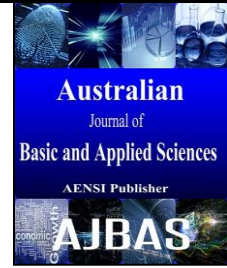




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Measuring Performance of Islamic Higher Education Institution as Public Service Agencies Using Balanced Scorecard (BSc) in Syaria Perspective

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ABSTRACT

The aim of this research is to measure the performance of Islamic higher education institution as Public Service Agency using Balanced Scorecard (BSc) in Syaria Perspective. This research used qualitative descriptive approach. Data was analyzed in The State Islamic University of Maliki Malang (UIN Maliki Malang) Indonesia by two steps of analysis, *first* by integrating the BSc in Islamic perspectives which consist of: 1) Syaria Financial Perspective (SFP); 2) Syaria Customers Perspective (SCP); 3) Syaria Internal Business Process Perspective (SIBPP) and 4) Syaria Learning and Growth Perspective (SLGP), and *second* by measuring those integrating perspectives. The result shows that the total score of BSc is 85,68 which drown in dashboard BSc slightly in the dark green area, which is indicate good performance. Result from three perspectives, those are SCP; SIBPP and SLGP shows that the realization beyond the target, which mean the institution performance is well achieving stakeholder and employee satisfaction. Unfortunately from SFP shows that the realization under the target that caused by the financial cash flow dominantly using convensional banking institutions.

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INTRODUCTION

In Indonesia, the reform program of public financial was commenced by the enactment of Law 17/2003 on Public Financial which then followed by Law 1/2004 on State Treasury (Susilo, Unggul Budi, 2014). These policies transform some government organisations into semi-autonomous organisations, called BLUs (Badan Layanan Umum/Public Service Agencies). By implementing this policy, it is expected that the managers would have more flexibility, so that the public service provision could be more effective, efficient and responsive (Damhuri, T., 2011). It also means that their financial management and the budget implementation have to be arranged in performance basis (Amirya *et al.*, 2012).

According to Finance Ministry Act No. 68/KMK.05/2008, UIN Maliki Malang is one of 15 higher education institution below Ministry of Religious Affairs that implement BLUs (Finance Ministerial Decree, 2008). In 2012, UIN Maliki Malang achieved the best score of BLU performance,

that is 84,81 for Higher Education Sector (Finance Minister Regulation, 2013).

Performance measures on BLU according to Finance Minister Regulation 92/2011 and 249/2011 consist of two main aspects, that are Financial Aspect (30%) and Service Aspect (70%) which still generally imposed to all sector (medical services, educational service, special fund managerial service, area managerial service and another service/good supplier. In order to provide a more in depth measurement especially relating to performance appraisal in Islamic perspective for BLU PTAIN in Ministry of Religious Affair environment, which surprisingly has not been done up until now, so this research is intended to fulfill this purpose.

In management accounting, there is analysis device that is known as Balanced Scorecard (BCs) that has been developed by Norton at 1992, which is a package of performance measurement that is comprehensive, scalable and balanced include financial and operational measurement (Kaplan, R.S. and D.P. Norton, 1992; 1996; 2001). BSc can dissolve a business strategy in to management system, so BSc not only serve as performance

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measurement device but also as strategic management device for entire level in the organization (1996; 2001). Survey Result that has been performed by Bain & Company in 708 companies in five continents was found that BSc is used by 62 percent respondent organization. By 2003, the editors of the Harvard Business Review were naming the balanced scorecard as one of the most significant management ideas of the past 75 years, and a survey has found that around half the Fortune 1000 companies in the USA and 40 percent of those in Europe use Balanced Scorecards.

In Indonesia itself, base on survey result that has been performed by Swa Sembada at 2005. BSc was second popular concept in the strategic level that has been adopted by respondent company like Adira Finance, Anugrah Argon Medica, Artajasa, Bank Niaga, Medco Energi International, Kalbe Farma, Serasi Autoraya (Grup Astra) dan McDonald's Indonesia (Swa Sembada, 2005).

According to Kaplan and Norton, the chance of Balance Scorecard to use for improving government company and non profit company management is possible and may be even greater. This is because financial perspective is not the only perspective that has been used to assess organization performance (2001). There are four perspective in the Balance Scorecard, namely: 1)Financial Perspective; 2)Customers perspective; 3)Internal business process perspective and 4)Learning and growth perspective. According to the background above, it need a research to assess educational institution performance that is performing public services by using a more comprehensive approach, like Balance Scorecard (BSc) method in Islamic Perspective, Study in UIN Maliki Malang Indonesia.

Methodology:

The research used qualitative descriptive approach and focused on the measurement of the performance using Balanced Scorecard (BSc) which consist of 4 perspectives, that are: 1) Financial Perspective; 2) Customers perspective; 3) Internal business process perspective and 4) Learning and growth perspective, those in syaria perspective, based on literature review, documentation and questionair on UIN Maliki Malang Indonesia.

RESULTS AND DISCUSSION

(i) Performance Measures in Islamic Perspective:

In Islam, a performance measure is an assurance to every believer. Performance measurement involves many parties, as evidenced by the mention of “Allah, Rasûluh, dan al-Mu'minûn”. In management language, this “triangle measurement” is use to call as “360 degree measurement” (up, down, right side and left side). The consequences are every believer worker have to give assessment and must be

prepared to be assessed also. But, the basic rule is honesty, objective and sincerity.

In addition, faith in God with all His Omniscient character *al-ghayb* dan *asy-syahâdah* is integrity grower and intensifier, also somebody awareness in performing his duty and responsibility. The clause that has been a reference for the performance measurement is the at-Taubah: 105.

(ii) Syaria Financial Perspective (SFP):

In Islam, the clause that has been a reference for this financial aspect is Al Baqarah : 278 Letter, which mean that in related to financial aspect, it have to consider contract validity and avoid 3 basic prohibitions i.e. *Riba, Gharar and Maisir* (Ayub, Muhammad, 2007)

(iii) Syaria Customers Perspective (SCP):

In general, satisfaction is customer's happy feeling or disappointed feeling that is came from comparison between product performance and the expectation [13]. Customer satisfaction in Islamic marketing not only arise if product performance was materially fit with costumer expectation, but also if those was spiritually fit with customer satisfaction, as described in QS. Al Maidah (5: 87-88).

(iv) Syaria Internal Business Process Perspective (SIBPP):

Innovation process is developing that is performed by company so the company can survive in the competition. Operation process is stage that is provided by cooperative to give solution to all the costumer in order to fulfill costume needs and envies. The clause that has been a reference for internal business process perspective is QS. Al-Baqarah: 168

(v) Syaria Learning and Growth Perspective (SLGP):

Employees quality and competency improvement (human resouce quality), in the reference of Al-Jattsiyah: 18, then reliability of information technology utilization base on Al Hadiid: 25; Employees satisfaction improvement and productivity are base on An-Najm: 39-41.

(vi) Measure Performance of Islamic Higher Education Institution in Public Service Agency Using Balanced Scorecard (BSc) in Syaria Perspectives:

Kaplan and Norton identify 4 main stage in BSc Implementation, which is : (1) clarification and translation of vission and strategy, (2) comunication and relationship, (3) target planning and determination and (4) feedback and strategic learning (Kaplan, R.S. and D.P. Norton, 1992; 1996)

After performing that BSc implementation measurement, target determination and realization

from every perspective is retrieved by institutional accreditation documentation, chief meeting notulensi, questionnaire result, interview result and financial

report, so it can be described in the Balanced Scorecard matrix below:

Table 1: Balanced Scorecard Matrics

Perspective	Strategic	Weight	Target	Real	Score (R/TxW)
Syaria Financial	1. Cash Ratio	5%	3,0	0	0,00
	2. Current Ratio	4%	4,5	0	0,00
	3. Collection Period	3%	4,5	0	0,00
	4. Fixed Asset Turnover	3%	1,5	1,5	0,03
	5. Return on Fixed Asset	3%	1,5	1,2	0,02
	6. Return on equity	3%	1,5	0,45	0,01
	7. Income to Operational Cost	4%	3,0	0,3	0,00
Syaria Customer	1. Student satisfaction	10%	4	4,3	0,11
	2. Market share	7%	0,17	0,25	0,11
	3. Customer Retention	8%	90%	87%	0,08
Syaria Internal Bisnis Process	1. Siklus money curriculum	7%	4 tahun	4 tahun	0,07
	2. Average study period	6%	4	4	0,06
	3. Information tecnology used	6%	100%	100%	0,06
	4. Library Performance	6%	4	4	0,06
Syaria Learn and Grow	1. Lecture satisfaction	7%	4,1	4,3	0,07
	2. Staf satisfaction	7%	4	4,2	0,07
	3. Increase of Lecture and staf competences	7%	15%	13%	0,07
	4. Index violation employees	4%	0	0,01	0,04
					85,68%

Result of the table show that the determinant of weight, target and realization based on Public Service Agency Performance Indicator and policy strategic of the research site (UIN Maliki Malang). The realization come from calculation of financial report and survey. The zero result in syaria financial perspectives, come from the use of non-syaria banking which not prohibited from riba, gharar and maysir. Some other perspective result beyond of the target.

Table 2: Performance Measurement Criteria (Kodrat Sukardi, David, 2009)

Value	Criteria	Color
86 – 100	Excellence	Dark Green
76 – 85	Very Good	Light Green
60 – 75	Good	Yellow
50 – 59	Average	Pink
Below 50	Bad	Red

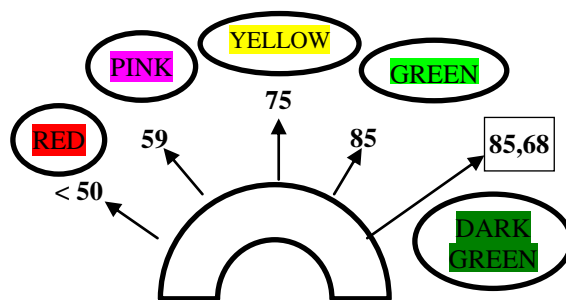


Fig. 1: Dashboard BSc (Kodrat Sukardi, David, 2009)

Summary:

The result showed that overall, total score of BSC is 85,68% which down in dashboard BSC in slightly to the green area that mean in good level category. Syaria Financial Perspective shows that most target not achieved, that caused by the financial flow dominantly using convensional banking; Syaria Customers Perspective shows that the institution have high level customer satisfaction; Syaria Internal

Business Process perspective showed that curriculum money span is short enough which mean that it can follow sophisticated development. Service in library is good enough in the administration service and Syaria learning and growth perspective shows that teacher and employees were satisfied enough to be part of UIN Maliki Malang. Teacher and employees

competence were good, while teacher and employees violation is in very small amounts.

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