and salam is directed only for the prophet Muhammad SAW for the guiding in the belief of the power of Allah SWT. Beyond this, I have learned more about hardwork, patience, respect, faithful, discipline, and even blessing in disguise and also destiny. Sure, this is such a complex process and complex learning I had been through within my entire life.

In achieving this, I am absolutely supported by so many parties starting from the proposal idea until the final revision. The studying process is the most crucial part to get here and those support accompanied me along the way. Without them, I would not have been in this place right now where I am in a few step closer in reaching my goals and dreams. Particularly, I would like to express my deepest gratitude to those parties who had given contribution and support either in my study and this thesis.

This acknowledgement is especially addressed to:

1. My lovely parents, ANASRUN AZIZ and SULASTRI Z.A. Thanks god I have them as my parents, a very huge thanks to you both for filling my life with a wonderful love and affection ever. Words just can not describe how thankful I am to be your kid. Thank you so much for become my advisor, a faithful supporter, the best listener ever, my very best friend, and also my financial support :-p I love you Mama and Papa more than I can say.
2. For the only sister I have ROZA GUSMA PUTRI ANAS for your childish battle. And for all the miracle that happen in your life. Seriously, it always be my inspiration. Note it, the miracles in your life yaa.. not you Hahahahahaha. For your annoyed phone call, anyway sometimes your stupid spirit from phone or message makes me strong. I love u sist. Muuuuaaccchhhh :* :* :*
3. For my precious gift, joy and spirit M. Taufik Aswin. Thanks because you always stand by me in every condition and fight for us. For every laugh and love ☺
4. Prof. Dr. Tafdil Husni, SE., MBA., as the Dean of Economic Faculty of Andalas University

5. Dr. Yuskar, SE., MA., as the head of Accounting Program of Andalas University
6. Drs. Riwayadi, MBA., Ak as the Secretary of Accounting Program of Andalas University.
7. Dr Yulia Hendri Yeni, SE., MT., Ak as my thesis advisor for providing me a very great supervise and learning in her very tight schedule, busy day, and hard condition. Maam, I bet you such a great and inspiring Lecture, Mom, and Wife. So lucky to be your student ☺. Thank you so much n love you :*
8. Thesis Examiners lecture Rayna Kartika, SE., M.Com, Ak to revise my thesis by critics and advice.
9. Prof. Dr. Eddy . Rasyid M.Com(Hons)., Ak as my comprehensive lecture examiner. Thanks for your support and advice for me. It means a lot sir. Also for all of Accounting lecturers. Thank you for the knowledge.
10. Bureau staff, da Ari (the most handsome guy in Accounting LOL), Ni Eva and Mama Loli. Thanks to make the bureaucracy becomes easy and smooth. I bet everyone in the department would not be able to run the learning process smoothly without their help. Thank you so much.
11. My best partner and my best friend in doing this thesis Melin Rahmadhani Henidal. Thanks for being my best friend, for every worried and panic condition in the last minutes that we've made, but we can beat it! Yeeeyyyy!!! I can't imagine if I should do this alone. And thanks for every spirit n motivation that we share each other.
12. My partner and besties in International Accounting 2008 Meyyiiinn..Onyiiiii... and liyyymm.. for a childish accompany since in the first year. Hope we can achieve all of our goals and dreams. Lot of love and laugh galz :* :*
13. All of "Jaka-Jaka" in International Accounting 2008 the genius boy Abdurahman, the guy that though he is a "don juan" Dede, the handsome Arif Ariadi, the twins 'ambuank' Adi n Fadil, ambassador of every event Loveandyo. For Wellykau, Indra, Viki, Diez, Mumud and gossiping boy Putro.
14. Ladies in International Accounting 2008 Ami, Wati, Ises, Ridha, Nike, Wijay, Eka, Cia, Putri, Vivil. Keep fighting gals
15. For all of my friends in "Angkatan Hujan" Accounting Department 08. Ipit, Tika, Puput, Shintya, Kodonk, Amak, Revi, Zahra, Mike, Dedek, Rosa, Resa, Ziah, Echa, Widya

'Emwe' etc. The'rasan' guy Ook, Vicky, Anes, Apin, Taufik, Doli, Teja, Ronal, Ryant, Cypaik, Pewe, Vicky, Ijun, etc. thank for making my day in accounting so colorfull.

16. My ICX famz kak Cei, Nene, Yana, and Water. You guys are my best team ever. Thank you for being part of my life with all of your achievements as my inspiration. U rock guys!!
17. For AIESECers LC UA Bibi, Randy Abak, Bang Yamin, Kak Iin, Teteh Intan, Cece Rere, Dady Jimmy, Ajay, Meli, Kak Ade, etc. I'm sorry I can not mention one by one. Nice to be a part of this organization. Keep inspire other and hope AIESEC UA always be a platform for young leaders to develop their self.
18. My Senior High friends Ziah, Amynk, Loren, Mela, Angel, Vidi, Tongek. For the D'janers class. Miss our time in SMA N 1 Padang.
19. My Best friends since Junior High Tami, Meta, Dea, Catra, Vika, Poppy thanks for being my friends for almost 10 years and always there to hear my problems.
20. For Ikatan UDA UNI kota solok. Thanks for giving me a great experience and those responsibilities.
21. For Ikatan Uda Uni Sumbar. So proud to be a part of this inspiring young people. love ya
:*

There are still many others whom I can not mention one by one. Thank you for every single help I can not reply, all I can do is only pray for the success of all. Amin.

Padang, August 2012

Sincerely,

Yolanda Dwi Sari

CONTENT

CHAPTER 1 INTRODUCTION

1.1	Background.....	1
1.2	Problem Identification.....	4
1.3	Research Objective and Benefit.....	5
1.3.1	Research Object.....	5
1.3.2	Research Objective.....	5
1.4	Writing Systematic	6

CHAPTER 2 THEORETICAL FRAMEWORK

2.1	Overview of Bank.....	7
2.2	Performance Measurement.....	10
2.3	Performance Measurement with Traditional Assesment.....	13
2.4	Balance Scorecard Performance Measurement.....	14
2.4.1	Financial Perspective.....	15
2.4.2	Customer Perspective.....	18
2.4.3	Internal Business Perspective.....	21
2.4.4	Learning and Growth Perspective.....	22
2.5	Previous Research.....	23

CHAPTER 3 RESEARCH OBJECT

3.1	Research Object.....	25
3.2	Type of Research.....	25
3.3	Type of Data.....	25

3.4	Research Variable and Variable Measurement.....	26
3.4.1	Financial Perspective Variable Measurement.....	26
3.4.2	Customer Perspective Variable Measurement.....	27
3.4.3	Internal Business Perspective Variable Measurement....	27
3.4.4	Learning and Growth Perspective Variable Measurement..	28
3.5	Data Gathering Method.....	28
3.5.1	Financial Perspective Data.....	28
3.5.2	Customer Perspective Data.....	28
3.5.3	Internal Business Perspective Data.....	30
3.5.4	Learning and Growth Perspective Data.....	30
3.6	An Assessment of Research Instrument.....	32
3.6.1	Validity Test.....	32
3.6.2	Realibility Test.....	32
3.7	Data Analysis Method.....	33
3.7.1	Financial Perspective Data Analysis.....	33
3.7.2	Customer Perspective Data Analysis.....	35
3.7.3	Internal Business Perspective Data Analysis.....	36
3.7.4	Learning and Growth Perspective Data Analysis.....	37

CHAPTER 4 ANALYSIS AND DISCUSSION

4.1	Brief History of PT. Bank Nagari.....	39
-----	---------------------------------------	----

4.2	Vision and Mission of PT Bank Nagari Main Branch	
	Office Padang.....	40
4.3	Products of PT Bank Nagari Main Branch Office Padang.....	41
	4.3.1 Fund Products.....	42
	4.3.2 Credit Products.....	45
	4.3.3 Sharia Products.....	48
	4.3.4 Service Products.....	49
4.4	Organizational Structure of PT Bank Nagari Main Branch	
	Office Padang.....	50
4.5	Respondent Profile.....	51
	4.5.1 Customer Profile.....	51
	4.5.2 Employees Profile.....	53
4.6	Data Analysis.....	55
	4.6.1 Financial Perspective Data Analysis.....	55
	4.6.2 Customer Perspective Data Analysis.....	57
	4.6.3 Internal Business Perspective Data Analysis.....	60
	4.6.4 Learning and Growth Perspective Data Analysis.....	61
4.7	The Result of Performance Measurement of PT Bank	
	Nagari Main Branch Office Padang Using Balance Scorecard	
	Concept.....	64

CHAPTER 5 CONCLUSION

5.1	Conclusions.....	67
5.2	Implication of the research.....	68
5.3	Limitation of the Research.....	68
5.4	Suggestion.....	69



FIGURES

FIGURE 2.1	The Four Perspective of Balance Score Card.....	16
FIGURE 2.2	Main Measurement Customer Perspective.....	21
FIGURE 2.4	Organizational Stucture of PT Bank Nagari Main Branch Office Padang.....	50



TABLES

TABLE 2.1	The Conclusion of Previous Research.....	25
TABLE 3.1	Conclusion of Data Gathering Method.....	31
TABLE 3.2	Standard Criteria for Financial Perspective Measurement.....	34
TABLE 3.3	Standard Criteria for Customer Perspective Measurement.....	36
TABLE 3.4	Standard Criteria for AETR.....	37
TABLE 3.5	Standard Criteria for Internal Business Perspective Measurement.....	37
TABLE 4.1	Customer Profile Summary.....	52
TABLE 4.2	Employees Profile Summary.....	54
TABLE 4.3	ROA in PT Bank Nagari Main Branch Office Padang.....	55
TABLE 4.4	BOPO in PT Bank Nagari Main Branch Office Padang.....	56
TABLE 4.5	LDR in PT Bank Nagari Main Branch Office Padang.....	57
TABLE 4.6	Customer Acquisition of PT Bank Nagari Main Branch Office Padang	58
TABLE 4.7	Customer Retention of PT Bank Nagari Main Branch Office Padang...	58
TABLE 4.8	Ratio AETR in PT Bank Nagari Main Branch Office Padang.....	61
TABLE 4.9	Employee Production in PT Bank Nagari Main Branch Office Padang	62
TABLE 4.10	The Result of Performance Measurement PT Bank Nagari Main Branch Office Padang.....	64

CHAPTER 1

INTRODUCTION

1.1 Background

The business world becomes more competitive. It is indicated by the big changes in the competition, production, marketing, human resources management, and transaction holding between company with customer and company with another company. Now the competition become global and sharp, it is cause the decreasing in profit that earned by the companies that entering the world-level competition. The company charged to take strategic action in every condition. Beside the ability to compete, the company should also have a superiority that can distinguish one company with another. Many companies try to formulate their business strategy in order to win the competition. But, only the company which has superiority could satisfy and fulfill costumer needs, able in producing quality product and cost effective (Mulyadi, 2001).

To be the winner in this tight competition the company need the correct standard to measure their performance. Commonly during this time the company uses traditional performance measure that only focus on the financial sector. This traditional performance measure has advantages and disadvantages. The advantage is it will push the management to work harder if the company only looking for the short term benefit. While the disadvantage is when the performance measure only focus on the financial sector will be underprivileged in measuring intangible asset performance and the intellectual asset (human resources) of the company. Beside that in measuring performance with this way underprivileged to tell a lot about company history, less

attention to the external sector, and not able to fully lead the company toward better (Kaplan and Norton, 1996).

Because of those disadvantages appear an idea to make a new performance measurement which can measure both, financial sector and non financial sector. The performance measurement in using non financial data, include the following: market size and level of growth, the ability of firms in producing products that are popular by consumers, development and assessment of employees including the employee turnover, corporate image in the eyes of society, on time delivery, the percentage of goods damaged during production, the number of customer complaints and warranty for customer.

Kaplan and Norton design the more comprehensive performance measurement system that is known as *Balance Scorecard*. According to Kaplan and Norton (1993) "*Balance Scorecard provides executives with a comprehensive framework that translates a company's strategic objectives into a coherent set of performance measures*". Balance scorecard seeing the organization from four perspectives, that are:

1. Financial perspective
2. Customer perspective
3. Internal business perspective
4. Learning and growth perspective

Balanced scorecard can be applied to the business organizations that produce products or services. But, in this research the writer choose service company engaged in the financial sector that is bank as the research object. Based on "Undang-undang RI"

No. 10 year 1998 about the changes on “Undang-undang” No. 7 year 1992 about Banking, bank is committee that collect fund from society in form of saving and distribute it to society in form of credit and/or other forms in order to increase the society’s living standard. Based on that law, bank as financial institutions are divided into two, namely Commercial Bank and Rural Bank. The Bank's activities in Indonesia, especially activities of commercial banks is to collect funds from the community (funding), to deliver funds to the public (lending), and provides other banking services (services).

Bank Pembangunan Daerah of West Sumatra was officially established on March 12, 1962 under the name "PT. BANK PEMBANGUNAN DAERAH SUMATERA BARAT". The establishment was pioneered by The Local Government, society and entrepreneurs in West Sumatra, on the premise the need for a financial institution in the form of the Bank, which specifically assist the government in implementing development in the area. In 1996 through Perda No. 2/1996 authorized call name as “Bank Nagari” the aim is to be more popular, build brand image as well interpret order system of Government in West Sumatra. Although Bank Nagari is the government bank, but to win the competition in the market, Bank Nagari must be able to compete with the commercial bank. One of the movement of Bank Nagari is sign by launching a new logo, new vision and mission of Bank Pembangunan Daerah on 27 November 2008. Through this moment of change hopes that Bank Nagari has a new spirit to serve and can reach their vision that is “Menjadi Bank Pembangunan Daerah Terkemuka dan Terpercaya di Indonesia”. With the high integrity and loyalty from stakeholders of Bank Nagari is committed to continuously cultivate motivation, creativity, accuracy, and innovation both in terms of

improving services in order to maintain existing customer and attract new prospect that Bank will improve its performance in the future.

To achieve the vision and mission Bank Nagari needs the comprehensive strategies which involve many kind of aspect, financial and non-financial. In the balance scorecard performance measurement system, the importance of financial and non-financial aspect are revealed. According to Mulyadi (1996), balance scorecard is the performance measurement concept that actually gives a comprehensive framework to explore the vision into strategic goals. The comprehensive strategic goals can be formulated as a balanced scorecard uses four perspectives that are interrelated one to another and cannot be separated (Gaspersz, 2005). This effort related with the internal and external parties in the company. For example, costumer satisfaction, the quality of product or services, employee loyalty, and so on.

Based on the background, the writer interested to do a research with title:

“Management Performance Using Balance Scorecard Concept In PT Bank Nagari Main Branch Office Padang”

1.2 Problem Identification

Based on the background state above, then the problem that writer would like to discuss in this research is stressed on:

1. How is the the performance of PT Bank Nagari Main Branch Office Padang observed from the financial perspective?
2. How is the the performance of PT Bank Nagari Main Branch Office Padang observed from the cutomer perspective?

3. How is the the performance of PT Bank Nagari Main Branch Office Padang observed from the internal business process perspective?
4. How is the the performance of PT Bank Nagari Main Branch Office Padang observed from the learning and growth perspective?

1.3 Research Objective and Benefits

1.3.1 Research Objectives

Based on the problem identification above the objective of this research is to analyze the performance measurement in PT. Bank Nagari Main Branch Office Padang based on Balance scorecard concept.

1.3.2 Research Benefits

This research is expected to give benefit to all the related parties. The objectives are:

1. For PT Bank Nagari Main Branch Office Padang

Analysis result obtained from this research is expected to be a consideration to increase and keep the existing performance and to bring into a better organization.

2. For Writer

Giving insight to comprehend the using of the balanced scorecard concept as performance measurement, especially in PT Bank Nagari Main Branch Office Padang.

3. For Another Party

To be a reference to conduct further research.

1.4 Writing Systematic

This research is divided into five chapters, those are:

Chapter I (Introduction)

This chapter explains the overview of the background of the introduction, problem definition, purpose and benefit of the research and writing systematic.

Chapter II (Theoretical Framework)

Theoretical Framework provides an overview of literature survey about the purpose, benefit, and characteristic of performance measurement system. It also describes about Balanced Scorecard and its perspectives as performance measurement system.

Chapter III (Research Methodology)

Research Methodology discuss research object, type of research, type of data used in the research, data gathering method, research variable and variable measurement, assessment of reseach instrument and data analysis method.

Chapter IV (Analysis)

Provides discussion and analysis.

Chapter V (Conclusion)

This chapter consists of research conclusions of the analysis in previous chapters. This chapter also explains the research limitations as well as suggestions and implications of the research not only for the company itself but also to other parties who might have interest in this topic.

CHAPTER 2

TEORITICAL FRAMEWORK

2.1 Overview of Bank

Based on “Undang-Undang RI” number 10, year 1998, bank is defined as “committee that collect fund from society in form of saving and distribute it to society in form of credit and/or other forms in order to increase the society’s standard of living.”

According to Kasmir (2002), the bank can be interpreted as "The financial institutions which the main activity is collecting funds from the community and distribute those funds back to the community and provide other banking services".

The more technical definition of bank can we find in the Financial Accounting Standard (PSAK). The definition of Bank based on PSAK No. 31 “Bank is a financial institution that acts as an intermediary between the parties that have excess funds and those parties that need funding, as well as a functioning institution expedite the payment”

Based on the definitions above it can be concluded that the bank is a financial institution with the principle business to establish credit and services in a payments and money circulation.

In Undang-Undang RI number 10, year 1998, there are two types of bank:

1. General Bank

Public bank is bank which conduct the activities conventionally and/or based on syaria principle that in its operational is giving service through payments.

2. Credit Bank

Credit bank or “Bank Perkreditan Rakyat” is bank which conduct the activities conventionally and and/or based on syaria principle that in its operational is not giving service through payments.

According to Kasmir (2001) the types of banks in Indonesia can be viewed from various aspects :

1. Commercial Bank

Is the bank that conduct its operations in the conventional or based on sharia principles in its activities providing payment services.

2. Sharia Bank

Is the bank that in earn profits and set prices based on sharia principle, the financing is based on profit sharing principle (Mudharabah), financing based on the principle of equity participation (Musharaka), the principle of buying and selling goods to obtain profit (murabaha), and financing of capital goods based on pure leasing without any choice (ijara).

3. Central Bank

Bank that stablished under Undang-Undang No. 3 year 1968 has responsibility to regulate the circulation of money, regulate the deployment of fund, regulate the banking, to manage the credit, maintain the stability of currency. There is only one central bank as the center of all bank in Indonesia

Type of bank based on the ownership (Kasmir, 2002):

1. Government Bank

Where the establishment or capital is owned by the government, so the bank profits are also owned by the government.

2. National Private Bank Owned

Bank where most of their stock is owned by national private as well as the deed of establishment was found by private, profit sharing also for the national private.

Privately-owned national bank consists of:

1. Bank Owned by Cooperatives, the bank where the shares are owned by the company that has cooperatives legal entities. An example is the Cooperative Bank Indonesia.
2. Foreign Bank, is the branches from the bank of another country and the ownership is owned by foreign parties.
3. Mix-Owned Bank, a bank that owned by foreign parties and private national parties. Majority shareholding is held by a citizen of Indonesia.

In terms of bank status, bank consists of (Kasmir, 2002):

1. Foreign Exchange Bank is a bank that can carry out transactions related to domestic or foreign currency as a whole. Statement to be a foreign exchange bank is determined by Bank Indonesia.
2. Non-Foreign Exchange Bank is a bank that does not have permission to carry out foreign exchange transactions as the bank, so it cannot carry out transactions such as foreign exchange bank.

2.2 Performance Measurement

Performance is a periodic determination of operational effectivity, organizational party, and employees based on target, standard and criteria which have been set (Mulyadi, 2001). Company performance is something that produces by the company in some period and refers to the standard that has been set.

Performance measurement system is a mechanism that improves the possibility for companies to be successful in run their strategy (Anthony and Govindarajan, 2003). The measurements are designed to know how good the activity conducted and to identify the continuous improvement (Hansen and Mowen, 2005). There are two kinds of performance measurement, traditional and contemporer. The traditional is conducted by comparing the actual with the budgeted performance or standard cost, based on the responsibility characteristics, while the contemporer performance measurement is using activity as the basic (Hansen and Mowen, 2005) .

With the appeared of new paradigm that business should moved by customer-focused, an effective performance measurement system should have this requirement (Yuwono dkk, 2002):

1. Based on each activities and the characteristic of the company and appropriate with customer perspective.
2. The evaluation in every activities use customer validated performance measurement.
3. Accordance with all aspects of the performance activities that affect customers, resulting in a comprehensive assessment.

4. Provide feedback to help all members of the organization to recognize the problems that might be have possibilities for improvement.

Hornngren, Sundem and Strattom (2005) identified effective performance measures that are essential for almost any organization. Good Performance measures will:

1. Relate to the goal of the organization

Every personal and every department in the company should be proper with the strategy of the company to achieve their goals.

2. Balance long-term and short-term concerns

Connecting several strategies objective with the long-term concern and short-term concern, so the company concern on both.

3. Reflect the management of key actions and activities

Every action and strategy of the company should start from the management first.

4. Be affected by actions of managers and employees

The action that takes by the employee will affect the performance of company.

5. Be readily understood by employees

The management should communicate every strategy to all of employee.

6. Be used in evaluating and rewarding managers and employees

It is so important to evaluate the performance management and also give reward and punishment to those who good or bad.

7. Be reasonably objective and easily measured

The objective of the strategy should be reasonably and it can be measured.

8. Be used consistently and regularly

Every strategies to achieve the good performance measurement should be done consistently and regularly.

According to Mulyadi (2001), the benefits of performance measurement are:

1. Managing the organization's operations effectively and efficiently through motivating employees to the maximum.
2. Assist decision making that concerned with employees such as promotion, dismissal and mutation.
3. Identify employee's training and development needs and provide criteria for selection and evaluation of employee training programs.
4. Provide feedback to employees about how their superior assess their performance.
5. Provide the basis for awards distribution.

The performance measurements that can be used to assess the performance quantitatively (Mulyadi, 2001) are:

1. Single performance measurement

Is the performance measurement that only used one measure of valuation. In this case, employees and management tends to focus its efforts on these criteria and ignores other criteria.

2. Variety performance measurement

Is a performance measurement using various measures to assess its performance. Variety performance measurement is a way to overcome the weaknesses of single performance measurement.

3. Combination performance measurement

With the awareness of some criteria is more important for the company as a whole compared with another goal, so the company the combination in their performance measurement.

2.3 Performance Measurement with Traditional Assessment

In the traditional management, performance measures that usually used is financial assessment, because financial assessment easy to measure. Another performance, such as the increasing customer satisfaction in the services business, the increasing competence and personal commitment, relationship between corporate partnerships and supplier, and the increasing cost effectiveness of business processes to serve the customer, overlooked by management because it is difficult to be measured. So, there is fallacy in traditional management (Lasdi, 2002).

According to Horne and Wachowicz (1997) the assessment with a traditional performance measurement based on financial performance or called traditional performance measures emphasize the company's performance measurement through the calculation of financial ratios are:

1. Liquidity ratios, is the ratio used to measure company's short term obligations.
2. Debt ratios, is the ratio that indicate restrictions which the company is funded by debt.
3. Coverage ratios, is the ratio that connect company's financial costs with the ability to pay it.
4. Activity ratios, is the ratio that measure company activity based on the ability of company in using their asset.

5. Profit ratio, is the ratio that connect the profit with the selling and investing.

There are some weaknesses in traditional performance management (Kaplan and Norton, 1996):

1. Inability to measure the performance of the intangible assets and intellectual capital of the company, because of that financial performance could not tell you much about the company's past and not able to bring the company into a better direction.
2. The measurement is more oriented to the operational management and less lead to strategic management.
3. Not able to present the performance of intangible assets that are part of corporate assets structure.

The measurement of financial performance tends to encourage the managers to pay more attention to short-term performance and ignore the long-term goals. Based on the weaknesses that exist in the traditional performance measurement systems encourage (Kaplan and Norton, 1996) to develop a performance measurement system that notice the four perspectives, those are financial perspective, customer perspective, internal business process perspective and learning and growth perspective. This concept is generally known as the Balanced Scorecard concept. Balanced Scorecard is applied based on the vision and mission of the organization which further the vision and mission set forth in the form of strategies to achieve organizational goals.

2.4 Balanced Scorecard Performance Measurement

The "balanced scorecard" name reveals the balance between the short-term and long-term objectives, between the financial and non-financial measurement, between

lagging and leading indicator and between the external and internal performance perspective (Mulyadi, 2005).

The good balance scorecard should fulfill some criteria (Lubis and Sutopo, 2003).

Those are:

- Can define the long term strategic goals from each perspective (outcomes) and mechanism to achieve that goals (performance driver)
- Every performance measurement is the element in cause and effect relationship
- Related with the financial, means the strategy to repair like increasing the quality, fulfill customer satisfaction, and the innovation that have done should give an impact to the increasing of company profit.

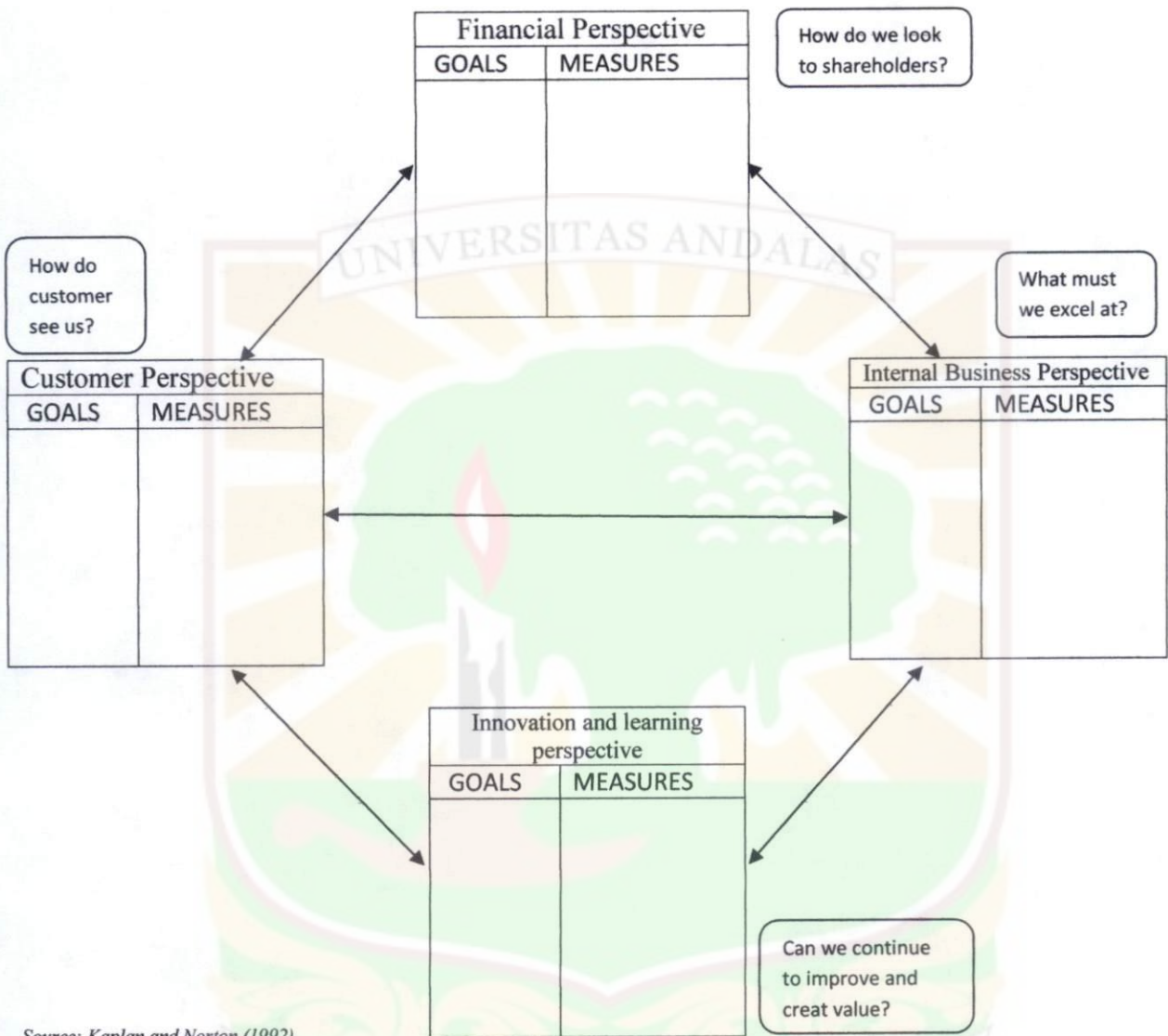
There are four perspectives in using balance scorecard concept:

1. Financial perspective
2. Customer perspective
3. Internal business perspective
4. Learning and growth perspective

The objective of the management is to make financial condition look good to the shareholders. To support this objective, the company also trying to make an effort on answering other questions such as: “how do customers see them?”,” what must they excel at?”, and “can they continue to improve and create value?”

Figure 2.1

The Four Perspective of Balanced Score Card



Source: Kaplan and Norton (1992)

2.4.1 Financial Perspective

In the balance scorecard financial perspective still the main concern. In this research financial perspective can be measure through financial ratio based on the financial statement, that is (Zudia, 2010):

1. Profitability Ratio

Is a tool to analyze or measure the level of business efficiency and the profitability achieved by the bank concerned. The ratio that used in this research is *Return on Assets* (ROA). ROA ratio is used to measure the bank management ability in gain the overall profit.

2. Efficiency Ratio

Is the ratio between operating expenses and operating income. Efficiency ratio (BOPO) is to measure the level of efficiency and the ability of banks in conducting their operations.

3. Liquidity Ratio

Loan to Deposit Ratio (LDR) is the ratio between the total loans provided banks with funds received by the bank. This ratio is used to determine the ability of banks to repay obligations to its customers who have invested their funds with credit given to the debtors.

Measurement of financial performance shows whether the planning, implementation and execution of the strategy provides a fundamental improvement. Therefore companies need to determine the strategic objectives with the company's ability in the financial sector with the following stages (Kaplan and Norton, 1996):

1. Growth

The growth stage is the beginning in the business life cycle. In this stage, the company is trying to explore the resources owned to increase the business growth. The company will invest as much as possible in this stage, increasing new products, building production facilities, enhancing operational capability, obtaining market

share and making distribution network. There is possibility to be in the condition of loss because in this stage the company is focusing on investing for long-term

2. Sustain

In this stage, the company still get the attraction from the investor to invest their capital. The company should be able to retain the market share owned and to maintain the quality of the products and to give better service to grow year by year. The financial objective in this stage is usually related to the profitability which is determined by using the measurement related with the operational profit. To obtained a good profitability the manager have to work hard to maximalize the earning from the capital invesment, while for the business unit having its own autonomy, it is asked to not only handling the cash flow but also capital investment level which has been invested in that business unit.

3. Harvest

This is the maturity stage for a company, because in this stage the company will harvest the investment conducted in the previous stages. The company do not need to do investment anymore in this stage but to maintain the survival of the company.

2.4.2 Customer Perspective

In customer perspective of balanced scorecard, organization identifies customer and market segment to be entered. Market segment is the source of the yielding components of the organization financial objective. In this perspective companies use benchmarks that are divided into two groups Kaplan and Norton (1996):

- Main customer measurement group

1. Market Share

Measuring market share can be executed if the targeted customer group or market share has been determined. Industry group, trading association, government statistic data and other public sources can provide the estimation of entire market size.

Another market share measurement is by account share of customer business or usually called customer “wallet” share. The entire market share measurement which is based on business relation with those customers is determined by the total business with them in a certain period. Organization can measure, for each customer in each segment, how much the business obtained from the customer segment and target market.

2. Customer Retention

Other than maintaining the customer, organization also wants to be able to measure the customer loyalty through the percentage of business growth with the existing customer.

3. Customer Acquisition

Customer acquisition can be measured by the number of new customers or the number of sales to the new customer in the segment. Organization can measure the cost for every single new customer, and income ratio from that new customer for every single sale or for every amount spent for marketing.

4. Customer Satisfaction

Retention and acquisition are determined by the organization effort to satisfy the customer needs. The customer satisfaction measurement gives feedback about how well the organization run the business. Current research shows that merely fulfilling the customers needs is not enough to obtain the high loyalty, retention and profitability. Only if the customer value their purchase experience as the satisfying experience that the customer could expect the customer to purchase again.

5. Customer Profitability

Customer profitability measurement reveals certain target customers which do not give profit. It might occur to the new customer, where the margin obtained from product and service sales to the new customer should be minus to the acquisition effort. In the case like this, lifelong profitability being the basic to retain or to let the customers-who-do-not-give-profit go. New customers, although do not give profit at the present, are still valuable for their growing potential. But the customers who are already been retained for years but still do not give any profit might need explicit action to change it become organization assets.

- Customer value proposition group

1. Attributes of products / services

Include the functionality of the product or service, price, and quality.

2. Customer relationship

Include the delivery of product/services and how the customer feelings after buying the product/services from the companies concerned.

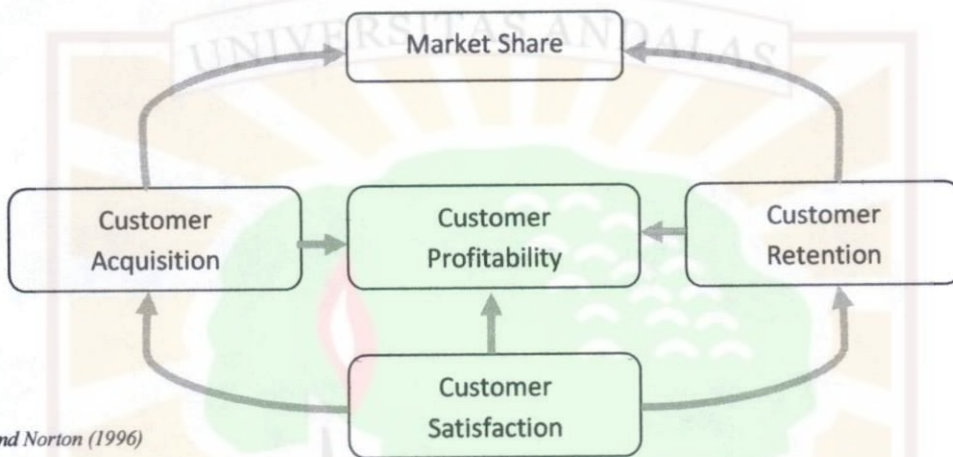
3. Image and reputation

Describe the intangible factors that make customers attracted to the company.

For more details about the customer's perspective, can be seen in Figure 2.2 as follows:

Figure 2.2

Main measurement—Customer perspective



Source: Kaplan and Norton (1996)

2.4.3 Internal Business Perspective

Usually, companies develop goals and measures for this perspective after formulating objectives and measures for financial and customer perspective. In internal business process there are three steps that should do, that are (Kaplan and Norton, 1996):

1. Innovation process

Innovation process in one of the critical process, where the efficiency, effectiveness and timeliness of this process will encourage the cost effectiveness in the creation value added for the customer.

2. Operation process

At this stage reflects the activities undertaken by the company from receipt of customer orders, producing the products or services up to delivery of products or

services to customers. At this stage performance measurement can be done in three ways that are quality, cost, and time.

3. Services process

At this stage the company try to give the value added to the customer that had been used the products or services produced by the company. This is done in order to make the customer loyal to the company.

2.4.4 Learning and Growth Perspective

This perspective is to measure the things that related to human resources. There are three dimensions that must be considered in this perspective, that is (Gaspersz, 2005):

1. Employees competency

Employees with high competency is certainly what is meant. What cause the employee to have high competency could be continuous-cross functional training. Employees would be knowledgeable and master any kind of job desk in the organization or in other word they are employees with multi-capability. Other way affecting the employees competency is establishing learning circle, to create active discussion among them, adding more knowledge to each other.

Measurements were made on three main points that are measurement of employee satisfaction, measurement of employee turnover in the company, and measurement of employee productivity.

2. Information Systems Capabilities

Measurement of the company can be measured by the percentage of available information about the customer that set by the employee, the information about production cost, etc.

3. Organizational culture

Organizational culture especially in action execution may be affected by employees efficient use. Employees should be set to get used to a multi-tasking work so that one can do more than one kind of job description at a time. Creating cross-functional team is other effort to execute action where a project will be running effectively and efficiently by various people with various kind of job description within.

2.5 Previous Research

The research by Nissa (2011) measures the performance management of BTN Padang using Balance scorecard and from this research Nissa found that from financial perspective measurement which are ROA/ROI, net profit margin and current ratio, the company performs good results although BTN fails to achieve good ROI/ROA. The average category for the customer perspective is “good”. In the perspective of internal business process measurement, the results are good. And also BTN Padang success in implement the fourth perspective, that is learning and growth.

The research by Zudia (2010) analysis the performance management using balance scorecard concept in PT Bank Jateng Semarang. In this research all of perspective in balance scorecard give positive impact and run well in the organization. PT Bank Jateng Semarang has been success in implanting the balance scorecard concept.

Rusdiyanto (2010) did the research about Balanced Scorecard in PDAM Kabupaten Semarang. The data is analysed from the year 2006, 2007 and 2008. The research shows that from the four perspectives, all perspectives performance range from enough to good. Here, the management is suggested to concern more on the non-financial aspect of performance.

The research by Aurora (2010) about the implication of balanced scorecard as measurement tool in nonprofit organization (case study in RSUD Tugurejo Semarang). Research conducted by collecting data during three years, from 2007 to 2009, using comparative analysis in which researchers evaluating the hospital performance between periods and compare it with the previous target that has been set and then give a score according to the criteria. From the research results using the Balanced Scorecard concept can be conclude that there were some variation in results. Growth and learning perspective is still considered to be less, while for three other perspectives are considered good enough.

This research combines those research from Nissa (2011), Zudia (2010), Rusdiyanto (2010) and Aurora (2010) including the variables and also the research method.

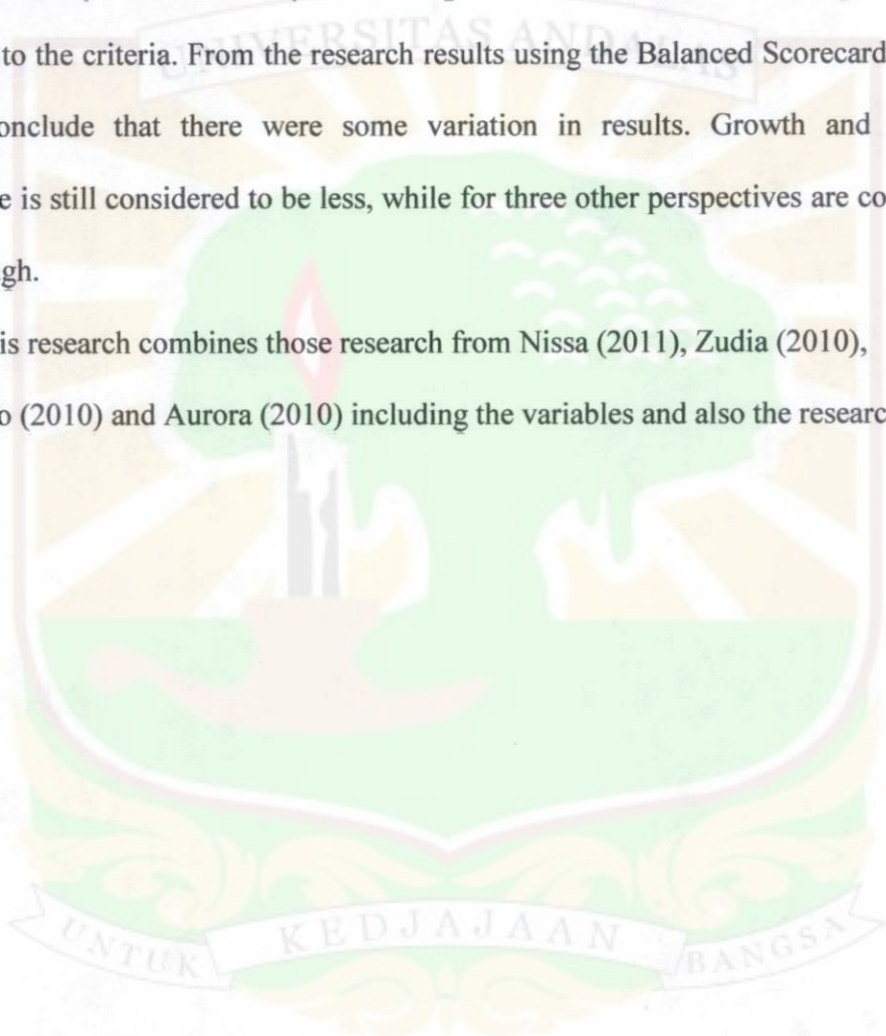


Table 2.1 The Conclusion of Previous Research

No	Writer	Object	Finding	Similarity	Difference
1.	Aurora (2010)	RSUD Tugurejo Semarang	Growth and learning perspective is still considered to be less, while for three other perspectives are considered good enough.	Both assess the performance of the organization by using the four perspectives are then referred as the Balanced Scorecard concept. Research object is a service company and have a big priority in customer satisfaction and owned by district government.	In variable measurement tools. This research using the hospital national standard to measures their performance, those are: <i>Bed Occupancy Rate (BOR)</i> , <i>Average Leangth of Stay (ALOS)</i> , <i>Bed Turn Over (BTO)</i> , <i>Turn Over Internal (TOI)</i> , <i>Gross Death Rate (GDR)</i> , <i>Net Death Rate (NDR)</i> , number of outpatients, and the number of inpatients.
2.	Nissa (2011)	PT Bank Tabungan Negara (Persero) Regional Office Padang	From financial perspective measurement which are ROA/ROI, net profit margin and current ratio, the company performs good results although BTN fails to achieve good ROI/ROA. The customer perspective is "good" The internal business perspective is good. And also success in implementing learning and growth perspective .	Have the same variable measurement in customer perspective also in learning and growth perspective.	In financial perspective Nissa used ROA, NPM and Current Ratio as measurement tool, but in this research use ROA, BOPO and LDR. In Nissa research there is no numerical standard to measure internal business perspective, but in this research used AETR to measure it.
3.	Rusdiyanto (2010)	PDAM Kabupaten Semarang	The research showed that from the four perspectives, all perspectives performance range from enough to good. Here, the management is suggested to concern more on the non-financial aspect of performance.	Both assess the performance of the organization by using the four perspectives are then referred as the Balanced Scorecard concept.	The variable measurement in financial perspective Rusdiyanto using current ratio, profit margin, operating ratio, return on investment. But in this research using ROA, BOPO, and LDR.
4.	Zudia (2010)	PT Bank Jateng Semarang	In this research all of perspective in balance scorecard give a positive impact and run well in the organization. PT Bank Jateng Semarang has success in implanting the balance scorecard concept	Using the same variable measurement in financial perspective. Object of the research is same that is Regional Development Bank.	In choosing the scale of satisfaction for the customer and employee. In Zufia research insert 3 (Neutral), 4 (Agree), and 5 (Very Agree) in the satisfy scale. But in this research only choose scale 4 and 5 as satisfaction agreement.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research Object

The object of this research is a financial service organization which is PT Bank Nagari Main Branch Office Padang where the performance measurement includes financial and non-financial aspects. The financial aspect consist of measurement of *Return on Asset* (ROA), efficiency ratio (BOPO) and also Loan to Deposit Ratio (LDR). The non-financial aspects consist of three measurement perspectives which are consumer perspective, internal business process also learning and growth. In this performance measurement, the questioners using two kind of respondent, they are customers and employees in PT Bank Nagari Main Branch Office Padang.

3.2 Type of Research

The type of the research is quantitative and qualitative to describe the real condition of the object. The study is conducted through directly observe and study of PT Bank Nagari Main Branch Office Padang. The observation and study is conducted to obtain the data regarding the performance measurement with balanced scorecard concept.

3.3 Type of Data

The data used in this research are primary and secondary data.

1. Primary data is the data gathered directly through interview and questioners distribution to the customers and employees of PT Bank Nagari Main Branch Office Padang.

2. Secondary data are annual report of the company for three periods which are in the year of 2009, 2010, 2011, also literature and document study related with the performance measurement with balanced scorecard concept.

3.4 Research Variable and Variable Measurement

The variables in this research includes four perspectives which are financial, customer, internal business process and learning and growth perspective.

3.4.1 Financial Perspective Variable Measurement

Financial analysis ratio is used to measures the financial statement of company. Performance assessment on the financial perspective is measured by secondary data through company annual reports over a period of three years ie 2009, 2010, 2011 using financial ratios as follows (Zudia, 2010):

1. Return on Asset (ROA)

ROA is a ratio used to measure the ability of bank management to obtain the overall profit (Zudia, 2010). This measurement is stated using percentage.

2. Operational Cost Ratio (BOPO)

BOPO is an efficiency ratio that is used to measure the level of efficiency and the ability of the bank in conducting its operations (Zudia, 2010). This measurement stated using percentage.

3. Loan to Deposit Ratio (LDR)

LDR is the ratio between the total loans provided banks with funds received by the bank. This ratio is used to determine the ability of banks to repay obligations to its customers who have invested their funds with credit given to the debtors.

3.4.2 Customer Perspective Variable Measurement

The performance measurement from customer perspective use the measures of Nissa (2011):

1. Customer Acquisition

This is to know the ability of PT Bank Nagari Main Branch Office Padang to attract new customers, by dividing the total new customers with the total customers stated using percentage.

2. Customer Retention

Customer retention is to measure how far the company able to retain its existing customers, by dividing the total customers of the previous year with the total customers of current year stated using percentage.

3. Customer satisfaction

This customer satisfaction is to know the level and quality of the service given by the employee in PT Bank Nagari Main Branch Office Padang to the customers stated with percentage.

3.4.3 Internal Business Perspective Variable Measurement

The performance measurement in this perspective using the measurement of Rangkuti (2011):

Process operations related to customer service activities. Measurements can use AETR ratio (Administrative Expense to Total Revenue) which aims to determine the efficiency and effectiveness also the timeliness for transactions conducted by PT Bank

Nagari Main Branch Office Padang. By AETR ratio it can show that Bank could control their administrative expense while still give the best service to the customer. It is stated using percentage.

3.4.4 Learning and Growth Perspective Variable Measurement

Based on Nissa (2011) the performance assessment on learning and growth perspective can be done by:

1. Employee Productivity

This measurement is used to know the employee productivity in a certain period by comparing the operational profit with the total employees.

2. Employee Satisfaction

Employee satisfaction is measured by using a survey method using questionnaires distribute to the employee that worked in the PT. Bank Nagari Main Branch Office Padang

3.5 Data Gathering Method

The data are gathered for every perspectives of balanced scorecard:

3.5.1 Financial Perspective Data

The financial data which includes the Balance Sheet and the Income Statement of PT Bank Nagari Main Branch Office Padang on the year of 2009, 2010, and 2011, is obtained from Accounting Unit.

3.5.2 Customer Perspective Data

To get the data about customer, the research is conducted by doing the the interview with the Customer Care Unit to ask about customer acquisition, the data

that needed are total new customer and total customer in the past three years (2009, 2010, 2011), and distribute questioners to the customers of PT Bank Nagari Main Branch Office Padang, with all the customers of PT Bank Nagari Main Branch Office Padang as the research population. The samples are taken using Slovin formula (Umar, 1997) :

$$n = \frac{N}{1 + Ne^2}$$

Explanation:

n = Sample size

N = Population Size (174.723 all type of customers)

e = percentage of tolerance level of the wrong sample taken, 10%
(typically for social research)

So, the result of calculation is:

$$n = \frac{174.723}{1 + 174.723(0,1)^2}$$

$$n = 99.94 \text{ (Rounded to 103 samples)}$$

From the population above 169.350 or 97% is the saving customer, 2.105 or 1.2% deposits customers, 3.282 or 1.9% demand deposits customer. The questioners distributed to the customers as many as 103 consist of 97 samples from saving customer, 3 samples of deposit customer, and 3 samples of demand deposit customer, with 15 questions and the estimation that each customer will fill in the questioner for 10-15 minutes. The technique used in taking sample is non-probability sampling technique, with accidental sampling, data technique of

determining the sample based on chance, so that anyone who met with researchers can be used as a sample, if the person who found in the time to determine sample matches the source data. Questionare is adopted from the research of Zudia (2010).

3.5.3 Internal Business Process Perspective Data

In this perspective the writer will analyze the data of financial report of the company to know about bank's ability to control administrative costs but still provide the best service.

3.5.4 Learning and Growth Perspective Data

To get the data regarding this perspective, the interview with the General Administration Sub Unit is conducted to ask data and information about employee productivity. The questioners to the employees are distributed to know the employees satisfaction in working, with all the employees of PT Bank Nagari Main Branch Office Padang as the research population. The samples are taken using Slovin formula (Umar, 1997):

$$n = \frac{N}{1 + Ne^2}$$

Explanation:

n = Sample size

N = Population Size (182 Employees)

e = percentage of tolerance level of the wrong sample taken, 10%
(typically for social research)

So, the result of calculation is:

$$n = \frac{182}{1 + 182(0,1)^2}$$

n = 64,53 (Rounded to 65 samples)

The questioners to be distributed to the employees are 65 with 15 questions and the estimation that each employees will fill in the questioner for 10-15 minutes. The technique used in taking sample is nonprobability sampling technique, with convenience sampling, collect the information from the members of the population who are conveniently available to provide it. Questionare is adopted from the research of Zudia (2010).

Table 3.1
Conclusion of data gathering method

no	Research Question	Source of The Data	Collecting Data Method
1	Financial perspective	Accounting Unit	Secondary data: <ul style="list-style-type: none"> • Balance sheet • Income statement
2	Customer perspective	Customer care Customer directly	Primary data: <ul style="list-style-type: none"> • Interview with the customer care unit • Distribute questioner to the customer
3	Internal business perspective	Accounting unit	Secondary data: <ul style="list-style-type: none"> • Balance sheet • Income statement
4	Learning and growth perspective	General Administration sub Unit Employee directly	Primary data: <ul style="list-style-type: none"> • Interview with the General Administration sub Unit • Distribute questioner to the employee

3.6 An Assessment of Research Instrument

The testing is conducted to test the questioners to measure the customers and employees satisfaction. The research is expected to obtained the real objectivity, which is known by the term validity. The consistency is also needed to be tested and it is known by the term reliability. Validity and Reliability are two requirements to determine the quality of the research.

3.6.1 Validity Test

In this research, the validity is being tested using SPSS 15. The testing model is using *corrected item-total correlation* to test the internal validity of each item (questions) in the questioner which is arranged in scale. To determine whether an item is valid or not, the expertise set the standard 0.25 or 0.3 of corrected item-total correlation to indicate that the item is having adequate validity level (Zulganef, 2006).

3.4.3 Reliability Test

SPSS 15 also used to test the reliability. A research instrument having adequate level of reliability is when the cronbach-alpha coefficient is the same or bigger than 0.70 (Zulganef,2006).

Questioner valuation weigth measurement of customer and employee satisfaction uses the likert scale. Likert scale is the assessment of a person's statement about something with five levels of response::

Satisfaction Level	Score
Very Agree	5
Agree	4
Neutral	3
Not Agree	2
Very Not Agree	1

Score used to measure are very agree (5) and agree (4).

3.7 Data Analysis Method

The method to analyse each variables in each perspectives are as follows:

3.7.1 Financial Perspective Data Analysis

1. The ROA

The calculation is below (Zudia, 2010):

$$ROA = \frac{\text{Net Earnings}}{\text{Total Assets}} \times 100\%$$

According to the Bank of Indonesia the best standard of ROA more than 2% (Zudia, 2010).

2. BOPO

The formula to find the efficiency ratio (BOPO) is as follow (Zudia, 2010):

$$BOPO = \frac{\text{operating expense}}{\text{operating income}} \times 100\%$$

According to the Bank of Indonesia the best standard of BOPO is between 85% - 92% (Zudia, 2010).

3. Loan to Deposit Ratio (LDR)

Formula to find the ratio of LDR is as follow (Zudia, 2010):

$$\text{LDR ratio} = \frac{\text{total loans provided}}{\text{total fund from third party}} \times 100\%$$

According to the Bank of Indonesia the best standard of LDR is between 85%-110% Zudia (2010).

The result of each variable is to be compared to the standard set in the next page:

Table 3.2

Standard criteria for financial perspective measurement

variables	interval	criteria
ROA	>2%	Good
	1%-2%	Enough
	<1%	bad
BOPO	85%-92%	Good
	<85%	Enough
	>92%	Bad
LDR	85%-110%	Good
	>110%	Enough
	<85%	Bad

Source: Adopted from the research of Zudia (2010) and Nissa (2011)

3.7.2 Customer Perspective Data Analysis

1. Customer Acquisition

It can be calculated through the formula below (Nissa, 2011):

$$\text{Customer Acquisition} = \frac{\text{Total New Customers}}{\text{Total Customers}} \times 100\%$$

The higher the percentage of the customer acquisition, the better the company in attracting new customers and it means the better the ability of the company to enlarge the market share.

2. Customer Retention

To calculate the customer retention, the formula used is (Nissa, 2011):

$$\text{Customer Retention} = \frac{\text{Total Customer (Previous Year)}}{\text{Total Customer (Current Year)}} \times 100\%$$

The higher the customer retention, the more successful the company to retain the existing customers.

3. Customer Satisfaction

It can be calculated by using the following formula (Nissa, 2011):

$$\text{Customer Satisfaction} = \frac{\text{Total satisfy} \times \text{score}}{\text{Total Weight}} \times 100\%$$

The higher the customer satisfaction, the better the quality of service given by the company.

The standard is also set for the variable in the customer perspective as shown in the table below:

Table 3.3
Standard Criteria for Customer Perspective Measurement

Variables	Interval	Criteria
Customer acquisition	>5%	Good
	1%-5%	Enough
	<5%	Bad
Customer retention	>80%	Good
	50%-80%	Enough
	<50%	Bad
Customer satisfaction	>75%	Good
	50%-75%	Enough
	<50%	Bad

Source: Adopted from the research of Nissa (2011)

3.7.3 Internal Business Perspective Data Analysis

AETR (Administrative Expense to Total Revenue)

The formula to use is shown below (Zudia, 2010):

$$\text{AETR} = \frac{\text{administrative expense}}{\text{total revenue}} \times 100\%$$

The best standard of AETR is between 8.5%-10%. It means that the Bank can control their administrative expense but still give the best service.

Table 3.4
Standard criteria for AETR

Interval	Criteria
8.5%-10%	Good

<8.5%	Enough
>10%	Bad

Source: Adopted from the research of Zudia (2010)

3.7.4 Learning and Growth Perspective Data Analysis

1. Employee Productivity

The formula to use is shown below (Nissa, 2011):

$$\text{Employee productivity} = \frac{\text{Operational profit}}{\text{Total Employees}}$$

The higher the employee productivity, the higher the output produced by each employee.

2. Employee Satisfaction

The formula to use is as follows (Nissa, 2011):

$$\text{Employee Satisfaction} = \frac{\text{Total satisfy} \times \text{score}}{\text{Total Weight}} \times 100\%$$

If the employee satisfaction is high, it means employee is satisfied to work in this company.

Table 3.5

Standard criteria for Learning and Growth Perspective Analysis

Variables	Interval	Criteria
Employee Productivity	>Rp. 5.000.000	Good
	Rp. 3.000.000-Rp. 5.000.000	Enough
	<Rp. 3.000.000	Bad
Employee Satisfaction	>75%	Good
	50%-75%	Enough
	<50%	Bad

Source: adopted from the research of Nissa (2011)

CHAPTER 4

ANALYSIS AND DISCUSSIONS

4.1 Brief History of PT. Bank Nagari

Bank Pembangunan Daerah Sumatera Barat was established on March 12, 1962 with the name "**PT. BANK PEMBANGUNAN DAERAH SUMATERA BARAT**" which was passed through a notary Hasan Qalbi in Padang. The establishment initiated by local governments with the figure of citizen and the figure of private entrepreneurs in West Sumatra with the basic thinking of the need of a financial institution in the form of Bank, which is specifically to assist the government in implementing development in the local territory. Ratified through the Decree of the First Deputy Minister of Finance Republic Indonesia No.BUM/9-44/II about PT. Bank Pembangunan Daerah of West Sumatra license, and it officially started the operations of PT. Bank Pembangunan Daerah of West Sumatra which located in Padang.

Based on the law No.13 describe about Basic Provisions of the Regional Development Bank, so the legal basis for the Regional Development Bank of West Sumatra is replaced by the Local Regulation Level 1 of West Sumatra Province No. 4. So that PT. Bank Pembangunan Daerah Sumatera Barat converted into "**BANK PEMBANGUNAN DAERAH SUMATERA BARAT**". In its journey in 1996 through the Local Government Regulation No.2/1996 approved of the call name as the "Bank Nagari" aims to be more popular, build the brand image outright to impress the government system in West Sumatera.

In accordance with the development and for more flexibility in running the business, on August 16, 2006 by Provincial Regulation of West Sumatra No.3 2006, legal form of the Regional Development Bank of the West Sumatra changed Regional Companies into Limited Liability Company, that established under the Deed of Incorporation of the Company No. 1 On February 1, 2007 in front of Notary H. Final Hendri, SH and approved by the Ministry of Justice and Human Rights Republic of Indonesia by Decree No. W3-00074-HT.01.01-TH.2007 on April 4, 2007. Now Bank Nagari has existed as a Foreign Exchange Bank and already have business unit Sharia. Bank Nagari is also the first Regional Development Bank opens it branch office in the Outer Region.

4.2 Vision and Mission of PT Bank Nagari Main Branch Office Padang

The Moment of Change Bank Nagari, characterized by launching of the new logo along with the new vision and mission of Bank Pembangunan Daerah on 27 November 2008 and was attended by Governor of West Sumatra, Mr. Gamawan Fauzi.

Became the leading in the sense of well-known Regional Development Bank and also prominent in Indonesia. Trusted to give the sense that the bank has been running the principles of good corporate governance, providing excellent services and regulatory compliance with honesty. It makes a vision of Bank Nagari, that is:

“Being The Leading and Trusted Regional Development Bank in Indonesia”

While the missions of Bank Nagari are:

1. Give contribution to encourage economic growth and community wealth.

Reflect the basis or background of the establishment of banks, as mandated in the Deed, which is the ideals and goals that will be played, which helped build a strong economic activity to improve the welfare of the community.

2. Understand and maintain the interests of stakeholders in a consistent and balanced.

Bank will always run with the principle to fulfill the responsibility to meet the owners, customers, employees and communities.

- Keep this bank to grow and develop well and healthy
- Provide the best services
- Provide adequate profits for shareholders
- Provide maximum benefits for the community

From those vision and mission rises the statement as follows:

“Bersama Membina Citra Membangun Negeri”

4.3 Products of PT. Bank Nagari Main Branch Office Padang

The development of products and services always done by PT Bank Nagari to meet their customer needs. Products and services offered include: saving and credit. Beside that PT Bank Nagari also have sharia financing. These are the detail of the product:

4.3.1 Fund Products

Products in this group that offer to the customer are:

1. Tabungan SIKOCI (SIKOCI Saving Deposit)

This is a saving account that can be made by every people. Also the costumer of Sikoci saving deposit have a great opportunity to achieve a gift that raffled twice a year. This type of saving account can be used to payment electricity account, phone account, water account, property and tax, etc.

2. Tabungan SIMPEDA (SIMPEDA Saving Deposit)

This is a saving deposits in Bank Nagari in collaboration with the regional Development Bank of Indonesia (BPD SI).

3. Tahari Maburur

Bank Nagari also provides a variety of convenience and benefits to perform the pilgrimage Hajj and Umra with confortable and at ease. The advantages of Tahari Maburur tha it is enable to obtain potions of Hajj, because on-line with SISKOHAT Department of Religious Affairs of the Republic of Indonesia.

4. Tabanas Bank Nagari

Tabanas is the saving deposits in bank Nagari is intended for all levels of society. It can be opened and deposits in relatively small account.

5. TabunganKu

This type of saving account is made only for the students of college student. It can be opened and deposits in relatively small account

6. Tabungan Sikoci Syariah (Sikoci Sharia Saving Deposit)

There are two types of Sikoci Sharia Saving Deposit:

- Sikoci Saving deposits Mudharabah Muthlaqah.
Customers give fully to the Bank Nagari to invest funds with revenue-sharing system.
- Saving deposits Sikoci Wadiah Yad Dhamanah.
Is a deposit of funds by the Customer, which can be utilized by Bank Nagari.

7. Tabungan Tahari Syariah (Tahari Syariah Saving Deposit)

Depositors / customers get the convenience and benefits to perform the pilgrimage Hajj and Umra with a comfortable and peaceful. The advantages of this saving deposit are:

- Severs offered three (3) choices of fringe benefits.
 - Does not want retribution.
 - Require fringe benefits to add to Balance Saving deposits
 - Require fringe benefits but is channeled to the foundations or charities who are appointed or assigned to Bank Nagari .
- Depositors are not charged a monthly administration fee and closing accounts.
- Get gift that can support the smooth implementation of the pilgrimage.

8. Giro Bank Nagari (Bank Nagari Demands Deposit)

Bank Nagari Demand deposits provides all convenience to transact for smooth Business. It is make payment to all of business transactions, account of electricity, telephone, water, money lecture, property and other tax.

9. Giro Syariah (Sharia Demand Deposit)

The Sharia demand deposits of Bank Nagari Sharia in the form of principled Account Wadiah Yad Dhamanah which is a deposits customer's funds that could be used by the Bank Nagari.

10. Deposito Berjangka (Time deposit)

It is an account to saving deposits money in a certain time in Bank Nagari, this account made to serve the safe feeling and secure for the customers. Timed to choose are 1 month, 3 months, 6 months, 12 months and 24 months and the time already expired so it will be extent automatically. The Deposit is in Rupiah and Foreign Exchange, Deposit interest negotiable and competitive

11. Deposito Berjangka Syariah (Sharia Time Deposit)

Investment of money in a certain time in the form of Mudharabah Deposits in Bank Nagari based on mudharabah muthlaqah wherein the funds granted solely to conduct investment funds.

4.3.2 Credit Products

Product in this group which offered to the customer are:

1. Kredit Personal (Personal Loan)

Provide Personal Loan which repayment can be paid in installments according to customers ability and please used to suit customers' needs. The timed to 100 months and installments enough through the Treasurer Salaries on each agency.

2. Kredit Modal Kerja Kontraktor (Contractors Working Capital Loans)

Contractor Working Capital Loan (KMKK) is a special loan in the form of working capital provided by Bank Nagari to contractors or sub contractors.

Principal provisions:

- Maximum loan amount is based on the above Cash Flow project needs.
- Can be given without additional collateral, if the Contract from the central government / Local Government/BUMN/BUMD.
- Timed on expiry of contract/SPK.

Collateral loans :

- The project is financed

- Other Collateral (Power of attorney for Transfer of Rights Bill, Power of attorney for terming deduction. Land etc.
- Competitive interest rates.

3. Kredit kepada BPR (Loan for BPR)

Loan for BPR is given credits by the Bank Nagari to the Bank of Rural Village in the form of Working Capital and investment Credit. The maximum term of 8 years for KI and 3 Years KMK.

Collateral loans:

- Projects funded for KI and Cesis for Working Capital
- Collateral other form of calculation of minimum guarantee/collateral in addition to KMK and KI based on Sound level (TKS) BPR.
- Competitive interest rates.

4. KPR Multi Guna

Is given loan to help people obtain housing / decent shelter and the need for provision of funds related to the value of cash throughout the building / house in question. The duration of time is maximum 15 years and the maximum loan is Rp 750 million.

5. Kredit Modal Kerja Multi Guna (Multi Guna Working Capital)

Is loan given for working capital debtor and the debtor both individual businesses that have a licensing formal or not have permissions formal or form of business / legal entity and the other for various economic sectors. The duration of time until maximum of 5 years and the maximum loan

amount in accordance with the requirements or do not have permission to maximum Rp 50 million.

6. Kredit Investasi Multi Guna (Multi Guna Investment Loan)

Investment loan is given to borrowers and prospective borrowers in the form of business individuals, Business Entity / Agency Law and others for various economic sectors.

7. Kredit Rekening Koran (Demand Deposit Loan)

Is given loan for working capital and prospective debtors both individual and Corporate Business/Legal Various economic sectors. The duration time until a maximum of 1 year (12 month) and the maximum amount in accordance with the needs and business debtors.

8. Kredit Usaha Kecil Informal (Loan For Informal Small Business)

Is a loan given by Bank Nagari to Micro individuals. Members Cooperative Members Patronage BDS and Business Group which operates in all economic sectors both working capital and investment. The duration time until maximum of three years for working capital and four years for investment and the maximum credit ceiling of Rp 10.000.000 (ten million rupiah)

9. Kredit Usaha Rakyat (People's Business Loan)

Is a loan given by Bank Nagari to the people's business both for investment and for working capital. There are two types of Kredit Usaha Rakyat (People's Business Loan):

a. Investment KUR

Credit used to purchase capital goods such development/purchase business premises, machinery/ quipmnt operation/ vehicle etc.

b. KUR Working Capital

Credit used for additional working capital, the purchasing of merchandise, raw material, operational costs of business, etc.

The duration of time until a maximum of 3 years for working capital and 5 years for investment and the maximum credit of Rp 5.000.000 KUR Mikro, Rp.500.000.000 KUR Retail and Rp. 1.000.000.000 for KUR Linkage.

4.3.3 Sharia Products

The Sharia Financing of Bank Nagari to th Customr which is as follows :

- Working Capital Murabahah (IB)

That is, with system sales and margin for working capital needs on an installment payment.

- Financing Contractors Working Capital IB (Sharia).

Financing of mutual benefit in accordance with the development of business.

- Murabahah investment needs to pay in installments.

Buying and selling in margin for investment needs with installment payment.

- Murubahah IB Plus.

Buying and selling with a competitive margin for consumption among other renovations, the purchase of vehicles and other in installments payment.

- Buying and selling IB Istishna
Offer to buy to your order with payment in installment.
- Financing IB to the Cooperative
Mutual benefit in accordance with business development.
- Ijarah and ijarah al-Tamalik Muntahiyah IB (IMBT) IB.
Finance leasing/leasing with the option/ownership options.
- Pawn IB Gold
The solution in addressing the urgent needs of Liquidation
- Musharaka IB Mutanaqisah
Property ownership partner fair and Transparent.

4.3.4 Service Products

- Remittance
- Collection
- Western Union remittance.
- Bank Reference
- Safe Deposit Box.
- BPD Net Online.
- SMS Banking
- Bill payment of Electricity, Water, Telephone and Taxes.
- Payroll payment.
- Acceptance of Money Lecture.
- New Student Registration.
- Deposit receipts BPIH.

From the figure above, there are three main function under the Branch Manager:

1. Consumer function which is led by Consumer Deputy Branch Manager. This function handles marketing and customer service and consumer product/service processes.
2. Commercial function under the Commercial Deputy Branch Manager. It handles marketing and customer service and commercial product/service processes.
3. Supporting function under the Supporting Deputy Branch Manager. It handles the cash/non-cash transaction support, administration, accounting and collection.

4.5 Respondent Profile

The questioners distributed to 103 customers in PT Bank Nagari Main Branch Office Padang, that is 97 from saving customer, 3 from deposits customer, 3 from demand deposits customer and 65 questioner distributed to employees that work in PT Bank Nagari Branch Office Padang. Both are completed with the personal detail or information of the respondents.

4.5.1 Customers Profiles

The personal information asked to the respondents which are the customers of PT Bank Nagari Main Branch Office Padang are; gender, marital status, age, educational level, monthly earning, type of customer and year of being the customer of Bank Nagari. The technique that used in distributing the questioner is non-probability sampling technique, with accidental sampling. So in getting the data the writer comes to the customer of PT Bank Nagari Main Branch Office Padang one by one, ask them to fill the questioner based on the customer type that

they take. Knowing those personal information will emphasize that the questioners are filled by the representative customers. The customers with various criteria represents not only one group of customers but almost all of them. The summary about the respondents profiles is in the table in the next page.

Table 4.1
Customers Profile Summary

No	Demography	Total	Percentage
1.	Type of customer		
	a) Saving deposits (Tabungan)	97	94.17%
	b) Deposits (Deposito)	3	2.91%
	c) Demand deposits (Giro)	3	2.91%
2.	Year of being customer in Bank Nagari		
	a) < 1 year	8	7.76%
	b) 1-5 year	48	46.60%
	c) 6-10 year	30	29.12%
	d) >10 year	17	16.50%
3.	Gender		
	a) Male	58	56.31%
	b) Female	45	43.68%
4.	Marital status	66	64.07%
	a) married	37	35.92%
	b) not married		
5.	Age		
	a) < 25	19	18.44%
	b) 25-35	35	33.98%
	c) >35	49	47.57%
6.	Educational level		
	a) Elementary	1	0.97%
	b) Junior high	3	2.91%
	c) Senior high	30	29.12%
	d) Bachelor degree	62	60.19%
	e) Master degree	7	6.79%
	f) Doctoral degree	-	-
7.	Monthly earning		
	a) < Rp 500.000	17	16.50%
	b) Rp 500.000-Rp 2.500.000	30	29.12%
	c) Rp 2.500.000-Rp 5.000.000	32	31.06%
	d) >Rp 5.000.000	24	23.30%

Source: Primary Data Processed

degree. The customers with fix monthly earning filled the questioners the most, with the earnings range of more than Rp 2.500.000, while more than 45% of respondents are already being the Bank Nagari's customers for more than 6 years and the rest of them is being the customer of Bank Nagari in the range of 1-5 years. By those criteria of the customers, it is concluded that the questioners were filled by the appropriate respondents.

4.5.2 Employees Profiles

The questioners distributed for the employees are completed with the information about; gender, marital status, age, educational level and also year of working in Bank Nagari. The technique used in taking sample is nonprobability sampling technique, with convenience sampling. In getting the information writer ask the head of human resource division to distribute the questioners to the employee that available to fill it. After one week later the questioners that have been distributed gave back to the writer for further data analysis. The summary of employee profile is shown in the table in the next page.

Table 4.2
Employees Profile Summary

No	Demography	Total	Percentage
1.	Gender		
	a) Male	29	44.61%
	b) Female	36	55.38%
2.	Marital status		
	c) married	43	66.15%
	d) not married	22	33.84%
3.	Age		
	d) < 25	9	13.84%
	e) 25-35	31	47.69%
	f) >35	25	38.46%
4.	Educational level		
	g) Elementary	-	-
	h) Junior high	-	-
	i) Senior high	5	7.6%
	j) Bachelor degree	42	64.61%
	k) Master degree	18	27.69%
	l) Doctoral degree	-	-
5.	Year working in Bank Nagari		
	a) < 1 year	5	7.69%
	b) 1-10 year	32	49.23%
	c) > 10 year	28	43.07%

Source: Primary Data Processed

In the table above, we can see the respondents are the experience employees who have already worked in the range 1-10 year and even more that 10 years. Those employees are coming from the three different function which represents the satisfaction of each function. More than 50% respondents are the employees who have bachelor and master degree. From those employees criteria, it can be concluded that the questioners also were filled by the appropriate respondents in this case the employee of PT Bank Nagari Main Branch Office Padang.

4.6 Data Analysis

4.6.1 Financial Perspective Data Analysis

The measurement in financial perspective of PT Bank Nagari Main Branch Office Padang using Balance Scorecard concept is done through three benchmarks using financial ratios, that are:

1. ROA

ROA is a profitability ratio used to measure the ability of a company to derive their earnings from each dollar of assets they control. This table below will show us the ROA in PT Bank Nagari Main Branch Office Padang:

Table 4.3
ROA in PT Bank Nagari Main Branch Office Padang

	2009	2010	2011
Net Earnings	Rp 90.345.000.000	Rp 162.490.000.000	Rp 136.632.000.000
Total Asset	Rp 2.402.556.000.000	Rp 2.200.567.000.000	Rp 2635.959.000.000
% of ROA	3,76%	7,38%	5,18%
Average	5,44%		

Source: Secondary Data Processed

Based on the table above in the year 2009 the ROA is 3,76%. In 2010 it slightly increased to become 7,38% and unfortunately ROA in 2011 decreased to 5,18%. Although the earnings are up and down every year, the deviation of earnings in 2009 and 2010 is quite big, around 50%, and the total assets of PT Bank Nagari Main Branch Office Padang also do not increase steadily, which in 2010 the total assets decreased. The average ROA of PT Bank Nagari Main Branch Office is "good". Appropriate with the standard of Bank Indonesia that is the best standard of ROA is more than 2%.

2. BOPO

BOPO is an efficiency ratio that is used to measure the level of efficiency and the ability of the bank in conducting its operations. The result of BOPO in PT Bank Nagari Main Branch Office Padang is stated in the table below:

Table 4.4
BOPO in PT Bank Nagari Main Branch Office Padang

	2009	2010	2011
Operating Expense	Rp 135.912.000.000	Rp 192.739.000.000	Rp 213.654.000.000
Operating Income	Rp 121.226.000.000	Rp 354.937.000.000	Rp 350.286.000.000
% of BOPO	112,11%	54,3%	60,99%
Average	75.8%		

Source: Secondary Data Processed

As the result of table 4.4 shows that BOPO in 2009 is 112,11% and decrease to 54,3% in 2010. Then in 2011 it increase to 60,99% from the last year. This indicates that the higher value of BOPO the worse the quality BOPO itself. But if it refers to the provisions of Bank Indonesia said that the best standards BOPO was 85-92%, if we see from the average in this three years of financial report PT Bank Nagari Main Branch Office Padang is located in enough conditions.

3. LDR

Loan to Deposit Ratio (LDR) is the ratio between the total loans provided banks with funds received by the bank. This ratio is used to determine the ability of banks to repay obligations to its customers who have invested their funds with credit given to the debtors. The LDR of PT Bank Nagari Main Branch Office Padang is summarized in the table below:

Table 4.5
LDR of PT Bank Nagari Main Branch Office Padang

	2009	2010	2011
Total Loans Provided	Rp 854.203.000.000	Rp 972.303.000.000	Rp 1.198.000.000
Total Fund From Third Party	Rp 2.127.135.000.000	Rp 1.913.878.000.000	Rp 2.350.440.000.000
% of LDR	40.16%	50.8%	50.97%
Average	47.31%		

Source: Secondary Data Processed

The results from the table above shows that in 2009 the ratio of LDR at 40,16%. While in 2010 it is increase to 50,8% and in 2011 it also increase to 50,97%. But if refers to the provisions of the standard BI best LDR is 85% - 110%, it indicates that PT Bank Nagari Main Branch Office Padang are in the "bad" position.

4.6.2 Customer Perspective Data Analysis

The result of the performance measurement from the customer perspective is:

1. Customer Acquisition

PT Bank Nagari Main Branch Office Padang acquire 13,27% new customers compare to the total customers in 2009, decrease in 2010 become 12,3% and sharply decrease in 2011 become 3,95%. Bank Nagari succesfully attract more customers in 2009 and 2010 because the big earthquake hit West Sumatera in 30 September 2009, and PT Bank Nagari offered a free administrative cost specially for the earthquake victims to make a new account for receive the grants from government of West Sumatera. Thus make a significant

increasing of total new customer in 2009 and 2010. The result of the customer retention is summarized in the table below:

Table 4.6
Customer Acquisition of PT Bank Nagari Main Branch Office Padang

	2009	2010	2011
Total New Customer	18.200	19.100	6.909
Total Customer	137.050	155.250	174.723
% customer acquisition	13.27%	12.3%	3.95%
Average	9.84%		

Source: Secondary Data Processed

2. Customer Retention

Table 4.7
Customer Retention of PT Bank Nagari Main Branch Office Padang

	2009	2010	2011
Total customer in the year before	121.450	137.050	155.250
Total customer	137.050	155.250	174.723
% customer retention	88.6%	88.2%	88.85%
Average	88.55%		

Source: Secondary Data Processed

The data in the table showed that the retention of customers decrease in 2009, 2010, and 2011 is quite stable. Which is mean that PT Bank Nagari Main Branch Office Padang is success retaining its existing their customers. Refer to the table 3.3 about the criteria of customer retention, the best ratio of customer retention is bigger than 80%. And from the result of table 4.7 the average percentage of Customer retention in PT Bank Nagari Main Branch Office Padang is 80.55% which mean is “good”.

3. Customer Satisfaction

To know the validity and the reliability of the result of the survey, the validity and reliability tests are conducted using SPSS 15. All the items in the questioners distributed to customers have corrected item-total correlation bigger than 0.25, so the items are valid. For the reliability, the cronbach-alpha is 0.959. Since it is bigger than 0.7, the questioner is reliable (see appendix 5).

Customer satisfaction shows the quality of service given by Bank Nagari to its customers. To know this, the questioners are distributed to 103 respondents (customers) that is 97 respondent from saving customer, 3 respondent from deposits customer and 3 respondent from demand deposits customer. The attributes which are measured are:

- a. Building Exterior condition
- b. Banking Hall Condition
- c. ATM condition
- d. Room and employees desk condition
- e. The readiness of the employees to give service
- f. The starting and the ending of interactions by the employees
- g. The attitude of the employee in giving service
- h. Information service at the time of opening/closing the account by the customer services
- i. Settlement of customer complaints
- j. Loan information service by Loan service staff/Officer

- k. Transactions handling by Teller Service Staff/Officer
- l. Service of the Teller at the time of exchanging money from or to smaller nominal
- m. The overall employees outlook
- n. Completeness of employees outfit
- o. Bank telephone operator
- p. Bank hall security guard attitude
- q. Park area security guard attitude

In processing the data this research only choose 4 (satisfy) and 5 (very satisfy) because it will very represent the satisfaction of the customer. It is not including scale 3 in data processing because it neither indicates satisfaction nor dissatisfaction of customer. The result of the survey is 69.48%, where 44.84% is satisfy and 24.64% very satisfy. From the number, it shows that the customers satisfaction is enough.

4.6.3 Internal Business Data Analysis

After performing measurements on the financial perspective and customer perspective, PT Bank Nagari Main Branch Office Padang develops goals and strategies to measure the internal business perspective.

AETR (Administrative Expense to Total Revenue)

To find out the efficiency and effectiveness and accuracy of transaction processing conducted by PT Bank Nagari Main Branch Office Padang, the calculation can be done by using a ratio of AETR like in the table below:

Table 4.8

Ratio AETR in PT Bank Nagari Main Branch Office Padang

	2009	2010	2011
Total administrative expense	13.211.000.000	15.274.000.000	11.792.000.000
Total Revenue	121.226.000.000	354.937.000.000	350.286.000.000
% AETR	10.89%	4.3%	3.3%
Average	6.16%		

Source: Secondary Data Processed

From the Table 4.8 shows that the ratio of AETR in the year 2009 is 10.89%. It decrease significantly in the year 2010 become 4,3% and there have no progress in the year 2011, it still decrease until 3,3%. If we refers to the provisions of Bank Indonesia said that the best standards AETR is 8,5% - 10%. It means that from this past three years only in the year of 2009 PT Bank Nagari Main Branch Office Padang can achieve the ideal condition. The average of AETR during three years of financial report Bank Nagari Main Branch Office Padang is fulfill "enough" criteria. AETR is the ratio to measures the process operation that related to the customer service activities. From this result of AETR PT Bank Nagari Main Branch Office Padang has well enough in efficiency, effectiveness and accuracy of transaction processing also this company could control their administrative expense while still give the best service to the customer.

4.6.4 Learning and Growth Perspective Data Analysis

1. Employee Productivity

Employee productivity determines the ability of the employees to gain profit for the company. If the employee productivity is high, it shows the high output

resulted by the employees. The result of employee productivity of PT Bank Nagari Main Branch Office Padang shows in table below:

Table 4.9

Employee productivity in PT Bank Nagari Main Branch Office Padang

	2009	2010	2011
Operational profit	Rp -14.686.000.000	Rp 162.198.000.000	Rp 136.632.000.000
Total employee	165	179	182
Employee productivity	Rp -89.006.060,61	Rp 906.134.078,2	Rp 750.725.274,7
Average	Rp 522.617.764,1		

From the table above shows that in the year 2009 employee productivity is Rp - 89.006.060,1. Because in that year PT Bank Nagari Main Branch Office Padang failed in earn their operational profit. From the income statement in 2009 PT Bank Nagari Main Branch Office Padang get loss as much as Rp 14.686.000.000 it cause by the big earthquake damage West Sumatera in that year. But in the year 2010 the operational profit increase sharply as much as Rp 162.198.000.000 and reached the employee productivity as Rp 906.134.078,2. In 2011 decrease into Rp 750.725.274,7. Although in the year 2009 the employee productivity in the bad criteria and from 2010 to 2011 it also decrease, the amount of overall employee productivity can cover it. The average of the employee productivity is categorized in the “good” criteria.

2. Employee Satisfaction

To know the level of employee satisfaction, questioners distributed to 65 respondents (employees). The questions in questioner are related with satisfaction

towards attributes of PT Bank Nagari Main Branch Office Padang. The attributes measured are:

- a. Company's management
- b. The concern of the branch manager towards the employees
- c. Authority given by the company about the duty/task
- d. Relation among employees
- e. Communication between Superior and Subordinates
- f. The work discipline applied by the company
- g. Working day and working hour applied by the company
- h. Training for employee program held by company
- i. Working room used by the employee
- j. Working facility provide by the company
- k. Supporting facility like praying room, canteen, parking lot and etc
- l. Payroll/wages given for employees
- m. The timing for payday every month
- n. Incentives given by the company
- o. Permission/leave for the employees

The validity and reliability of the items in the questioners for the employees, SPSS 15 is used. All the items have the corrected item-total correlation bigger than 0.25, that the questions are valid. While for the reliability, the cronbach-alpha is 0.934. The questioner is reliable (see appendix 7).

The result of the survey is 82.4%, consist of 55.77% satisfy and 26.63% very satisfy. From this number, it shows that the satisfaction criteria is good.

4.7 The Result of Performance Measurement of PT Bank Nagari Main Branch Office Padang Using Balance Scorecard Concept

The result of performance measurement of PT Bank Nagari Main Branch Office Padang is summarized in the table below:

Table 4.10

The Result of Performance Measurement PT Bank Nagari Main Branch Office Padang

Perspective	Year			average	scorecard category	average category
	2009	2010	2011			
financial perspective						
1. ROA	3.76%	7.38%	5.18%	5.44%	Good	
2. BOPO	112.11%	54.30%	60.99%	75.80%	Enough	enough
3. LDR	40.16%	50.80%	50.97%	47.31%	Bad	
customer perspective						
1. customer acquisition	13.27%	12.30%	3.97%	9.84%	Good	
2. customer retention	88.60%	88.20%	88.85%	88.50%	Good	good
3. customer satisfaction				66.48%	Enough	
internal business perspective:						
AETR	10.89%	4.30%	3.30%	6.16%	Enough	enough
learning and growth perspective						
1. employee productivity	Rp -89.006.060,61	Rp 906.134.078,2	Rp 750.725.274,7	Rp 552.286.451	Good	good
2. employee satisfaction				97.59%	Good	

Source: secondary data processed

The overall result of performance measurement shows between good and enough result. But in one measurement in financial perspective is categorized in bad criteria,

because it can not fulfill the standard that is in the LDR ratio. PT Bank Nagari Main Branch Office Padang has the 47.31% average of LDR, which is below 85%.

From the perspective of learning and growth, all the measurements show good result. Whether in employee productivity and employee satisfaction. Although in the year 2009 the employee productivity is Rp -89.006.060,61 because in that year PT Bank Nagari Main Branch Office Padang is failed to earn the profit cause by the big earthquake that damage West Sumatera, but in the next two year in the year 2010 and 2011 they can earn a high profit. So it can cover the loss in the past year.

In the internal business perspective the ratio of AETR is 6.16%. This measurement is to measure the operation process. So, PT Bank Nagari Main Branch Office Padang have already well enough in handle the administrative expense while still giving the best service in handle every complain and every transaction of the customer. It is proof in the customer perspective, the average category is "good". PT Bank Nagari Branch Office Padang is so success in maintain a good relationship with their customer.

This research is consistent with the previous research that did by Zudia (2010), although in her research Zudia have a good result in every perspective. From financial perspective ROA always increasing from 2007 to 2009 and have average percentage 2,94%, BOPO 71,18% and LDR 89,47%. From customer perspective which is the measurement are market share, customer profitability, and customer satisfaction PT Bank Jateng Semarang success achieve a good performance likewise in the learning and growth perspective. In internal business perspective AETR of PT Bank Jateng Semarang is 6,18%.

If this research compare with Nissa (2010) from financial perspective in BTN Padang ROA fails to achieve good result, but in another perspective both from this research and Nissa research success in achieve good result. The differentials from Nissa research and this research is from Internal Business perspective, that is in Nissa's research there is no numerical standard to measure internal business perspective.



CHAPTER 5

CONCLUSIONS

5.1 Conclusions

Based on the company performance measurement using balanced scorecard concept conducted in PT Bank Nagari Branch Office Padang, the conclusions from financial perspective measurement which are ROA, BOPO and LDR, the company performs enough results although PT Bank Nagari Branch Office Padang fails to achieve good LDR. The average of LDR is categorized in “bad” criteria, but the average category of financial perspective is “enough”.

Another result for this research is PT Bank Nagari Branch Office Padang is able to attract more customers every year. For the customer satisfaction measurement, customers appear to have good level of satisfaction towards the services given by PT Bank Nagari Branch Office Padang, so does with the customer retention measurement which is its always stable and show the best performance from 2009 to 2011. The average category for the customer perspective is “good”.

Meanwhile, in the perspective of internal business process measurement, the results are enough. Actually in the year 2009 AETR already give the good result but it decrease in the year 2010 and 2011.

In the perspective of Learning and Growth, the measurements are employee productivity and employee satisfaction. The total of employee increase every year but the operational profit give a bad result in the year 2009. The average result of the employee productivity measurement is in good criteria. While for the employee satisfaction, PT Bank Nagari Branch Office Padang also successfully gain good average.

5.2 Implication of the Research

From the conclusion above, there are several things to be considered by the management of PT Bank Nagari Branch Office Padang:

1. In the financial perspective, management should concern on the portion of BOPO and LDR because from the result BOPO only stand in the enough criteria while the LDR stand in the bad criteria. PT Bank Nagari Branch Office Padang should really considered with their loans provided because it have a big amount of fund from third party. Company should set better strategy to achieve higher LDR and BOPO for the upcoming year.
2. Management have to take more concern on internal business process or learning and growth. For the internal business process, the company is suggested to improve their affectivity, efficiency and the accuracy of transaction processing by PT Bank Nagari Branch Office Padang. For the learning and growth perspective, things to be considered by the management is the employee productivity. Also training for employees is certainly needed.

5.3 Limitation of the Research

This research cannot be separated from the limitations and weaknesses. On the other hand, the limitations and weaknesses that are found in this research can be input for future studies. The limitation in this study are:

1. Samples that taken in this study is only one bank which is a conventional bank. Therefore, further research needs to be done by using more banks to be the sample.
2. The period of the study is only 3 years, that is from 2009 to 2011, causing the relationship between each perspective cannot be performed optimally. The expectation in the next study could augment the range observation so that

performance evaluation can be performed between each perspective using balance scorecard concept.

5.4 Suggestion

For doing further research, things suggested are:

1. The results showed that in the financial perspectives using three measures: ROA, BOPO, LDR. Expected in future studies may use more complete a measurement of financial ratios.
2. For further research, the non-financial perspective is expected to develop the measurement outside of this study.
3. For the PT Bank Nagari, is expected to always to develop strategic objectives tailored to the procedures and policies so that corporate objectives can be achieved optimally.



REFERENCES

- Anthony, R. N. dan V. Govindarajan. 2005. *Sistem Pengendalian Manajemen*. Jakarta : Salemba Empat.
- Aurora, Novella. 2010. *Penerapan Balanced Scorecard Sebagai Tolok Ukur Pengukuran Kinerja (Studi Kasus pada RSUD Tugurejo Semarang)*. Skripsi Mahasiswa FE Undip, Semarang.
- Budisantoso, T. S, Triandaru. 2006. *Bank dan Lembaga Keuangan Lain, Edisi dua*. Salemba Empat, Jakarta.
- Gaspersz, Vincent. 2005. *Sistem Manajemen Kinerja Terintegrasi: Balance Scorecard Dengan Six Sigma*. PT. Gramedia Pustaka Utama, Jakarta.
- Ghazali, Imam. 2011. *Aplikasi Analisis Multivariate dengan Program IBM SPSS 19*. Badan Pustaka Universitas Diponegoro, Semarang.
- Hansen, Don R, dan Maryanne M. Mowen,. 2005. *Akuntansi Manajemen*. Edisi 7. Jakarta : Salemba 4.
- Horne, V. dan John M. Wachowicz, Jr. 1997. *Prinsip-Prinsip Manajemen Keuangan*. Edisi 9. Jakarta: Salemba 4.
- Horngren, C.T. G.L, Sundem. W.O, Stratton. 2005. *Introduction to Management Accounting*, 14th edition. Pearson Education International, New Jersey.
- Kaplan, R.S. D, Norton. 1992. *The Balance Scorecard-Measures that Drive Performance*. Harvard Business Review.
- Kaplan, R. dan D. Norton. 1996. *The Balanced Scorecard: Translating Strategy into Action*, edisi satu. United States Of America : Harvard Business School Press.

- Kaplan, R.S. and David P. Norton. 2000. *Balanced Scorecard Menerapkan Strategi Menjadi Aksi, Terjemahan*, Jakarta: Erlangga.
- Kasmir. 2002. *Management Perbankan*. Jakarta: PT. Raja Grafiika
- Lasdi, L. 2002. "Balanced scorecard Sebagai Kerangka Pengukuran Kinerja Perusahaan Secara Komprehensif dalam Lingkungan bisnis Global." *Jurnal Widya Manajemen dan Akuntansi*, Vol. 2, No. 2.
- Lubis, Arfan I. dan Sutopo. 2003. "Implementasi Konsep Balance Scorecard bagi Small and Medium Business di Indonesia: Suatu Tinjauan Teoritis". *Jurnal EKOBIS*, Vol. 4, No. 1, h. 15-18.
- Mulyadi dan J. Setyawan. 2001. *Sistem Perencanaan dan Pengendalian Manajemen: Sistem Pelipatganda Kinerja Perusahaan*. edisi 2. Jakarta : Salemba Empat.
- Mulyadi. 2001. *Akuntansi Manajemen: Konsep, Manfaat, dan Rekayasa*, edisi 3. Jakarta : Salemba Empat.
- Mulyadi. 2005. "Alternatif Pemacuan Kinerja Personel dengan Pengelolaan Kinerja Terpadu Berbasis Balanced Scorecard." *Jurnal Ekonomi dan Bisnis Indonesia*. Vol.20, No.3.
- Nissa, Verselly. 2011. *Performance measurement of PT Bank Tabungan Negara (Persero) Regional Office Padang Using Balance Scorecard Approach*. Skripsi Mahasiswa FE Unand, Padang.
- Rangkuti, Freddy. 2011. *SWOT Balance Scorecard: Teknik Menyusun Strategi Korporat yang Efektif plus Cara Mengelola Kinerja dan Resiko*. PT. Gramedia Pustaka Utama, Jakarta.
- Rusdiyanto, A.F. 2010. *Analisis Kinerja dengan Pendekatan Balance Scorecard Pada PDAM Kabupaten Semarang*. Skripsi Mahasiswa FE Undip, Semarang.

Sekaran, Uma. 2003. *Research Method for Business*. 4th edition New York: John Wiley & Sons, Inc

Umar, Husein. 1997. *Riset Akuntansi: Panduan Lengkap untuk Membuat Skripsi*. PT. Gramedia Pustaka Utama, Jakarta.

Yuwono, dkk. 2002.. *Petunjuk Praktis Penyusunan Balanced Scorecard Menuju Organisasi yang Berfokus Pada Strategi*. Cetakan Kedua. Penerbit PT. Gramedia, Jakarta

Zudia, Meirdania. 2010. *Analisis Penilaian Kinerja Organisasi dengan Menggunakan Konsep Balanced Scorecard Pada PT Bank Jateng Semarang*. Skripsi Mahasiswa FE Undip, Semarang.

_____. 2007. *Undang-Undang RI Nomor 3 Tahun 2004 & Peraturan Bank Indonesia Tahun 2007 tentang Bank Indonesia*. Penerbit Citra Umbara, Bandung.

