

SUMMARY

Strategy Mapping based on Balanced Scorecard to determine Performance Measures at PT. Bank Sulut

The Balanced Scorecard developed by Kaplan and Norton in 1990 is a widely-used management framework for optimal measurement of organizational performance. This concept has emerged as a ubiquitous performance managerial tool that provides managers with the mechanisms to develop performance objectives and measures linked to strategy. The Balanced Scorecard methodology acknowledges the deficiencies in many business performance measurement systems, which often rely totally on financial metrics and attempts to overcome the deficiencies of existing systems by measuring and analyzing based on four perspectives namely financial perspectives, customer perspectives, internal business process perspective and learning and growth perspective.

Currently, performance measurement used in Indonesian banking is mainly focus on financial measures. To measure performance of banks in Indonesia, each bank in Indonesia utilizes a performance management based on regulation of Indonesian Central Bank No. 6/10/PBI/2004, which measures performance based on 6 aspects, namely Capital, Asset, Management, Earning, Liquidity, and Sensitivity (CAMELS). This kind of performance measurement focuses mainly in financial aspects, which weights 75% on financial aspects and 25% on non-financial aspects.

As a regional bank that owned by local government of North Sulawesi and Gorontalo provinces, PT. Bank Sulut is allegedly potential to be interfered with collusion, corruption, and nepotism. This condition makes regional banks, including PT. Bank Sulut less competitive compared to private banks. To sustain and develop aggressively in long term, PT. Bank Sulut needs to translate its vision, mission, and strategy into action plan based on Balanced Scorecard approach.

The problem raised in this research is how does Strategy Mapping based on Balanced Scorecard is used to determine performance measures at PT. Bank Sulut. The purpose of this research is to result in performance measures derived from Strategy Mapping based on Balanced Scorecard at PT. Bank Sulut. This research proposes 2 (two) propositions which are 1) Strategy Mapping based on Balanced Scorecard will ease management in identifying strategic objectives and in finding the cause and effect relationship of each strategic objective, 2) Strategy Mapping based on Balanced Scorecard to determine performance measures along with its initiatives.

To answer the problem in this research, qualitative research method by using a single case study research is utilized. The object of this research is PT. Bank Sulut Manado, with 1 (one) unit analysis, which is Strategy Mapping at PT. Bank Sulut. The data were collected through observation, interview, and

documentation. The interview is done by interviewing top management in PT. Bank Sulut including its head of division and its board of director. The data were analyzed by using Miles and Huberman models, which are include data reduction, data display and conclusion drawing.

The result of this research shows that PT. Bank Sulut has established a clear vision and mission that assists its management to formulate strategy well. However, the establishment of vision and mission do not include all employees. Moreover, Strategy Map based on Balanced Scorecard has not been implemented at PT. Bank Sulut. Strategy Mapping at PT. Bank Sulut is only based on the general principle of Board of Director, which does not show a cause and effect relationship of its strategic goals. Also, performance measurement based on Balanced Scorecard has not been utilized by PT. Bank Sulut. The performance measurement of PT. Bank Sulut focuses solely on financial measures. Performance measurement based on non financial measures at PT. Bank is only performance measurement for its employees.

Therefore, this research suggests an importance of Strategy Mapping based on Balanced Scorecard to determine performance measures to be implemented at PT. Bank Sulut. The researcher recommends performance measures derived from Strategy Mapping based on 4 (four) perspectives in Balanced Scorecard namely financial perspective, customer perspective, internal business process perspective and learning and growth perspective. Each perspective has strategic objectives that should be achieved by PT. Bank Sulut. By implementing Strategy Mapping based on Balanced Scorecard it is expected that PT. Bank Sulut can implement effective strategies for future success.

ABSTRACT

Strategy Mapping based on Balanced Scorecard to determine Performance Measures at PT. Bank Sulut

In order to sustain and develop aggressively in long term, PT. Bank Sulut needs to translate its vision, mission, and strategy into action plan into strategy mapping based Balanced Scorecard approach. Strategy mapping based on Balanced Scorecard is used to determine performance measures at PT. Bank Sulut.

The problem raised in this research is how does strategy mapping based on balanced scorecard is used to determine performance measures at PT. Bank Sulut. The purpose of this research is to result in performance measures derived from strategy mapping based on Balanced Scorecard at PT. Bank Sulut.

The research is conducted through a qualitative research by using a single case study research and takes approximately 2 (two) months to complete. The object of this research is PT. Bank Sulut Manado. The data were collected through observation, interview, and documentation. The interview is done by interviewing top management in PT. Bank Sulut including its head of division and its board of director. The data were analyzed by using Miles and Huberman models, which includes data reduction, data display and conclusion drawing.

The result of this research shows that PT. Bank Sulut has established a clear vision and mission that assists its management to formulate strategy well. However, the establishment of vision and mission does not involve all employees. Moreover, strategy mapping based on Balanced Scorecard has not been utilized by PT. Bank Sulut. The performance measurement of PT. Bank Sulut focuses solely on financial measures. Performance measurement based on non financial measures at PT. Bank is only performance measurement for its employees. The researcher proposes strategy mapping based on 4 (four) perspectives in Balanced Scorecard to determine the performance measures at PT. Bank Sulut. Therefore, this research suggests an importance of strategy mapping based on Balanced Scorecard to determine performance measures to be implemented at PT. Bank Sulut. By applying strategy mapping based on Balanced Scorecard, it is expected that PT. Bank Sulut can implement effective strategies for future success.

Key word: Strategy Mapping, Balanced Scorecard, Performance Measures.