PERFORMANCE COMPARISON OF BALANCED SCORECARDS IMPLEMENTATION AT THE DECIDED TO MERGE ISLAMIC BANK OF INDONESIA

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Abstract - This study aims to analyze the comparison of financial and non-financial performance at Bank Syariah Indonesia and Bank Muamalat Indonesia by applying the balanced scorecard method. The data used in this study came from interviews, questionnaires, and the annual financial reports of Bank Syariah Indonesia and Bank Muamalat Indonesia for 2020–2021.Based on the results of calculations from a financial perspective, Bank Syariah Indonesia's ROA and BOPO ratios are considered good, while the ROE and NPM ratios need to be increased in the future. Meanwhile, the financial performance of Bank Muamalat, seen from the four ratios, is considered very bad. The non-financial performance of Bank Syariah Indonesia and Bank Muamalat when viewed from the customer's point of view, namely measuring customer satisfaction and the number of complaints, is considered good. In terms of internal business processes, the two banks are considered good. Bank Syariah Indonesia and Bank Muamalat when viewed from a learning and growth perspective each have 1 indicator that needs to be improved.

Keywords - Balanced Scorecard, Bank Muamalat Indonesia, Bank Syariah Indonesia, Performance Measurement.

I. INTRODUCTION

Indonesia is a country where the majority of the population is Muslim. In this way, Indonesia has enormous sharia economic potential. In addition, the growth of the Islamic banking industry also indicates that economic stability and the Indonesian Islamic banking financial system are starting to improve. However, when compared to conventional banking, its market share is still very low. The rise of Islamic banks in Indonesia has increased the competitive competition in the world of Islamic banking. This competition makes banks required to always improve their strategy in order to survive in this competition. In this competition, performance measurement is needed to assess the success of the implemented strategy. So that the concept of assessment was developed, namely the concept of the balanced scorecard. Based on the background described above, it is necessary to have further analysis regarding the financial and non-financial performance of Bank Syariah Indonesia and Bank Muamalat Indonesia.

II. LITERATURE REVIEW

A. Definition Company Performance

According to (Saputri et al, 2021) the company's performance is a reflection of good and bad. The company's financial condition is analyzed with financial measuring instruments that are able to provide an overview of the company's work performance within a certain period.

B. Company Performance Measurement

Performance measurement is a benchmark for company management in determining company policies and to assess whether the company's performance has been assessed both from the financial side or the non-financial side (Saputri et al., 2021).

C. Definition Balanced Scorecard

According to Kusuma and Suryanawa (2021) the balanced scorecard is a measurement of company performance that looks at the balance between the company's financial and non-financial perspectives.

III. METHODOLOGY

A. Object of Research

The object of research used in this study is the annual report of Bank Syariah Indonesia and Bank Muamalat Indonesia Indonesia for 2020-2021, results of interviews with banks, results of customer questionnaires, employee data, customer data, and other data needed to support research.

B. Method of collecting data

Data collection method by using questionnaire, interview, documentation and Literature Study

C. Data Types and Data Sources

1. Primary Data

The primary data used in this study came from interviews conducted with Bank Syariah Indonesia and Bank Muamalat Indonesia, the results of customer questionnaires related to customer satisfaction.

2. Secondary Data

The secondary data in this study comes from the annual reports from Bank Syariah Indonesia and

Bank Muamalat Indonesia in 2020-2021, customer data, and employee data.

D. Data Analysis Technique

1. Financial Perspective

According to (Sari & Marlius, 2019) the matrix for assessing the bank's ROA, ROE, NPM and BOPO level is presented in table 1.1

ROA	ROE	NPM	BOPO	Criteria
ROA > 1,5%	ROE > 23%	NPM ⩾ 100%	BOPO ≤ 83%	Very good

ROA	ROE	NPM	BOPO	Criteria
1,25% < ROA ≤ 1,5%	18% < ROE ⩽ 23%	81%⩽ NPM < 100%	83% < BOPO ≤ 85%	Well
0,5% < ROA ≤ 1,25%	13% < ROE ⩽ 18%	66% ⩽ NPM < 81%	85% < BOPO ≤ 87%	Enough
0% < ROA ≤ 0,5%	8% < ROE ⩽ 13%	51% ⩽ NPM < 66%	87% < BOPO ≤ 89%	Not good
ROA ≤ 0%	ROE ⩽ 8%	NPM < 51%	BOPO > 89%	Very Not Good

Source: (Sari & Marlius, 2019)

Table 1.1 ROA, ROE, NPM, BOPO Level Assessment Criteria

a. $ROA = \frac{\text{Earning Before Tax}}{\text{Total Assets}} \times 100\%$
(Sari & Marlius, 2019)

b. $ROE = \frac{\text{Net Income}}{\text{Total Equity}} \times 100\%$
(Sari & Marlius, 2019)

c. $NPM = \frac{\text{Net Income}}{\text{Total Income}} \times 100\%$
(Sari & Marlius, 2019)

d. $BOPO = \frac{\text{Operating costs}}{\text{Operating Income}} \times 100\%$
(Sari & Marlius, 2019)

2. Financial Perspective

a. Customer satisfaction

Measuring customer satisfaction using a questionnaire technique The sample size used is 50 samples for each category. The results of the questionnaire will be analyzed using a Likert scale.The results of the customer satisfaction assessment criteria are presented in table 1.2.

Scoring Criteria	Score Interval
500 - 900	Very good
901 -1.300	Well
1.301 – 1.700	Enough
1.701 – 2.100	Not good
2.101 – 2.500	Very Not Good

Source: processed data

Table 1.2 Customer Satisfaction Assessment Criteria

b. Number of Complain

$$\text{Number of Complain} = \frac{\text{Number of customer complaints}}{\text{number of customer complaints resolved}} \times 100\%$$

Source : (Mau et al., 2018)

The increasing number of customer complaints can mean that customers experience a decrease in satisfaction with the services provided (Pratiwi et al., 2018).

3. Internal Business Process Perspective

The author uses the interview method to measure the internal business process perspective based on several aspects to be studied, namely:

a. Innovation Process

The innovation process is said to be good if the bank contributes to the addition of new products and services that have been adapted to customer needs (Tarigan & Sinaga, 2022).

b. After Sales Service

The after-sales service process is said to be good if the bank is responsive in dealing with complaints by customers (Tarigan & Sinaga, 2022).

4. Learning and Growth Perspective

a. Employee Retention

$$= \frac{\text{total employees leave}}{\text{total employees}} \times 100\%$$

Source: (Wiguna et al., 2019)

Employee turnover performance is said to be good, if the bank can maintain the number of employees (Lailatus and Ja'far in Wiguna et al., 2019).

b. Employee Productivity

$$= \frac{\text{Net Profit after tax}}{\text{total empoyees}} \times 100\%$$

Source: (Harahap, 2021)

If the level of employee productivity is high, the higher the service provided by employees to customers (Pandaleke et al., 2021).

IV. RESULTS AND DISCUSSION

A. Measurement of Financial and Non-Financial Performance of Bank Syariah Indonesia

1. Financial Perspective

No	Perspective	2020	2021
a	ROA	1,53%	1,28%
b	ROE	10%	12%
c	NPM	15%	18%
d	BOPO	81%	84%

Table 1.3 Financial Perspective Calculation Results

a. Return on Assets (ROA)
BSI's rate of return on assets has decreased in 2021. Even so, the ROA rate from 2020 to 2021 is still in the "good" category.

b. Return on Equity (ROE)
From the calculation above, it can be concluded that BSI is considered "not good," because even though there has been an increase from 2020 to 2021, BSI's ROE value is still in the range of 8%–13% with a "bad" rating.

c. Net Profit Margin (NPM)
From the calculation above, the NPM of Bank Indonesia Syariah is considered "very bad," because both in 2020 and 2021 the NPM of Bank Indonesia Syariah is 51%.

d. Operating Costs Operating Income (BOPO)
From the calculation above, it can be concluded that the BSI seen from the BOPO value is considered "very good" in 2020, while in 2021 the BOPO value is considered "good".

2. Customer Perspective

a. Customer Satisfaction
Based on the primary data that has been processed, the total score obtained for the level of customer satisfaction is 2.1012. This score is in the interval 1,701–2,100, which means that Bank Syariah Indonesia customers are satisfied with the services provided.

b. Number of Complaints
Based on the calculation results, the number of complaints in 2020 was 101%, while in 2021 it was 100%. The decrease in customer complaints shows that the company's performance is getting better. Therefore, it can be concluded that the company can be said to be "good".

3. Internal Business Process Perspective

a. Innovation Process
Bank Syariah Indonesia launched an innovative "Know Our Customer" biometric feature for fast, easy, and smooth online account opening. Thus, it can be concluded that the performance of Bank Syariah Indonesia as seen from the innovation process can be said to be "good" because it is able to update products according to customer needs.

b. After-sales Service
In serving customer complaints, 78.4 percent of customer complaints can be resolved in less than 10 working days. Then as many as 13.14% of customer complaints can be resolved within 10–20 working days, and only 8.45% of customer complaints can be resolved in more than 20 working days. Thus, it can be concluded that the performance of Islamic banks can be said to be "good enough" because they are able to handle customer complaints quickly and responsively.

4. Learning and Growth Perspective

a. Employee Retention
Based on the calculation results, Bank Syariah Indonesia employee retention in 2020 is 7% and will increase to 22% in 2021. Therefore, it can be concluded that Bank Syariah Indonesia is "not good" at retaining its employees.

b. Employee Productivity
According to the results of employee productivity calculations, it was Rp. 100,208,373 in 2020, and it will be Rp. 108,343,649 in 2021. There has been an increase in employee productivity in 2021. Thus, it can be concluded that Bank Syariah Indonesia's employee productivity is considered "good."

B. Measurement of Financial and Non-Financial Performance of Bank Muamalat

1. Financial Perspective

No	Perspective	2020	2021
a	ROA	0,03%	0,02%
b	ROE	0,25%	0,22%
c	NPM	0,7%	0,6%
d	BOPO	96%	99%

Table 1.4 Financial Perspective Calculation Results

a. Return on Assets (ROA)
Based on the calculation results, there was a decrease of 0.01%. Therefore, it can be concluded that Bank Muamalat's ROA level for both 2020 and 2021 is "very bad."

b. Return On Equity (ROE)
Based on the calculation results above, it can be concluded that Bank Muamalat is considered "very bad" because it has an ROE value of 8% in both 2020 and 2021.

c. Net Profit Margin (NPM)
From the calculation above, Bank Muamalat's NPM is considered "very bad" because it is below 51% in both 2020 and 2021.

d. Operating Costs Operating Income (BOPO)
From the calculation above, it can be concluded that Bank Muamalat's BOPO value is considered "very bad" because it has a BOPO value of 89% both in 2020 and 2021.

2. Customer Perspective

a. Customer Satisfaction
Based on the customer satisfaction assessment criteria above, the total customer satisfaction score obtained by Bank Muamalat is 2,434. The score is in the interval 2.101–2.500, which means that Bank Muamalat customers are very satisfied with the services provided. Therefore, Bank Muamalat can be said to be "very good" in terms of customer satisfaction.

b. Number of Complaint
Based on the calculation results, the number of complaints in 2020 was 107%, while in 2021 it was 101%. The decrease in customer complaints shows that the company's performance is getting better. Therefore, it can be concluded that Bank Muamalat can be said to be "good" because customer complaints have decreased by 6% in 2021.

3. Internal Business Process Perspective

a. Innovation Process

1) What products/services are available at Bank Muamalat Indonesia KC Yogyakarta?
"We can offer customers two types of accounts for daily savings in general: Ib Hijrah savings and Ib Prima savings. For other savings, there are plan savings, Hajj savings, my savings, initial savings with prizes, simple savings, foreign exchange savings, and current accounts".

2) "Are there any additions and renewals of products/services after the bank knows the customer's needs?
"Bank Muamalat provides product innovation, namely Pro Hajj, which provides multipurpose financing so that customers only need to deposit a deposit of 1 million rupiah and later the bank will provide a loan of 25 million rupiah. There are also mortgages, but because there is competition from other banks, we have a discount system to be more competitive with other banks".

3) "Are there any additions and renewals of products/services after the bank knows the customer's needs?
"In terms of serving our complaints, there are standards here. so that customers who make complaints can come to customer service to prepare evidence of the problem. So far, all complaints must be resolved; nothing has ever been left unresolved."

Thus, it can be concluded that the performance of Bank Muamalat as seen from the innovation process can be said to be "good" because it is able to renew products that have been adapted to the needs of Bank Muamalat customers. For the measurement of after-sales service, Bank Muamalat can be said to be "good" because it is able to handle customer complaints quickly and responsively.

4. Learning and Growth Perspective

1. Employee Retention
Based on the calculation results above, Bank Muamalat employee retention in 2020 and 2021 is 9%. Therefore, it can be concluded that Bank Muamalat's non-financial performance as seen from the retention of its employees is considered "good" in retaining its employees.

2. Employee Productivity
In terms of learning and growth, the productivity of Bank Muamalat employees in 2020 was Rp. 3,375,923, while it was Rp. 3,306,315 in 2021. So it can be concluded that the productivity level of Bank Muamalat employees is considered "not good" because it has decreased in 2021.

V. CONCLUSION

So it can be concluded that based on measurements from the 4 perspectives above, namely the financial perspective, customer perspective, internal business process perspective, and learning and growth perspective, the financial and non-financial performance of Bank Syariah Indonesia from 2020 to 2021 is superior to that of Bank Muamalat.

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