



AN INVESTIGATION ON THE SUPPORTING AND INHIBITING FACTORS IN THE IMPLEMENTATION OF BALANCED SCORECARD AS A PERFORMANCE MEASURING TOOL AT THE SSB PRIMARY TAXES OFFICE

Puspita Widya Putri
Directorate General of Taxes
address: puspita.widya@kemenkeu.go.id

Maman Suhendra
Polytechnic of State Finance STAN
address: msuhendra@pknstan.ac.id

INFORMATION ARTICLE

Submission

[01 02 2023]

Accepted

[06 03 2023]

KEYWORDS:

Balanced Scorecard, Inhibiting Factor, Key Performance Indicator, Performance Measurement, Strategic Goal, Supporting Factor

JEL CLASSIFICATION:

H21, H30

ABSTRACT

Although the balanced scorecard has existed in Indonesia for more than a decade, there exists still relative limited research on how the process, challenges, or results of implementing the balanced scorecard in the public sector, especially at the operational level. This study aims to understand the factors supporting and inhibiting the implementation of the balanced scorecard in the SSB Primary Tax Office (KPP SSB). This study uses a qualitative method with a case study approach. Sources of data come from interviews and the results of literature studies on related documents and regulations. This study found 4 (four) factors supporting success namely officers/employees' participation, the roles of the superior, communication/cooperation, and facilities and infrastructure. It is also found 5 (five) inhibiting factors for implementing the balanced scorecard namely constraints around the key performance indicator (KPI), not-supportive-yet computer systems/applications, non-KPI assignments, difficulties in finding the replacement of employees, and the existence of joint/shared KPI.

1. INTRODUCTION

Organizations need performance measurement in order to be able to improve and develop their strategies to be even better in the future. Performance measurement is also important because of the increasing demand for accountability, especially for the government, in order to be accountable for its work. Performance measurement can increase citizens' trust in the government directly through citizen participation in the evaluation process or indirectly by increasing citizens' perceptions of government performance (Yang & Holzer, 2006).

Most of the research on the theme of evaluation of the balanced scorecard in government chooses research objects at the echelon I unit level, which is the highest structural position. In fact, performance measurement at the operational unit level is also important. One of the problems faced in performance management is ensuring that the performance set by the organization at the top level can be reduced to performance at a lower level (Sulisworo, 2009).

The implementation of the balanced scorecard as a performance management system for the Ministry of Finance (Ministry of Finance) was put into effect through Decree of the Minister of Finance Number 12/KMK.01/2010 dated 7 January 2010 concerning Performance Management within the Ministry of Finance. The Directorate General of Taxes (DGT), as one of the echelon I units within the Ministry of Finance, is tasked with formulating and implementing policies and technical standardization in the field of taxation. In order to support this task, the DGT is required to implement government regulations regarding performance accountability that are determined based on the perspective of the balanced scorecard.

After a decade of implementing the balanced scorecard, there have been many positive changes in the DGT organization. If we look behind its advantages, in fact the balanced scorecard model only provides a means for translating the vision, mission and strategy of the organization into real goals and measurements. Organizations still need to build a system and procedure that is able to collect information as well as communicate it to employees and parties who need it (Suhendra, 2004). Therefore, it is necessary to investigate further whether the process of communicating the balanced scorecard has been properly implemented by the organization.

The authors are interested in researching the operational unit of the DGT vertical agency which is at the echelon III unit level, namely the Primary Taxes Office (KPP). In practice, the KPP performance targets and indicators are given in nature, namely based on the preparation and approval through the DGT's strategic plan. Therefore, the authors want to know

whether the balanced scorecard that has been prepared has been implemented by the KPP in accordance with the DGT's strategic objectives.

The KPP SSB which was chosen as the object of this research is under the auspices of the Regional Office (Kanwil) of DGT RIS. KPP SSB also uses the balanced scorecard as a performance management tool. Based on the 2021 Organizational Performance Value Report (NKO), the KPP SSB achievement index is at 111.06% of the total target that has been set. There is one Key Performance Indicator (KPI) out of a total of 20 KPIs that does not meet the target. The KPI is the percentage of compliance with the submission of Annual SPT (Notification Letter) of Corporate and Individual Taxpayers' PPh which reaches 83.62%. The non-fulfillment of KPP does not only occur at KPP SSB, but also occurs at all (primary) KPPs within the Regional Office of DGT RIS.

In a preliminary discussion session with several KPP SSB officers, it was found that the KPP target was considered to be relatively incompatible with the conditions that occurred in the field. This is because the KPI formula compares the number of annual income tax returns for the 2020 tax year from corporate and individual taxpayers (WP) with the target number of corporate and individual taxpayers who submit annual income tax returns. The KPP SSB officers, who are the informants of this study, are of the opinion that the characteristic of their WP KPP is mostly comers who have relatively high mobility. This is relatively difficult for officers, especially Account Representatives (AR) to provide guidance or advice, consultation, and supervision of taxpayers, especially related to compliance with the submission of Annual Income Tax Returns.

This is interesting to elaborate on because the concept of the balanced scorecard has an important role in providing information about the condition of the organization and helping to identify which areas need improvement. This study aims to investigate the supporting and inhibiting factors in the implementation of balanced scorecard as a performance measuring tool at KPP SSB.

2. LITERATURE REVIEW

Performance is the actions or activities of an organization in a period with a reference to a number of standards such as past costs projected on the basis of efficiency, accountability or management accountability and the like (Rivai, 2015). Performance management requires a means known as performance measurement. The definition of performance measurement is the periodic determination of the operational effectiveness of an organization, parts of the organization, and employees, based on predetermined goals, standards and criteria (Mulyadi, 2018).

The benefit of doing performance measurement is that people know how the government uses taxes that have been paid by the community and can be a tool to improve organizational performance (Verbeeten, 2008). In addition, a clear definition of mission, goals and targets will help employees understand what the organization wants (Merchant, K., & Stede, 2018).

Robert S. Kaplan and David P. Norton started research since 1990 regarding the new measurement of organizational performance. They first introduced the concept of the balanced scorecard through an article in the January-February 1992 edition of the Harvard Business Review entitled The Balanced Scorecard: Measures That Drive Performance. The balanced scorecard has a multi-dimensional approach which provides an alternative performance measurement involving non-financial aspects (Kaplan & Norton, 1992).

Non-financial aspects are closely related to future financial performance (Merchant, K., & Stede, 2018). The balanced scorecard integrates traditional financial performance measures with metrics from three other perspectives, namely customer, internal process, and learning and growth as outcome measures to achieve corporate success. Financial measures give results based on actions taken in the past whereas three non-financial perspectives allow to monitor the progress of the company.

The balanced scorecard looks at the organization from 4 (four) different perspectives creating a balanced view of the organization. The first is a financial perspective. The financial perspective is an economic consequence and the basis of the activities carried out on the other three perspectives. This perspective is in the form of financial performance goals to be achieved both long term and short term as measured by financial profitability. Both customer perspectives aim to create customer value, satisfy customer needs, and how to maintain it. Customer value is the total benefits received minus the sacrifices incurred by the customer. Next is the internal business process perspective that explains how the company will meet customer needs and meet financial goals. Lastly is the learning and growth perspective that must be fulfilled to enable the goals of the three previous perspectives to be achieved.

The Ministry of Finance's balanced scorecard is a strategic management tool that translates the vision, mission, goals and strategies contained in the strategic plan (Renstra) into a strategy map. This performance management has six levels, starting from the Ministry of Finance-Wide, namely Ministries (Ministry Performance Commitments and Deputy Minister Performance Contracts), Ministry of Finance-One, namely Echelon I Units, Ministry of Finance-Two, namely Echelon II Units, Ministry of Finance-Three, namely Echelon III Units, Ministry of Finance -Four,

namely Echelon IV Units, to the Ministry of Finance - Five namely Performance Contracts for Ministerial Expert Staff, Reviewers, Functional Officers, Echelon V Units and Executors (Performance Management in the Ministry of Finance, 2014).

In the Ministry of Finance's balanced scorecard, each level is required to make a strategy map which is an overview of the organization's strategy. The Strategy Map consists of several Strategic Goals (SS), namely statements about what the organization must have, execute, produce or achieve. SS is only arranged in units that have a strategy map. SS grouped in various perspectives.

The next step is the cascading and alignment process. Cascading is the translation of corporate strategy that is passed down to lower work units. Usually this process is carried out using a top-down approach to align the strategies that will be carried out by work units according to their level and authority. Meanwhile, alignment is the process of aligning strategy within one work unit so that it is more focused and unified to achieve the goals of an entity.

The next step in implementing the balanced scorecard is to establish Key Performance Indicators (KPI) for each measurement area. Key Performance Indicators are benchmarks for success in achieving SS or performance. Each KPI has targets that must be achieved by the organization, sections/sections, and individual officers. Performance reporting and monitoring is carried out electronically, such as using the e-performance application for the speed and accuracy of information needed by organizational leaders in making decisions.

Performance Indicators must be able to measure what is the purpose of the organization. For this reason, requirements are needed so that the indicator is said to be good, including a) Adhere to SMART criteria, namely Specific, Measurable, Achievable, Relevant, and Time-Bound; b) Reflect the main duties and functions of the organization/employee; and c) KPI selection is based on organizational priorities and focus.

In order to motivate officers to improve their performance, DGT links performance evaluation results with financial incentives, namely performance allowances. According to PMK Number 211/PMK.03/2017 concerning Procedures for Calculating Employee Performance Allowances within the Directorate General of Taxes. This policy of providing incentives based on employee performance ratings is expected to create a reciprocal relationship. Officers get reward in the form of allowances that can increase their productivity and performance motivation which influences the increase in organizational performance achievements in the working units within the DGT itself.

Based on the literature review regarding the implementation of the balanced scorecard in government institutions in the period 2017 to 2021, Abdullah et al. (2022) said that studies related to the application of the balanced scorecard, mainly related to the relationship between the application of the balanced scorecard and public sector performance accountability, were still relatively limited in Indonesia.

Meanwhile, based on the study conducted by Dharmayuni et al. (2021) in Marine and Fisheries Ministry, from the results of the assessment it is known that of the 21 Key Performance Indices (IKU) there are 8 KPIs whose performance results did not reach the target in 2018, of which 4 KPIs almost reached the target and the other 4 KPIs are still quite far from the initial target set. However, in the 4th process, namely the feedback and learning process, KKP has mapped out the causes of the failure of the activities carried out which caused the target not to be achieved as well as the actions or plans to be taken to improve future performance.

Furthermore, in a study conducted by Sirait et al. (2020), it was found that the implementation of the balanced scorecard led to an increase in the performance of the Ministry of Foreign Affairs, although it was not preceded by steps to adapt to organizational change. The attention of top and middle management as well as related training and education are some of the determining factors for the successful implementation of the balanced scorecard at the Ministry of Foreign Affairs.

Northcott & Ma'amora Taulapapa (2012) concluded that the balanced scorecard in New Zealand's public sector is still lacking in implementation, which is only used to measure and report organizational performance. The role of the balanced scorecard as a performance management system is still under-exploited.

Furthermore Biswan & Andika (2020) showed that overall the perspective that has been applied to the DJPPR strategy map helps in meeting performance targets. The obstacles encountered are the difficult-to-understand vision and mission, lack of understanding of the application of the balanced scorecard, inconsistencies in the implementation of strategy, as well as the great need in terms of cost and effort in implementing this balanced scorecard.

Based on the results of a literature study from previous research, it can be concluded that the balanced scorecard in the government sector is beneficial for improving organizational performance. However, its implementation is still not perfect because it still has obstacles, including the preparation process that has not complied with the provisions, has not been used as a performance management system, the cascading process has not

reached the employee level, lack of employee understanding, inconsistency, and cost reasons.

3. RESEARCH METHOD

3.1. RESEARCH DATA

Sources of data used in this study are primary data and secondary data. In this study, the primary data was in the form of interview results and data from KPP SSB. Secondary data in this research is in the form of data and information on the results of literature studies that come from books, journals, previous research, reports, news in the media, and regulations relevant to the research.

The sampling in this study is officers as individuals. This study chose a non-random sample by using a purposive sampling technique according to certain criteria which were considered to be able to provide important information so that it was relevant to the research design. The criteria referred to include (1) parties involved in performance management at KPP SSB; and (2) come from various points of view in order to apply the data source triangulation method.

Informants who participated in this study totaled 13 (thirteen) employees, namely (1) one head of the general subdivision and internal compliance (SUKI); (2) one organizational performance assistant; (3) one employee who performs personnel functions; (4) one representative section head; and (5) nine employee representatives for each section of KPP SSB.

3.2. DATA ANALYSIS METHOD

The research was conducted using interactive analysis techniques proposed by Miles, Huberman, and Saldana (2014) to answer all research questions. This analysis has three activities, namely data condensation, data presentation, and conclusion/verification. These three components are components that are interrelated at the time before, during, and after data collection and need to be compared continuously to determine the direction of the content of the conclusions. Data analysis begins with the process of collecting data which is carried out continuously until researchers can draw conclusions (Miles, M. B., Huberman, A. M., & Saldana, 2014).

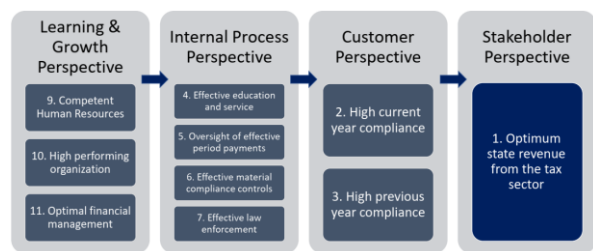
After interviews with the informants have been done, then related transcripts were provided. Based on these transcripts, the relevant coding was prepared. Some relevant themes were then discussed and analyzed.

4. RESULTS OF THE DISCUSSION

The steps taken by the KPP SSB in developing its balanced scorecard were to reduce the SS on the Strategy Map for the DJP RIS Regional Office and reduce the KPP which measures the achievement of SS. The strategy map maps the SS along with the SS code. In general, SS is given in nature so that the

strategy map of all (primary) KPPs will be the same if there is no additional SS by each of these KPPs. Since KPP SSB does not add SS, so the SSB KPP strategy map is presented in the following figure.

Figure 1 The Strategy Map of SSB Tax Office



Source: KPP SSB (2022)

Figure 1 explains the strategy of KPP SSB in each perspective of balanced scorecard. Stakeholder in the Figure 1 above refers to President, Parliament, Minister of Finance, Supreme Audit, people, and Director General of Taxes. Meanwhile, the customer refers to the tax payers.

KPP SSB does not add additional KPI so that it is the same as the KPI structure that was derived from above. Assignments that qualify for non-cascading KPIs are usually included in the Additional Tasks group. The next step is the process of cascading the balanced scorecard to the Ministry of Finance-Four level, namely a total of 9 (nine) sections. Next is the process of cascading the balanced scorecard to the Ministry of Finance-Five level, namely executor of each section, AR, tax bailiff, treasurer, SSB secretariat, Employee Expenditure Administration Management Officer, and functional position groups in KPP SSB, namely extension functional, inspector functional, and appraiser functional.

How to determine the performance target for each officer differs depending on the type of KPI. For executors, filling in the KPI target usually follows last year's because each year the tasks undertaken are relatively the same. There are also those that depend on conditions in the field such as "Percentage of Oversight of Other WP Period Payments", namely regarding the issuance of Tax Collection Letters (STP) and "Percentage of Provision of Tax Potential Data from inspection or assessment activities", namely regarding the quality of inspection results. However, the majority of officers have a given KPI target, which comes from a cascading process. This target cannot be changed.

KPP SSB uses a web-based application called e-performance with the address eperformance.kemenkeu.go.id as a tool for monitoring and evaluation. The purpose of this e-performance is so that the process of monitoring and evaluating performance becomes more objective,

easy, efficient, and real time. Performance monitoring activities are carried out through performance leadership meetings led by KPP SSB and each section head and attended by organizational performance manager partners (MMKO) as the person in charge.

According to most informants, the positive impacts of the balanced scorecard according to KPP SSB officers are a) Making organizational goals clear; b) Officers understand their jobs; c) Officers become motivated to improve performance; and d) Evaluation materials for improvement. In addition to bringing benefits, there are also negative impacts that are felt, namely: (a) Officers are too focused on achieving only the main performance indicators; and (b) Officers become motivated to improve performance.

At KPP SSB, the total number of IKU is 20 (twenty). The proportion of existing perspectives based on the number of KPIs is presented in the following table.

Table 1 Perspective Proportion Based on KPP SSB KPI

No.	Perspective	Numbers of KPIs	Proportion
1	<i>Stakeholders</i>	3	15%
2	<i>Customer</i>	3	15%
3	<i>Internal Process</i>	10	50%
4	<i>Learning & Growth</i>	4	20%
Total		20	100%

Source: KPP SSB (2022)

Based on the applicable regulations and also the results of research from the creators of the balanced scorecard, the perspectives on KPP SSB's KPI as shown in Table 1 have not met the proportional criteria yet. The internal process perspective has a dominant weight of 50%. This number indicates that KPP SSB pays relatively more attention to internal capacity management.

Actually, there is no definite number of perspective proportions in the balanced scorecard. However, Kaplan and Norton (2000) suggested the perspective allocation of about 34% for internal processes. Based on KMK 467/KMK.01/2014, the perspective weight within the Ministry of Finance is determined to be an internal process perspective of around 30%. This weighting is used for NKO calculations, but indirectly provides direction that the ideal perspective proportion is that amount.

Achieving goals from an internal process perspective is a benchmark for achieving goals from a customer perspective. The balanced scorecard perspective reflects organizational strategy so that it is concluded that KPP SSB focuses on developing strategies that are factors driving organizational performance in the future. Internal processes allow the company to achieve the goals expected by stakeholders and achieve excellence in customer service.

The SMART criteria that have been explained in the theoretical foundation section help increase the chances of achieving the goal. The author compares each existing KPI with SMART criteria. The author found that there was one KPI, namely in SS 2 which was considered not achievable. The KPI is the "Percentage of achievement of the level of compliance with the submission of the Annual Income Tax Return for Corporate and Individual Taxpayers". This is in accordance with the issues raised in the background section where the realization of this KPI only reached 83.62% of the target. The KPI target that is not achievable is actually caused by many things.

Based on the results of interviews with ARs at KPP SSB, there are four obstacles that prevent the KPP above from being achieved for 2021, namely: 1) Characteristics of taxpayers in BTM who move around making it difficult for tax officials to appeal to these taxpayers either by letter or in person ; 2) There are more WP registered at KPP SSB than other KPP with a similar working area; 3) Low awareness of taxpayers about tax obligations even though they have been given education and counseling; and 4) The Corona Virus Disease 2019 (Covid-19) pandemic has caused restrictions on face-to-face services at KPP. The impact is that taxpayers who need direct assistance from KPP officers become constrained in the process of submitting annual tax returns.

In addition to having to pay attention to the applicable rules and regulations, the preparation and determination of KPIs should also consider the conditions in the field. The compliance level target becomes difficult to achieve when the ability to submit the Annual Tax Return is in the hands of the Taxpayer. Moreover, the number of active WPs is quite a lot for regional ARs (Supervision Sections II, III, IV, and V) with a total of 93,597 WP OPs and 8,774 agencies when compared to the number of ARs tasked with supervising WP compliance, namely 24 people. Of course, ensuring that every taxpayer has submitted their annual tax return is not an easy matter considering the variety of work AR has to do. Policy makers need to review this because a target that is considered unattainable can reduce employee commitment to achieving that target (Merchant & Stede, 2018).

In practice, many officers still think that the balanced scorecard is only a formality. The results of the interviews showed that 71.42% of the informants stated this. They consider the implementation of the balanced scorecard only as an obligation in order to be accountable for their performance for a year to their superiors. Certain officers feel that most of the tasks they do are not included in the KPI. They think their daily work is not included in the performance appraisal. This is what causes them to think that the balanced scorecard is only administrative work, such as making KPs and compiling SKPs. Most officers also carry out activities to make KK and SKP at the end of

the time approaching the collection limit because they don't prioritize it.

Employee attention to the implementation of the balanced scorecard depends on their knowledge of this matter. The more they understand the balanced scorecard, the more they support its implementation. Vice versa, when employees are not familiar with the balanced scorecard, they will tend to ignore its implementation or consider it an unimportant issue (Sirait et al., 2020). In many organizations, including DGT, not all officers understand organizational strategy and relatively only the top management usually understand this.

These results are also supported by the results of research by Biswan & Andika (2020) where one of the obstacles in implementing the balanced scorecard is the lack of understanding of officers. Niven (2008) emphasizes that every strategy implementation must be understood and followed up at every level of the company to be successful. Lack of employee understanding will cause employees to have no sense of ownership of the strategy being implemented. Officers only carry out work that has become a daily routine without knowing its purpose. This can be detrimental to KPP because officers will only think about how to work well for their section without thinking about the impact on other sections.

This lack of understanding also causes employees to think that cascading KPIs from DGT are mandatory only. Employees regard it as a formality because it is considered not something strategic. Whereas cascading allows employees at every level to participate in the process thereby bringing them to a deeper understanding of the relationship between their daily tasks and organizational strategy. For this reason, employees to the lowest level need to be given in-depth education in order to increase their understanding of the balanced scorecard. The expected result is that employees are actively involved and motivated to contribute more to the successful implementation.

Incorporating the balanced scorecard into the meeting agenda is important in the initial process, monitoring, to evaluation. At KPP SSB, coaching meetings are routinely held every month, namely IIB and IIC. The IIB coaching meeting is chaired by the head of the office and attended by all section heads and tax inspector supervisors. The IIC coaching meeting is chaired by the head of the office and attended by all employees. The meeting usually discusses the development of office work, as well as other agendas. The KPP SSB strategy map is communicated relatively limited to employees.

Discussions regarding the KPP strategy map were discussed through the Organizational Performance Dialogue (DKO) in a special meeting. However, these meetings usually do not include employees who are not officials as participants. This

has resulted in employees who know about the KPP SSB strategy map only limited to echelon III officials, namely the head of the office as the owner of the strategy map and echelon IV officials and supervisors.

The process of translating an organization's vision into reality is relatively difficult to do. Therefore, we need a performance system that is able to transform the vision effectively. For this reason, all elements from office heads, section heads, to executors should understand the strategy well so that when carrying out work, the goals achieved by each individual are clear and in the same direction. Unfortunately, there are still many employees who do not understand this. Strategies that are not communicated comprehensively to all employees can result in less benefit from the balanced scorecard as a strategic management system.

In managing performance within the Ministry of Finance, there is an Individual Performance Dialogue (DKI) which is a communication between the supervisor (coach) and subordinates (coachee) to discuss the performance of subordinates (Guide on Performance Dialogue in the Ministry of Finance, 2016). Direct superiors need to carry out intensive communication with subordinates regarding the achievement of their performance targets. Supervision assistance is needed so that feedback from employees appears as a form of effective communication in order to elaborate on each condition of the problem and find solutions. The DKI implementation method can be divided into two, namely personal guidance (one on one coaching) and group coaching (group coaching), namely one to many discussions between supervisors and subordinates with a minimum number of two subordinates.

Based on the results of interviews with several employees, the performance dialogue has been carried out but has not been maximized. Guidance and consultation is usually carried out in the form of group guidance in order to monitor, ensure, and improve the achievement of performance targets for each employee. Most of the sections have carried out this guidance regularly, usually once a month, even though it is not yet fully structured. As for guidance and consultation that is carried out individually or personal guidance, most of it is carried out only when there are obstacles in achieving the KPI target that has been set.

Ideally there are no problems, this performance dialog should still run. Based on KMK Number 467/KMK.01/2014, if an employee does not encounter any problems in achieving the target, the direct supervisor can provide direction so that the employee can exceed the set target (moving target). Performance dialogue is also useful for increasing employee knowledge and competency in carrying out tasks as well as a means for discussing training plans

that will be attended by employees in the following year.

One of the stages of guidance and consultation is to give appreciation to employees who perform well. Based on the results of the interviews, the existence of this appreciation in each section is different. Some employees get it in verbal form such as thank you. However, there are also some employees who do not get any appreciation at all even though they think this is not a big problem because having good performance is an obligation. When referring to KMK Number 467/KMK.01/2014, as part of the implementation of guidance and consultation, the direct supervisor should make observations/monitors during employee work activities to reward achievements that have been achieved, one of which is through documentation of work implementation. Rewards are the final element of a results control system that can provide energy to employees to get good work results (Merchant, K., & Stede, 2018).

4.1. THE SUPPORTING FACTORS FOR THE SUCCESSFUL IMPLEMENTATION OF THE BALANCED SCORECARD

There are several factors supporting the successful implementation of the balanced scorecard at KPP SSB. Firstly, officer/employee participation. Employees are actors who are directly involved in carrying out organizational routines so that their involvement is very important in the process of implementing the balanced scorecard. Employee participation refers to a person's mental and emotional involvement in a group situation that encourages him to contribute to group goals and share responsibility for achieving them (Werther, W. B., & Davis, 2003). This participation factor includes employee openness to changes and innovations in the balanced scorecard and their ability to implement these changes. Employees also deal with fear, uncertainty and resistance at the individual level, and the extent to which they are able to handle these emotions (Lueg & Vu, 2017).

There are several positive impacts from employee involvement in the implementation and evaluation of the balanced scorecard, namely 1) increasing ownership of the system used; 2) the implementation process will be more accessible to all elements of the organization; 3) assist in determining the size and target to be achieved; and 4) reduce deviant behavior in preparing and reporting performance.

Secondly, the role of the superior. As the superior of all employees, the Head of KPP SSB has a special way of fostering his employees. The head of the office develops an application himself called Performance Booster which is a mobile application to boost KPI achievements at NKOs, related to Acceptance, Supervision, Inspection, Billing, Service,

Counseling, and Budget Performance. The application is useful as a reminder to ensure all tasks are completed on time. The Performance Booster application is also very useful for employees to monitor their performance personally. The leadership role must be evenly distributed at all levels of management.

In addition to the head of the office, the direct superiors (section heads) are also tasked with direct supervision of employees within the scope of their guidance. When there are subordinates who have difficulty achieving targets, superiors immediately follow up so that these employees can improve their performance. The results of previous research indicate that effective implementation requires the participation and support of leaders. Fernandes et al., (2006) argues that this is due to the fact that only top management has the authority to assign resources. In addition, experienced managers have more skills to keep the implementation process running smoothly and efficiently.

As explained in the previous section, employee involvement in the implementation of the balanced scorecard is still low, meaning that many perceive it as just a formality. This is because employees from middle to lower levels do not understand the balanced scorecard itself comprehensively. Therefore superiors should play a more active role in socializing the balanced scorecard so that all employees can be involved more intensively in realizing KPP's strategic goals.

Thirdly, communication/cooperation. The process of coordination between individuals or sections can pose challenges so that good communication is needed so that cooperation can be formed. Communication at KPP SSB has been well implemented so as to be able to support the successful implementation of the balanced scorecard. The results of previous research also emphasized the importance of collaboration and alignment between parts within an organization. Overall, cross-unit cooperation can be enhanced if unit managers are part of the balanced scorecard implementation team and thus take responsibility for their units as well as the overall objectives of the organization (Chang et al., 2008)

Lastly, facilities and infrastructure. At KPP SSB, an important factor in supporting employees to achieve balanced scorecard success is the supporting facilities and infrastructure. In order to achieve organizational goals, facilities and infrastructure have a major influence in efforts to increase work effectiveness and efficiency. Every organization needs facilities and infrastructure that can facilitate employees in carrying out their duties and work in order to ensure the smooth operation of employee operations. Effectiveness at work is closely related to the equipment or facilities in the workplace.

4.2. THE INHIBITING FACTORS FOR THE SUCCESSFUL IMPLEMENTATION OF THE BALANCED SCORECARD

The following are the factors that constrain the implementation of the balanced scorecard at KPP SSB. Firstly, the constraint around KPIs. This includes: a) IKU that appears in the current year without socialization regarding the explanation of the IKU; b) KPI targets that can change in the middle of the period; and c) The definition of KPI has too many criteria, making it difficult to determine its realization.

Secondly, not-supportive-yet computer systems (applications). Currently, one of the applications used by ARs is the Mandor Application (Managerial Dashboard and Online Reporting). This application displays information on tax revenue, taxpayer compliance, tax incentive information, and performance achievements. This performance achievement data can be useful for monitoring and evaluating employee KPI achievement. However, this application actually has the potential to hinder work because there are several issues in the application. Based on existing conditions, new employees can see the results of their KPI achievements in June or even until October, which are different for each KPI. Actually, this is not really a big obstacle if what the employee has done is in accordance with the results displayed by the application. However, the socialized KPI calculation formula is different from the formula in the Mandor Application so that employees are confused about determining their own KPI achievements.

Thirdly, some jobs are not assessed as KPI. KPI owned by each employee does not cover all the work done. Some employees feel that not all of their workload is assessed as performance or in this case included in the KPI assessment. This is possible because the employee does not make a non-cascading KPI for the job. However, this can happen due to employee ignorance about the non-cascading KPI. As previously explained, KPP SSB only includes cascading IKU on its strategy map and facilitates other than that as an Additional Task. Apart from that, actually ad hoc work outside of IKU is a natural thing. Actually, the concept of the balanced scorecard emphasizes the use of performance indicators that best reflect the achievement of the organization's strategic goals, not to measure the success of each job.

Fourthly, it is difficult to find replacement employees for certain jobs. There are some jobs that can only be done by certain people such as treasurers and Employee Expenditure Management Officers (PPABP) so it is difficult to be replaced when the employee concerned is unavailable. An example is an employee who is entitled to sign a list of requests for payment of employee expenditure is PPABP.

Lastly, the existence of joint/shared KPIs. KPIs that are jointly responsible are KPIs that are owned by at least two employees at the same position level and

these KPIs have the same targets, definitions, formulas, measurement objects, and calculations for their realization. In KPP SSB, KPI is usually jointly and severally held at the executive level. IKU should not be jointly responsible.

5. CONCLUSIONS AND SUGGESTIONS

5.1. CONCLUSION

The application of the balanced scorecard in general has a positive impact on both the organization and employees. Nonetheless, there exists a few parts that still need to be improved. First, the existing perspective proportions are considered not proportional yet. Second, there is one strategic goal that is considered not achievable. Third, many employees still consider the balanced scorecard to be just a formality.

Although the process of communicating the balanced scorecard has been going quite well, however there exists a few weaknesses on the communication issues. First, the strategy map is only communicated to some employees. Second, guidance and consultation which are carried out individually are mostly carried out when there are obstacles in achieving the KPI targets that have been set.

This study found 4 (four) factors supporting success namely employees' participation, the roles of the superior, communication/cooperation, and facilities and infrastructure. It is also found 5 (five) inhibiting factors for implementing the balanced scorecard namely constraints around the key performance indicator (KPI), not-supportive-yet computer systems/applications, non-KPI assignments, difficulties in finding the replacement of employees, and the existence of joint/shared KPI.

5.2. LIMITATIONS

This study was only conducted in 1 (one) KPP which might have different characteristics with other KPPs. However, most of the supporting and inhibiting factors in the study are worth to be considered in improving the future balanced scorecard implementation as performance measuring tool in public sector.

REFERENCES

- Abdullah, S. Y., Susilawati, I., Alfathimi, N. A. A., Widyarningsih, A., & Andriana, D. (2022). Balance Scorecard As a Tools For Measuring The Performance of Government Institutions : A Literature Review. *The International Journal of Business Review (The Jobs Review)*, 5(1), 95–102. <https://doi.org/10.17509/tjr.v5i1.48427>
- Biswan, A. T. (2020). Balanced Scorecard Sektor Publik: Sebuah Pelajaran Beharga. *InFestasi*, 16(2), 166–178. <https://doi.org/10.21107/infestasi.v16i2.8570>
- Chang, W. C., Tung, Y. C., Huang, C. H., & Yang, M. C. (2008). Performance improvement after implementing the Balanced Scorecard: A large hospital's experience in Taiwan. *Total Quality Management and Business Excellence*, 19(11), 1143–1154. <https://doi.org/10.1080/14783360802323560>
- Dharmayuni, L., Khairuddin, B., & Kunci, K. (2021). *1 Bsc Kkp*. 108–134.
- Fernandes, K. J., Raja, V., & Whalley, A. (2006). Lessons from implementing the balanced scorecard in a small and medium size manufacturing organization. *Technovation*, 26(5–6), 623–634. <https://doi.org/10.1016/j.technovation.2005.03.006>
- Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard--measures that drive performance. In *Harvard business review* (Vol. 70, Issue 1, pp. 71–79).
- Lueg, R., & Vu, L. (2017). Rainer Hampp Verlag Success factors in Balanced Scorecard implementations – A literature review Author (s): Rainer Lueg and Louisa Vu Published by : Rainer Hampp Verlag Stable URL : <http://www.jstor.org/stable/24570262> Success factors in Balanced Scorec. *Rainer Hampp Verlag*, 26(4), 306–327. <https://doi.org/10.1688/mrev-2015-04-Lueg>
- Merchant, K., & Stede, W. V. (2018). *Management Control Systems: Performance Measurement, Evaluation and Incentives* (4th ed.). United Kingdom: FT Press.
- Miles, M. B., Huberman, A. M., & Saldana, J. (2014). *Qualitative Data Analysis: A Methods Sourcebook*. SAGE Publications Inc.
- Performance Management in the Ministry of Finance, (2014).
- Guide on Performance Dialogue in the Ministry of Finance, (2016).
- Mulyadi. (2018). *Sistem Terpadu Pengelolaan Kinerja Personel Berbasis Balanced scorecard*. UPP STIM YKPN.
- Niven, P. R. (2008). *Balanced scorecard Step-By-Step for Government and Nonprofit Agencies*. John Wiley & Sons, Inc.
- Northcott, D., & Ma'amora Taulapapa, T. (2012). Using the balanced scorecard to manage performance in public sector organizations: Issues and challenges. *International Journal of Public Sector Management*, 25(3), 166–191. <https://doi.org/10.1108/09513551211224234>
- Rivai, V. (2015). *Manajemen Sumber Daya Manusia untuk Perusahaan dari Teori ke Praktik*. Raja Grafindo Persada.
- Sirait, B. T. R., Wijaya, A. F., & Putra, F. (2020). Critical Success Factors (CSFs) of Balanced Scorecard Implementation in Public Sector Institution (A Study in the Ministry of Foreign Affairs (MoFA)

- Indonesia). *Jurnal Ilmiah Administrasi Publik*, 006(01), 118–126.
<https://doi.org/10.21776/ub.jiap.2020.006.01.14>
- Suhendra, M. (2004). Evaluasi Atas Penerapan Balanced Scorecard Sebagai Sistem Pengukuran Kinerja Perusahaan: Studi Kasus Pt X. *Kajian Ekonomi Dan Keuangan*, 8(2), 1–34.
- Sulisworo, D. (2009). *Pengukuran Kinerja*. Universitas Ahmad Dahlan.
- Verbeeten, F. H. M. (2008). Performance management practices in public sector organizations: Impact on performance. *Accounting, Auditing and Accountability Journal*, 21(3), 427–454.
<https://doi.org/10.1108/09513570810863996>
- Werther, W. B., & Davis, K. (2003). *Human Resources and Personnel Management*. MC Graw Hill Open University Press.
- Yang, K., & Holzer, M. (2006). The performance-trust link: Implications for performance measurement. *Public Administration Review*, 66(1), 114–126.
<https://doi.org/10.1111/j.1540-6210.2006.00560.x>

