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Application of Balanced Scorecard to Enhance Company Performance: An Economic Perspective

Ahmad Nafis Ayyasy[1], Winanti[2], Shintya Maelani[3]

Abstract:

This article examines the application of the Balanced Scorecard (BSC) as a tool for improving company performance. The BSC framework evaluates performance from four key perspectives: financial, customer, internal business processes, and learning and growth. By incorporating both short-term results and long-term strategic goals, BSC offers a holistic approach to management. The study explores how the implementation of BSC can help organizations achieve their strategic objectives, enhance operational efficiency, and improve both customer and employee satisfaction. Case studies from companies that have adopted BSC demonstrate its effectiveness in improving performance oversight, fostering innovation, and driving long-term organizational growth. These insights contribute to a deeper understanding of how BSC can be used to enhance competitiveness and achieve sustainable business success.

Keywords: *Balanced Scorecard, BSC, Company Performance, Management Strategy, Performance Measurement*

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1. Introduction

Company performance is one of the key indicators used to assess an organization's success in achieving its objectives and vision. In an increasingly complex and dynamic business world, company performance is no longer measured solely from a financial perspective. A more holistic approach is necessary, incorporating interrelated aspects such as customer satisfaction, internal processes, and learning and growth. In the context of globalization and intense competition, companies are expected to focus not only on profitability but also on achieving strategic values that contribute to long-term sustainability and growth (Kaplan & Norton, 1992; Ahn, 2001). The concept of performance management has thus evolved to address these multiple dimensions.

The Balanced Scorecard (BSC) has become a widely accepted strategic management tool that provides a comprehensive view of a company's performance across four primary perspectives: financial, customer, internal processes, and learning and growth (Kaplan & Norton, 1992). This approach allows organizations to measure

[1] *Universitas Insan pembangunan Indonesia, Ahmadnafisayyasy626@gmail.com*
[2] *Universitas Insan pembangunan Indonesia,*
[3] *Universitas terbuka, Indonesia. Shintyamaelani142629@gmail.com*

performance beyond financial outcomes, recognizing the importance of non-financial factors that influence long-term success (Fitzgerald & Moon, 1996). By adopting the BSC framework, companies can align their strategic vision with day-to-day operational performance, ensuring that all aspects of their operations contribute to achieving strategic goals (Ittner & Larcker, 1998).

The BSC framework has gained significant traction since its introduction in the early 1990s, providing a structured way for organizations to monitor and manage their performance. This comprehensive model of performance measurement has been adopted across industries as diverse as manufacturing, services, education, and government sectors (Saeed & Rehman, 2018). Its ability to incorporate both financial and non-financial indicators has made it an attractive option for organizations seeking a more holistic approach to performance management (Al-Htaybat & Sulaiman, 2015). However, while the benefits of implementing BSC have been widely documented, the adoption of this approach is not without challenges.

Despite extensive research on the Balanced Scorecard, there remains a gap in the literature regarding its implementation in diverse industrial sectors, particularly in small and medium enterprises (SMEs) with limited resources. Previous studies have primarily focused on large corporations, neglecting how SMEs can adapt and benefit from BSC (Sulaiman & Zulkifli, 2020; Möller & Sminia, 2009). Additionally, there is limited research exploring the specific challenges faced by companies in adopting BSC and the strategies they employ to overcome these hurdles. This research aims to address these gaps by investigating the application of BSC in various industrial contexts, focusing on the challenges and solutions for effective implementation.

This study offers a novel contribution by examining the implementation of BSC in companies with resource constraints, such as SMEs, and exploring the strategies these companies use to overcome implementation challenges. Additionally, this research incorporates case studies from various sectors to provide a comprehensive understanding of BSC's impact on performance. By analyzing both the successes and challenges of implementing BSC across different industries, this research offers new insights into how companies can leverage BSC to improve overall performance (Neely et al., 2005; Zhu et al., 2022).

A significant challenge faced by organizations is ensuring that all employees understand and engage with the BSC process. Despite its potential benefits, the implementation of BSC requires organizational buy-in and active participation at all levels, from top management to operational staff. Ensuring that employees comprehend the link between their daily activities and the company’s strategic goals is crucial for BSC success (Saeed & Rehman, 2018). This study seeks to explore how companies can foster this engagement by involving employees in the process, addressing their concerns, and aligning their roles with the organization’s broader strategic vision (Williams & Anderson, 1991).

Another crucial element of BSC implementation is determining appropriate key performance indicators (KPIs) across each of the four perspectives: financial, customer, internal processes, and learning and growth. Companies often struggle with defining the right KPIs that accurately reflect their strategic objectives and drive meaningful performance improvements. As highlighted by Bieker (2016), organizations must select KPIs that not only align with the company's strategic direction but also provide actionable insights to guide decision-making. This research will delve into the methods organizations use to select and monitor KPIs that resonate with their strategic goals.

The primary aim of this study is to evaluate how the Balanced Scorecard can improve company performance across different sectors. Specifically, this research seeks to: (1) Identify the key components of BSC that contribute to enhancing company performance; (2) Analyze how each perspective within the BSC interacts with one another to influence overall organizational performance; and (3) Provide practical recommendations for companies looking to implement BSC in order to achieve their strategic goals. By addressing these objectives, the study will provide a deeper understanding of how companies can utilize BSC to enhance their performance and make more informed decisions (Kaplan & Norton, 1992; Waweru & Uliana, 2014).

The significance of this study lies in its ability to bridge the gap between theoretical frameworks and practical implementation of BSC in a wide range of industries. While many organizations have adopted BSC, there is still a lack of consensus on the optimal implementation strategies. For example, large multinational corporations such as Siemens have successfully implemented BSC to improve operational efficiency and align strategic goals across divisions. However, the process is more challenging for SMEs that lack the resources and infrastructure of larger companies. By examining case studies from both large firms and SMEs, this research aims to provide actionable insights for businesses of all sizes (Gumbus & Johnson, 2003; Kermally, 2004).

One of the main challenges in implementing BSC is ensuring that all employees understand and engage with the performance measurement process. Companies often face difficulties in communicating the strategic objectives and ensuring that KPIs are aligned with these goals. As a result, employee involvement and engagement are critical for the success of BSC implementation (Saeed & Rehman, 2018; Waweru & Uliana, 2014). Furthermore, companies often struggle with integrating BSC with existing management systems and ensuring that performance data is effectively collected and analyzed to drive decision-making (Bieker, 2016; Neely et al., 2005).

The importance of a well-structured performance measurement system cannot be understated. It serves as a strategic tool for guiding organizations toward achieving their goals and enhancing performance. By effectively utilizing BSC, companies can foster innovation, optimize internal processes, and align their workforce with the company’s strategic objectives (Ittner & Larcker, 1998). This research will examine how organizations in diverse sectors have utilized BSC not only to improve financial outcomes but also to enhance customer satisfaction and operational efficiency, thereby providing a more comprehensive understanding of the model's potential to drive business success (Sulaiman & Zulkifli, 2020; Al-Htaybat & Sulaiman, 2015).

This research contributes to the body of knowledge on BSC by offering insights into how companies can overcome implementation challenges, particularly in the context of resource constraints and diverse industries. By focusing on both large corporations and SMEs, this study presents a comprehensive view of BSC's applicability and its potential to drive improved performance across different organizational contexts. Moreover, the case studies included in this research will provide a practical understanding of how BSC can be effectively implemented to achieve strategic objectives and improve long-term performance (Sulaiman & Zulkifli, 2020; Ittner & Larcker, 1998).

By understanding these goals, this research aims to help companies navigate the complexities of BSC implementation and optimize their performance through a more holistic approach to performance measurement. This will not only contribute to academic discourse on performance management but also provide valuable insights for business practitioners seeking to enhance their company's performance through strategic management tools like BSC (Pavlov & Welsch, 2006; Al-Htaybat & Sulaiman, 2015).

This study, therefore, aims to shed light on the essential elements of successful BSC implementation, offering both theoretical insights and practical recommendations to improve performance across industries. The findings will help companies recognize the value of a balanced and integrated approach to performance measurement that aligns with their strategic goals, making it a crucial tool for both academics and practitioners alike.

2. Theoretical Background

Definition of Balanced Scorecard

The Balanced Scorecard (BSC), introduced by Robert S. Kaplan and David P. Norton in the early 1990s, is a strategic management framework that provides a more comprehensive view of an organization's performance. Unlike traditional methods that emphasize financial outcomes, BSC includes non-financial perspectives such as customer satisfaction, internal processes, and employee learning and growth. This holistic approach allows organizations to translate their vision and strategy into actionable and measurable goals (Kaplan & Norton, 1992). The Balanced Scorecard serves as both a performance measurement tool and a strategic management system, enabling businesses to align day-to-day operations with long-term objectives (Kaplan & Norton, 1996).

One significant advantage of BSC is its capacity to integrate various aspects of performance that are typically treated separately. Many organizations often prioritize short-term financial results, while overlooking factors that contribute to long-term sustainability and success. BSC helps bridge this gap by linking financial outcomes with critical drivers such as customer relationships and operational efficiency (Ittner & Larcker, 2003). This ability to provide a balanced view of performance helps companies not only track results but also identify underlying factors that drive success. According to Neely et al. (2005), more than 70% of companies that have adopted BSC report improvements in both operational and financial performance, underlining its effectiveness as a strategic tool.

BSC includes four primary perspectives: financial, customer, internal business processes, and learning and growth. Each perspective focuses on specific strategic objectives, performance indicators, and initiatives needed to achieve these goals (Kaplan & Norton, 1996). The financial perspective, for instance, evaluates the company’s profitability, revenue growth, and cost management, while the customer perspective looks at customer satisfaction, loyalty, and market share. The internal business process perspective focuses on optimizing internal operations, and the learning and growth perspective highlights the development of employee skills and organizational capacity for innovation (Kaplan, 2009).

Statistics demonstrate the effectiveness of BSC in improving organizational performance. A study by Deloitte (2020) found that companies that implemented BSC showed a significant improvement in financial performance within three years. The Balanced Scorecard’s ability to provide a structured approach to performance management ensures that companies achieve not only financial goals but also enhance customer satisfaction and operational efficiency (Neely et al., 2005). Examples of BSC application can be seen in global corporations like Siemens, which uses BSC to align business units and improve efficiency across operations, further solidifying its role as a strategic management tool (Kaplan, 2009).

Elements in a Balanced Scorecard

Financial Perspective

The financial perspective of the Balanced Scorecard is central to evaluating a company's overall performance. It emphasizes financial metrics such as revenue, net profit, and return on investment (ROI), which provide insights into the organization’s ability to generate value for shareholders (Kaplan & Norton, 1996). Companies that adopt the Balanced Scorecard typically see substantial improvements in financial performance, as evidenced by Deloitte's 2020 report, which showed a 30% improvement in financial outcomes within three years of implementing BSC.

Financial performance is not just a result of past actions, but also the outcome of strategic investments in technology, employee development, and future-oriented projects. According to McKinsey & Company (2021), firms that focus on innovation and product development experience higher revenue growth compared to those that do not prioritize these areas. This perspective emphasizes the need for organizations to measure financial performance while also understanding how strategic initiatives and investments will affect long-term profitability (Kaplan & Norton, 1996).

Market fluctuations and economic uncertainty, such as during the COVID-19 pandemic, have underscored the need for financial flexibility. Companies that use BSC can better navigate these challenges by analyzing their financial condition and adjusting strategies accordingly. This adaptability highlights the value of BSC as a tool not only for performance measurement but also for strategic decision-making.

Customer Perspective

The customer perspective of BSC focuses on the critical role that customer satisfaction, loyalty, and retention play in an organization's success. In today's competitive environment, understanding customer needs and providing value is crucial for sustained business growth. Research by PwC (2021) indicates that 73% of consumers are significantly influenced by their customer experiences, making it essential for companies to track and improve customer satisfaction levels.

A prime example of effective BSC application in the customer perspective is Starbucks, which uses BSC to meet customer expectations such as high product quality, prompt service, and an inviting atmosphere. The company's commitment to customer satisfaction has contributed to sustained revenue growth, as seen in its 10% annual growth rate over the past five years (Starbucks Annual Report, 2022). Moreover, e-commerce giants like Tokopedia and Shopee leverage analytics to enhance customer experience by tailoring product offerings to consumer behavior and market trends.

However, maintaining consistency across various customer touchpoints remains a challenge. Companies must ensure that their services meet customer expectations across both digital and physical channels. In this regard, employee training and the development of an effective customer relationship management (CRM) system are essential for delivering a consistent customer experience (Ittner & Larcker, 2003).

Internal Business Process Perspective

The internal business process perspective evaluates the efficiency and effectiveness of a company's internal operations. It is essential for achieving financial goals and fulfilling customer expectations. Research by Bain & Company (2020) indicates that companies optimizing internal processes can increase productivity by up to 25%. Toyota provides a notable example of effective process optimization through its lean production system. By identifying and eliminating waste, Toyota has improved operational efficiency, reduced costs, and maintained customer satisfaction, which has contributed to its dominance in the global automotive market (Statista, 2021).

Automation and information systems also play a crucial role in improving business processes. Companies that adopt automation technologies can reduce operational costs by up to 30% (Gartner, 2021). However, resistance to change from employees who are accustomed to existing practices presents a significant challenge. Engaging employees and providing adequate training are critical steps in overcoming this barrier and ensuring the successful implementation of new processes (Saeed & Rehman, 2018).

Learning and Growth Perspective

The learning and growth perspective emphasizes the importance of continuous human resource development and fostering a culture of innovation. According to the World Economic Forum (2020), companies investing in employee development can enhance productivity by up to 20%. Google exemplifies this by providing its employees with diverse training programs, which help foster innovation and high employee retention rates. This, in turn, supports Google's success as one of the world's leading technology firms.

This perspective also highlights the importance of nurturing innovation. Companies that cultivate an environment encouraging experimentation can develop new products and services that cater to market needs. Accenture (2021) reports that 85% of business leaders believe innovation is key to long-term growth. Thus, investing in research and development (R&D) is critical for sustaining competitive advantage and ensuring long-term business success.

Despite the importance of this perspective, measuring the effectiveness of training and innovation initiatives remains challenging. Clear performance indicators, such as employee satisfaction surveys and innovation metrics, can provide valuable insights into the impact of such programs (Kaplan & Norton, 1996).

Definition of Corporate Performance

Company performance refers to the ability of an organization to meet its strategic goals and objectives. It is measured through a combination of financial and non-financial factors, such as profitability, productivity, customer satisfaction, and innovation (Kaplan & Norton, 1996). According to Porter (1985), firms that can analyze and adapt to external conditions tend to outperform their competitors. A comprehensive approach to measuring performance, including financial and non-financial indicators, allows organizations to gain a more accurate understanding of their strengths and areas for improvement.

Company Performance Indicators

Performance indicators are used to assess how well a company is achieving its strategic objectives. These indicators, whether financial (e.g., ROI, net profit) or non-financial (e.g., customer satisfaction, innovation), must meet the SMART criteria: Specific, Measurable, Achievable, Relevant, and Time-bound (Neely et al., 2005). Companies that focus on enhancing both financial and non-financial performance indicators tend to see improvements in their overall organizational outcomes. For instance, high customer satisfaction is linked to better loyalty and financial performance, while innovation can be tracked through new product launches and R&D investments (ACSI, 2021; McKinsey & Company, 2020).

By adopting the Balanced Scorecard, companies can integrate diverse performance indicators to achieve a more comprehensive understanding of their operations. This approach ensures that companies not only meet their immediate financial targets but also maintain long-term sustainability through continuous improvement in customer satisfaction, operational efficiency, and innovation (Kaplan & Norton, 1996).

3. Methodology

The type of research used in this study is qualitative research. Qualitative research was chosen because of its deep focus on the phenomenon that occurs in the application of the Balanced Scorecard (BSC) in companies. This research aims to understand how BSC can improve company performance through different perspectives, such as finance, customers, internal business processes, and learning and growth. According to Creswell (2014), qualitative research allows researchers to explore the meaning and understanding of individual or group experiences, which is particularly relevant in this context.

The approach used in this study is a case study approach. This approach allows researchers to conduct in-depth analyses of several companies that have implemented BSC. Through case studies, researchers can explore how BSC is implemented and its impact on company performance. Yin (2018) stated that case studies are very effective for understanding complex phenomena in real-life contexts. In this study, several companies from various industrial sectors will be used as the object of study to get a comprehensive picture of the implementation of BSC.

The population in this study is companies that have implemented the Balanced Scorecard as a performance management tool. The sample was taken from one of the companies operating in Indonesia. The purposive sampling technique is used to select companies that are considered relevant and have experience in the implementation of BSC. According to Patton (2015), purposive sampling allows researchers to select informants who can provide rich and in-depth information according to the purpose of the research. In this case, it is hoped that the samples taken can represent variations in the application of BSC in various sectors.

The main data collection technique used in this study is in-depth interviews. Interviews were conducted with managers and executives involved in the implementation of BSC in the company. Semi-structured interviews will be used to provide flexibility in the exploration of relevant topics, while still maintaining focus on the research question. According to Kvale (2007), in-depth interviews allow researchers to gain a better understanding of individual views and experiences. In addition, the interviews will be recorded and transcribed for further analysis.

The data analysis technique used in this study is thematic analysis. Thematic analysis allows researchers to identify patterns and themes that emerge from the interview data. The first step in this analysis is the transcription of the interviews, followed by the encoding of the data to identify the main themes. Once the themes are identified, researchers will analyze how each theme relates to the implementation of BSC and its impact on the company's performance. Braun and Clarke (2006) explained that thematic analysis is a flexible method that can be applied in various research contexts, making it suitable for this study.

4. Empirical Findings/Result

Analysis of the Implementation of Balanced Scorecard

1. Implementation in the Company

Balanced Scorecard (BSC) is a strategic management tool introduced by Kaplan and Norton in 1992. This concept is designed to provide a more balanced approach to measuring company performance by considering various perspectives, such as finance, customers, internal processes, and learning and growth. In its implementation, many companies around the world have adopted BSC to improve their performance. For example, multinational companies such as Siemens and Ford Motor Company have implemented BSC to align their strategic goals with operational performance.

In the context of Indonesian companies, one of the relevant examples is PT. Telekomunikasi Indonesia (Telkom). Telkom implements BSC to improve service quality and customer satisfaction. By setting clear key performance indicators (KPIs) for each perspective of BSC, Telkom is able to monitor and evaluate its operational performance more effectively. According to Telkom's annual report in 2022, the implementation of BSC successfully increased their Net Promoter Score (NPS) from 35 to 50 in two years, showing a significant increase in customer satisfaction (Telkom Annual Report, 2022).

The BSC implementation process in a company not only involves measuring performance, but also requires a change in organizational culture. Employees need to be involved in the KPI setting process and understand how their contribution affects the company's overall goals. Research by Kaplan and Norton (2001) shows that the successful implementation of BSC is highly dependent on employee engagement and commitment. Without support from all levels of the organization, BSC can become an ineffective measuring tool.

In addition, the use of information technology also plays an important role in the implementation of BSC. With a good management information system, companies can collect, analyze, and report performance data in real-time. This allows management to make faster and more informed decisions based on accurate information. For example, PT. Unilever Indonesia uses a digital-based BSC dashboard to monitor performance across various divisions, which helps them respond to market changes more quickly (Unilever Sustainability Report, 2021).

Overall, the implementation of BSC in the company requires a holistic and integrated approach. Companies must be ready to make structural and cultural changes so that BSC can deliver the expected results. With a strong commitment from management and employee engagement, BSC can be an effective tool to improve company performance.

2. Impact on Company Performance

The impact of the implementation of the Balanced Scorecard on the company's performance can be seen from various aspects, including improved operational efficiency, customer satisfaction, and profitability. Research shows that companies that implement BSC tend to experience significant improvements in financial performance. According to a study by Ittner and Larcker (1998), companies that use BSC report a 30% increase in net profit within a three-year period after implementation.

One concrete example of the positive impact of BSC can be seen in PT. Bank Mandiri. After implementing BSC, Bank Mandiri has succeeded in improving its operational efficiency by reducing customer service processing time by up to 40%. This not only increases customer satisfaction, but also contributes to the bank's increased market share. Data from the Financial Services Authority (OJK) shows that Bank Mandiri has managed to increase its total assets from IDR 1,000 trillion to IDR 1,200 trillion within two years after the implementation of BSC (OJK Report, 2023).

Another significant impact is the increase in innovation and organizational learning. With a focus on learning and growth perspectives within BSC, companies are more encouraged to invest in employee training and development. This has an impact on increasing innovation capabilities, which in turn can create new and better products and services. For example, PT. Astra International, which implements BSC, reported an increase in the number of new products launched every year, from 5 products to 15 products in the last five years (Astra Annual Report, 2022).

However, the impact of implementing BSC is not always positive. Some companies have difficulty integrating BSC with their existing management systems. For example, PT. Garuda Indonesia experienced challenges in aligning BSC's KPIs with the company's broader strategic goals. As a result, even though BSC has been implemented, not all parts of the organization feel involved and contributing to the achievement of strategic goals. This indicates that the implementation of BSC needs to be carried out carefully and adjusted to the corporate context.

The impact of the implementation of the Balanced Scorecard on the company's performance largely depends on how BSC is implemented and integrated into the organizational culture. With the right approach, BSC can be a very effective tool to improve the overall performance of a company. However, companies must also be prepared for challenges that may arise during the implementation process.

5. Discussion

The application of the Balanced Scorecard (BSC) to improve company performance has been a central focus of research over recent decades. Several studies have demonstrated that BSC not only helps companies measure financial performance but also emphasizes crucial non-financial aspects such as customer satisfaction, internal processes, and learning and growth. Kaplan and Norton (1992), the originators of the BSC concept, showed that companies that implement BSC can improve performance by up to 30% compared to those that do not use this tool, highlighting its potential impact on strategic management.

In the context of Indonesian companies, research by Al-Htaybat and Sulaiman (2015) showed that companies adopting BSC experienced significant increases in customer satisfaction and operational efficiency. This was evidenced by a study conducted with 50 manufacturing companies, where 76% of respondents reported performance improvements post-BSC implementation. These findings support those of Irawati (2019), who argued that BSC facilitates the creation of clear strategic goals and relevant performance indicators, enhancing organizational alignment.

However, recent research has shown that the implementation of BSC does not always yield the expected results. Ittner and Larcker (1998) noted that several factors—such as a lack of understanding of the BSC concept, a mismatch between selected indicators and company strategies, and insufficient support from top management—can hinder successful implementation. These challenges indicate that BSC requires careful and contextually sensitive implementation.

Bieker (2016) observed that while BSC has great potential for improving company performance, its success depends on how well it is integrated into the organizational culture. As noted by Neely, Gregory, and Platts (2005), companies must regularly assess and refine their performance indicators to ensure their continued relevance in a dynamic business environment. Similarly, Pavlov and Welsch (2006) highlighted that BSC's effectiveness is closely tied to its ability to evolve alongside the business.

The findings of Saeed and Rehman (2018) further corroborate the notion that BSC improves performance, particularly within service organizations. Their research indicated that service companies implementing BSC saw significant improvements in operational effectiveness. This view is supported by Gumbus and Johnson (2003), who argued that BSC aids in translating strategic goals into actionable tasks, improving the alignment between long-term and short-term objectives.

The relationship between BSC and strategic management is further explored by Möller and Sminia (2009), who emphasized the importance of aligning strategic action with performance outcomes to achieve business success. Kaplan and Norton (1992) echoed this view, stating that BSC enables organizations to effectively translate their vision and strategy into actions that drive performance. Similarly, Fitzgerald and Moon (1996) underscored that integrating performance measurement systems such as BSC is essential for maintaining both financial and operational performance in service industries.

At the company level, a case study by Sulaiman and Zulkifli (2020) reviewed the implementation of BSC in small and medium-sized enterprises (SMEs). They concluded that BSC's application in SMEs contributes significantly to performance measurement and improvement. Their findings align with those of Waweru and

Uliana (2014), who found that public sector entities also benefit from adopting BSC, suggesting its versatility across different organizational contexts.

In addition, research by Kermally (2004) argued that BSC facilitates improvements in human resource management, as it prompts organizations to invest in employee development. This is reflected in the work of Nugroho and Santoso (2020), who found that companies using BSC to guide employee development initiatives experience substantial improvements in both productivity and innovation.

However, despite its widespread adoption, the implementation of BSC faces various challenges. Williams and Anderson (1991) pointed out that organizational commitment and job satisfaction are essential factors influencing the successful implementation of performance management systems like BSC. This highlights the need for comprehensive training and engagement across all levels of the organization. As Zhu et al. (2022) suggested, creating a strong fit between employees' values and the organization’s strategic objectives is critical for BSC’s success.

In this study, interviews were conducted with managers from PT. XYZ, a manufacturing company that began implementing BSC in 2021. According to the manager, one of the initial challenges was resistance from employees accustomed to the existing operational practices. However, after extensive training and communication efforts, employees began to recognize the value of BSC. The company saw a 15% increase in profit margins over two years, primarily through cost reduction and enhanced operational efficiency. In terms of customer satisfaction, PT. XYZ reported an 80% satisfaction rate based on customer surveys, illustrating the impact of BSC on improving customer relations.

Overall, the findings from PT. XYZ support the broader literature, demonstrating that the successful application of BSC can lead to significant improvements in both financial and non-financial performance. However, the study also emphasizes that full organizational involvement and continuous refinement of the performance measurement system are crucial to achieving optimal results.

6. Conclusions

The Balanced Scorecard is a strategy method that measures a company's performance through four main perspectives: finance, customers, internal business processes, and learning and growth. This method aims to create a holistic approach in management strategy and help companies align the vision of the strategy with operations. In its implementation, BSC has been proven to increase operational effectiveness, innovation, and customer and employee satisfaction. Examples of successful BSC implementation can be seen in large companies such as Siemens and Mobil, which have succeeded in improving operational efficiency and competitiveness.

However, challenges such as resistance to change, limited resources, and a lack of understanding of holistic measurement can hinder BSC implementation. Therefore, employee training and engagement, as well as information technology support, are key to its successful implementation. BSC offers a framework that allows companies to manage performance strategically, with a focus on sustainable long-term goals. Research shows that companies that implement BSC effectively experience significant improvements in financial and non-financial performance.

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