

PERFORMANCE EVALUATION OF AREA CLEANLINES COMPANY USING BALANCED SCORE CARD (Analytical study of waste management in Bandung City)

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Abstract

In the current era of globalization, every business entity, including PD Cleaning needs to be managed professionally. For this reason, improving organizational performance, alignment of organizational goals and individual goals is very important. For this reason, a comprehensive performance appraisal system is needed. The Balanced Scorecard is an alternative performance measurement that combines financial and non-financial performance measures. This measurement is the result of a process based on the mission and strategy of a company. This study aims to determine how the performance of PD Hygiene, using the concept of the Balanced Scorecard, by measuring four aspects, namely financial perspective, customer perspective, internal business process perspective, learning and growth perspective. From the research results it is known that, the learning and growth perspective shows that employee productivity is still low, the percentage of skilled employee training every year is still low. This triggers the level of employee satisfaction is still not satisfied. Internal business perspective, the level of service has not satisfied customers.

Keywords: Performance, Balanced Scorecard

PRELIMINARY

Reform in Indonesia is a movement that calls for changes in the life of society, nation and state towards a better, constitutionally. Democratization in government is realized by decentralization. Decentralization is the delegation of responsibility for policy, fiscal and political administration from the central government to local governments (Chaudhary, 2019). According to Lamba, Allo, and Lamba (2019) that among the objectives of decentralization include; political, administrative, fiscal, and economic decentralization. The Regency/City Regional Government is obliged to carry out public services in accordance with the authority/government affairs submitted to the regional government. One of the matters that must be implemented is environmental management. Environmental management affairs, which are related to public services, are the provision of housing and settlement infrastructure. Based on the Regulation of the Minister of Home Affairs No. 9 of 2009, concerning Guidelines for the Delivery of Housing and Settlement Infrastructure, Facilities and Utilities in the Regions, in Article 8, includes; road network, sewerage, rainwater, and garbage dumps.

Provision of waste disposal sites, not only providing trash cans, but also includes overall waste management. Waste management is a systematic, comprehensive, and sustainable activity that includes waste reduction and handling. Based on this, the principles and objectives of waste management, the Regional Government must implement it systematically, and sustainably, covering various aspects; (a) institutional, (b) regulatory, (c) technical and operational, (d) financing, and (e) the role of the

community. The five aspects of waste management cannot stand alone, but must be implemented in an integrated and comprehensive manner and are interrelated with one another. In the current era of autonomy and globalization, in general, local governments, have not been able to implement an integrated and comprehensive waste management system. Therefore, the problems faced are increasingly complex, covering various disciplines.

In detail, the development of the volume of waste in Bandung City from 2019 - 2020, can be seen in the following table 1.2.

Table 1. Development of generation & volume of transported waste in the city of Bandung

No	Year	Total Population (Soul)	rise	transported	Realization
				Tons*)	(%)
1	2017	2,329,931	522,214	347,027	66.5
2	2018	2,424,957	528,795	375,658	71.0
3	2019	2,602,848	560.523	357,267	63.7
4	2020	2,748,733.	601,973	389,459	64.7

Source: PD. Cleanliness of Bandung

Based on these data, the waste that has not been transported by PD Bersih reaches 30 - 35%., of the total generation. This is influenced by the limited means of transportation and the distance to the final disposal site, which is quite far. However, from the aspect of the TPA area of 25 Ha, based on calculations, it can accommodate all the waste generated by the City of Bandung every day. As for the waste that is not transported, it is still in the TPS, used by the community (recycled and composted), and some is thrown anywhere. Likewise, increasing community participation has not yet become the focus of PD

Hygiene. The management is still concentrating on the technical aspects of operations, in which the Cleanliness PD is responsible for carrying out road sweeping and transporting waste from TPS to TPA.

In order to increase the effectiveness of hygiene PD, a comprehensive performance evaluation is very important, as a material for future planning. These measurements are not only focused on financial aspects, but must measure non-financial aspects. One of the measurement models that assesses organizational performance comprehensively is the Balanced Score Card (BSC). Based on the identification of problems and phenomena that occur, this research is proposed to examine the performance evaluation of a cleaning area company using a balanced score card in the city of Bandung. As for the focus of the problems in this study are; how is the performance of the regional cleaning company in the city of Bandung using the balanced score card model? This is also to see the relationship between financial and non-financial performance in the perspective of customers and internal business as well as learning and growth.

THEORETICAL FRAMEWORK

Organizational Performance

Performance evaluation is basically a way to show the ability of the work produced, both by public agencies and companies. According to Lebas (1995) performance evaluation

can be built if the management or management and culture are built properly.

Building an effective organization cannot be separated from the influence of management, leadership and culture as a supporter of the development and management of the organization. Performance is a function of the ability of employees to carry out their duties. The implementation of these tasks is in accordance with the objectives to be achieved and measured based on the standards that have been set. Achievement of individual performance or group of people, must be in accordance with applicable regulations. Accumulative achievement of this performance will result in organizational performance in accordance with the goals that have been set. According to [Moore Jr, Green, and Gallis \(2009\)](#) performance is a description of the level of achievement of the implementation of an activity, program, policy in realizing the goals, objectives, mission, and vision of the organization.

Based on this definition, the authors conclude that organizational performance is described as the achievement of implementing policies/programs/activities. The achievement of such performance must be in accordance with the strategic plan, which is described through the vision, mission, goals and objectives of the organization. [Nobbie and Brudney \(2003\)](#) states that organizational performance is the level of achievement of results on the implementation of tasks and functions. This shows that performance is an ability shown by results that apply to every organization, whether profit-oriented or non-profit. One of the non-profit organizations referred to here is a public organization for a certain period. According to [Keeping and Levy \(2000\)](#) performance evaluation must be carried out thoroughly and comprehensively. The evaluation covers the following aspects: financial; marketing; operational in the use of technology; human Resources; and objectives of the company in a certain period. This period can be a long-term or short-term or annual plan. According to [Hofstetter and Harpaz \(2015\)](#) performance management is a systematic process to improve organizational performance through the development of individual and team performance. This means that to get better results, there must be a common understanding of all stakeholders. Organizational performance must be managed based on applicable competencies and standards in order to realize the planned and agreed goals According to [Hofstetter and Harpaz \(2015\)](#) performance management is a systematic process to improve organizational performance through the development of individual and team performance. This means that to get better results, there must be a common understanding of all stakeholders. Organizational performance must be managed based on applicable competencies and standards in order to realize the planned and agreed goals According to [Hofstetter and Harpaz \(2015\)](#) performance management is a systematic process to improve organizational performance through the development of individual and team performance. This means that to get better results, there must be a common understanding of all stakeholders. Organizational performance must be managed based on applicable competencies and standards in order to realize the planned and agreed goals

Balanced Score Card

Balanced Scorecard is the result of an experiment in the USA, aimed at boosting executive performance. According to [Chen, Hsu, and Tzeng \(2011\)](#) Balanced score card is a performance measurement approach that combines traditional financial measurements with non-financial measures to provide managers with richer and more relevant information about organizational performance, especially those related to strategic goals. BSC is a tool to help companies translate vision into a comprehensive strategy. According to [Bhagwat and Sharma \(2007\)](#) the BSC concept has been used comprehensively, starting from the strategic planning process, and translated into goals as well as performance measures. This will make it easier

for management to implement the vision into the action plan, because the goals that have been set have been measurable. According to Yuan, Zeng, Skibniewski, and Li (2009) BSC is defined as a set of performance targets and results that reflect organizational partners, stakeholders, and communities. This shows that the use of BSC can be used as a method of evaluating company performance.

Performance appraisal is an evaluation activity of the company as a whole and is used as a motivation for each individual to achieve the best performance in accordance with the targets that have been set. The success of achieving organizational performance in the information age is influenced by how investment and asset management are implemented. Functional specializations are integrated into customer-oriented business processes. Tseng (2010) mentions that performance evaluation using the BSC model provides comprehensive performance results. In its development the use of the BSC concept is not only used by companies, but has begun to be used for public sector organizations. The BSC concept, substantially aims to improve service performance, so it is very suitable when adopted for public and non-profit organizations.

Research methods

This study uses a qualitative method with a participatory observation approach which is carried out by direct observation through interviews. Sources of data in this study is primary data conducted by interviewing officials in the PD environment. Cleanliness of Bandung City. The sampling technique in selecting resource persons for the perspective of public customers is the snowball technique, which is selecting resource persons who have rare characteristics and additional units indicated by previous respondents. Determination of resource persons using this technique is carried out in stages and carried out in the Andir sub-district with 8 locations. In addition to interview techniques, literature review and documents that are in PD. The cleanliness of the city of Bandung is also a complement in this research.

Results and Discussion

From the survey results, the respondents obtained the following percentages:

Table 1. Composition of PD employees. Cleanliness by Position

NO	POSITION	AMOUNT	%
1	Directors	2	0.13
2	Head of Division / Unit	12	0.76
3	Section Head / Young Researcher and Supervisor	54	3.42
4	Head of Affairs	55	3.48
5	Field supervisor	55	3.48
6	Administrative staff/executive	152	9.63
7	Collectors and Registrar	143	9.06
8	Street sweeper	629	39.84
9	Market Sweeper	44	2.79
10	Landfill sweeper	3	0.19
11	Driver	152	9.63
12	Transport Crew	209	13.24
13	Heavy equipment operator	3	0.19
14	Garbage Press Machine Operator	5	0.32
15	Workshop Officer	32	2.03

16	Landfill Officer	13	0.82
17	Guard Officer	16	1.01
TOTAL NUMBER		1579	100.00

Source: HR Division PD. Cleanliness

Based on the composition of education, senior high school reached 29%, and D3 to S1 reached 5.51%, and S2 was only 0.17%. Based on these data, the authors interpret that the company has not been able to improve employee education. Based on the results of interviews with the Head of the Sub Division of Employee Planning and Development, stated that: The company has not been able to finance employees to continue their education to the next level. In 2000 there were several people who took education to the D3 level, at the Public Works Education Institute (LPPU) at the expense of the Ministry.

Figure 1. Composition of Employees by Education

Based on the age of the respondents, it was found that the PD cleaning staff were in the age group: 42-47 years (25.27%), before retirement 48-53 years (22.23%), and 36-41 years (20.46%). The retirement age group generally works in regional operations, namely 93 people in the West Bandung operational area, and 90 people in South Bandung. Employees who are nearing retirement age generally work in operational areas as drivers and transport crews.

Figure 2. Composition of employees by age

To measure the performance of PD Hygiene, in accordance with the BSC framework, the authors translate the strategic objectives, based on the following formula:

Table 2. Outcome Measures and Performance Measures

Strategic Goals		Strategic Size
		Yield Size (Lag Indicators)
Shareholder Value		
S1	ROI Growth	Increased rate of return on investment
S2	Revenue Growth	Increased Income
Firm Equity		
F1	Increased community participation	Reduced waste generation from the source by 20%
F2	Private partnership	Increasing companies that cooperate
Organizational Capital		
O1	Increased collection facilities & infrastructure	The condition of the road is clean from garbage
O2	Improved transportation facilities and infrastructure	Increased volume of transported waste Clean TPS Condition
O2	Technology utilization	The establishment of PLTSA
Human Capital		
H1	Increased Personnel Capability	Operational revenue per employee
H2	Increased Personnel Commitment	High operational employee commitment

Source: (Mulyadi, Stevens, Munro, Lingard, & Bermingham, 2001)

From the results of interviews, in general, the informants stated that: "During our work at PD Hygiene, we have never transferred to another field". This opinion was reinforced by a structural official from the source: "Employee transfers for the implementers have never been carried out, so there are employees who from starting to work until retiring work in one field. This will have an impact on employee performance." Based on these conditions, the authors interpret that the placement of employees in the same place can have a positive or negative impact on increasing employee competence and performance. A positive impact will occur for employees who are committed to increasing their competence.

In this study, the authors interviewed employees who work in the technical, workshop and administration fields to determine their commitment to improving their competence. From the interview results, the interviewees stated: "As an employee with a vocational education background, working in the workshop section from the beginning until now, has made my expertise increase. At first I was only able to do one job, namely welding. After working for almost twenty years, my welding technical skills have improved, now I am able to make one 10 M3 container unit in 1 week. If there is no work to repair or make containers, I always take part in the repair of the LH truck, which is damaged. By frequently participating in repairing LH trucks, I finally became able to do it. This ability is for provision when I retire,

Employees' awareness to increase their capacity, both to increase skills and increase formal education is not owned by all employees. This can be seen from the current educational qualifications of employees, employees with high school education reach 29%, D3 to S1 reach 5.51%, and only 0.17% for Masters. The majority of employees with elementary and non-elementary school education reached 45.7%, and until retirement, the education of these employees did not increase. Based on these data the authors interpret that the company has not been able to improve the quality of employees, both formal education and skills education. From the results of interviews with other sources in the field of HR stated: The company has not been able to finance employees to continue their education to the next level. In 2019 there were several people

who took education to the D3 level, To achieve a productive and cost-effective process, according to Yasin's opinion, according to the author of PD, cleanliness needs to manage organizational resources well. Thus the company needs to be supported by employees who have the capability and commitment. In this regard, PD Cleanliness needs to improve the knowledge and skills of employees. The program is intended to produce competent and committed employees to realize the company's vision. However, until now, the strategic goal of improving managerial quality has not been translated into programs and activities to improve the quality of employees on an ongoing basis as needed.

Table 3. Mapping of performance outcome measures based on the BSC perspective

No	Perspective	Strategy Map	Budget Perspective Weight	Strategy Goal	Target	Realization	Score
1	Finance		10		9.60	9.20	10.87
				Revenue Growth	34.2	19.50	
2	Customer		0.5		0.46	0.34	0.37
					34.2	19.50	
				Increased public awareness in paying the tariff for cleaning	20	32	

			services			
			Reduced waste generation			
3	Internal Business Process	88.5		89.73	89.38	88.15
				100		
			The condition of the road is clean from garbage	1100	1060	
			Increased volume of transported waste	4	4	
				5		
			Increase the number of transportation fleets	5	3	
					5	
			Increased number of TPS 3 R			
			TPS Repair			
4	Learning and Growth	1		0.98	0.68	0.69
			Increased managerial capacity of waste management in the management of regional companies.	75	50	
			Increased knowledge, technical capabilities and skills for the ranks of PD Hygiene employees in terms of the latest technology		-	

The performance of the learning and growth perspective is not yet optimal, causing the inability to support the performance of internal business processes. The budget support provided was quite large, reaching 89.30%, and the realization was 89.90%, of the total expenditure, with a total score of 88.15. The achievement of the weight is almost close to the set weight of 88.5. Although the realization exceeds the budget, the performance on internal business processes has not been able to create customer satisfaction from the customer perspective. Excess budget realization is evidence that the budget from a learning and growth perspective is used to cover internal business processes. Likewise with the customer perspective budget. To increase public awareness on the customer's perspective, has not been the focus of management. This can be seen from the small budget of 0, 48% and realization

reached 0.34% of the total budget, with a total score of 0.37, not yet reaching the weighted score set according to the budget, namely 0.5. Besides the budget, the qualifications of HR in the field of Public Relations are also not optimal to become the company's marketing team.

CONCLUSION

Based on description in chapter IV, evaluating the performance of PD Hygiene in waste management in the city of Bandung, using a balance scorecard, the authors conclude as follows:

Learning and growth perspective

Not optimal. The productivity of PD Bersih's employees will affect the various implementations of internal business processes in improving services. The current service is not in line with customer expectations, so that in the end it will affect the achievement of strategic goals from a financial perspective.

Internal business perspective

Internal business perspective, is the core of the implementation of the main tasks and functions of PD. Cleanliness. The indicators used to achieve these goals are:

- a. The condition of the road is clean from garbage
The condition of protocol roads is clean of garbage, while for environmental roads, road sweeping is assisted by outsourced personnel stationed in urban villages.
- b. Increased volume of transported waste
The volume of transported waste has not increased, only 1000-1100 tons/day. The addition of the transportation fleet and transportation infrastructure has not been able to increase the volume of transported waste. This is due to the insufficient number of vehicles, the volume of waste continues to increase in line with economic growth. Thus, the targets that have been set have not been achieved.
- c. The number of integrated polling stations has not increased, there are only 12 polling stations spread over several locations.

Customer Perspective

The strategy drawn up in order to increase the company's equity (Firm Equity), PD Hygiene has been customer-oriented.

Financial perspective

Financial performance that continues to lose from year to year has an impact on the services provided that are not optimal, as part of environmental protection and management. It is quite difficult for PD Cleanliness to realize its vision. The vision has not been realized, because the internalization of the vision has not been understood by all stakeholders.

RECOMMENDATION

Based on the conclusions of the research, the authors recommend:

Learning and Growth Perspective

- a. The new directors must be visionary and innovative in building the company professionally.
- b. PD hygiene management must implement "Change Management", in managing organizational resources. Change management can be done through the implementation of

"Strategic Management System", includes (1) programming system; (2) budgeting system; (3) implementation system; (4) monitoring system, (5) evaluation and reporting system, holistically and integrated.

Business perspective

Lowering the weight of the budget from 88.5%, to 70%, of the total budget, in the context of financing efficiency. The efficiency can be done through utilization of technology and mechanization of operational tools.

Customer Perspective

Increase the weight of the budget from 0.5% to 10% (Rangkuti, 2013:97-98). The increase in the budget is needed to increase public awareness, through strategic "marketing management". The task of Public Relations is not only to provide socialization that seems to fall out of obligation but must be carried out continuously with the right method according to customer segmentation.

Financial Perspective

The weight of the budget for the financial perspective, according to the author, is currently appropriate, at 10%, of the total budget, in supporting the implementation of the other 3 (three) perspectives.

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