



Analysis of company performance measurement using the balanced scorecard method and analytical hierarchy process (AHP) at PT XYZ

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Article Info	Abstract
<p>Keywords: Analytical Hierarchy Process, Balanced Scorecard, Company Performance, Key Performance Indicator, Work Management</p>	<p><i>PT XYZ is a private company engaged in freight forwarding services in Surabaya - Waingapu. In its journey, the company experienced many challenges, which continuously improved its performance management, starting from financial issues, customers, internal business processes, and learning and growth. This study aims to determine the level of company performance and provide recommendations for improvements to the Key Performance Indicator below the target. The method used is the Balanced Scorecard (BSC) supported by the Analytical Hierarchy Process (AHP). The study results show that PT XYZ's company performance score in 2020 produced a score weight of 2.88 which is included in the good category. In contrast, in 2021, the company's performance made a weighted score of 2.78 which is included in the good category, and 2022, the company's performance had a weighted score of 2.26 which is included in the sufficient category. Internal Business Processes are the focus of improvement because the achievement score still needs to catch up to the target to improve PT XYZ's performance.</i></p>

1. INTRODUCTION

The rapid development of the global world demands every company optimize activities and improve efficiency to win the competition in the business world. Every company should try to make improvements to achieve maximum profit (Lohana et al., 2021). This also affects developments in the service industry, including courier or delivery services. This development was marked by the emergence of many companies engaged in the service sector due to increased market demand, so many business actors began participating in this field. The development of startups has changed many things in business activities, and the increasingly competitive business world has caused significant changes in sales, purchases, marketing, production, and management of human resources (Vanaldo et al., 2021).

The shipping industry is so dense, and the competition is tight. Many companies in the field of shipping are competing to provide the best service to get customer satisfaction and loyalty. To be a competitive shipping company, you must choose good and resilient company performance (Pradipto, 2020). A competition that is global and sharp can lead to shrinking profits. From a business perspective, competitive advantage can be obtained if



entities can build intimacy with customers; this condition has entered the era of the information economy, where conducting commerce prioritizes the quality of its information services. These changes have encouraged many entities to prepare themselves to be accepted in the global environment and compete in the era of the industrial revolution 4.0 (Vanaldo et al., 2021). In this case, the company is required to be able to improve its performance of the company to be able to compete in the market. The company must also understand consumers' needs, wants and demands to provide satisfactory customer service. To improve its performance, the company needs to do periodic performance measurements. So far, employee performance evaluation has yet to be carried out comprehensively on intangible indicators such as non-financial aspects. Therefore, a performance measurement system is needed that can measure intangible assets and lead the organization to success (Yusuf et al., 2019).

A company's success is very dependent on the activity and creativity of human resources to achieve its vision and mission. For this reason, companies need human resources who have knowledge, expertise and skills according to their fields. Human resources in organizations are usually called employees or employees. Employees required by an organization are potential employees who have good performance (Kakerissa, 2020). Employees who have good and professional abilities are very likely to have work performed in carrying out their duties, so they are more efficient (Aguansyah, 2020). Human resources with creativity and excellence in science are essential for elements such as flexibility, speed, innovation, and integration (Kurnia & Fithri, 2021). The success of a cooperative in achieving its goals depends on both the strategy it has determined and the strategy it implements. Performance measurement based on financial ratios depends on the method or accounting treatment used in preparing financial reports and often looks good even though actual implementation has decreased (Estiasih, 2021).

PT XYZ is a private company engaged in freight forwarding services in containers, loss cargo, and trucking door activities in Surabaya - Waingapu. Along with the increasing number and need for company manpower facilities from year to year, as well as the emergence of many similar companies, this has encouraged the company to improve its performance to compete with other business actors continuously. To be able to have an advantage in the fast-paced business competition, companies need to have the proper performance measurement system framework. PT XYZ has implemented a strategy with a modern concept for production and marketing, and the company only uses short-term performance measurements with financial performance measurements. In its journey, the company experienced many challenges, which continuously improved its performance management, starting from financial issues, customers, internal business processes, and learning and growth.

Table 1
PT XYZ Turnover Summary

Year	Turnover
2019	Rp 42.575.988.026,00
2020	Rp 39.205.986.584,00
Year	Turnover
2021	Rp 46.487.667.091,00
2022	Rp 45.026.567.393,00

Source: Internal Company

With Based on Table 1, it can be seen that the results of turnover fluctuate and tend to be unstable. This is evidenced by the decrease in turnover in 2020 from 2019, which has a difference of -Rp 3,370,001,442.00, and in 2022 and 2021 has a difference of -Rp 1,461,099,698.00. It is known that the decline in turnover is due to the impact of Covid-19, the company's increasing operational costs, and increasingly fierce competition between competitors. Then there are customer problems; claims often occur when there is a damaged load to errors in administration when a customer wants to use the service, which leads to customer disappointment. Meanwhile, internal business processes often experience delays in goods reaching their final destination and damage to interests during delivery. Finally, on learning and growth, where training is only given direction by the director when first entering as an employee, slow employee growth until employees resign. This was proven when in 2022, PT XYZ experienced a surge in turnover/employee resignation of around 14 people. The problem at PT XYZ is that there needs to be a complete measurement of the company's financial and non-financial performance.

Previous research related to measuring company performance to evaluate strategic planning using the Balanced Scorecard method (Tarigan & Sinaga, 2022) from 4 perspectives found that the financial and internal business perspectives are improving and only need to be evaluated, while from the customer perspective, there is something that needs to be assessed related to profitability and customer retention to get better in planning the next strategy. In this globalization era, economic sector developments have increased quite rapidly. Increasing public demand for more practical, complete, and quality services and a professional workforce in line with technological developments. In addition, measuring company performance using the Balanced Scorecard approach (Suhada & Hendrayanti, 2019) was obtained from a growth and learning perspective; in 2017 the employee turnover was 6.4%, and in 2018 the number of employee turnover was 7.2%. When compared between 2017 and 2018, there was an increase of 0.8%. Overall good because from the three perspective calculations, nothing is closer to the threshold that can harm the company. Companies can use the Balanced Scorecard (BSC) as a strategic-based measuring tool to measure performance, incorporating financial, internal business process, customer, and learning and growth perspectives. These points of view interact to generate output, results, and effect. This study uses KPIs adjusted by the company in internal business processes because the company's business processes are not good, so it is necessary to conduct research involving 3 KPIs from the perspective of internal business process.

2. LITERATURE REVIEW

[Suwatno and Priansa \(2016\)](#) define performance or as the result of a process carried out by humans. Work that adds to the economy and is related to the organization's strategic objectives and customer happiness results in performance. It is all about making the effort and seeing the results. Performance management is a continuous communication process between employees and their supervisors to build expectations and understand the work to be performed. A strategic and integrated approach to delivering sustainable success by improving employee performance and developing team and individual capabilities ([Armstrong, 2004](#)). Excellent performance motivates businesses to be more productive and equipped to compete in the current business environment ([Sutrisno et al., 2022](#)). Performance management is a method that allows executors to play the best role in achieving the goals that have been set ([Yuan et al., 2019](#)).

According to [Ruky \(2004\)](#), Performance Management relates to businesses, activities, or programs initiated and implemented by organizational leaders to plan, direct and control employee performance. Because this program includes the word management, all activities in the "management process" must start with setting goals and objectives to be achieved, then the stages of planning, organizing, actuating/directing, and finally evaluating the results. Through constant communication and an integrated strategy, performance management is a management style that focuses on managing resources to fulfill corporate goals. Performance measurement is one stage in assessing and evaluating employee engagement in the outcomes of the company's activity. Not only should employee performance be considered, but performance assessment may also be utilized to foster a feeling of responsibility and employee incentive ([LastiarBrutu et al., 2019](#)). Management system performance emphasizes measuring, evaluating, and realizing good results from individuals and the organization ([Audenaert et al., 2021](#)).

In general, performance appraisal aims to provide feedback to employees to improve work performance and organizational productivity, especially for various policies aimed at employees, such as promotions, wage increases, education, and training ([Robert et al., 2006](#)). The Balanced Scorecard (BSC) approach is used to assess the performance of each business unit to improve future strategic plans. It was created to enter a competitive business landscape ([Irawan et al., 2019](#)). Performance needs to be improved through a series of efforts called performance management. Efforts to develop performance consist of many factors, elements, inputs, and elements that exist in the organization and must be utilized to improve performance ([Amar, 2020](#)).

The Balanced Scorecard (BSC) approach is used to assess the performance of each business unit to improve future strategic plans. It was created to enter a competitive business landscape ([Ta et al., 2022](#)). According to [Kaplan and Norton \(2000\)](#), The Balanced Scorecard is a performance evaluation system that evaluates a company's performance from four perspectives: financial, customer, internal business process, and learning and growth. The Key Performance Indicator (KPI) is a quantitative measuring tool to enhance an activity's performance ([Niven, 2002](#)). The BSC assists firms in aligning activities to fulfill

their goals and business strategy (Zazueta Salido et al., 2019). The BSC method emphasizes balancing short- and long-term performance, external and internal performance, and stakeholder views (Benková et al., 2020). BSC is a method for communicating goals and strategies among various levels of management and employees. It is used to provide information on all of the activities that are now taking place and the company's long-term success.

AHP (Analytical Hierarchy Process) is a tool for weighting and structuring problems hierarchically complex, for example, multi-criteria decision-making (MCDM). AHP uses a pairwise comparison matrix for all levels of the hierarchy and evaluates the importance of the criteria (İç et al., 2022). Principles of Work AHP divides the problem into categories and subcategories and aids decision-making through experience, intuition, and heuristics (Anjomshoae et al., 2019). Saaty created the AHP approach to tackle complicated decision-making issues straightforwardly. This multi-criteria decision analysis approach may be used to address situations with several decision criteria. AHP is an analytical tool used to make decisions in complex situations (Kurnia & Fithri, 2021). Three concepts underpin AHP: decomposition, pairwise comparative judgment, and priority synthesis (Ho et al., 2006). AHP decomposes complex decision problems into a hierarchy of objectives (Saaty, 1980). The Analytical Hierarchy Process is a functional hierarchy with human perception as its primary input. It helps break down complex or unstructured problems into sub-problems and arrange them hierarchically. It applies to private entities, government institutions, and individual needs. It is beneficial in conducting research by giving subjective values about the relative importance of each element and determining which part has the highest priority. (Marsono, 2020).

3. RESEARCH METHOD

The research method used in this study is the Balanced Scorecard (BSC) and Analytical Hierarchy Process (AHP) methods. Researchers obtain primary data by collecting information directly in the field. The data is obtained by observing the object of research, interviews or interviews, and questionnaires with operational managers to determine the weight of importance for each KPI. Secondary data is data collected by studying company documents, journal literature, and books that are aligned with theories and problems with measuring company performance (Kurnia & Fithri, 2021). The research model consists of the dependent variable in company performance values and the independent variable in the form of scores on each KPI in each Balanced Scorecard (BSC) perspective.

In designing company performance measurements with the BSC, objective strategies and KPIs will be determined on the four BSC perspectives that support achieving the company's strategic goals by the results of joint discussions. Then measure success with benchmarks in the form of actualization of the achievement of company targets. The assessment of these measurements is based on the target standards set by the company. The measurement stage is carried out by calculating the weight of each KPI using the AHP method. This method is very suitable for solving complex problems consisting of many criteria. In AHP, the decision involves KPIs in connection with using a pairwise comparison

questionnaire concerning operational managers to determine the priority of importance of each criterion and sub-criteria. Furthermore, performance weights will be obtained from the results of preferences and decision making by experts. To find out whether the AHP weighting questionnaire has been consistent, it is necessary to have a consistency test. The requirement for logical consistency is less than 10% or $CR \leq 0.1$. If the value obtained after the ratio consistency test is more than 10% ($CR > 0.1$), data collection is repeated until the ratio consistency value is less than 0.1 and validated (Setyadi et al., 2018) The equation expresses deviation from consistency:

$$CI = \frac{\lambda_{maks} - n}{n-1}$$

where:

CI = Consistency Deviation Ratio

λ_{maks} = Maximum Eigenvalue

n = Matrix Size

Thus, the Consistency Ratio can be formulated:

$$CR = \frac{CI}{RI}$$

where:

CR = Consistency Ratio

CI = Consistency Index

RI = Indeks Random Consistency

The next phase is to measure firm performance after determining the weight of the four views and indicators of each BSC. The performance of each indicator utilized in each BSC viewpoint is evaluated first. Assessment (score) of performance will be better if the results achieved from an indicator have a value close to the company's target. The indicator's score will be multiplied by the indicator's score and the weight, which is the performance value of that indicator. Performance measurement on each indicator aims to determine performance value from each BSC perspective. The total of the performance indicator values yields the performance value from a perspective. The company's overall performance is calculated by multiplying the performance value of each BSC viewpoint by the predefined perspective significance weight. The greater the quantity of obtained values, the better the company's performance.

4. RESULT AND DISCUSSION

One of the critical stages in designing a performance measurement system using the balanced scorecard is determining targets for each goal-established strategy. Target is the level of performance to be achieved by a company or institution in the future. It starts with determining the objective strategy and KPI based on the Balanced Scorecard method. Identification of these performance indicators is adjusted to the strategic objectives that are

formed and then developed to identify measures that indicate the achievement level of company performance's success (Kurnia & Fithri, 2021). The Strategic Objectives and KPIs based on each perspective are as follows:

Table 2
 BSC Perspective Objective Strategy

Perspective	Objective Strategy
Financial	Finance Increase company profits
	Increase efficiency and effectiveness in generating sales
	Increase the cash ratio to measure the level of liquidity
Customer	Customers improve quality relationship
	Increase customer satisfaction
Internal Business Process	Improving effective and efficient company
	Improving the quality of the registration system
Learning and Growth	Reduce employee turnover
	Improve employee capabilities
	Increase employee productivity
	Improve employee discipline

Source: Primary Data Processed

Table 2 describes the four BSC perspectives, which consist of 11 strategic objectives. Strategic objectives are determined through discussions with the company. Where the indicators made must be aligned with the goals and mission of the company and can be measured technically. From the measurement results of calculating each Key Performance Indicator (KPI), the next step is that we can determine the score or value for the KPI from the four perspectives of the Balanced Scorecard, which is based on KPI assessment and consists of a range of success scores that the company has determined. In giving this score based on the assessment limit and the results of brainstorming with company management, the score is obtained according to the value of the results of the calculations that have been done before. The assessment is as follows:

Score 1 means the company's performance is poor

Score 2 means the company's performance is sufficient

Score 3 means the company's performance is good

Then compare the scores of each KPI on each Balanced Scorecard Perspective for 2020, 2021, and 2022, which are displayed in graphical form. The same thing is carried out for the Customer Perspective, Internal Business Processes, and Learning and Growth.

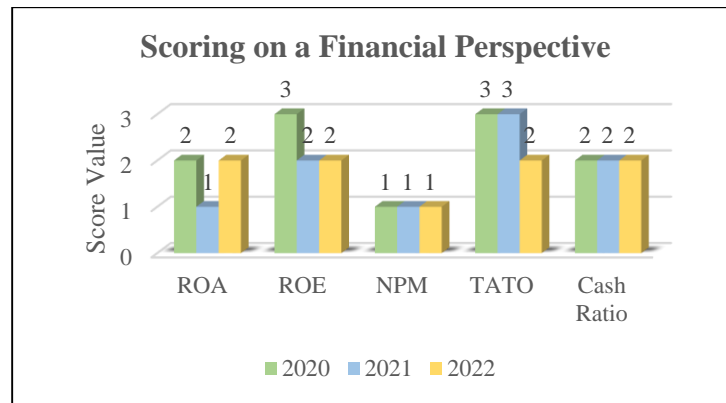


Figure 1 Graph of Financial Perspective KPI Score Comparison

Information:

ROA = Return On Assets

ROE = Return On Equity

NPM = Net Profit Margin

TATO = Total Assets Turn Over

Cash Ratio

From the figure 1, KPI ROA has the same score in 2020 and 2022, which is 2 (Sufficient), and in 2021 it has a score of 1 (Poor). The ROE KPI has decreased from 2020 with a score of 3 (Good) to 2021 and 2022 with a score of 2 (Sufficient). Then the TATO KPI decreased from 2020 and 2021 with a 3 (Good) score to 2022 with a 2 (Sufficient). The Cash Ratio KPI has the same score in 2020, 2021, and 2022, namely 2 (Sufficient).

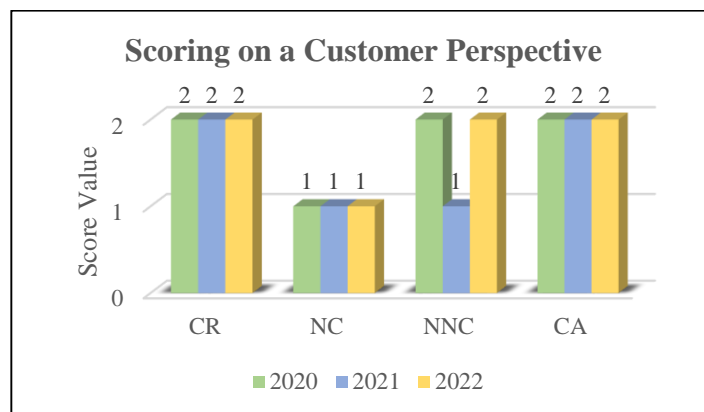


Figure 2 Graph of Customer Perspective KPI Score Comparison

Information:

CR = Customer Retention

NC = Number of Complaints

NNC = Number of New Customers

CA = Customer Acquisition

From the figure 2, KPI CR has the same score in 2020, 2021, and 2022, which is 2 (Sufficient). The NC KPI has had the same score for 3 consecutive years, namely 2020, 2021, and 2022, with a score of 1 (Poor). Meanwhile, the NNC KPI has the same score in 2020 and 2022, which is 2 (Sufficient); in 2021, it has a score of 1 (Poor). Then the CA KPI has the same score in 2020, 2021, and 2022, namely 2 (Sufficient).

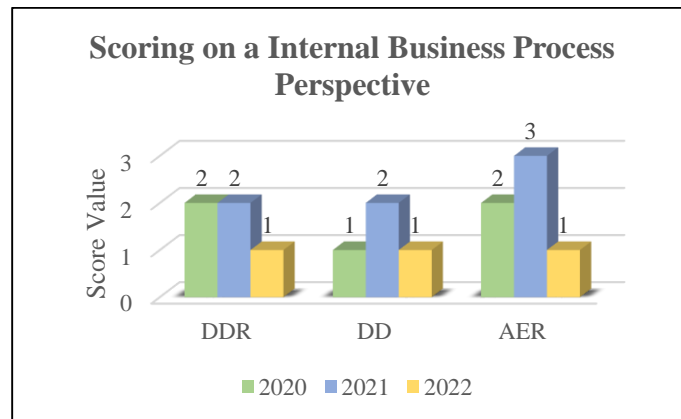


Figure 3. Graph Comparison of KPI Scores from the Internal Business Process Perspective

Information:

DDR = Delivery Defect Rate

DD = Delayed Delivery

AER = Administrative Error Rate in Registry

From the figure 3, KPI DDR has the same score in 2020 and 2021, which is 2 (Poor), and in 2022 it has a 1 (Poor) score. For KPI DD, it has a score of 1 (Poor) in 2020 and 2022; in 2021, it has a score of 2 (Sufficient). Meanwhile, the AER KPI has a score of 2 (Sufficient) in 2020, a score of 3 (Good) in 2021, and a score of 1 (Poor) in 2022.

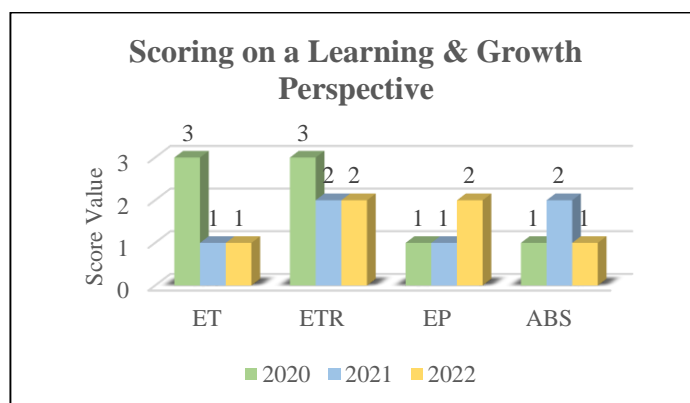


Figure 4. Graph Comparison of KPI Scores from the Learning and Growth Perspective

Information:

ET = Employee Turnover

ETR = Employee Training

EP = Employee Productivity
 ABS = Absenteeism

From the figure 4, ET had a score of 3 (Good) in 2020 and the same score in 2021 and 2022, which is 1 (Poor). The ETR KPI had a score of 3 (Good) in 2020 and the same score in 2021 and 2022, which is 2 (Sufficient). While KPI EP had a score of 1 (Poor) in 2020 and 2021, in 2022, it had a score of 2 (Sufficient). Then the ABS KPI has the same score in 2020 and 2022, with a score of 1 (Poor) and a score of 2 (Sufficient) in 2021.

Tables 3,4 and 5 below are performance measurements on the Financial Perspective KPI. This can be done by multiplying the score from the Financial Perspective KPI by the weight that the KPI owns. Performance measurement on each Financial Perspective KPI aims to determine the performance value of the Financial Perspective. The performance value from the Financial Perspective is obtained from the sum of the weighted scores of each KPI from the Financial Perspective. The following is a table of weighted scores for the Financial Perspective in 2020.

Table 3
 Calculation of the 2020 Financial Perspective Weighted Score

Financial Perspective KPI	January – December 2020		
	Weighted	Score	Weighted Score
<i>Return On Assets (ROA)</i>	0,26	2	0,52
<i>Return On Equity (ROE)</i>	0,17	3	0,51
<i>Net Profit Margin (NPM)</i>	0,44	1	0,44
<i>Total Assets Turn Over (TATO)</i>	0,17	3	0,51
<i>Cash Ratio</i>	0,18	2	0,36
Total			2,34

Source: Processed Data

Table 4
 Calculation of the 2021 Financial Perspective Weighted Score

Financial Perspective KPI	January – December 2021		
	Weighted	Score	Weighted Score
<i>Return On Assets (ROA)</i>	0,26	1	0,26
<i>Return On Equity (ROE)</i>	0,17	2	0,34
<i>Net Profit Margin (NPM)</i>	0,44	1	0,44
<i>Total Assets Turn Over (TATO)</i>	0,17	3	0,51
<i>Cash Ratio</i>	0,18	2	0,36
Total			1,91

Source: Processed Data

Table 5
 Calculation of the 2022 Financial Perspective Weighted Score

Financial Perspective KPI	January – December 2022		
	Weighted	Score	Weighted Score
<i>Return On Assets (ROA)</i>	0,26	2	0,52
<i>Return On Equity (ROE)</i>	0,17	2	0,34
<i>Net Profit Margin (NPM)</i>	0,44	1	0,44
<i>Total Assets Turn Over (TATO)</i>	0,17	2	0,34
<i>Cash Ratio</i>	0,18	2	0,36
Total			2,00

Source: Processed Data

The results of the weighted scores above show the company's performance for the Financial Perspective in 2020 at 2.34, in 2021 at 1.91, and in 2022 at 2.00. The Percentage of Return On Assets (ROA) shows the lowest KPI weight, so evaluating the effective and efficient management in managing profits is necessary so that the profits generated are greater. Meanwhile, Total Assets Turn Over (TATO) has the highest weighted score indicating that the company can utilize assets effectively in supporting sales activities. The above calculations are also carried out by the Customer Perspective, Internal Business Processes, and Growth and Learning in 2020, 2021, and 2022. Then, after knowing the weight of each perspective of the Balanced Scorecard, the next step is to measure the company's overall performance by involving 4 perspectives.

The assessment criteria for measuring company performance as a whole are:

$1.00 \leq \text{total measurement results} \leq 1.67 \rightarrow$ Poor company performance

$1.67 \leq \text{total measurement results} \leq 2.34 \rightarrow$ Sufficient company performance

$2.34 \leq \text{total measurement results} \leq 3.00 \rightarrow$ Good company performance

Table 6
 Results of Company Performance Measurement Recapitulation
 for Each Perspective in 2020

Perspective	January – December 2020		
	Weighted	Score	Weighted Score
Financial	0,5	2,34	1,17
Customer	0,35	1,67	0,58
Internal Business Process	0,44	1,80	0,79
Learning & Growth	0,15	2,19	0,33
Jumlah			2,88

Source: Processed Data

From the criteria above, the company's performance in the four perspectives of the Balanced Scorecard in January-December 2020 was 2.88, so the company's performance was good.

Table 7
 Results of Company Performance Measurement Recapitulation
 for Each Perspective in 2021

Perspective	January – December 2021		
	Weighted	Score	Weighted Score
Financial	0,5	1,91	0,96
Customer	0,35	1,43	0,50
Internal Business Process	0,44	2,49	1,10
Learning & Growth	0,15	1,54	0,23
Jumlah			2,78

Source: Processed Data

Furthermore, in January-December 2021, it was 2.78, so it can be said that the company's performance was good even though it had decreased by 0.10 from the previous year.

Table 8
 Results of Company Performance Measurement Recapitulation
 for Each Perspective in 2022

Perspective	January – December 2022		
	Weighted	Score	Weighted Score
Financial	0,5	2,00	1,00
Customer	0,35	1,67	0,58
Internal Business Process	0,44	1,00	0,44
Learning & Growth	0,15	1,60	0,24
Jumlah			2,26

Source: Processed Data

Then in January-December 2022, it was 2.26, so it can be said that the company's performance was sufficient. Based on the calculation results obtained, the performance of PT XYZ has decreased in the last 3 years.

In the Financial Perspective, the weighted score decreased from 2020 to 2021, namely 2.34 and 1.91. In 2022 a weighted score of 2.00 was obtained. KPI ROA in 2020 and 2022 has the same weighted score of 0.52, and in 2021 it decreased to 0.26. The ROE KPI has decreased where initially, in 2020, it had a weighted score of 0.51; in 2021 and 2022, it decreased with a weighted score of 0.34. The NPM KPI has a fixed weighted score for 3 consecutive years, 2020, 2021, and 2022, which is 0.44. The TATO KPI has decreased in the last 1 year, whereas in 2020 and 2021, it had the same weighted score of 0.51 and decreased in 2022 with a weighted score of 0.34. KPI Cash Ratio has a fixed weighted score in 2020, 2021, and 2022, namely, with a weighted score of 0.36.

From the Customer Perspective, the weighted score has decreased from 2020, with a weighted score of 1.67, to 2021, with a weighted score of 1.43. In 2022 the weighted score will return to 2020, which is 1.67. KPI CR has the same weighted score in 2020, 2021, and

2022, with a weighted score of 0.48. The NC KPI also has the same weighted score in these 3 years (2020, 2021, 2022) with a weighted score of 0.35. NNC's KPI has decreased from 2020 with a weighted score of 0.48 to 2021 with a weighted score of 0.24 and 2022 with a weighted score of 0.48. KPI CA has the same weighted score in 2020, 2021, and 2022, which is 0.36.

From the Internal Business Process Perspective, it has increased from 2020 with a weighted score of 1.80 to 2021 with a weighted score of 2.49. 2022 it had the lowest weighted score of 2020 and 2021, 1.00. The DDR KPI will experience a decline in 2022, where the previous 2 years had the same weighted score, namely in 2020 and 2021, with a weighted score of 0.62, and 2022 a weighted score of 0.31. The DD KPI has increased from 2020 with a weighted score of 0.20 to 2021 with a weighted score of 0.40 and 2022 with a weighted score of 0.20. The AER KPI has different weighted scores; in 2020, it has a weighted score of 0.98; in 2021, with a weighted score of 1.47; and in 2022, with a weighted score of 0.49.

From the Learning and Growth Perspective, the weighted score decreased from 2020, with a weighted score of 2.19, to 2021, with a weighted score of 1.54, and experienced an increase in 2022, with a weighted score of 1.60. The ET KPI has decreased considerably from 2020, with a weighted score of 0.72, to 2021 and 2022, with the same weighted score of 0.24. The ETR KPI has also decreased from 2020 with a weighted score of 1.05 to 2021 and 2022 with the same weighted score of 0.70. KPI EP has the same weighted score in 2020 and 2021, namely 0.24, and has increased in 2022 with a weighted score of 0.48. The ABS KPI in 2020 had a weighted score of 0.18 and rose to 0.36 in 2021 but decreased again in 2022 with a weighted score of 0.18. After comparing the performance of PT XYZ in 2020, 2021, and 2022, it can be seen that the performance indicators have increased, remained constant, or decreased.

5. CONCLUSIONS AND RECOMMENDATIONS

Based on the results of research using the Balanced Scorecard method, it can be concluded that the performance level of the company PT XYZ in 2020 resulted in a score weight of 2.88 which is included in the good category. Whereas in 2021, the company's performance of PT XYZ resulted in a weighted score of 2.78 which is included in the good category. Then, in 2022 the performance of the company PT XYZ produced a weighted score of 2.26 which is included in the sufficient category. Recommendations for this improvement are given to each KPI from the perspective of the Balanced Scorecard, which has a low success score.

Some recommendations for improvements that can improve company performance at PT XYZ include evaluating by increasing profit margins and maintaining asset turnover, by increasing asset turnover and maintaining profit margins, or by increasing both; the company must be better able to control the constraints that come from customers, carry out regular evaluations of the company's internal activities in terms of delivery, checking products, checking transportation when shipments are to be used so that internal processes can be effective and efficient, recruiting as needed, listening to employee needs, providing the

required facilities, giving appreciation, and providing opportunities to develop themselves, provide clear feedback, create common performance goals, and recognize any improvement, as well as increase discipline in the work culture to improve employee attendance. Performance measurement with the Balanced Scorecard is carried out continuously in a period determined by the company and establishment management team responsible for all four perspectives so that the evaluation goes well.

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