

**DESIGN CONCEPT OF A PERFORMANCE MEASUREMENT SYSTEM WITH  
BALANCED SCORECARD METHOD FOR NON-PROFIT ORGANIZATION**

**A THESIS**

Presented as a Partial Fulfillment of the Requirements to Obtain the Bachelor Degree  
in Accounting Department



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YOGYAKARTA**

**2021**

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**(Case Study on Senyum Kita Foundation)**

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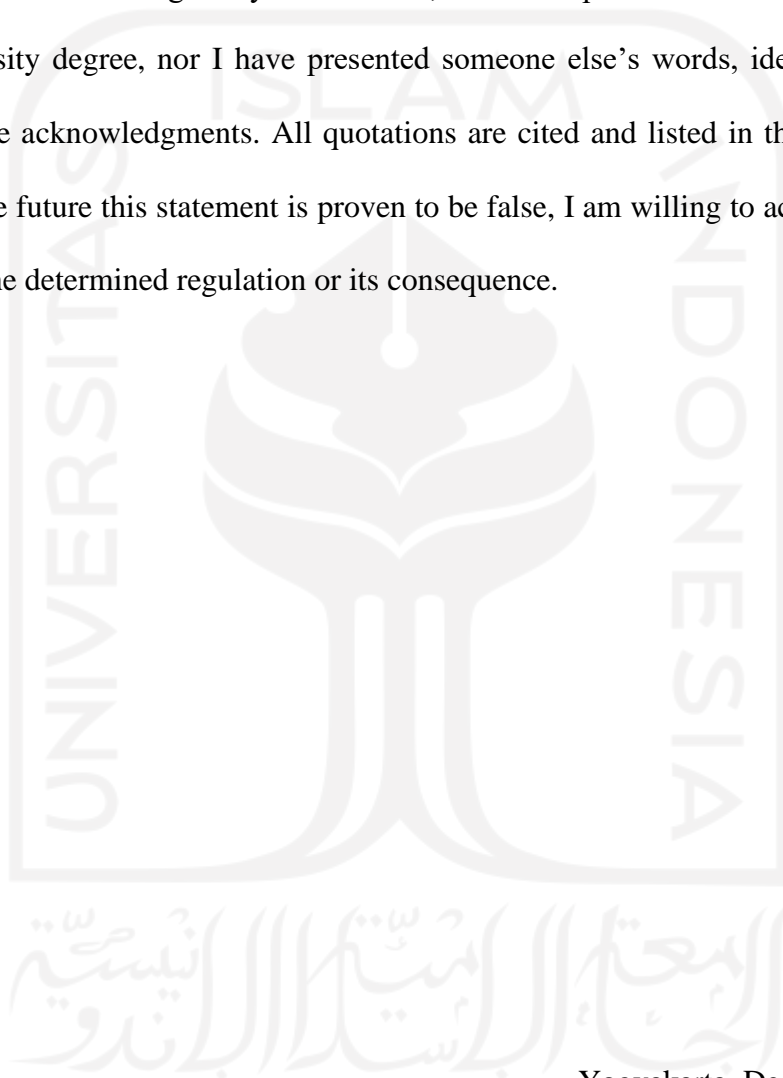
**UNIVERSITAS ISLAM INDONESIA**

**YOGYAKARTA**

**2021**

## DECLARATION OF AUTHENTICITY

Hereby I declare the originality of the thesis; I have not presented someone else's work to obtain my university degree, nor I have presented someone else's words, ideas or expressions without any of the acknowledgments. All quotations are cited and listed in the bibliography of the thesis. If in the future this statement is proven to be false, I am willing to accept any sanction complying with the determined regulation or its consequence.



Yogyakarta, December 22<sup>nd</sup>, 2021



Zullanda Adita Ningrum

## ABSTRACT

*Senyum Kita* Foundation is a non-profit organization focusing on empowerment and non-formal education for vulnerable youth and people with disabilities. As an organization engaging directly with the public, it is critical to exert the measurements of performance strategy. Performance measurement stands in maintaining its work programs through optimizing resources to enhance the public services. The Balanced Scorecard is convincing an acceptable method in measuring the performance of a nonprofit organization. The research methodology used in this research was a combination of the Balanced Scorecard method and the Analytical Hierarchy Process. The results indicated that there were fourteen prioritized strategic objectives of *Senyum Kita* Foundation based on four perspectives Balanced Scorecard where a learning and growth perspective had the highest priority weight with a value of 0.334. In the next position, the customer perspective had a weighted value of 0.254 and the internal business process perspective had a value of 0.245. The last priority position was placed by the finance perspective with a weighted value of 0.167.

**Keyword:** Performance measurement, nonprofit organization, Balanced Scorecard, and Analytical Hierarchy Process.

## ABSTRAK

Yayasan Senyum Kita adalah organisasi nirlaba yang berfokus pada pemberdayaan dan pendidikan non-formal bagi pemuda yatim, dhuafa dan penyandang disabilitas. Sebagai organisasi yang terlibat langsung dengan publik, sangatlah penting bagi Yayasan Senyum Kita untuk menggunakan pengukuran strategi kinerja. Pengukuran kinerja berperan dalam mempertahankan program kerjanya melalui optimalisasi sumber daya untuk meningkatkan pelayanan publik. Balanced Scorecard menjadi metode yang tepat dalam mengukur kinerja organisasi nirlaba. Metodologi yang digunakan dalam penelitian ini adalah kombinasi antara metode Balanced Scorecard dan Analytical Hierarchy Process. Hasil penelitian menunjukkan bahwa terdapat empat belas tujuan strategis yang diprioritaskan Yayasan Senyum Kita berdasarkan empat perspektif Balanced Scorecard, dimana perspektif pembelajaran dan pertumbuhan memiliki bobot prioritas tertinggi dengan nilai 0,334. Pada posisi selanjutnya, perspektif pelanggan memiliki bobot nilai 0,254 dan perspektif proses bisnis internal memiliki nilai 0,245. Posisi prioritas terakhir ditempatkan oleh perspektif keuangan dengan bobot nilai 0,167.

**Kata Kunci:** Pengukuran kinerja, organisasi nirlaba, Balanced Scorecard, dan Analytical Hierarchy Process.

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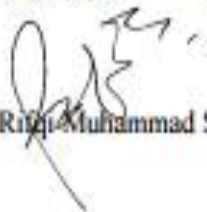
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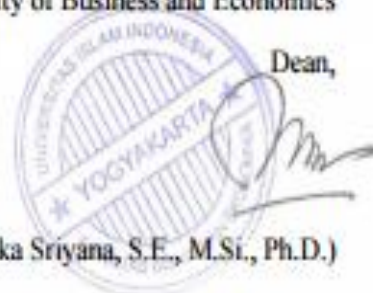
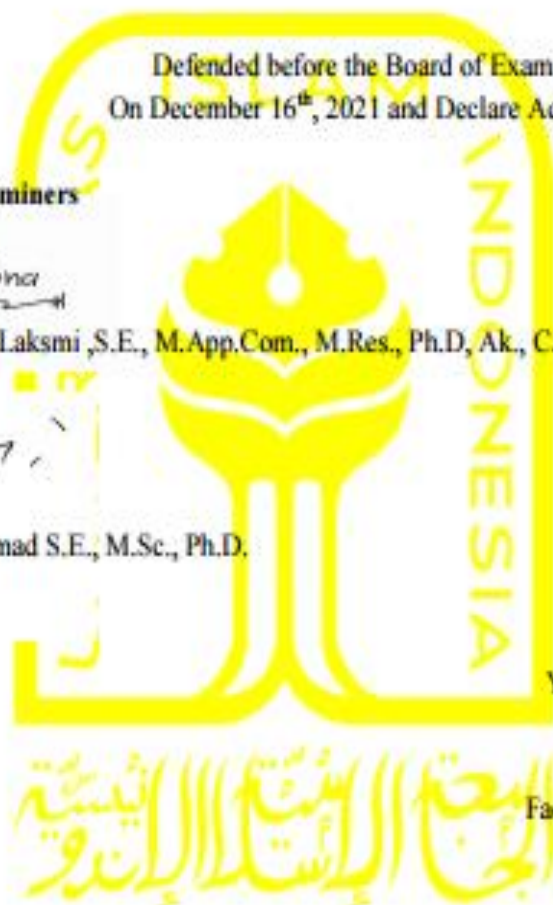
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# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Research

In this industrial revolution era 4.0, business development is exceedingly competitive. An organization is required to compete for forthright tag along with the expeditious global competition. Human resource management, marketing, and transaction handling between an organization and its stakeholders cause the measurement of an organization's performance enhance a crucial factor in strengthening the effectiveness and efficiency. Besides, measuring the performance of an organization, both for a profit and non-profit organizations serve as an organizational tool to evaluate the organizational performance and as a reference for shaping the future goals.

Performance measurement is an essential factor in an organization. Distinct aspects related to this measurement can be utilized as a basis for providing a reward system or formulating a strategy in an organization. Moreover, the effect of performance has a major impact on all human resource activities within inside out of the organization. Presuming that an organization has an insufficient performance measurement system, it tended to experience obstacles in management.

Generally, performance measurement that remains frequently performed in organizations is based on traditional management. It exclusively emphasizes only on the financial aspects, since it is greater accessible to apply with the result that personal performance benchmarks

are measured about concerning the financial aspects. In contrast, the traditional performance measurement may not represent the performance of an organization as a whole. It has particularly remained to assess short-term performance and infrequently estimate the organization's intangible assets such as human resources and customer satisfaction.

The inadequacies of traditional performance measurement systems to create economic value in the future induce organizational reliability and quality demands to be reformed. Therefore, an organization necessitates a performance measurement system that not only concentrates on financial aspects but also focuses on non-financial aspects. This has led to the development of the concept of the balanced scorecard method by Kaplan and Norton which was published in the Harvard Business Review article in 1992 (Kaplan, 2009).

The history of the balanced scorecard was introduced and began in the early 1990s by Norton and Kaplan through research on “Performance Measurement in Future Organizations”. This concept balances the measurement of business performance which has so far been exceedingly centered on financial performance, where the role of intangible assets does not perform a major role in the development at the management level.

The concept of the balanced scorecard is a method of measuring performance by including four perspectives, namely financial perspective, customer perspective, internal business perspective, and learning and growth perspective (Kaplan, 2009). Through these four perspectives, the balanced scorecard apart from the fact that a tool for measuring a company's performance as aside from act essentially a tool for implementing strategy.

Comprehensive performance measurement, besides being considered as financial measures, it is equally crucial to recognize non-financial measures so that an organization may control its business in a balanced manner. On top of that, the balanced scorecard could

align various functions at each of the levels of the organization. All decisions and activities in each of these functions need conceivably to mobilize in achieving particular goals.

At the beginning of its development, the balanced scorecard concept was designed to be practiced in profit-oriented organizations, yet it is succeeding developed and applied to non-profit organizations. This development was required from the original concept of the balanced scorecard. There are significant differences between organizations and non-profit organizations, where the financial perspective plays as the central goal of an existing perspective, while in non-profit organizations customer satisfaction remains the final goal. Therefore, it can be said that the financial perspective of non-profit organizations pays more attention to the viewpoints of financial responsibility regarding the effective and efficient usage of resources to consumers.

The application of the non-financial perspectives to the balanced scorecard concept is fitting for implementation within non-profit organizations. The implementation of the balanced scorecard concept in non-profit organizations can broadly describe multidimensional aspects such as placing a customer perspective, internal process perspective and learning growth perspective as the main performance measure. Thus, the concept of a balanced scorecard can be utilized as a smart and innovative breakthrough that supports an organization to excel and be creative in enhancing management performance.

Realizing the importance of performing the balanced scorecard concept that is effective under the necessities of the management of organizations engaged in the non-profit sector, one of which is a non-government organization (NGO) or a social foundation. NGOs are civil society organizations established independently by civil society to deal with particular social issues. NGO as one of the institutions that accommodate civil society to obtain

advocacy rights and fight for issues that are considered important reflecting the multiple social problems confronted by society at this time. Besides, NGOs as an independent institution require being able to present financial and non-financial accountability to the community as beneficiaries and donors which provide the funding. Therefore, the balanced scorecard is a reasonable alternative since the aforementioned concept can measure performance by covering whole aspects, both financial and non-financial.

The form of an NGO that is engaged in education for children and youth is the *Senyum Kita* Foundation, which is located in the city of Yogyakarta. *Senyum Kita* Foundation is one of the NGOs that have the intention of empowerment and skill development among children, youth, and people with disabilities through providing training, mentoring, and empowerment program. This foundation was established by young people who took the initiative to contribute in improving the quality of children's education, particularly for those who are vulnerable. Heretofore, *Senyum Kita* Foundation has assisted more than 20 orphanages in Yogyakarta and its surroundings while also served more than 1000 children. In the year of 2017, *Senyum Kita* Foundation has successfully provided services to children at various levels of school in 12 cities from 4 provinces in Indonesia. In assessing the success of the performance carried out by the *Senyum Kita* Foundation, it is crucially important to measure performance implementing the precise method.

To a certain extent, this organization in measuring performance remains particularly based on financial aspects. Performance appraisal form non-financial aspects were never been performed. Non-financial performance, such as employee or volunteer ability, productivity, and customer satisfaction, did not acquire management's attention. This

measurement is inadequate since it is particularly based upon general standards of assessment.

Based on the description above, the subject matter to be proposed in this research would take the headline of "Design Concept of a Performance Measurement with The Balanced Scorecard Method for Non-Profit Organizations (Case Study on *Senyum Kita* Foundation)".

## **1.2 Problem Identification**

From the various descriptions placed forward in the background of this study, the problems can be identified as follows:

- 1) Performance measurement at the *Senyum Kita* Foundation only practiced traditional methods that particularly center on the financial perspectives.
- 2) The *Senyum Kita* Foundation has never conducted performance measurement based on non-financial perspectives.
- 3) *Senyum Kita* Foundation did not have a specific method for measuring organizational performance.

## **1.3 Problem Formulation**

Based on that background of this research, the identification of the problem put forward is as follows:

- 1) How to design performance measurement on the *Senyum Kita* Foundation by adopting the Balanced Scorecard method?
- 2) How are the weights of organizational performance based on the Analytical Hierarchy Process in *Senyum Kita* Foundation?

#### **1.4 Problem Limitation**

There were limitations to several problems determined that this research remained at its original purpose, so it was necessary to limit discussion and problem solving to be more focused in these points below:

- 1) This research is bounded to designing performance measurements, and would not perform in measuring performance at the *Senyum Kita* Foundation.
- 2) This research discussed the compilation of performance weights using the analytical hierarchy process method at the *Senyum Kita* Foundation.

#### **1.5 Research Objectives**

Based on the description above, it can be perceived that the research objectives are as follows:

- 1) Develop a performance measurement system design applying the Balanced Scorecard method at the *Senyum Kita* Foundation.
- 2) Compile the performance priority weights for the *Senyum Kita* Foundation using the Analytical Hierarchy Process method.

#### **1.6 Research Contribution**

The benefits that might attain from this research are as follows:

- 1) For the researcher, enhance the knowledge, insight, and experience, especially in understanding the applicability and purpose of the balanced scorecard concept in non-profit organizations.

- 2) For academics, it can be utilized as a reference for academics and practitioners in figuring insight and as information for further research.
- 3) For *Senyum Kita* Foundation, this research is expected to provide beneficial information and become the substance for consideration in evaluating performance measurement, particularly in the non-profit sector.

### **1.7 Systematics of Writing**

Systematics of writing is the outline of this research that will give systematic writing structure. In order to comprehend this research easily, this research is designed into following parts:

#### **CHAPTER I: INTRODUCTION**

The first chapter of this research gives the general description of the research by explaining the background of study, problem identifications, problem formulations, problem limitations, research objectives, research contributions, and systematics of writing.

The first chapter of this research gave the general description of the research by explaining the background of study, problem identifications, problem formulations, problem limitations, research objectives, research contributions, and systematics of writing.

#### **CHAPTER II: REVIEW OF RELATED LITERATURE**

The second chapter of this study encompassed the review of previous studies that gave the thorough research formation and can relate to specified theories. Those would be classified into theoretical review, basic theory of performance measurement, non-profit organization, balanced scorecard, and analytical hierarchy process.

### **CHAPTER III: RESEARCH METHOD**

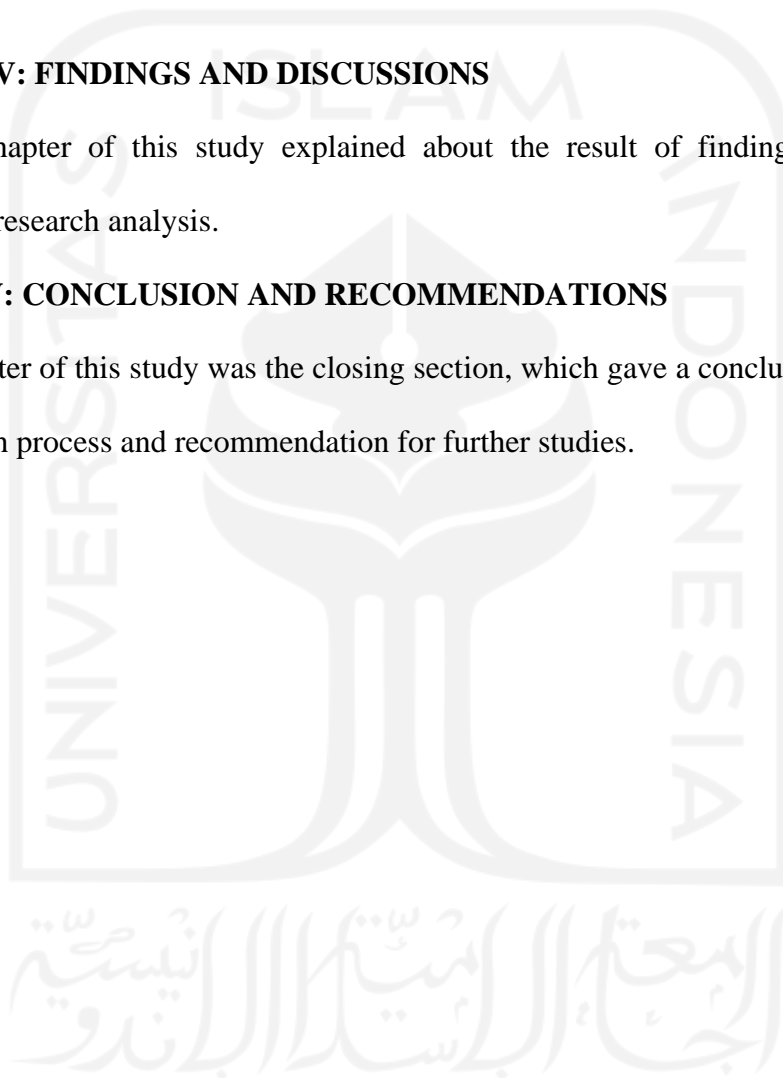
The third chapter of this study focused on the method of conducting the research including the qualitative methods used consisting of research paradigms, research design, interview method data collection, interview question types, data collection and analysis, reliability and validity.

### **CHAPTER IV: FINDINGS AND DISCUSSIONS**

The fourth chapter of this study explained about the result of findings and discussion regarding the research analysis.

### **CHAPTER V: CONCLUSION AND RECOMMENDATIONS**

The fifth chapter of this study was the closing section, which gave a conclusion regarding the whole research process and recommendation for further studies.





## CHAPTER II

### LITERATURE REVIEW

#### 2.1 Theoretical Review

Agency theory is the theoretical basis that frequently practiced underlies the corporation's business. Agency theory examines the agency issue and its resolution (Jensen & Meckling, 1976; Ross, 1973). Furthermore, the essence of this agency relationship places on the separation between the ownership and management of the corporation. Panda and Leepsa (2017, p.76) argue that agency theory assists in performing various governance mechanisms to control the operations of agents in jointly owned firms. It addresses the obstacles that arise in corporations due to the separation of owners and managers and emphasizes reducing these issues.

The agency theory projects the shareholder wealth and organizational performance that may escalate on condition that independent boards of directors control the chief executive's tendency to behave in self-benefits (Miller, 2002, p.430). According to Fama and Jensen (1983) the proprietary of the non-profit organization is the donor, while the non-profit administrator roles as the agent. Also, it is crucial to reassure donors that the organization will participate and the organization's decision-makers will not take over the funds, since it becomes the responsibility of the board of directors of the non-profit organization.

Therefore, the main objective of agency theory is to define the roles of the parties in a contractual relationship to reduce costs as a consequence of asymmetric information and

uncertain conditions. Agency theory further attempts to answer problems caused by the parties working collectively in an organization that has different goals in carrying out their responsibilities of leading its corporation or other non-profit sectors.

### **2.1.1 Performance Measurement**

#### **a. Definition of Performance Measurement**

Performance is an accomplishment that can be achieved by the organization within a certain period of time. Moreover, performance is a description of the extent to which success or failure of the organization in carrying out its main responsibilities and functions to realize its vision, mission, goals, and objectives. According to Cho and Dansereau (cited in Bashaer, Singh, & Sherine, 2016) defined an organizational performance as the performance of a company as compared to its goals and objectives. Organizational performance is all actions or activities of an organization in a period, along with references to several standards such as projected costs, a basis for efficiency, accountability, and management accountability. Therefore, performance measurement can be defined as a process of assessing the company's operational activities in the form of actions and activities of an organization in a certain period according to predetermined objectives.

On top of that, performance measurement can be used by managers as a medium to suppress undue behavior and enforce appropriate behavior, through feedback generated on rewarding and time performance. Based on study from Pinto, Scavarda, and Oliveira (2020), in order to track the information systems on implementation of a business strategies by comparing current results with strategic goals and objectives,

performance measurement system is one of tool which commonly used by managers. In addition, performance measurement is an assessment of the level of effectiveness and efficiency of the organization's activities, both financially and non-financially. The statement from Cestari et al. (2018) argued that performance measurements are the key tools for an organization as they cover a broader range, particularly in non-financial aspects, such as operational efficiency, customer satisfaction, and productivity.

Hence, an organization demands a performance appraisal that can be practiced as a basis for measuring the performance outcomes of management that are in line with the performance expected by the organization. Also, performance measurement might provide a real representation of the results or achievements that have been performed by an organization in a certain period.

#### **a. Purposes and Concepts of Performance Measurement**

The purpose of performance measurement is to generate conscionable information on program or organizational performance in order to reinforce the management and perform advise for decision maker, escalate the accountability, achieve goals and improve on the whole performance (Poister, 2003, p.4). Performance measurement might be practiced by a decision-maker or manager to obtain an objective basis for providing compensation following the achievements of each responsibility center to the organization as a whole. All of this is expected to provide motivation and stimulation for each department to work further effectively and efficiently.

Anthony and Govindarajan (2007, p.467-469) figured that the purpose of a performance measurement system is to assist in implementing strategies where it involves four general concepts:

1) Define Strategy

The key factor for this step is the goals and targets of the organization are asserted explicitly and transparently. Strategies should be developed primarily for the entire organization and subsequently developed to lower functional levels.

2) Define Measures of Strategy

In this step, strategy measurement is required to articulate the strategy over whole members of the organization, where the organization required focusing on a few essential measurements. So that management might not accentuate measures in various unnecessary performance indicators.

3) Integrate Measures into the Management System

Performance measurement needed to be included as a component of the organization formally or informally, as well as part of the organizational culture and human resources.

4) Review Measures and Result Frequently

Management is required to periodically evaluate organizational performance measurements to determine the appropriateness and validity of this performance that will be applied time by time.

## **b. Methods of Performance Measurement**

Felizardo, Félix, and Thomaz (2017) argue that there are various approaches that might adopt in measuring organizational performance, namely:

### 1) The Performance Measurement Matrix

This performance measurement based on two types of performance measures, which indicate the outcome-related and the outcome-focused. This model includes four different performance classes: financial, non-financial, internal and external. It aims to define strategic goals and translate them into performance measures through an integrated and hierarchical approach. This allows the decision-makers to track the path of all possible performance measures of an organization.

### 2) Results and Determinants Framework

This model categorizes measures into two basic types of performance measurements: those related to outcomes (such as competitiveness, and financial performance) and those related to causes (such as quality, use of resources, and innovation).

### 3) The Performance Pyramid System

This four-tiered pyramid model links corporate strategy, strategic business units and operations, translating top-down (based on customer priorities) and low measures of objectives.

### 4) Balanced Scorecard

This model serves as a strategic management tool for:

- a) Clarify and translating the vision and strategy.

- b) Communicate and link strategic objectives and actions.
- c) Plan, set goals and align strategic initiatives.
- d) Enhance strategic feedback and learning.

5) Integrated Performance Measurement Systems

This performance measurement model is formed on seven main dimensions: two external dimensions used to monitor the organization's position in a competitive context (financial performance and competitiveness) and five internal ones used to monitor all production processes (costs, factors of production, activities, products and income).

6) European Foundation for Quality Management

Several elements indicate that customer satisfaction, worker satisfaction, and impact on society might be obtained through leadership. Those drive strategic policies, resources, worker management, and processes driving to superior business outcomes. There are particular criteria in this performance measurement method which are classified into two categories, namely:

- a) Factors included in the criteria: leadership, management personnel, policy and strategy, partnerships and resources, and processes.
- b) Results included in the criteria: operating results, staff satisfaction, customer satisfaction, and integration into the community.

7) The Performance Prism

This model consists of five integrated perspectives to identify areas to be addressed by the organization, which including stakeholder satisfaction, strategy, processes, resources, and stakeholder input.

## **2.1.2 Non-Profit Organization**

### **a. Definition and Criteria of Non-Profit Organization**

The non-profit sector is a merging of non-profit organizations and associations, private, and voluntary (Anheier, 2005, p.4). Additionally, Smith, Stebbins and Dover (as mentioned in Choto, Iwu & Tengeh, 2020) argued that philanthropy groups, advocacy groups, trusts, foundations, charities, voluntary associations, civil society, and non-governmental organizations might involve in the term of non-profit organizations.

According to Indonesian financial accounting standard (PSAK) No. 45, Non-profit organizations acquire their resources of member's donations and other donors who do not expect anything in return. The measure of success that a non-profit organization is attempting to realize is not a material gain, yet for social services. Nevertheless, this point does not indicate that non-profit organizations would not be able to earn the profits. Profits derived from organizational activities are particularly intended to cover costs arising from operational activities or the profits obtained will be distributed back to the central activities of the organization.

Moreover, criteria for the non-profit organization according to PSAK No. 45 can be described as follows:

- 1) The entity's resources that come from donors are not permitted to demand repayments or economic benefits proportionate to the number of resources provided.
- 2) Produce goods and services without the intention of accumulating profits, and if an entity does not generate profits that the amount would not be distributed to the founders or owners of the entity.

- 3) The ownership in business organizations is not permitted, in the sense that ownership in a non-profit organization is not permissible to be sold or discharged, or that ownership does not reflect the proportionate share of the entity's resources at the time of liquidation or liquidation of the entity.

**a. Performance Measurement on Non-Profit Organization**

Poister, 2003 (figured in Cestari et al., 2018) find that performance measurement on a non-profit organization aims to predispose the decisions and behavior while encouraging individuals as well as organizations to rectified performance using objective indicators. Moreover, for the public and non-profit sectors, enhance performance measurement in improving management and decision making, reinforce efforts to provide a transpicuous focus on mission and strategy, and increase accountability to regulatory bodies and external stakeholders, including funding agencies and the public (Poister, 2003, p.36).

Schobel and Scholey (2018, p.3) mentioned that profit organizations commonly concentrate on maximizing wealth for shareholders whereas non-profit Organizations focus on meeting the needs of their stakeholders and achieving their social mission; such as individuals or government agencies may have made financial contributions or had individual interests; such as volunteer. Since non-profit organizations depend on the financial resources of government agencies and private donors, they have a huge responsibility to control their resources effectively.

The performance measurement concept on non-profit organizations aims to support managers to assess the performance of a strategy through financial and non-financial measurement tools. In addition, performance measurement in non-profit



organizations is carried out to enhancing management performance, allocating resources and decision-makers, as well as raises public accountability and improves customer communication. The performance measurement process runs into identical issues in the nonprofit and public sectors, particularly in terms of technical issues, given that many nonprofits are involved in providing services to clients or the wider community in pursuing social improvement goals, as on the case with many government organizations, and given that they care with the same types of performance criteria, such as service quality, operating efficiency, program effectiveness, and client satisfaction (Poister, 2003, p.6).

### **2.1.3 Balanced Scorecard Method**

#### **a. Understanding Balanced Scorecard**

Kaplan and Norton introduced the concept of the balanced scorecard in 1992 in an article published by the Harvard Business Review (Kaplan, 2010). The implementation of balanced scorecard can be seen in across country among industry, governments and non-profit. Rigby (2007) confirmed that Kaplan and Norton (1992) appraised that over 70 % of organizations use a balanced scorecard to manage the implementation of their strategy.

As for the description of a balanced scorecard according to Kaplan and Norton (1996), the balanced scorecard consists of 2 words where the scorecard is applied to record a person's performance score which is the following applied to compare actual and balanced performance results. It determines that employee performance is measured in a balanced manner and viewed from the aspect of financial and non-financial, short-term and long-term aspects, as well as internal and external perspectives. A Balanced

Scorecard is a tool for centralizing organizational focus, ascertaining organizational goals, improving communication, and providing feedback on strategy (Anthony & Govindarajan, 2005, p.463). Also, Mora (2016) argues that the balanced scorecard is a management tool that aims to communicate and help operate an organization's strategy consisting of financial and non-financial indicators that have to point out to their main factors, such as strategic factors for the organizational future which seen from the key internal and external dimensions that influence it.

The balanced scorecard is applied to balance the performance and focus of executives on financial and non-financial performance, as well as balance short-term and long-term performance. Besides, the balanced scorecard is a methodology in performance measurement that concentrates on the strategic mission of an organization in the future, where the practice of this scorecard is beneficial for recording performance outcomes scores at the management levels of an organization.

#### **b. Process in Balanced Scorecard**

The Balanced Scorecard is a management system that aims to implement strategy, measuring performance for not only through the financial aspect but also involving the non-financial aspect, as well as representing a function in delivering the strategy, vision, and expected performance (Kaplan & Norton, 2000). Moreover, Kaplan and Norton (1994) also mention that Performance measurement is carried out for the short and long term, so that an organization could concentrate on measuring performance applying the balanced scorecard method to produce various critical management processes, including;

- 1) Translating the vision

In determining organizational performance, the organization's vision is translated into goals and objectives. Vision acts as to describe the circumstances that will be realized by the organization in the future is usually stated in a statement or a few short sentences, wherein recognizing the conditions described in the vision. Furthermore, the mission is an organizational condition that will be achieved in the future and a further explanation of the organizational vision which becomes one of the principles for the formulation of strategies to form it. In the strategic planning process, the mission is translated into strategic objectives by measuring its achievement.

2) Communicating and linking

The balanced scorecard may describe the steps that necessary to be conducted by the organization to meet the desires of stakeholders and customers to each member staff.

3) Business planning

This step presents an opportunity for organizations to integrate their business and financial plans. The majority of organizations implement diverse varieties of programs that highlight their respective advantages in competing with one another. This condition causes obstacles in the integration of ideas that arise for each responsibility center. Nevertheless, by performing the balanced scorecard method as a foundation for allocating resources and setting priority goals, the organization is expected to move towards its overall long-term goals.

4) Feedback and learning

This process will manifest an overview of strategic learning to the organization, where the balanced scorecard performs as the center of the organization's system. Therefore, the organization might possibly control the progress that has been

performed in the short term period through various perspectives as feedback in evaluating strategy.

**c. Perspectives in Balanced Scorecard**

Kaplan and Norton (1996, p.56-66) states that in measuring organizational performance applying the balanced scorecard method four perspectives need to be a pressing concern, including:

1) Financial perspective

Financial performance measures illustrate the extent to which the company or organization's strategy, practice, and implementation contribute to profit raising. The financial perspective is classified into three stages in the business cycle:

a) Rapid growth

Growth is the initial stage of the business life cycle. At this stage, a company or organization has a growth rate that has the most diminutive probability of potential development. In order to realize this potential development, a manager is required to commit to developing a new product or service, enhance operational capabilities, build and develop production facilities, develop infrastructure, systems, and distribution networks that will strengthen global relationships, maintain and expand relationships among costumers.

b) Sustain

This stage covers a company or organization that is nonetheless investing and reinvesting through requiring the most immeasurable rate of return. The company strives to maintain its existing market share, and investments offered are generally

directed at eliminating bottlenecks, developing capacity, and consistently advancing operational improvements. At this stage, the company no longer concentrates on long-term strategies, but financial objectives might further be centered on the massive rate of return on the investment performed.

c) Harvest

The central objective within this stage plays to maximize the cash flow that goes to the company or organization which might be returned of preceding investments. In addition, the company or organization no longer moves further investments besides to maintain and enhance performance, and would not to expand or build new tendencies.

2) Customer perspective

The central goal of this perspective is to perform service that presents preferred value to targeted customers. The customer perspective determines the ability of a company or organization to accomplish strategic objectives in terms of customers and market segments. The actions required in implementing this perspective are the provision of services demanded by customers, where the measurement involves customer satisfaction and customer acquisition. These steps will demonstrate to managers concerning their target segment, and how to maximize the profits arisen from customers.

3) Internal business perspective

Internal business processes required managers to identify critical internal processes, where the organization is demanded to perform adequately since these internal processes control the values that consumers require and provide the feedback

expected by stakeholders. There are various essential process stages in the internal business process, namely:

a) Innovation cycle

The research and development department plays a crucial function in innovating companies and organizations. In this stage, the benchmarks applied are the magnitude of the influence of new products, the amount of cost, the numbers of new products were successfully realized, and the length of time required developing a product in relative terms in associated with competing companies.

b) Operations cycle

In this stage, the company attempts to present solutions to customers in meeting their needs, where the company takes responsibility for recognizing crucial processes that might have a significant impact on customers and financial goals.

c) Post-sale service cycle

The role of the process of delivering products or services to customers involves the collection, storage, and distribution of products or services as well as after-sales services where the company attempts to provide further benefits to customers who have purchased products or services from the company.

4) Innovation and learning perspective

The purpose of the innovation and learning perspective is to present infrastructure to support the realization of the previous three perspectives. Financial, customer, and internal business perspectives play reveal gaps within the existing capabilities of the work, systems, and procedures and what is needed to achieve reliable performance.

#### **d. Benefits of Balanced Scorecard**

According to Olivia and Borba (as cited in Quesado, Guzmán, & Lima Rodrigues, 2018) emphasize that from applying a balanced scorecard in an organization, some several strengths and benefits can be generated, including the following:

- 1) Establishing a business model and translating it into indicators facilitates consensus for the entire company, not only of the management but also on how to achieve it.
- 2) It clarifies how day-to-day action affects not only the short-term but also the long-term (easily applicable to the control of daily work).
- 3) Once the balanced scorecard is in action, it can be used to communicate the company's plans, direct efforts in one direction, avoiding dispersion.
- 4) It can also be used as a tool to learn about the business. The comparison between the plans and the current results helps the management team to reassess and adjust both the strategy and action plans.
- 5) Support for objectives and organizational strategies (the measures are aimed at the strategy).
- 6) Structure and procedures based on systemic conception (complements financial measures with non-financial ones): a structured model that defines measures for all organizational levels (operational flexibility).

## **2.1.4 Analytical Hierarchy Process (AHP)**

### **a. Understanding Analytical Hierarchy Process**

Taherdoost (2018) explains that Analytical Hierarchy Process (AHP) that introduced by Saaty in the 1980s as a tough and beneficial tool to organize qualitative and quantitative multi-criteria elements that cover in decision-making behavior. Also, Palcic and Lalic (2009) identify that this method purposes to measure the relative priority of a particular group of alternatives on a ratio scale, based on emphasizing the importance of the decision-makers initial assessment including the consistency of the comparison of alternatives in the decision-making process and decision-maker judgment.

To make a decision applying the AHP method, Saaty (2008) illustrates the necessity as these following steps:

- 1) Determine the problem and decide the solution to be applied.
- 2) Determine the hierarchical structure of decisions from the top with decision objectives, then targets from the perspective through the middle level (containing criteria and related elements) to the lowest level (containing alternative steps).
- 3) Create a pairwise comparison matrix. Each element at the top level plays a role as comparative elements within the bottom level.
- 4) Decide the priority obtained of the priority weight comparison at a certain level with its below level, then replicate this step towards each element.

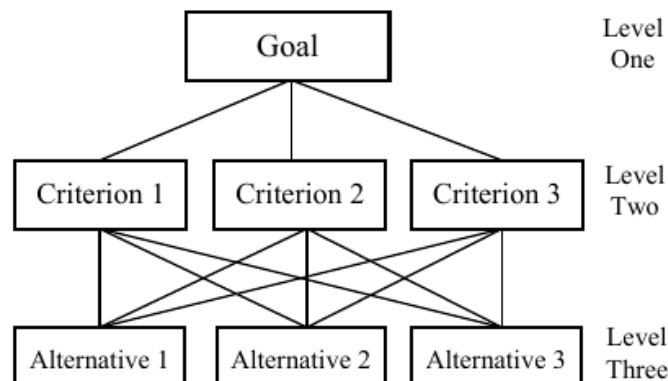
### **b. Steps to Conduct Analytical Hierarchy Process**

Taherdoost (2018) illustrated several steps to build the hierarchy elements as mention below:



- 1) In the first step, the problem and purpose of decision making are brought hierarchically into the scene of the related decision elements. Decision-making elements are measuring instruments of decisions and decision choices. The groups form a hierarchy that reflects the problem as define in the illustration in figure below:

**Figure 2.1.4**  
**Sample Hierarchy Tree**



Source: Taherdoost, 2018. *Decision Making Using the Analytic Hierarchy Process (AHP); A Step by Step Approach*. International Journal of Economics and Management Systems.

- 2) This step aims to conduct a pairwise comparison, in which a questionnaire has to be designed and distributed among the respondents (such as experts, managers, users, etc.) to collect their opinions. It should be noted that each decision-maker entered the desired number for each member and then the individual ratings (of each respondent) were converted into group assessments (for each pair of comparisons) using their geometric average. The scale ranges from one to nine where one implies that the two elements are the same or equally important. In contrast, number nine implies that one

element is very important than the others in a paired matrix. The paired scales and the significance values associated with each number are illustrated in Table 2.1.

**Table 2.1.4 (a)**  
**Scores for the importance of variable**

<b>Importance Scale</b>	<b>Definition of Importance Scale</b>
1	Equally Important Preferred
2	Equally to Moderately Important Preferred
3	Moderately Important Preferred
4	Moderately to Strongly Important Preferred
5	Strongly Important Preferred
6	Strongly to Very Strongly Important Preferred
7	Very Strongly Important Preferred
8	Very Strongly to Extremely Important Preferred
9	Extremely Important Preferred

Source: Taherdoost, 2018. *Decision Making Using the Analytic Hierarchy Process (AHP); A Step by Step Approach*. International Journal of Economics and Management Systems.

**Table 2.1.4 (b)**

**Sample of AHP Questionnaire**

How important are the following security criteria in comparison

Factor	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Factor
Privacy	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Reliability
Privacy	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Validation
Privacy	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Verification
Privacy	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Integrity
Privacy	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Confidentiality
Privacy	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Availability

Source: Taherdoost, 2018. *Decision Making Using the Analytic Hierarchy Process (AHP): A Step by Step Approach*. International Journal of Economics and Management Systems.

- 3) The third step purposes to validating the AHP results are calculated the consistency ratio formula (CR) with the formula  $CR = CI / RI$ , where the consistency index (CI) is measured by the formula below:

$$CI = \frac{\lambda_{max} - n}{n - 1}$$

Explanation:

$CI$  = Consistency index

$\lambda_{max}$  = Maximum eigen value of the matrix

$n$  = The number of elements being compared

In addition, it should be noted that consistency ratio lower than 0.10 verifies that the results of the comparison are acceptable.

### c. Advantages of Analytical Hierarchy Process

The ideas of advantages of this method are outlined in the following statement by Sasananan et al. (2016):

- 1) Unlike relative benefit or dimensional analysis methods, this can only deal with two alternatives at one time. Analytical hierarchical processes can consider multiple options, parameters, or factors at once and allow comparisons to be made.
- 2) It can take into account over complex conditions under consideration where the varieties of weights are assigned to the same problem. Weights may also be given to Judges' opinions.
- 3) This is a conventional approach in which consensus can be reached on numerous evaluation factors and their impacts on the final determination.
- 4) Interrelationship among the criteria can be established.
- 5) The AHP hierarchy is exceedingly effective and beneficial in problem structuring.
- 6) Inconsistent ratings may trace with a consistent ratio.
- 7) It is a reasonable tool for qualitative and subjective component criteria.
- 8) The application of the AHP approach in group decision making could result in preferable communication to comprehend the problems to be modeled.
- 9) Analytical hierarchy process can be applied in any organization with any level of expertise as inputs are normalized.

## 2.2 Previous Studies

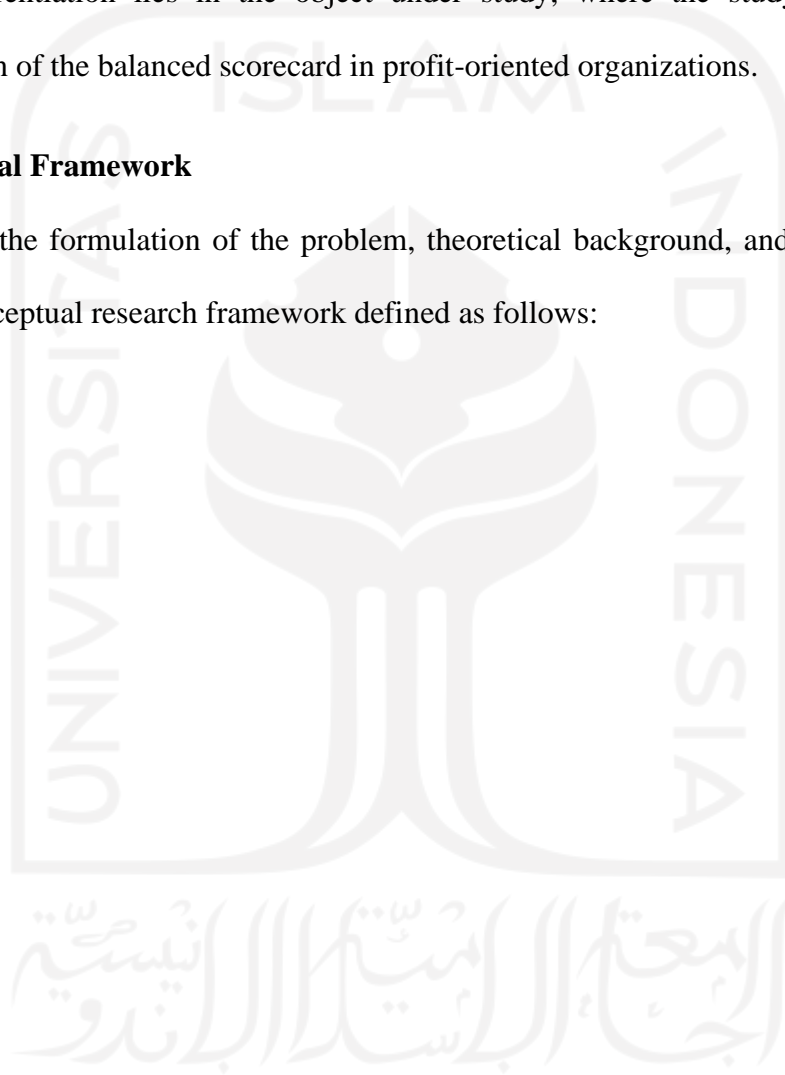
Research on the design of performance measurement practicing the balanced scorecard method is widely carried out in various global organizational sectors. As the foundation for this research, there were several previous studies conducted as including:

- 1) Panudju et al. (2018) examined The Performance Measurement of a Company Using the Balanced Scorecard (BSC) Method and Weighting the Analytical Hierarchy Process (AHP) at PT. ABC, Tbk. The purpose of this study was to determine the performance measurement system of PT. ABC, Tbk, which includes financial perspectives, customers, internal business processes, and learning and growth. The similarity with this research is that both the balanced scorecard method and the use of the analytical hierarchy process. Whereas, the differences placed in it lie in the object under study specifically at the profit organization.
- 2) A research from Dekrita et al. (2019) with the title “Integration of Balanced Scorecard and Analytical Hierarchy Process as a Tool for Determining the Priority of the Program Strategy: Case Study in Dr.Tc.Hillers Maumere Hospital” aims to measure hospital performance based on a combination of balanced scorecard method and analytical hierarchy process method by four perspectives, which consist of customer perspective, finance, internal business processes, and learning and growth, including to determine the priority strategies that require to be performed at Dr.TC. Hillers Maumere Hospital. The resemblance in this research was to focus on applying the balanced scorecard to non-profit organizations. Nevertheless, the difference lies in the object under study.
- 3) Santos (2020) emphasized The Measurement of Company Performance Using the Balanced Scorecard Approach at PT. Indo-Rama Synthetics Tbk. The purpose of this

study was to determine the weighting of the balanced scorecard (BSC) perspective using the analytical hierarchy process (AHP) to restrict performance measurement based on scores from the BSC perspectives and to decide whether performance indicators require improvement or not based on the Traffic Light System at PT. Indo-Rama Synthetics Tbk. The differentiation lies in the object under study, where the study focuses on the application of the balanced scorecard in profit-oriented organizations.

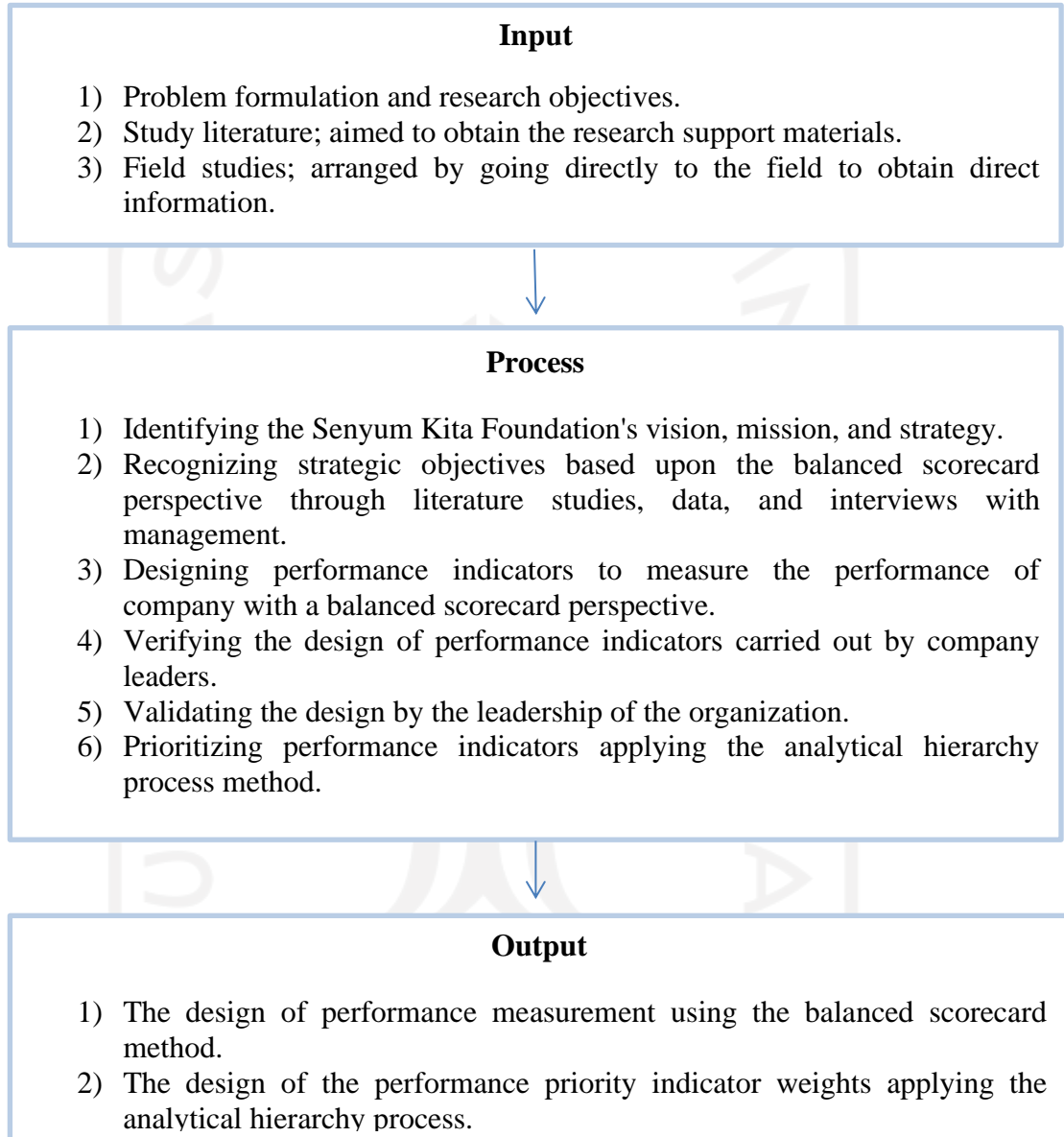
### **2.3 Theoretical Framework**

Based on the formulation of the problem, theoretical background, and various previous studies, a conceptual research framework defined as follows:



**Figure 2.3**

**Theoretical Framework**



*Source: Edison, 2016*

## CHAPTER III

### RESEARCH METHOD

#### 3.1 Research Method

This research applied a qualitative method that arranged with supporting theories. According to Mohajan (2018) qualitative research aimed to represent and define a problem or phenomenon systematically from the point of view of the individual or population being studied and generate new concepts and theories. In addition, Berg and Howard as stated in Daniel (2016) explained that qualitative research also identifies as meanings, symbols, metaphors, concepts, definitions, and descriptions of something.

In addition, this research held by identifying the vision, mission, and organizational strategy of the *Senyum Kita* Foundation which obtained from interviews with internal parties and designing key organizational performance indicators. It proceeded with the validation of the key performance indicator design that carried out by the organization's leader. Also, it continued with observations from a broad perspective and views the relations among previous concepts.

#### 3.1 Research Setting

This research conducted in Yogyakarta with objected to departmental units within the *Senyum Kita* Foundation. This research is aimed at measuring organizational performance that does not yet perform a concept of measurement that covered the whole perspectives of



the *Senyum Kita* Foundation. Hence, the expected results in this research are prepared to construct a performance measure. This expected result covered all perspectives through the design of the balanced scorecard, so that it can assist organizations in providing feedback on strategic decisions.

### **3.2 Types and Sources of Data**

The type of data utilized in this research is a qualitative approach using various forms of data collection including interviews, descriptions of observations, and document analysis. The purpose of this approach is to provide a comprehensive description of the background, characteristics, distinctive characters, and individual status.

Sources of data practiced in this research used primary data and secondary data. The primary data of this study are collected by direct observation on the *Senyum Kita* Foundation as the object of this research and interview with its leaders and employees regarding the required data. The observation was carried out by observing the organizational culture, particularly in the internal departments, and conducting interviews with leaders and employees regarding the required data. Additionally, secondary data in this study is in the form of data obtained based on literature studies on the related issues. This data performs as a theoretical foundation that might be obtained from the literature study.

### **3.3 Research Procedures**

The data used in this research collected by applying primary and secondary data collection approach, where classified into particular techniques, including:

- 1) The preliminary study. At this step, the researcher arranged visits to the *Senyum Kita* Foundation which planned to find and collect the data necessitated in the research. Besides, researcher also requested permission to conduct research with field studies and design a performance measurement system for the *Senyum Kita* foundation.
- 2) The literature study. This step is intended to find theories and other studies that underlie research activities.
- 3) Field study. In this step, the research conducted by going direct to the field to obtain information by involving three kinds of data collection procedures, specifically through documentation, observation, and interviews. The particular documents might comprise of official or unofficial written documents, as well as data collection for documentation, including company profiles and performance data of the *Senyum Kita* Foundation. Furthermore, observation is one of the data collection techniques by proceeding direct observation of organizational activities and the circumstances of the operational processes that exist in the research object. The interviews arranged to collect data by conducting direct dialogue with the subjects to obtain information verbally by involving the president director, department leaders, and employees.
- 4) The questionnaire. This step contained data collection that executed by inquiring written questions to respondents form certain departments in the *Senyum Kita* Foundation.

### **3.4 Data Analysis Process**

#### **3.4.1 Thematic Analysis**

As presents the fundamental process in performing several other forms of qualitative analysis, the thematic analysis should be the foundational method for qualitative analysis (Braun & Clarke, 2006). In addition, Howitt and Cramer (2008) retrieved in Laksmi (2015) stated that thematic analysis is an analysis of textual material that reveals the main themes in it. A theme is a subject or topic on which a person articulates, scribes, or visualizes. Thematic analysis is an approach to extracting meanings and concepts from data, including pinpointing, examining, and recording patterns or themes.

Jones and Forshaw (2012) in Laksmi (2015) examined that thematic analysis involves coding text, reading and rereading it, and regard to words or concepts that show to reform on it. The words or concepts are then coded and on further reading, these might be adjusted and transformed, either by combining some of the code under a distinct theme or apportioning it into pair disparate themes.

#### **3.4.2 Coding**

One of the most essential processes in conducting research in qualitative research is coding. Creswell (2015) examined coding as the process of analyzing qualitative text data by grouping it to examine what they come up with before placing the data back collectively in a significant manner. In addition, coding defined as fundamental indexing or mapping data to provide an overview of various data that allows the researcher to

process their research queries (Elliott, 2018, p. 2851). The idea of coding in qualitative research is outlined in the following statement by Saldaña (2016):

A code in qualitative inquiry is most often a word or short phrase that symbolically assigns a summative, salient, essence-capturing and/or evocative attribute for a portion of language-based or visual data. (p.4)

Coding can be categorized as a form of simplification of more complex data forms. Also, Laksmi (2015) went so far as to examine a further explanation in relation to coding of qualitative study:

Codes are usually attached to data “chunks” of different size and can take the form of a straightforward, descriptive label or a more suggestive and complex one. In other words, coding is the data analysis in qualitative research. Coding is a deep reflection about, and, therefore an in-depth analysis and interpretation of the meaning of the data (p. 155)

Therefore, the coding process helped researcher in identifying themes which might be inferred from the results of data collection concentrated on reducing data overlap.

### **3.4.3 Data Analysis Process**

This stage aimed to examine the data analysis process in order to answer the research questions posed in this research. The research problems identified in this research are:

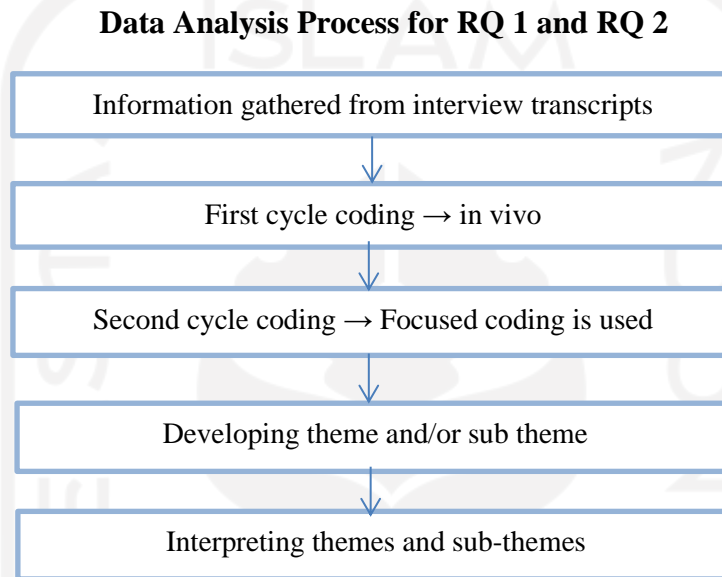
RQ1: How to design performance measurement on the *Senyum Kita* Foundation by adopting the Balanced Scorecard method?

RQ2: How are the weights of organizational performance based on the Analytical Hierarchy Process in *Senyum Kita* Foundation?

Data analysis for this research performed with empirical data obtained over qualitative data. This is the form of a tangible collection of words, instead of a series of

numbers and cannot be arranged into structure classification. This research adopted data analysis process based on the research of Laksmi (2015). The process of data analysis showed in this figure below:

**Figure 3.5.3**



*Source: Laksmi, 2015*

Table 3.5.3 below provided an overview of themes adopted from study of Laksmi (2015) which adapted with several modifications based on the themes in this research:

**Table 3.5.3**

**Overview of Themes**

No.	BSC Perspective	Themes	Sub-Themes
1	Internal business process	Human resource allocation	- Placement of workers and volunteers in specific division or program
2	Internal business process	Working process	- Flow of work process - Procedures in executing program or

			project
3	Finance	Fundraising process	- Flow of financial funding and sponsorship process - Responsibility center to support the program's funding
4	Finance	Strategy in fundraising	- Specific approach in gaining fund and building partnership
5	Internal business process	Organizational performance measurement	- Specific method in measuring performance

### 3.4.4 Reliability and Validity

The reliability and validity of the data take a vital part for the result of research. Rose and Johnson (2020) claimed that reliability in a qualitative research study attributed to the soundness of the research, primarily concerning at what the appropriate methods are chosen, and how those methods were applied and implemented. Also, Boyatzis (1998) in Laksmi (2015) performed transcription reliability requires consistency of assessment that defended or diminished projection contamination. Boyatzis (1998) in Laksmi (2015) explained that the consistency of assessment with qualitative information appeared in two basic forms: (1) consistency of judgment among various participants; and (2) consistency of judgment over time, events, and places.

On the other hand, according to Creswell and Miller (2000); Lincoln, Lynham, and Guba (2013) as retrieved in Rose and Johnson (2020) examined that validity attributed to the process of discovering the fidelity or accuracy of the findings from the viewpoint of the researcher, the participants, and/or the users of the research. In addition, Kvale and Brinkmann (2009) in Laksmi (2015) emphasized that there are three techniques to ensure the validity of interview knowledge, specifically: (1) validity as the quality of craftsmanship; (2) communicative validity; and (3) pragmatic validity. Work validity referred to validation as relied on the quality of the researcher's expertise during

the investigation, and continued to examine, question, and theoretically interpret the findings that are used in answering research questions, reviewed frequently, questioned and interpreted theoretically and compared with other studies (Laksmi, 2015).

Moreover, these are also correlated with the responsibility of the researcher to report and document his or her analytical processes and procedures, so that others may be able to evaluate the clarity and credibility of its findings. Therefore, the reliability and validity are conceptualized as instruments to evaluate the level of trust, accuracy, and quality in the quantitative perspective, while in a qualitative perspective it can be equated with credibility, transferability, and dependability.

### **3.5 Stages of Data Analysis**

#### **3.5.1 Early Stages of Analysis Design**

This stage is the first step in conducting data analysis, where consist of several steps, namely:

- 1) Identify the problem formulation and research objectives. The role of this stage is to view the goals and objectives of the research by conducting observations on the operational activities at *Senyum Kita* Foundation.
- 2) Data collection. In this step, the researcher collected the essential data obtained from the director or leaders of the *Senyum Kita* Foundation as a resource through interviews, observations, and documentation.

### 3.5.2 Designing Performance Measurement System

This design stage performed in several techniques, as mention below:

- 1) Designing a balanced scorecard by identifying the organization's vision, mission, and strategy.
- 2) Designing the key performance indicators. Performance indicators serve as a foundation for assessing performance levels in all organizational activities. The determination of these performance indicators may assist organizations in evaluating its activities. Also, in determining performance indicators, it is necessary to consider the suitability of performance achievement with organizational planning, possible obstacles faced, and the availability of organizations' resources.
- 3) Validating the design of the key performance indicator by the organization's leaders. This stage aimed to determine the dimension necessitated to measure performance using the balanced scorecard method at the *Senyum Kita* Foundation.
- 4) Weighting the analytical hierarchy process method. This step conducted by providing questionnaires to assign the weights for each key performance indicators. This process executed by the leaders of the *Senyum Kita* Foundation to rank key performance indicators that possess the significant to minor impacts on the organization.

### 3.5.3 Final Stages of Analysis Design

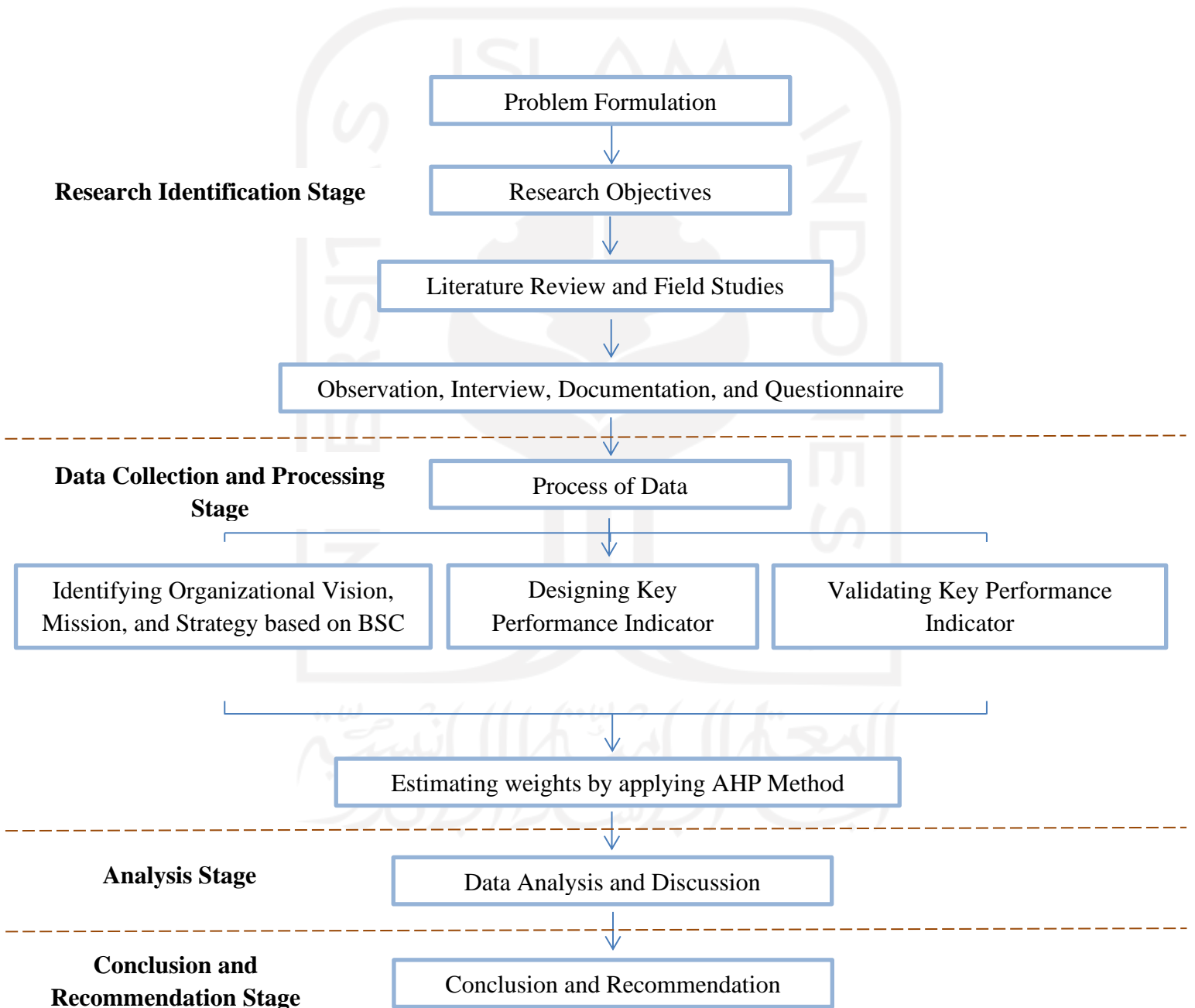
This technique analysis design stage classified into several steps, namely:

- 1) Data analysis. This step carried out by identifying data analysis to discover which parts of the organization are performing inadequately.



- 2) Illustrating conclusions and suggestions. The results of the research expected to support and simplify the performance measurement in *Senyum Kita* Foundation

**Figure 3.6.3**  
**Flowchart of Research Methods**



Source: Edison, 2016

## CHAPTER IV

### FINDINGS AND DISCUSSION

#### 4.1 Organization Overview

*Senyum Kita* Foundation is a Non-government Organization focusing on empowerment and non-formal education for vulnerable youth and people with disabilities. This organization was initiated on the year 2009 and legally transformed into Foundation in 2015.

There are amount of programs driven by the *Senyum Kita* Foundation, including:

- 1) *Lembaga Kesejahteraan Sosial (LKS)*. The LKS program covered scholarships program, learning courses, and soft skills training for vulnerable youth and people with disabilities.
- 2) *Unit Kegiatan dan Kerelawanan Senyum (KKS)*. This program included the annual events project and volunteerism programs, such as charitable events and an art event project for the orphans and youth with disabilities around Yogyakarta City.

In the implementation process of the programs at the *Senyum Kita* Foundation, several divisions contribute to supporting the attainment of these programs. These divisions include the program division, operations, fundraising, and several other divisions. Figure 4.1 is an overview of the organizational structure in the *Senyum Kita* Foundation.



programs performs in every three months. It aims to determine which programs are the priority and focus of the organization in the future period.

To raise funds or sponsorship, the fundraising division stands as a vital role for the *Senyum Kita* Foundation. All funding in each division serves as the responsibility of its division. Therefore, the fundraising division is required to determine its communication and segmentation strategy tailored to the goals and objectives of the program. Additionally, the process of raising funds and sponsorship has performed through social media campaigns, online and offline marketing, recommendations, and partnerships with associate organizations or companies.

#### **4.1 Vision and Mission of Senyum Kita Foundation**

*Senyum Kita* Foundation is a Non-government Organization accredited by the Ministry of Social Affairs of the Republic of Indonesia. To attain its goals, an organization is compelled to have a vision and mission. The vision of the *Senyum Kita* Foundation is "to become a trusted social-based institution and contribute to building a compassionate, independent, creative, and innovative young generation." The mission that *Senyum Kita* Foundation aspired to form, including:

- 1) Organizing youth-based creative social activities as core actions
- 2) Building mutual support among institutions/groups that have the coequal purposes
- 3) Providing quality education and training programs for youth
- 4) Catalyzing a caring, independent, creative, and innovative young generation through community empowerment programs.

## 4.2 Design of Performance Measurement System

The design of performance measurement at the *Senyum Kita* Foundation is performed in stages which include determining the Balanced Scorecard perspective, identifying the organization's vision and mission, identifying performance indicators, validating the initial design of performance indicators, designing a strategy map, formulating Key Performance Indicators (KPI), as well as creating hierarchies and weighting the KPI using Analytical Hierarchy Process.

### 4.2.1 Balanced Scorecard Perspectives

The further step after identifying the organization's vision and mission aimed to describe and associate it to the four perspectives of the balanced scorecard. From the results of interviews with the leader of the *Senyum Kita* Foundation, it was found that the strategies used were as shown in table 4.1 below.

**Table 4.3.1**

#### **Strategic Objectives and Key Performance Indicators in Balanced Scorecard Perspectives for *Senyum Kita* Foundation**

<b>Perspective</b>	<b>Strategic Objective</b>	<b>Key Performance Indicator</b>
Financial	<ul style="list-style-type: none"> <li>- Growth of fund</li> <li>- Community building</li> <li>- Budget efficiency</li> </ul>	<ul style="list-style-type: none"> <li>- Increase net amount of funds raised from donors</li> <li>- Increase income from Badan Usaha Sosial Milik Yayasan (BUSMY)</li> <li>- Increase rate amount of sponsorship and partner's funding</li> <li>- Optimize percentage rate of budget efficiency compared to the previous year budget</li> </ul>
Costumer	<ul style="list-style-type: none"> <li>- Donors and partners satisfaction</li> <li>- Regular donor growth</li> </ul>	<ul style="list-style-type: none"> <li>- Increase donors' and partners' satisfaction score</li> <li>- Escalate growth rate in the number of recent donors and partners</li> <li>- Advance growth number of regular donors</li> </ul>
Internal	<ul style="list-style-type: none"> <li>- The value benefit of</li> </ul>	<ul style="list-style-type: none"> <li>- Enlarge total value benefit of the program</li> </ul>

Business Process	<ul style="list-style-type: none"> <li>- program</li> <li>- Organizational professionalism</li> </ul>	<ul style="list-style-type: none"> <li>- Maximize effectiveness of human resource planning and development system</li> <li>- Maximize effectiveness of human resource supervision and control system</li> <li>- Improve reporting time compliance for quarterly performance management report and annual report</li> </ul>
Learning and Growth	<ul style="list-style-type: none"> <li>- Employee satisfaction</li> <li>- Employee skills</li> <li>- Employee turnover</li> </ul>	<ul style="list-style-type: none"> <li>- Increase employee satisfaction index</li> <li>- Maximize total hours of training</li> <li>- Reduce rate of employee turnover</li> </ul>

In this stage, the strategic objectives and key performance indicators were grouped based on the four balanced scorecard perspectives. Strategic objectives were the goals that have further specific purposes than the vision and mission of the organization where this is a certain ideal condition to be achieved by an organization. Also, this condition occurred depending on considerations related to a predetermined strategy. In addition, the existence of strategic targets in each perspective made it more apparent in determining the KPI elements. The strategic objectives of the *Senyum Kita* Foundation in each perspective, including:

- 1) Financial perspective. Financial performance measured illustrate the extent to which the organization's strategies and practices, while the implementations contributed to profit raising, integrated related purposes with the associates, and maximized the use of financial resources. Strategic objectives from a financial perspective carried out by the *Senyum Kita* Foundation include:
  - a) Growth of funds
  - b) Community building
  - c) Budget efficiency
- 2) Customer perspective. In this perspective, the strategy carried out by the *Senyum Kita* Foundation focused on maximizing the satisfaction rate of partners and donors, as well

as establishing sustainable relationships with the current or potential donors and partners.

The strategic targets in this perspective, including:

- a) Donors and partners satisfaction
  - b) Regular donor growth
- 3) Internal business processes. As a social-based organization, *Senyum Kita* Foundation is required to maintain its programs to ensure its benefit values and increase the strength of the internal system. Strategic targets in the perspective of the internal business process carried out by the *Senyum Kita* Foundation, including:
- a) The value benefit of the program
  - b) Organizational professionalism
- 4) Learning and growth. In this perspective, the focus of the organizational strategy posed on the index of employee satisfaction, employee capabilities, and the organization's ability to manage resources optimally. The strategic targets in this perspective, including:
- a) Employee satisfaction
  - b) Employee skills
  - c) Employee turnover.

For the results of grouping strategic objectives on each perspective balanced scorecard at the *Senyum Kita* Foundation fourteen points set as the strategic focus consisting of four points from the finance and internal business process perspective, three points of strategic objectives from the customer perspective, and three points of strategic objectives from the learning and growth perspective.

From a financial perspective, the focus on the organization's strategic objectives aimed to increase the number of donor funding figures, increased the number of income figures from Foundation-Owned Social Enterprises, increased the percentage number of funding from sponsors and partners, and optimized budget efficiency within a year. In measuring the completion parameter of financial performance in non-profit organizations such as the *Senyum Kita* Foundation, there were several differences in the elements that determine the progress of the performance of profit organizations in general. Management in non-profit organizations tended to focus on their performance to increase funding for program posts of core activities. In the strategy of expanding the number of donor funding figures and the percentage of total funding from sponsors and partners, the fundraising division became the party that responsible for measuring this specification. Furthermore, the strategy to expand revenue from BUSMY became the responsibility of the division itself. For optimizing budget efficiency, it was the function and responsibility of the operational division.

In addition, from the customer perspective, the focus strategic objectives aimed to increase the number of donor's and partner's satisfaction scales, escalating the percentage growth rate of regular donors and new donors, and partners within a period. In this perspective, every measurement in each strategic objective was the responsibility of the fundraising division.

From the internal business process perspective, three objectives became the focus of the *Senyum Kita* Foundation, including enlarging the value of the impact of program benefits, maximizing the percentage of effectiveness of the Human Resource planning and development system, Human Resource monitoring and control, and improving the reporting time compliance for quarterly performance management report and annual report. Each measurement in this strategic objective was the responsibility of the operational division.



From the perspective of learning and growth, the strategic objectives that became the focus of *Senyum Kita* Foundation were increasing the satisfaction index of the management, maximizing the target for the training hours of management, and minimizing the percentage of employee turnover. All strategic measurements in this perspective became the responsibility of the operational division within a period of time.

#### **4.2.2 Map Strategy of Senyum Kita Foundation**

The strategy map is a link to each strategic objective based on the perspectives of the balanced scorecard method. Map strategy aimed to determine the relationship among strategic objectives in varied perspectives and the relationship within strategic objectives in the related perspective.

The strategy map for the *Senyum Kita* Foundation began with strategies from a learning and growth perspective. In this perspective, the focus strategy of the organization was to enhanced the satisfaction index of the management, increased the target of achieving the management's training hours, and minimized the percentage of employee turnover. These three strategies had a significant influence on the organization's processes in achieving its goals. It is because these perspectives were related to human resources that stood as main drivers in all business processes or activities within the organization.

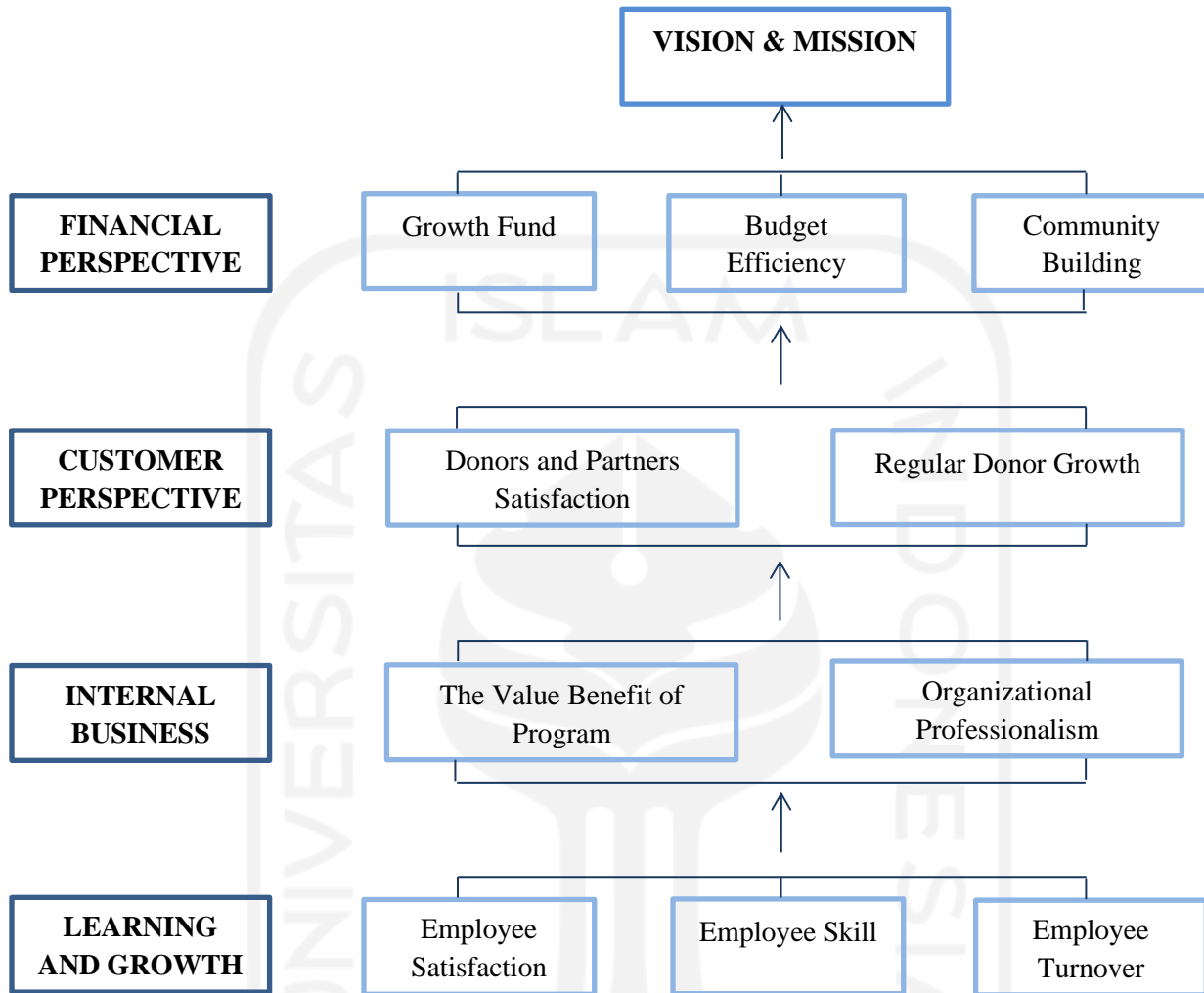
Moreover, the perspective that is positioned on one level above the learning and growth perspective is the internal business process perspective. This perspective acted as a liaison among donors and partners as customers and workers in the organization. From this perspective, there were three core strategic focuses to be achieved by the *Senyum Kita* Foundation, including enlarging the total value benefit of the program, maximizing the

effectiveness of human resource planning and development system, maximizing the effectiveness of human resource supervision and control system, and improving the reporting time compliance for quarterly performance management report and annual report. The significance of these three strategic objectives also influenced the organization's readiness to build the trust of donors and partners in establishing sustainable mutual relationships.

The effect of increasing number of donor and partner satisfaction scales, escalating the percentage growth rate of permanent donors, new donors, and partners within a year on the customer's perspective played a vital role in determining the sustainability of the organization's relationship with stakeholders. On the measurement of the donor and partner satisfaction scale, the organization comprehended the extent to which the organization could meet the expectations of its customers.

From a finance perspective, customer satisfaction and loyalty had a significant role in the organization. It aimed to enhance the revenue growth from fundraising and sponsorships, BUSMY, potential donors and partners, and regular donors. Increasing the effectiveness of the budget also performed a central role in controlling and maximizing the financial resources according to the needs of each post of responsibility center.

**Figure 4.3.2 Map Strategies (The Casual Relation)**



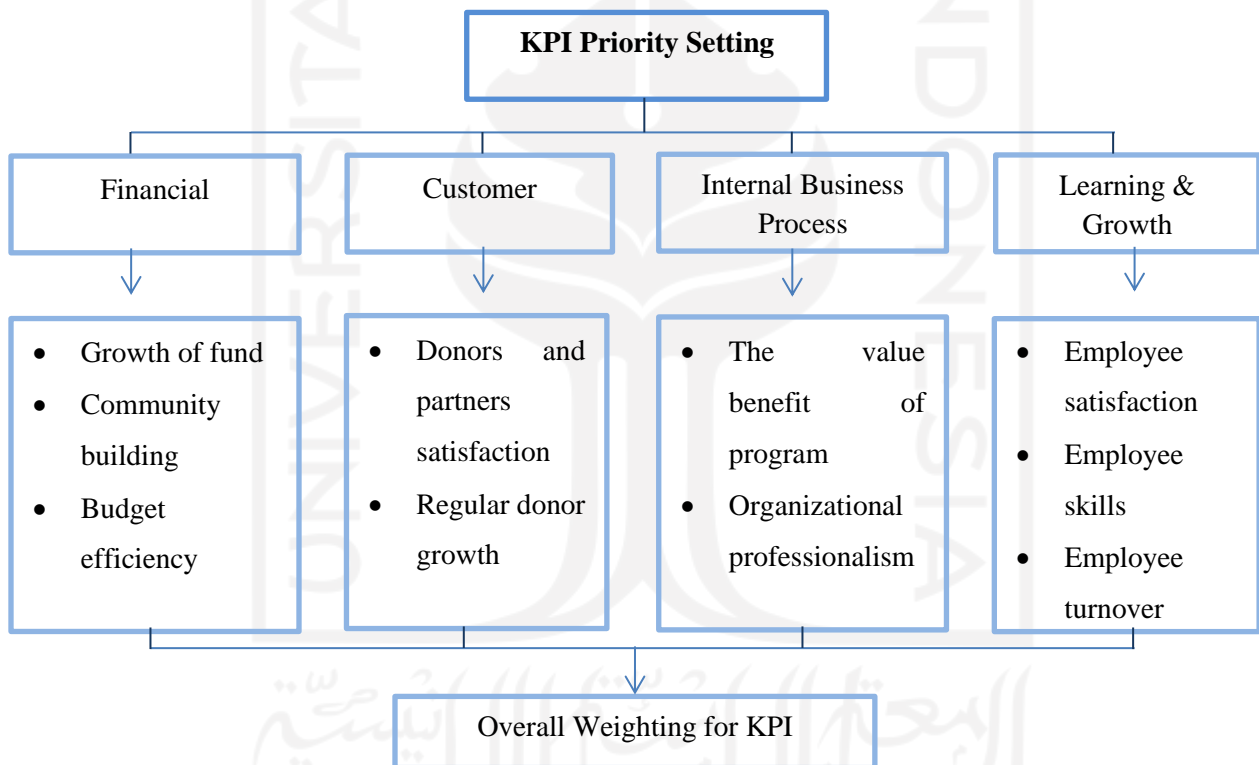
**4.2.3 Key Performance Indicator of Senyum Kita Foundation**

In the Key Performance Indicator (KPI) formulation stage, the author conducted a comprehensive discussion with the president director of the *Senyum Kita* Foundation. From the results of this discussion, there were fourteen KPI formulations from all balanced scorecard perspectives consisting of four focus objectives from the finance perspective, three focus

objectives from the customer perspective, four focus objectives from the internal business process perspective, and three focus objectives from the learning and growth perspective.

The priority scale determination for each KPI element is discovered through a validation process on the balanced scorecard's element objectives. Furthermore, each KPI element is arranged into a hierarchy according to the weighting plot of each perspective. Here is the KPI hierarchy for the *Senyum Kita* Foundation which illustrated in figure 4.3 below:

**Figure 4.3.3 Priority Setting Flow Chart**



**4.3 Weighting using AHP Method**

The weighting process of the Key Performance Indicators (KPI) on the *Senyum Kita* Foundation is performed by accomplished the validation process from the organization's

leadership. The weighting of the KPIs carried out in this study was executed only for the four perspectives of the balanced scorecard and overall the strategic objectives. Furthermore, the weighting of KPIs is performed by setting priorities for each element using the Analytical Hierarchy Process (AHP) method. In this research, the measurement was performed by compared in pairs among the elements using the Expert Choice software. In addition, the comparison results showed the weighting results in the form of numbers for each KPI element component. The results with the highest number indicate that the element will be the main priority for handling, and the lowest number indicates that the element becomes a secondary priority.

#### 4.3.1 Weighting Result of Balanced Scorecard Perspectives

The results for the weighting process of the four balanced scorecard perspectives on the *Senyum Kita* Foundation showed that the learning and growth perspective remained the highest score with a value of 0.334, and the customer perspective obtained the second-highest position with a value of 0.254. Besides, the internal business process perspective placed in the third position with a value of 0.245, and the financial perspective held in the last position with a value of 0.167. Table 4.4.1 exhibited the result of the weight comparison on each perspective of the balanced scorecard.

**Table 4.4.1 Weighting Result for Balanced Scorecard Perspectives**

Perspective	Value
Finance	0,167
Customer	0,254
Internal Business Process	0,245
Learning and Growth	0,334

*Source: Primary Data, 2021*

### 4.3.2 Weighting Result of Key Performance Indicators

From a finance perspective, there were four KPIs that are the focus of the *Senyum Kita* Foundation. The weighting results demonstrated that the Funding from Sponsors and Partners element held the highest score with a value of 0.298. The Funding from Donors element remained the second-highest position with a value of 0.281, while the income from BUSMY element occupied the third position with a value of 0.245. In the last position, the budget efficiency element stood at the last place with a value of 0.176. Table 4.4.2 (a) is the result of comparison for all KPIs from a financial perspective.

**Table 4.4.2 (a)**

#### **Weighting Result for Financial Perspective**

<b>Key Performance Indicator</b>	<b>Value</b>
Funding from Donors	0,281
Income from BUSMY	0,245
Funding from Sponsors and Partners	0,298
Budget Efficiency	0,176

*Source: Primary Data, 2021*

Furthermore, the weighting result from the customer perspective showed the three elements had identical weight values. Donor and partner satisfaction, donor and partner growth, and regular donor growth each have a weight value of 0.333. Table 4.4 is the result of a comparison of all elements from the customer perspective.

**Table 4.4.2 (b)**

**Weighting Result for Customer Perspective**

<b>Key Performance Indicator</b>	<b>Value</b>
Donors and Partners Satisfaction	0,333
Donors and Partners Growth	0,333
Regular Donors Growth	0,333

*Source: Primary Data, 2021*

Moreover, from the internal business process perspective, there were four KPIs that became the focus of the organization. Based on the weighting results from this perspective, the value benefit of the program element held the highest position with a value of 0.406, while the human resource planning and development element stood the second position with a value of 0.237. Then in the third place the human resource supervision and control element with a weight value of 0.208 and reporting time compliance in the last position with a value of 0.148. Table 4.5 described the results of the weighting of all elements in the internal business process perspective.

**Table 4.4.2 (c)**

**Weighting Result for Internal Business Process Perspective**

<b>Key Performance Indicator</b>	<b>Value</b>
Value Benefit of Program	0,406
Human Resource Planning and Development	0,237
Human Resource Supervision and Control	0,208
Reporting Time Compliance	0,148

*Source: Primary Data, 2021*

The weighting results on the learning and growth perspectives showed identical results for all elements where the employee satisfaction index, number of training hours, and employee turnover index each had a value of 0.333. Table 4.6 illustrated the results of the weighting of the learning and growth perspective.

**Table 4.4.2 (d)**

**Weighting Result for Learning and Growth Perspective**

<b>Key Performance Indicator</b>	<b>Value</b>
Employee Satisfaction Index	0,333
Total Hours of Training	0,333
Employee Turnover Index	0,333

*Source: Primary Data, 2021*

**4.3.3 Overall Weighting Results**

Based on the weighting results for all elements of overall indicators in all balanced scorecard perspectives, it represented that the learning and growth perspective implied as the main priority in measuring performance at the *Senyum Kita* Foundation with a weighted value of 0.334. In the following place, the customer perspective stood the second main priority with a weighted value of 0.254. The internal business process and finance perspectives held the third and fourth priorities, respectively, with a weighted value of 0.245 and 0.167.

From the results of the weighting of all KPI elements in the four balanced scorecard perspectives, it was found that the three elements of the learning and growth perspective remain the top priority with a weighted value of 0.114 for particular elements. Moreover, the fourth to sixth positions are placed by the customer perspective with a weighted value of 0.087 on the elements of donor and partner satisfaction, donor and partner growth, and regular donor growth.

Placing the seventh priority, the value benefit of the program has a weighted value of 0.084. The eighth and ninth priorities are the elements of funding from sponsors and partners with a value of 0.057 and funding from donors with a value of 0.054. In the tenth priority, human



resource planning and development had a weight value of 0.049. Furthermore, the element of income from BUSMY holds the eleventh priority with a weight value of 0.047 and the element of human resource supervision and control places the twelfth priority with a value of 0.043. Finally, in the thirteenth and fourteenth positions, the elements of budget efficiency and reporting time compliance have a weighted value of 0.034 and 0.031. Table 4.7 represented the overall weighting results of the KPIs.

**Table 4.4.3**

**Overall Weighting Results of Key Performance Indicator**

<b>Perspective Weights</b>	<b>Perspective</b>	<b>Indicator</b>	<b>Indicator Weights</b>
0,167	Finance	Funding from Donors	0,054
		Income from BUSMY	0,047
		Funding from Sponsors and Partners	0,057
		Budget Efficiency	0,034
0,254	Customer	Donors and Partners Satisfaction	0,087
		Donors and Partners Growth	0,087
		Regular Donors Growth	0,087
0,245	Internal Business Process	Value Benefit of Program	0,084
		Human Resource Planning and Development	0,049
		Human Resource Supervision and Control	0,043
		Reporting Time Compliance	0,031
0,334	Learning and Growth	Employee Satisfaction Index	0,114
		Total Hours of Training	0,114
		Employee Turnover Index	0,114

*Source: Primary Data, 2021*

#### 4.4 Data Analysis and Discussion

Based on the results of the analysis of performance measurement data at the *Senyum Kita* Foundation, the learning and growth perspective stood as the main priority that occupied the first position. It represented the focus of the organization which is to improve aspects related to the continuation of the organization's business management activities, including the aspects of employee capabilities, individual productivity levels, organizational performance improvements, and the organization's ability to adapt to existing business changes. The capability of an organization to develop its resources is one of the significant factors to endure in the era of global business change as it is today. In the process of measuring performance at the *Senyum Kita* Foundation, the weighting results showed that there are three elements of indicators that become the focus of the organization, namely, employee satisfaction index, total hours of training, employee turnover index. In this perspective, the three elements of indicators had the same weight value, namely 0.114. This showed that the elements of the employee satisfaction index, total hours of training, employee turnover index had an equitable priority of importance. In addition, the increase in the employee satisfaction index and total hours of training showed the importance of the quality of human resources in the process of activities at the *Senyum Kita* Foundation. The process of increasing the satisfaction of human resources and the qualities of their skills would have a close influence on the level of employee productivity in realizing genuine work programs and having a high value of benefits for the beneficiaries. Furthermore, reducing the rate of employee turnover showed that organizations committed to build a good employee engagement to create a sense of pride in their work and a positive atmosphere in their work environment. Therefore, these three elements of indicators were in line with the *Senyum*

*Kita* Foundation's vision, which is to contribute to building a compassionate, independent, creative, and innovative young generation.

Moreover, the second priority in the performance measurement results at the *Senyum Kita* Foundation was the customer perspective. The central purpose from this perspective was to create a service that had high value for potential target customers. There were three focus indicators that became organizational priorities, including donor and partner satisfaction, donor and partner growth, as well as regular donor growth. The results of measurements in this perspective showed the results of the same weight value, namely 0.087 on all elements of KPI. This showed that the organization places the elements of donor and partner satisfaction, donor and partner growth, and regular donor growth on the priority elements simultaneously. These three elements of KPI are closely related to each other because the satisfaction of donors and partners became a key factor in increasing the growth rate of new or regular donors and the number of new partners. In addition, donor and partner satisfaction performed an essential role for the *Senyum Kita* Foundation since donors and partners who satisfied with the services of the organization would tend to show that they planned to continue to address and recommend the organization to others. Furthermore, these three elements of all indicators were in line with the mission of the *Senyum Kita* Foundation, particularly in building the mutual support among institutions/groups that had coequal purposes.

The third priority focus of the *Senyum Kita* Foundation's KPI was the internal business process perspective. This perspective was a supporting factor in improving the quality of service related to the customer perspective. There were four focus elements of indicators that become organizational priorities, namely the value benefit of the program, human resource planning and development, human resource supervision and control, and reporting time compliance. From the

results of weighting with the AHP method, the value benefit of the program element is in the most priority position with a weighted value of 0.084. This explicated that the organization placed this element as a prime priority, which meant the value of the impact of program benefits had a decisive effect on the sustainability of activities and internal operational processes in the *Senyum Kita* Foundation. In addition, this point was also in line with the organization's missions, namely organizing youth-based creative social activities as core actions, providing quality education and training programs for youth, as well as catalyzing a caring, independent, creative, and innovative young generation through the community empowerment programs. Moreover, in the second, third, and fourth positions, the organization's priorities were human resource planning and development, human resource supervision and control, and reporting time compliance with a weighted score of 0.049, 0.043, and 0.031, respectively. These three elements of indicators were the commitment of the *Senyum Kita* Foundation in realizing a professional organization as outlined in its vision, namely to become a trusted social-based institution.

Furthermore, the financial perspective remained the fourth priority position in the overall weighting results of the balanced scorecard perspective. In general, the finance perspective focuses on organizational performance in obtaining maximum funds by utilizing existing resources. The results analysis from this perspective revealed that the *Senyum Kita* Foundation prioritizes four elements of its indicators, namely, funding from donors, income from BUSMY, funding from sponsors and partners, and budget efficiency. In the first and second priority positions, the elements of funding from sponsor and partner and funding from the donor had a weighted value of 0.057 and 0.054, respectively. This demonstrated that these two elements of indicators had approximately the equivalent performance in strengthening financial performance for the *Senyum Kita* Foundation. In a non-profit-oriented organization, it is vitally crucial to

maintain and cultivate relationships with stakeholders, primarily with donors and partners. This intended to build trust and commitment as a long-term asset in sustainably realizing financial stability. Furthermore, the third element that became a priority in this perspective was income from BUSMY. From the weighting results, it is found that this element has a value of 0.047. Last, in the fourth priority position, budget efficiency has a weight value of 0.034.



## CHAPTER V

### CONCLUSIONS AND RECOMMENDATIONS

In this final chapter, the contents of this chapter are the summary of the research, research contribution and implication, and research limitation. Moreover, the research limitation followed by the recommendations from the researcher to the readers of this research and to the future researchers which are having the relevant topics.

#### 5.1 Conclusion

The conclusions from this research are as follows:

- 1) Based on the results of the performance measurement design using the balanced scorecard method and the performance priority indicator weights applying the AHP to the *Senyum Kita* Foundation, it showed that the Key Performance Indicators (KPI) which the organization's focus were based on the four balanced scorecard perspectives include:
  - a) Financial perspective; growth of fund, community building, and budget efficiency.
  - b) Costumer perspective; donor and partner satisfaction, donor and partner growth, and regular donor growth.
  - c) Internal business process perspective; value benefit of program, human resource planning and development, human resource supervision and control, and reporting time compliance.

- d) Learning and growth perspective; employee satisfaction index, total hours of training, and employee turnover index.
- 2) From the weighting result with the AHP method on the overall balanced scorecard perspective, it concluded that the learning and growth perspective had the highest priority weight with a value of 0.334. In the next position, the customer perspective had a weighted value of 0.254 and the internal business process perspective had a value of 0.245. The last priority position is placed by the finance perspective with a weighted value of 0.167.

## **5.2 Reserch Limitations**

In conducting this thesis, there was a limitation and constraint, which can partially influenced the result of the study. It was the inadequate data of various programs due to the transformation in the several departments in *Senyum Kita* Foundation.

## **5.3 Recommendations**

Based on the result of this research, some recommendations provided for *Senyum Kita* Foundation and the future studies, include:

- 1) For the realization of the strategy implementation process of this performance measurement system, the organization needed to disseminate and comprehensively present these strategies to all workers.
- 2) *Senyum Kita* Foundation is suggested to develop a team that responsible to assist the organization in providing information related to the implementation of performance

measurement using the balanced scorecard method and providing suggestions for the results obtained.

- 3) The performance measurement utilized in this study was dynamic and developed in line with the demands of an increasingly advanced society. Therefore, the design of the Balanced Scorecard is required to constantly adapt to any changes in performance benchmarks.





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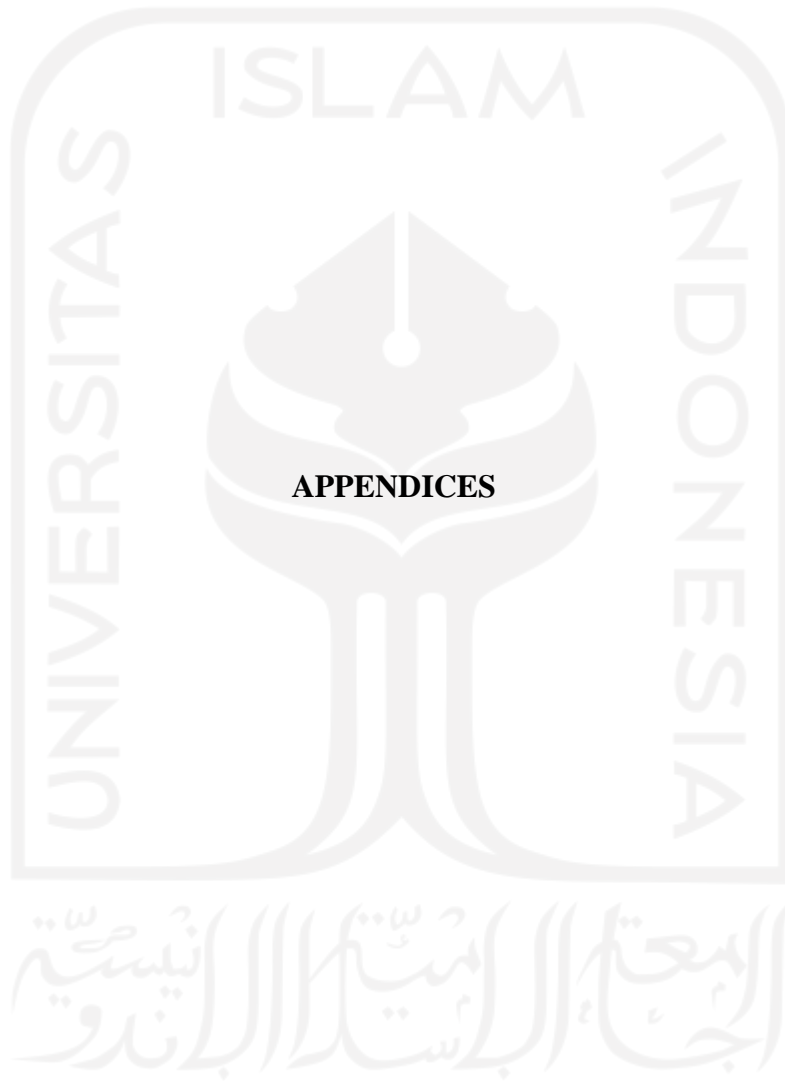
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## APPENDIX 1 Interviewer Cover Letter and Respondent Consent Form

### SURAT PERMOHONAN MENJADI RESPONDEN

Kepada Yth:  
Calon Responden Penelitian  
Di Yayasan Senyum Kita, Yogyakarta

Dengan Hormat,

Yang bertanda tangan di bawah ini mahasiswa Program Akuntansi Fakultas Bisnis dan Ekonomika Universitas Islam Indonesia:

Nama : Zullanda Adita Ningrum

NIM : 15312209

Akan mengadakan penelitian dengan judul **“Design Concept of a Performance Measurement with Balanced Scorecard Method for Non-Profit Organization”**. Penelitian ini dilaksanakan sebagai salah satu kegiatan dalam menyelesaikan tugas akhir di Program Studi Akuntansi Fakultas Bisnis dan Ekonomika Universitas Islam Indonesia.

Tujuan dari penelitian ini adalah untuk mengukur kinerja organisasi sebagai tolak ukur dalam mencapai tujuannya. Pengukuran kinerja berperan penting sebagai salah satu elemen dalam menggambarkan perkembangan sebuah organisasi, serta menentukan fokus strategi dalam mewujudkan visi organisasi. Pada perkembangannya pengukuran kinerja pada organisasi nirlaba menjadi penting karena kebutuhan dalam penguatan kinerja manajemen dalam pengambilan keputusan dan meningkatkan akuntabilitas dalam pertanggungjawaban kepada seluruh pemangku kepentingan, seperti lembaga atau individu pemberi donor. Oleh karenanya, balanced scorecard merupakan metode yang tepat sebagai acuan dalam pengukuran kinerja karena mencakup kepada seluruh elemen dalam perspektif keuangan maupun non-keuangan.

Dengan izin Bapak/Ibu, wawancara ini akan direkam untuk mengumpulkan informasi, dan kemudian ditranskripsikan untuk keperluan analisa data. Segera setelah wawancara selesai, peneliti akan mengirimkan salinan transkrip untuk memberi Bapak/Ibu kesempatan untuk mengkonfirmasi keakuratan percakapan wawancara dan untuk menambahkan atau mengklarifikasi poin informasi apa pun yang Bapak/Ibu anggap benar-benar rahasia

Penelitian ini tidak menimbulkan akibat yang merugikan Bapak/Ibu dan kerahasiaan semua informasi yang diberikan akan dijaga, serta hanya digunakan untuk kepentingan penelitian. Apabila Bapak/Ibu menyetujui, maka saya mohon kesediaannya untuk menandatangani persetujuan dan menjawab pertanyaan-pertanyaan yang diajukan peneliti. Atas perhatian dan kesediaan Bapak/Ibu responden, saya ucapkan terima kasih.

Yogyakarta, ..... 2021

Peneliti

(Zullanda Adita Ningrum)

## LEMBAR PERSETUJUAN MENJADI RESPONDEN

Saya yang bertanda tangan dibawah ini menyatakan bersedia menjadi Responden yang dilakukan oleh mahasiswa Program Studi Akuntansi Fakultas Bisnis dan Ekonomika Universitas Islam Indonesia yang bernama Zullanda Adita Ningrum, dengan judul **“Design Concept of a Performance Measurement with Balanced Scorecard Method for Non-Profit Organization”**.

Saya mengerti bahwa penelitian ini tidak menimbulkan dampak negatif dan data mengenai diri saya dalam penelitian ini akan dijaga kerahasiaannya oleh peneliti. Semua berkas yang mencantumkan identitas saya hanya akan digunakan untuk keperluan pengolahan data dan bila sudah tidak digunakan akan dimusnahkan. Hanya peneliti yang dapat mengetahui kerahasiaan data-data penelitian.

Demikian, secara suka rela dan tidak ada unsur paksaan dari siapapun saya bersedia berperan serta dalam penelitian ini.

Yogyakarta, ..... 2021

Responden

( )

## APPENDIX 2 Interview Guidelines

### PEDOMAN WAWANCARA SEMI TERSTRUKTUR

**Judul Penelitian** : “Design Concept of a Performance Measurement with Balanced Scorecard Method for Non-Profit Organization”

**No. Responden:**

**Tanggal Penelitian** :

**Pewawancara** :

#### A. Identitas Responden

Nama Responden :

Jabatan Responden :

#### B. Pendahuluan

1. Memperkenalkan diri
2. Menjelaskan dan tujuan wawancara disertai dengan manfaat penelitian dan menjelaskan bahwa kerahasiaan responden terjamin.
3. Meminta calon responden menandatangani surat pernyataan kesediaan menjadi responden
4. Melakukan kontrak wawancara, menawarkan waktu wawancara 20 menit sampai 30 menit

#### C. Pertanyaan Wawancara

Setelah calon responden menandatangani surat pernyataan kesediaan menjadi responden, selanjutnya peneliti mewawancarai responden dengan merekam isi pembicaraan dengan perekam.

1. Senyum Kita Foundation merupakan NGO yang bergerak dalam bidang apa?
2. Senyum Kita Foundation berdiri sejak kapan?
3. Berapa jumlah pegawai dan volunteer yang dimiliki Senyum Kita Foundation?
4. Apa visi dan misi Senyum Kita Foundation?
5. Program apa saja yang dimiliki Senyum Kita Foundation?
6. Bagaimana alokasi Sumber Daya Manusia pada setiap project atau program?
7. Bagaimana proses kerja pada Senyum Kita Foundation?
8. Bagaimana tata struktural organisasi pada Senyum Kita Foundation?
9. Bagaimana alur pelaksanaan pada setiap project atau program?
10. Bagaimana alur proses penggalangan dana atau sponsor yang dilakukan oleh Senyum Kita Foundation?



11. Strategi apa yang kerap digunakan oleh Senyum Kita Foundation dalam penggalangan dana atau sponsorship?
12. Bagaimana cara pengukuran kinerja yang dilakukan oleh Senyum Kita Foundation?

**D. Penutup**

1. Menyimpulkan hasil wawancara
2. Menyampaikan terima kasih
3. Mengakhiri wawancara



## APPENDIX 3 Interview Transcripts

**Question: What field is Senyum Kita Foundation engaged in?**

Answer: In the field of education. The focus is on education and empowerment for orphans, underprivileged people, and young with disabilities, which according to the Ministry of Social Affairs is accredited in the category of social institutions outside of orphanages.

**Question: When was the Senyum Kita Foundation established?**

Answer: Became a community in 2009, and then developed into a foundation starting in 2015.

**Question: How many workers and volunteers does the Senyum Kita Foundation have?**

Answer: For now there are around 10-15 active workers. For the rest are volunteers and still under the recruitment process.

**Question: What are the vision and mission of Senyum Kita Foundation?**

Answer: Vision: To become a trusted social-based institution and contribute to building a compassionate, independent, creative, and innovative young generation.

Mission:

1. Organizing youth-based creative social activities as core actions
2. Building mutual support among institutions/groups that have the equal purposes
3. Providing quality education and training programs for youth
4. Catalyzing a caring, independent, creative, and innovative young generation through community empowerment programs.

**Question: How is the allocation of Human Resources for each project or program?**

Answer: The job description is still under revision, but the allocation depends on the program planning and the needs of each program.

**Question: How is the work process flow in Senyum Kita Foundation?**

Answer:

In every year, each division presents a program planning to the President Director at the annual meeting. After the program is put in place, each division immediately implements its programs. Every week there will be a controlling process, including an evaluation that will be carried out in every 3 months. So the point is that at the beginning there was a proposed process, then observed it in order to determine which program would be considered as a priority and which would be eliminated. Moreover, after it is all settled up, this would be approved and accepted. Later, the program would continue to the process of implementation, monitoring, and evaluation.

**Question: How is the organizational structure of the Senyum Kita Foundation?**

Answer: Same as before, but now the program division transforms into LKS and program event converts into KKS.

**Question: What programs does the Senyum Kita Foundation have?**

Answers:

1. Lembaga Kesejahteraan Sosial/LKS (Scholarship program, and learning assistance program and soft skills training)
2. Unit Kegiatan dan Kerelawanan Senyum/UKKS (Volunteer program and event project program).

For education, we provide some programs for scholarships, empowerment, and assistance (learning

assistance and training; such as IT). For details, the program is still in the transition and revision process. For the number of core programs, there are two kinds of programs; education and empowerment. We are currently developing LKS (Social Welfare Institutions), which is similar to the orphanage yet it focused on assisting and providing scholarships and mentoring for children outside the orphanage. Yet now we have a UKKS/Event Project (orphanage and public activities), such as; food distribution activities in collaboration with other institutions, and SCR (Senyum Ceria Ramadhan), and others are still in the design stage.

**Question: How is the flow of the fundraising or sponsorship process carried out by the Senyum Kita Foundation?**

Answer: It depends on the program's needs. The fund for each program will be sought by the fundraising division.

**Question: What strategy does the Senyum Kita Foundation often use in fundraising or sponsorships?**

Answer: Depending on the target or objective of the fundraising division, they have to know what the segmentation is, then what the communication strategy will be like. Well, later it will be revealed to the media division, according to the strategy. For this, we have fundraising media (campaign on social media), CRM/customer support, and partnerships (for online and offline fundraising). And mostly, our donors got the information through peer recommendations.

**Question: How does the Senyum Kita Foundation measure its organizational performance?**

Answer: Currently, the method is done by survey, and the measurement of target indicators/KPIs per division will be seen from each proposed program. Some of the indicators are based on performance results, and some are based on survey/assessment. However, we do not have any specific method yet.

**APPENDIX 4 Preliminary Results of Organizational Performance Indicators Design**

**Inter-Perspective Appraisalment Scale for *Balanced Scorecard***

Factor	Pairwise Comparison Weights																	Factor
<i>Finance</i>	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	<i>Costumer</i>
<i>Finance</i>	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	<i>Internal Business Process</i>
<i>Finance</i>	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	<i>Learning and Growth</i>
<i>Costumer</i>	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	<i>Internal Business Process</i>
<i>Costumer</i>	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	<i>Learning and Growth</i>
<i>Internal Business Process</i>	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	<i>Learning and Growth</i>

**Rating Scale on *Finance* Factor**

Factor	Pairwise Comparison Weights																	Factor
Funding from Donors	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Income from BUSMY
Funding from Donors	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Funding from Sponsors and Partners
Funding from Donors	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Budget Efficiency
Income from BUSMY	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Funding from Sponsors and Partners
Income from BUSMY	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Budget Efficiency
Funding from Sponsors and Partners	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Budget Efficiency

**Rating Scale on *Customer* Factor**

Factor	Pairwise Comparison Weights																	Factor
Donor and Partner Satisfaction	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Donor and Partner Growth
Donor and Partner Satisfaction	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Regular Donor Growth
Donor and Partner Growth	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Regular Donor Growth

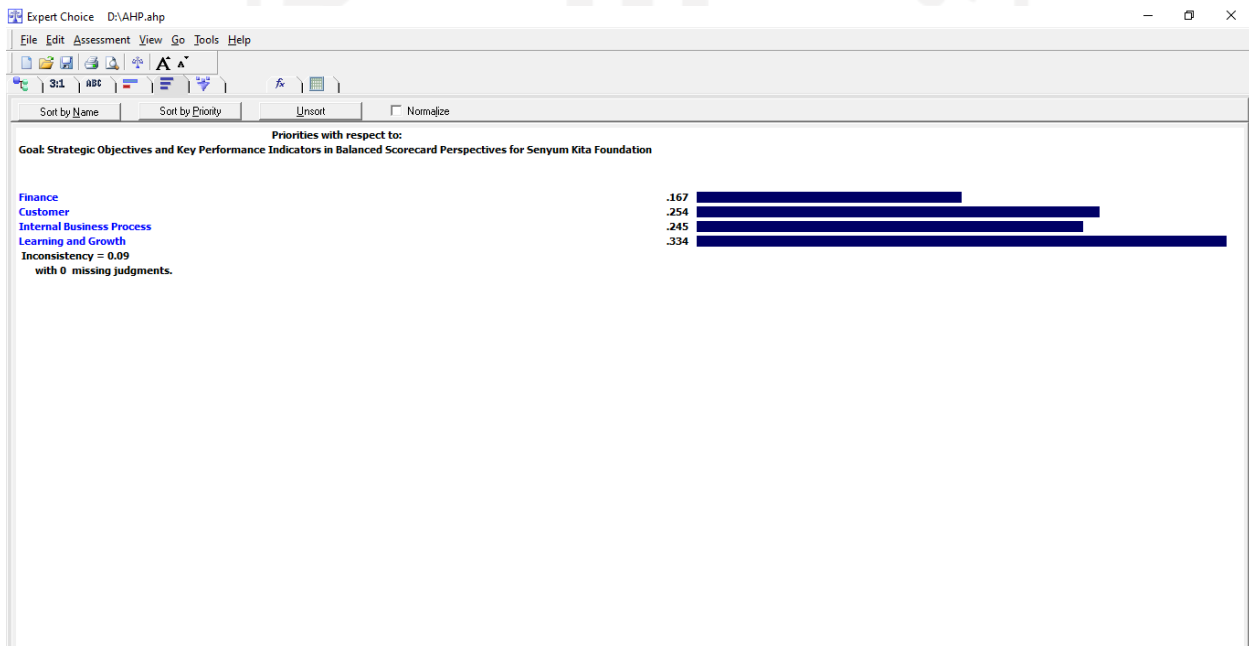
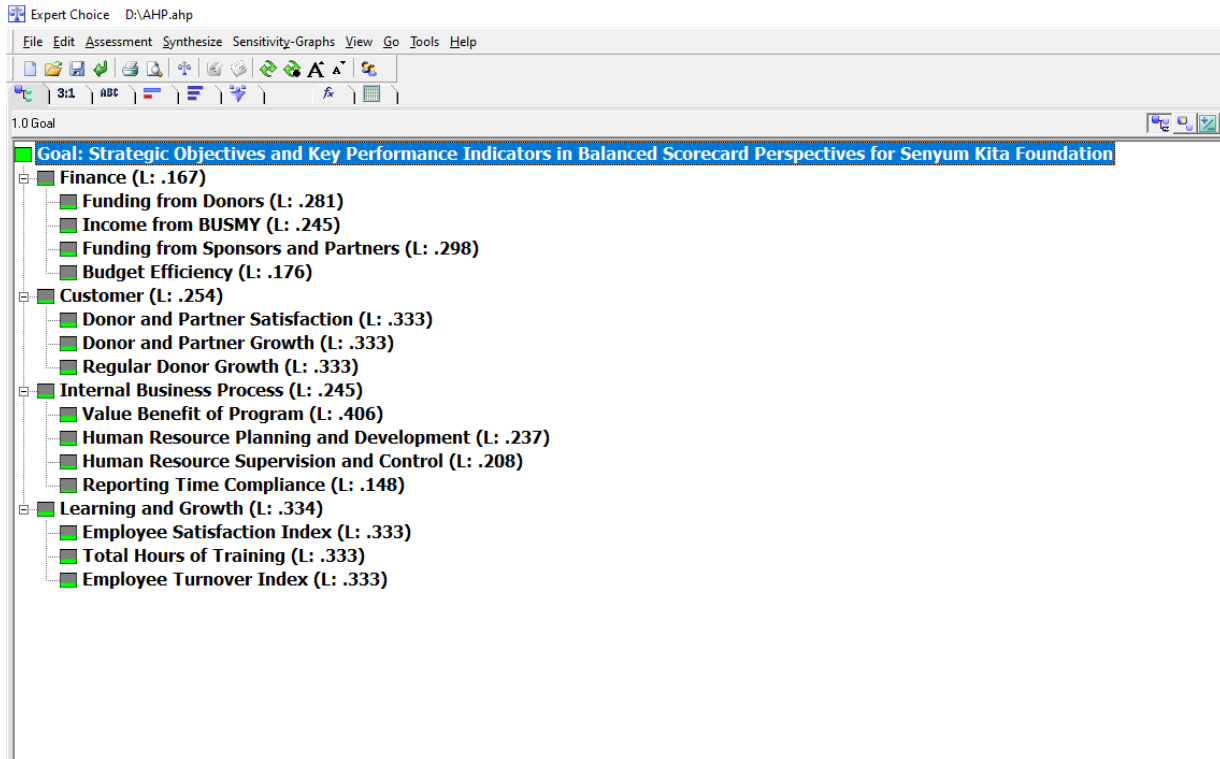
### Rating Scale on *Internal Business Process Factor*

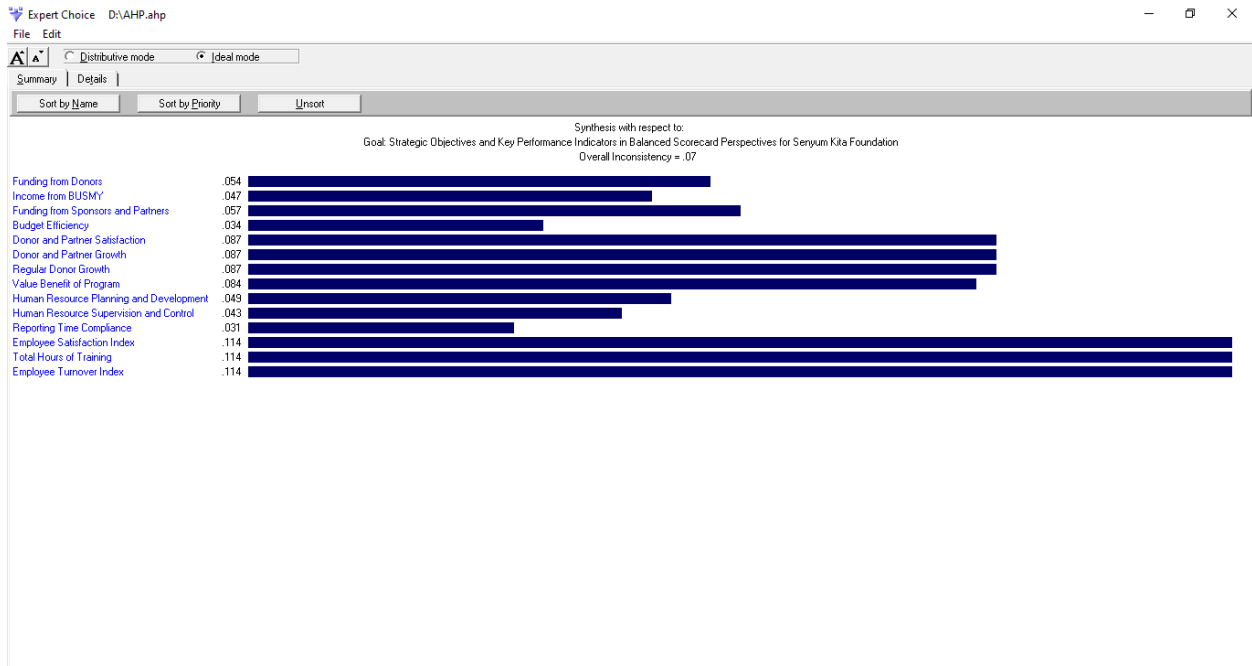
Factor	Pairwise Comparison Weights																	Factor
Value Benefit of Program	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Human Resource Planning and Development
Value Benefit of Program	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Human Resource Supervision and Control
Value Benefit of Program	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Reporting Time Compliance
Human Resource Planning and Development	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Human Resource Supervision and Control
Human Resource Planning and Development	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Reporting Time Compliance
Human Resource Supervision and Control	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Reporting Time Compliance

### Rating Scale on *Learning and Growth Factor*

Factor	Pairwise Comparison Weights																	Factor
Employee Satisfaction Index	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Total Hours of Training
Employee Satisfaction Index	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Employee Turnover Index
Total Hours of Training	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Employee Turnover Index

## APPENDIX 5 Data Analysis Result of Analytical Hierarchy Process (AHP) Method





## APPENDIX 6 Key Performance Indicator (KPI) Properties

### Performance Measurement Specification

#### 1. Financial Perspective

##### a. Funding from donors

KPI	Funding from donors
Objective	Increase net amount of funds raised from donors
Target	Rp 720,000,000,00
Measurement Period	1 year
Data Source	Fundraising division
Measuring Party	Fundraising division

##### b. Income from BUSMY

KPI	Income from BUSMY
Objective	Increase income from BUSMY
Target	Rp504.000,00
Measurement Period	1 year
Data Source	BUSMY
Measuring Party	BUSMY

##### c. Funding from sponsors and partners

KPI	Funding from sponsors dan partners
Objective	Increase rate amount of sponsorship and partner's funding
Target	30%
Measurement Period	1 year
Data Source	Fundraising division
Measuring Party	Fundraising division

##### d. Budget efficiency

KPI	Budget efficiency
Objective	Optimize percentage rate of budget efficiency compared to the previous year budget
Target	5%
Measurement Period	1 year
Data Source	Operations division
Measuring Party	Operations division



## 2. Customer Perspective

### a. Donor and partner satisfaction

KPI	Donors and partners satisfaction
Objective	Increase donors' and partners' satisfaction score
Target	Scale of 5
Measurement Period	1 year
Data Source	Fundraising division
Measuring Party	Fundraising division

### b. Donor and partner growth

KPI	Donor and partner growth
Objective	Escalate growth rate in the number of recent donors and partners
Target	20%
Measurement Period	1 year
Data Source	Fundraising division
Measuring Party	Fundraising division

### c. Regular donor growth

KPI	Regular donor growth
Objective	Advance growth number of regular donor
Target	20%
Measurement Period	1 year
Data Source	Fundraising division
Measuring Party	Fundraising division

## 3. Internal Business Process Perspective

### a. Value benefit of program

KPI	Value benefit of program
Objective	Enlarge total value benefit of the program
Target	3 impacts
Measurement Period	1 year
Data Source	Program division
Measuring Party	Program division

b. Human resource planning and development

KPI	Human resource planning and development
Objective	Maximize effectiveness of human resource planning and development system
Target	100%
Measurement Period	1 year
Data Source	Operations division
Measuring Party	Operations division

c. Human resource supervision and control

KPI	Human resource supervision and control
Objective	Maximize effectiveness of human resource supervision and control system
Target	100%
Measurement Period	1 year
Data Source	Operations division
Measuring Party	Operations division

d. Reporting time compliance

KPI	Reporting time compliance
Objective	Improve reporting time compliance for quarterly performance management report and annual report
Target	100%
Measurement Period	1 year
Data Source	Operations division
Measuring Party	Operations division

**4. Learning and Growth Perspective**

a. Employee satisfaction index

KPI	Employee satisfaction index
Objective	Increase employee satisfaction index
Target	Scale of 85
Measurement Period	1 year
Data Source	Operations division
Measuring Party	Operations division

b. Total hours of training

KPI	Total hours of training
Objective	Maximize total hours of training
Target	20 hours
Measurement Period	1 year
Data Source	Operations division
Measuring Party	Operations division

c. Employee turnover index

KPI	Employee turnover index
Objective	Reduce rate of employee turnover
Target	5%
Measurement Period	1 year
Data Source	Operations division
Measuring Party	Operations division