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The Implementation of Balanced Scorecard Method in Performance Appraisal on Regional Government

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Abstract:

Performance appraisal is a process of work measurement to what extent its meet the goal and objective, including information about resources empowerment efficiency in product and service transformation, product and service quality, the comparison between output and input, and effectivity of action. Report on Accountability and Performance of Government Institutions (LAKIP) is an evaluation media of program that formed and acted by the local government. However, the LAKIP report, which is reflect of comprehensive performance and its measurements, is still undescribed and unsystematically. Therefore, it needs a comprehensive work measurement. The aim of this study is to investigate the application of balance scorecard method as a performance appraisal implementation on local government. We used qualitative descriptive method in order to obtain primary data. The samples are taken from stakeholder of government institution, including supervisor, civil servant, and community member. The result shows that the application balance scorecard on performance measurement is positive in order to support vision and mission of the municipal government.

Keywords: *Balanced scorecard, performance measurement*

1. Introduction

1.1. Background

The concept of performance measurement becomes demand in order to produce best practice and good accountability system in the application of good governance. Each organization has its own mission, vision, strategy that contained in the organization's strategic planning. Hence, performance is a description of the achievement level of policy in realizing such strategic planning.

Performance measurement is a process of assessing of work progress against predetermined goals and targets, including efficiency of resources information in goods and services production and its quality, and their action (Robertson in Mahsun, 2006). Meanwhile, Lohman in Mahsun (2006) stated that performance measurement is an activity of assessing the achievement of certain targets derived from strategic organization. Thus, it can be understood that performance measurement is one of the stages in strategic management cycle, which become one of the important factors in the implementation of strategic management.

As part of the overall management strategy, managers can use the results of performance measurements to evaluate, control, budget, motivate, promote, learn and improve previous results. Performance measurement can be used to influence behavior, so it will affect the implementation of the strategy itself, which can only be done if one consistent pattern of decision making and actions within a company has been identified (Neely et al, 1994). Frigo (2002) found that if a gap between strategy and performance measurement is exist, it would not support the creation of strategic communication within the organization. Several previous studies have demonstrated the function of performance measurement and its relation to some operational components of an organization. One of the performance measurement methods is the Balanced Scorecard.

The balanced scorecard method was first developed by Kaplan and Norton (1992) as part of a multidimensional measurement of performance. Generally, the balanced scorecard aims to identify a set of related performance measurements and encourage strategy implementation, set targets according to the measuring tool, and collect measurement results. The use of these performance measures has become the standard of organization's assessment since internal financial measurement only is not enough. The use of the term "balance" refers to a balance

between financial and non-financial performance indicators, the internal perspectives of leaders and subordinates, and internal and external assessments. Previous studies proved that the balanced scorecard method is related to performance (Hoques and James, 2000; Sim and Koh, 2001; Davis and Albright, 2004; Maiga and Jacobs, 2003).

Performance measurement with balanced scorecard methods can also be implemented in public sector organizations. This research was conducted to study the application of balanced scorecard method in measuring the performance in Municipal government comprehensively and systematically. As a public organization relating to many parties, the Manado municipal government should apply a method to measure its financial and non-financial performance, in order to achieve good accountability.

The implementation of performance measurement with balanced scorecard method means to measure the performance of public organizations, which is the government of Manado city, viewed from four perspectives: (1) financial perspective (financial report), (2) customer (society satisfaction regarding city service), (3) internal process (the development of new processes that become customer needs), and (4) innovation and learning perspectives (employee development, technology, systems and procedures), and other factors that need to be updated to add value to customers and stakeholders.

As a last year of Renstra period 2010-2015, programs that have been declared by the government are expected to be implemented optimally. The achievement of program implementation can be known through performance evaluation. Report on Accountability and Performance of Government Institutions (LAKIP) as an evaluation media the implementation of programs and activities within a budget year. This report is prepared as the realization of government's responsibility as the administrators of available resources in order to run the programs and activities in implementing the organization's mission to achieve the goals and objectives that have been set before.

The LAKIP report is obtain from a sample of one regional work unit in the municipality of Manado does not fully describe the overall performance of the organization and its measurement is not systematic. This is due to the incomplete SKPD database; lack of human resources both in terms of quantity and competence; as well as inadequate facilities, infrastructure and supporting facilities that meet SKPD management standards. Therefore, a comprehensive performance measurement is required.

Research on the implementation of Balance Score Card in public organizations, especially local government is very rare, so the authors are encouraged to conduct research on the application of this approach to Manado City Government to see how the implementation of this method in measuring their performance.

2. Literature Review

2.1. Public/Nonprofit Sector Performance Measurement

The public sector is an area that needs more attention in performance measurement since internal and external stakeholders have a right to know the extent effectiveness and efficiency is run by public officials. The form and quality of information of each of these various purposes is adjusted to the needs of the public itself. In this case from communities, clients, users, consumers, legislatives, both at the regional and national levels, central government, policy makers, inspectors, auditors, organization's managers, employees, other stakeholders such as partners and other related organizations with the work field.

The importance performance measurements of public sector were beginning in 1997. The UK government introduces efficiency and effectiveness as part of the public sector reform agenda, especially in the police and fire departments. Sufficient performance measurements can be clearly seen as a pre-requisite for accountability. Performance information is a key element in planning, resource monitoring, and performance monitoring.

Performance measurement is defined as a valid tool to help public administration attract high quality human resources and able to operate for achievement of organizational goals (Spano, 2005) by defining specific performance indicators used to direct and control activities (De Bruijn, 2002 in Orelli, Padovani, and Scorsone, 2009). In the public sector, entities create their image of the quality of service provided and the capacity to satisfy the community.

2.2. Metode Balanced Scorecard

The Balanced Scorecard is a new method/approach developed by Robert Kaplan and David Norton in the 1990s. The Balanced Scorecard model, initially to measure the performance of profit-oriented private organizations includes four elements: financial, customer, internal processes, learning and growth (innovation). Each performance measurement on the Balanced Scorecard is used for corporate strategy as it relates to performance measurement and strategy. The Balanced Scorecard is used as a tool that focuses on the organization, improves communication, organizes organizational goals and provides feedback for strategies (Anthony and Govindarajan, 2003).

Quinlivan in Mahsun (2006) stated that the Balanced Scorecard measures performance based on financial and nonfinancial aspects, which is divided into four perspectives: financial perspective, customer perspective, internal process perspective, and innovation and learning perspectives.

2.2.1. Financial Perspective

This perspective emphasizes in profitability achievement of financial targets, comprising sales growth, return on investment, operating income, and cash flow. Although public sector organizations are not pursuing profit but organizations need to think about how to increase revenue and reduce costs on an ongoing basis. In other word, government organizations are expected to get earning rather than spending (David Osborne and Gaebler, 1992). As a provider of financial resources, taxpayers are the crucial element that organization must focus on. The taxpayer expects the money paid to be used economically, efficiently and effectively (value for money) and meets the principles of transparency and public accountability.

2.2.2. Customer Perspective

Customer perspectives are factors such as customer satisfaction, customer retention, customer profitability, and market share. In the perspective of public sector customers, organizations focus on meeting people's satisfaction through the provision of quality public goods and services at affordable prices. That's why customer perspective in public sector organizations is the main focus, because the goal of public sector organizations on a macro basis is to create community prosperity

2.2.3. Internal Process Perspective

This perspective identifies critical factors in the organization's internal processes by focusing on developing new processes that become customer needs.

2.2.4. Innovation and Learning Perspectives

This perspective measures technological factors, employee development, systems and procedures, and other factors that need to be updated. In public sector organizations, innovation and learning perspectives are focused on answering the question of how the organization continues to improve and add value to its customers and stakeholders.

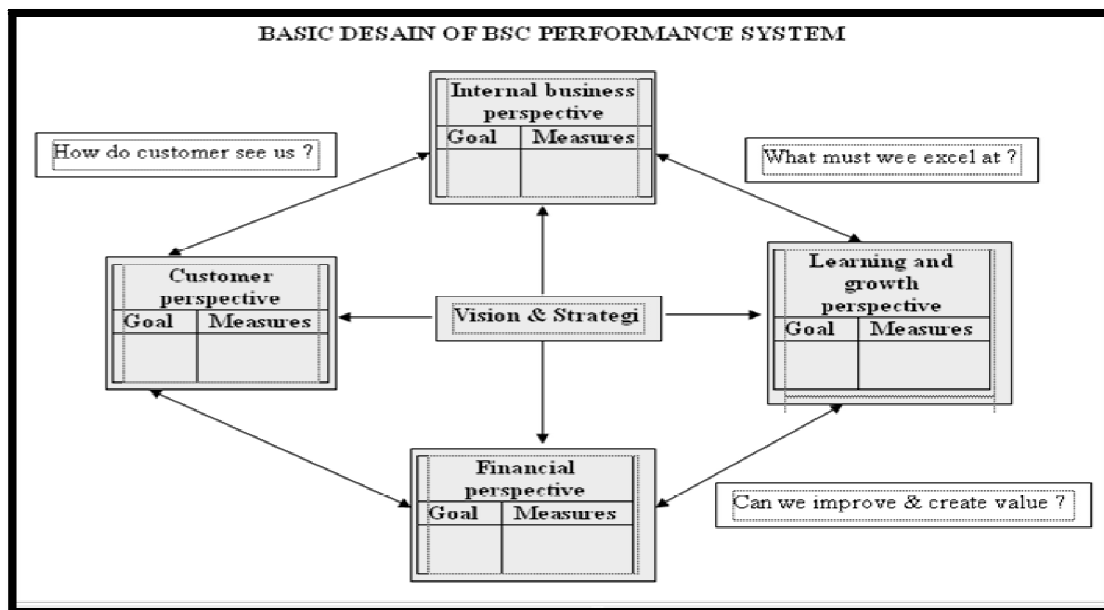


Figure 1: Design of a Balanced Scorecard Performance System

2.3. Performance Measurement by Using the Balanced Scorecard Method

Kopczynski and Lombardo (1999) stated that management can use performance data comparisons in 5 (five) ways: (1) identify good performance and identify areas that require improvement, (2) use value indicators to achieve high performance according to target (4) to provide information to stakeholders outside the business area, (5) can be used for cooperation in increasing future revenues from the same community.

The main focus in performance measurement at all management levels is a description of the public's request to obtain evidence of the effectiveness of previously established programs (Wholey and Newcomer, 1997 in Behn, 2003). In this case, performance measurement systems began to be used in budget formulation and resource allocation, motivating employees, employment contracts, service enhancement and communication between government and the public as well as for external responsibility responsibilities, decision-making policies, and improved program and managerial effectiveness. Ammon (1995) finds the more comprehensive a performance

measurement system, the higher the management process, the better the information about resource allocation decisions, the greater the legality, and the higher the responsibility. Osborne and Plastrik (2000) drew the conclusion that workers can maintain organizational accountability and avoid the consequences of performance itself. This can help the people in general and consumers in particular in assessing what the government have given them.

Kravchuk and Schack (1996) designed an effective performance measurement included several objectives for the measurement of performance itself: planning, evaluation, organizational learning, business improvement, decision making, resource allocation, supervision, facilitators for delegation of authority to a lower level in a hierarchy and as a helper in responsible job promotion functions. This show the individual differences, the position, will bring the goal difference in the measurement of performance itself. Meanwhile, Hatry (1999) in Behn (2003) found that performance measurements can be used in 10 (ten) items: (1) to respond to requests from the public for the accountability of elected officials, (2) budgeting, (3) internal budgeting, (4) as a trigger in testing performance and improvement problems, (5) motivation, (6) contract, (7) evaluation, (8) planning of supporting strategies, (9) good communication for public confidence, (10) and improvement. Similarly, Behn (2003), only slightly updated, in which he comparisons his findings in eight aspects: (1) evaluation, (2) control, (3) budget, (4) motivation, (5) promotion, (6) selection, (7) learning, (8) improvement. Kaplan and Norton (1996) indicate the difficulty of managers to focus on measurement using the balanced scorecard method if management compensation and evaluation are based on financial measurement only.

Rohm in Imelda (2004) stated six stages that must be passed in the preparation of Balanced Scorecard method in public organizations. These steps are: 1) assessing the organization's foundation, 2) building business strategy, 3) creating organizational goals, 4) creating a strategic map for the organization's business strategy, 5) performance measurement, and 6) preparing the initiative'

Based on a research survey conducted by Waweru, Porporato, Hoque (2006) in Canada, the public sector performs performance measurements to measure program performance, and awareness of using the Balanced Scorecard philosophy in performance measurement has increased over the past two years. Penino (2004) reveals several advantages in using Balanced Scorecard: (1) Elevating formulation and implementation of organizational strategy, (2) Making organizational strategy become current and accessible, (3) Improving communication in organization, (4) Increasing alignment between organizational goals and strategies and individuals, (5) Balancing short-term plans with long-term strategies, (6) Aligning performance evaluation measurements with long-term strategies.

In summary, Balanced Scorecard is the most appropriate tool in achieving measurement objectives. Using multiple measurements, the concept of measurement using the balanced scorecard method touches both financial and nonfinancial indicators.

3. Research Methodology

3.1. Research Design

This research uses descriptive qualitative method, which gives description or explanation about the state of object, activity, process, and human based on facts (Basuki, 2006).

3.2. Operational Definition of Variables

Variables in this research is balanced scorecard method and performance. The balanced scorecard method is an approach to measure performance based on financial and non-financial aspects and divided into four perspectives, namely financial perspective, customer perspective, internal process perspective, and innovation and learning perspectives. While the performance is the success of the organization in meeting the needs of the community.

3.3. Data Collection Techniques

Data collection techniques used in this study are observation and interview techniques. Observation is a direct observation process at the research location to obtain concrete data, whilst Interview is the process of obtaining information by means of question and answer while face to face between the interviewer with the informant.

3.4. Data Analysis Technique

This study uses descriptive qualitative analysis, which is doing the analysis by describing the discussion based on research data obtained through observation and direct interview. According Sugiyono (2009) data analysis is done by data reduction (performed by selecting and focusing on key and important issues relating to focus and research issues), presentation of data (brief descriptions, charts, relationships between categories, and the like to make it easier to understand what is happening.), and conclusion and verification (description of an object in the form

of a causal or interactive relationship, hypothesis, or theory. The conclusions are verified by examining the truth, strength, and suitability of meaning that arises from the data).

4. Results & Discussion

4.1. The Institutional Situation of Manado City Government

Bureaucracy reform at the level of Central Government and Local Government is a requirement in realizing good governance. In the implementation of regional autonomy, one of the most strategic aspects is the regional apparatus institutional aspect, which is the assistant of regional head in organizing local government (Law No. 32, 2004 articles 120 and 128). The composition of Manado City area in 2016 can be seen in the following table:

No.	Perangkat Daerah	Amount	Keterangan
1	Municipal Secretary	1	3 assistants, 13 sections
2	Municipal Parliament Secretary	1	
3	Offices	18	+ 38 UPT
4	Technical Institutions	14	
5	Districts	11	
6	Neighbourhoods	87	
7	Municipal owned enterprises	2	
	Total	144	

Table 1: Organization Structure

Source: Department of Organization and Arrangement of Regional Apparatus of Municipal Secretariat of Manado City, 2017

4.2. Power of Civil Servants Resources

The number of local apparatus as many as 6,488 people. The development of civil servants number in municipal government in 2012-2015 can be seen in the following table

Years	Gender		Total
	Female	Male	
2012	5.445	2.804	8.249
2013	5240	2.729	7.969
2014	5116	2.696	7.812
2015	5088	2.710	7.798
2016	4179	2.309	6.488

Table 2: Demographic of Local Apparatus

Source: Central Bureau of Statistics of Manado, 2016

4.2. Manado City Performance Measurement System

Performance Measurement (Performance Measurement) is a process of assessing work progress against predetermined goals and targets, including information on: efficient use of resources in the production of goods and services; quality of goods and services (how well goods and services are delivered to customers and to how satisfied customers are); activity outcomes are compared with the intended purpose; and the effectiveness of action in achieving goals (Robertson, 2002).

Local government performance measurement should be based on performance indicators. Local government performance indicators have relatively more complex characteristics when compared to indicators of private organization's performance because non-financial performance indicators are more dominant than financial indicators in local government. Local government performance indicators include input indicators, process indicators, output indicators, outcome indicators, benefit indicators and impact indicators.

Performance Measurement of local apparatus is done with top-down system while the reporting system uses vice versa. Performance report is conducted periodically every month by the Civil Servant Apparatus (ASN). Consequently, the report is the basis for the amount of Additional Employees Income (TPP). Next, the individual performance report will set comprehensively in the form of Government Institution Performance Report (LKIP). LKIP is actually a form of government accountability that focuses on enhancing the accountability and transparency of law (not only output, but also outcomes). Hence, the report is focused on non-financial performance sector. The financial performance can be seen from the Budget Realization Report (LRA) which is evaluated based on Work Plan (Renja) prepared by each regional device.

One of the samples taken in this research is in Manado Library and Archive Office. Based on the results of interviews with the Head of Department researchers, the measurement of the performance of government agencies carried out systematically through LKIP but not yet comprehensively and plenary includes financial and non-financial performance. Here's an excerpt from the interview:

"In terms of library visitors, every year there is a target visit to the local libraries, and increase year on year. The forecast in 2017 is 3,277 visitors. Some tips are made to support the number of visits, including socialization, in this case, held a storytelling competition (e.g. folktales) and reviewed and rewarded. This is an instrument to measure reading ability in the library and community satisfaction in utilizing library facilities in Manado City. In order to increase the enthusiasm and give satisfaction of the society to the library service, we are currently fixing the local library located in the business center of Manado City which is in the Youth Center of Mega Mas area to get closer to the community. "

"In order to create innovations in public services, we launched e-library, library services with digital systems, through Integrated Library System, integrated library services, both lending and book returns and member card services on June 8th, 2017. This service also connects with other library services that use the similar system, such as the Tomohon and Bitung libraries. "

"We apply a leadership system that protects so that there is job satisfaction from existing employees. To increase the professionalism of employees, every request for training from the national library or from the National Archives of the Republic of Indonesia (ANRI), we always send employees to attend the training. A monthly briefing regularly conducted for monitoring and evaluation employee's performance and to provide motivation about the duties and responsibilities. Employee motivation is also provided with an incentive system. In addition to salary, there are also performance allowances given in the form of incentives, such as committee honorarium, field duties, and transportation fee".

"We also measure financial performance referring to the work plan created at the beginning of the fiscal year, as outlined in the Budget Realization Report (LRA). Within the LRA, the plan and budget realization for the year are underway".

In line with the results of these interviews, researchers also conducted interviews with the Head of Social Service and Community Empowerment with the following interview quotes:

"The performance appraisal standards in the Department of Social Affairs and Community Empowerment refer to LAKIP. Performance appraisal is done quarterly. But there are programs that are not realized (e.g. in Q1), such as PKK empowerment, it is because we adjust to the central government's agendas".

"For employee appraisal, we judge from the discipline of attendance through the reconciliation of" finger print" which is connected and directly accessible in (Regional Civil Service Agency-BKD). In order to increase employee performance, we offered incentives through performance allowances. However, there are some non-job employees who do not perform well. Consequently, they do not get performance allowances."

"We have also connected with the Intelligent Command Center. When there was a report from the community related to the Social Service and Community Empowerment, it was directly linked to us, and we responded immediately.

In summary, the implementation of activity programs at the level of regional apparatus has been oriented to the outcomes that the results can be felt directly by the community as the target service (customers). This is reinforced by interviews conducted by researchers with the Head of Department of Housing and Settlement Area. Here are excerpts of the interview:

"The Office of Housing and Settlement is newly established in 2017. Nevertheless, we have already created programs to achieve good performance accountability. Firstly, we set performance targets, and then monitored whether the results are in accordance with the mechanism of planning."

"In terms of finance, budgeting is made on target so that it can be fulfilled performance for welfare. We assess employee performance from their attendance percentage."

"The assessment of the program is based on an indicator of the percentage of the settled area, the ratio of the habitable house, the road that has lighting, the availability of clean water, the coverage of the wastewater treatment facility, and the WWTP facility." We also run the central government program, "my city"(the city without the slums). Each program is evaluated based on a predetermined target, whether it is timely or not. "

From the interviews outlined, it shows that in terms of planning and implementation of the program is good with results-oriented. However, there are some weaknesses in performance measurement system, which is based on Report on Accountability and Performance of Government Institutions (LAKIP) in order to assess non-financial performance, and Budget Realization Report (LRA) to assess its financial performance. Hence, it will lead to misinformation due to the incomplete performance report, since in the LRA does not show any working indicators, only target and budget realization figures. Therefore, it needs balanced scorecard concept in performance measurement to give more comprehensive performance appraisal result.

4.4. Implementation of Balanced Scorecard to Measure the Performance of Manado City Government Fiscal Year 2016

4.4.1. Build a Balanced Scorecard

The application of BSC in this research begins with the planning development policy as stated in Strategic Plan (Renstra) of local government. The strategic plan is undertake to formulate the vision, mission, goals, targets, and strategy of government organizations. It also consists of strategic components in achieving the vision. The strategic component is the elaboration of the vision, mission, objectives and objectives set out in the Report on Accountability and Performance of Government Institutions (LAKIP) which is adjusted to the current condition and its relation with the main task.

The vision of Manado City in 2015 is "Manado: An Ecotourism City", which has been realized, and the year 2016 is the transition year of government where the vision of Manado City in 2021 is "Manado: Smart City 2021". Conceptually, the link between the former government's visions to the sustainability of tourism development is appointed by focusing on ecotourism appropriately. Thus, the city 'smission was set in 2016 is "Manado as a Fun City", which is the commitment of local government to implement the main agendas that became the determinant of the success of the achievement of vision development. The understanding of a nice city is a place where people live in beautiful, green and clean environment, a harmonious and peaceful, safety, prosperous and spiritual atmosphere with responsive and accountable government.

Further, this mission is elaborated in Government's Strategic Objectives and Strategy which is a reaffirmation of Manado City's vision and mission is more detailed and clearer, further forming the framework for regional development as a whole. The city development goals that are outlined from the mission of Manado City as an Exciting City are:

- To create a quality, harmony, and peace society;
- Create a comfortable urban environment;
- Building the identity and image of the City as a World Ecotourism Model;
- Improving Manado's role in regional economic development; and
- Implement good and clean governance.

These five goals are then translated into 20 (twenty) strategic development goals, in order to achieve the established mission. These twenty strategic objectives are then applied into 4 perspectives on the Balanced Scorecard concept, to evaluate the performance achievements of Manado City Government based on these four perspectives. The balanced scorecard concept of strategic targets in the form of strategic map of Manado City Government in 2016 can be seen in the table below.

4.4.2. Performance Measurement Of Manado City Government Fiscal Year 2016

4.4.2.1. Learning and Growth Perspective

Table 4 shows only 8 of 22 indicators over the target while the rest almost 64% are failed. Most of indicators recorded below 50% realization including zero achievement in the field of Science and Technology for all levels, 25 % of labor force participation rate, the ratio of job opportunity to population aged 15 years and above, which is noted 30.13% only, and ratio of employment to population (2.2 of 7.3). In the future it is necessary to increase the competence and skill of labor force in Manado City so that it can reduce open unemployment. Further, there is one performance indicator that is not implemented and surely does not reach the target, i.e. the percentage of ASN positions openly tendered. Other indicators are also at underperformance achievement level. The ratio of Linmas members per total population in 2016 reached 40.67% only.

4.4.2.2. Internal Business Process Perspective

The achievement of performance indicators for this perspective is generally good. Table 5 shows 33 indicators are used in measuring internal business process perspective. 5 indicators are on low level (below 50% of realization) while the other 11 indicators are failed to reach 100%. The most unsuccessful indicators are appropriate technology utilized, the compliance between e-SAKIP and LKIP, food reserves, the availability of road facilities, and the recreation facilities along watershed and Boulevard.

A. Learning And Growth Perspective					
Strategic Goals	Indicators	Unit	Target	Realization	Performance Achievement
Manado Youth won regional, national and international achievements in sports, social, culture, and science and technology	The number of sports achievements achieved	Sports	5	10	150
	The number of young people who achieve sports achievement	Persons	10	10	100
	The number of achievements in Science and Technology				
	Elementary/Jr. High School	Persons	5	-	0
	Sr. High School/Vocational School	Persons	10	-	0
People of productive age become productive workers and capable of advancing the potential of their region	Enrollment rate	%	60	15	25
	Open unemployment rate	%	11,4	10	112,59
	Percentage of Companies that apply employment rules	%	99,4	98,11	98,7
	Ratio of employment to population aged 15 years and above	Ratio	7,3	2,2	30,13
Manado is an international ecotourism research and development center	Number of international ecotourism researchers working together	Persons	3	2	66,66
	Number of training workshops and Ecotourism Education	Training	5	4	80
Each urban area has an independent business group and excellent products	Percentage of urban community with farmer group	%	97	91,17	93,98
	Percentage of active cooperatives	%	52	57,87	111,28
	Percentage of micro and small enterprises	%	80	79,21	99,01
	Percentage of potential urban community that have cultivation / fishing groups	%	95	81,81	86,11
Each SKPD has a competent apparatus as needed and achieves its performance targets with accountable administration	Percentage of civil servant who occupy positions based on expertise and competence	%	80	100	100
	ASN percentage performs well	%	85	96	99,65
	ASN disciplinary violation figures	%	90	97	166,29
	Percentage of civil servant positions openly tendered	%	75	-	-
Communities participate actively in the development and law-abiding in carrying out its activities in an orderly, safe, and harmonious manner	Enforcement of local regulations	%	90,91	89,74	96,92
	Civilian Neighbourhood Guard (Linmas) Ratio per number of 10,000 residents	%	34	13,83	40,67
	Ratio of municipal police(Pol. PP) per 10,000 population	%	12,8	8,65	67
	Domestic Violence Ratio	Cases	0,022	0,021	104,76
	Number of demos	Events	8	7	112,5

Table 3: Learning and Growth Perspectives

B. Internal Business Process Perspective					
Strategic Goals	Indicators	Unit	Target	Realization	Performance Achievement
Maintaining a harmonious relationship between religion and inter-religious and government	The number of religious leaders who became the motivator of harmony relationship among religions	Person	1020	1000	98,04
	Number of cross religious activities	Event	105	113	107,61
	The number of implementation recommendation of improving religious harmony	Recommendation	35	47	134,28
	The number of conflicts caused by SARA (tribes, religions, racial, groups) issues	Case	0	0	100%
The family applies the norm of a happy small family prosperous	Percentage of coverage of fertile couples to active family planning participants	%	75	78	104
	Average number of children per family	Person	2,3	2,23	103,04
	Percentage of number of pre prosperous and prosperous families	%	20	14	130
Urban environments and settlements have infrastructure that meets standards	Percentage of drainage in poor condition/ drainage of clogged water	%	2,41	3,38	59,75
	Percentage of households with sanitation and clean water	%	90,63	90,56	99,92
	Slum neighborhood ratios	Ratio	0,13	0,13	100
	Availability of community/region/ municipal wastewater systems	%	7,63	6,63	86,89
The entire area can be accessed by an integrated, smooth, safe, and convenient transportation	Percentage availability of public transport that serves the area of the existing city road network	%	100	100	100
	Percentage of areas with access to roads and bridges	%	88	91	100,8
	Percentage availability of infrastructure and transportation facilities	%	90	50	55,5
	Percentage of availability of road equipment facilities	%	94	35	37,23
The Boulevard and Tondano Watershed areas become City icons	The ratio of pedestrian facilities availability at Jl. Sudirman, Boulevard area and Tondano watershed	%	100	75,8	75,8
	Number of recreation facilities built in Boulevard and Tondano watershed	Unit	6	3	50

B. Internal Business Process Perspective					
Strategic Goals	Indicators	Unit	Target	Realization	Performance Achievement
All development according to the spatial area and free of pollution and environmental destruction	Ratio of compliance to Regional Spatial Plans	%	40	40	100
	Building ratios with IMB per unit of building	%	11,59	12	103,53
	Ratio of forest area damage	%	9,18	9,42	97,64
The whole region has a market that is able to guarantee the availability of basic commodities and production facilities at affordable prices	Percentage of sub-districts that have a market that is able to facilitate the needs of its territory	%	100	63,64	63,64
	Strengthening food reserves	Ton	148	29	19,59
	Availability of price supply information and food access in the region	%	90	100	111,1
Each superior product implements superior processing and packaging technology with guaranteed quality	Percentage of appropriate technology utilized	%	60	6	10
	Percentage of fishery production centers with processing facilities	%	95	66,67	70,17
Government management (planning, implementation, controlling, and reporting) is implemented in an integrated and timely manner with an updated and accurate database	Percentage of SKPD Renstra in line with RPJMD (Regional Long-Term Development Plan)	%	80	100	125
	Percentage of follow-up completion of examination results	%	85	96	113,29
	Percentage of RPJMD elaboration into SKPD	%	90	97	121
	Level of e-SAKIP compliance with LKIP	%	100	14	14
	Percentage of SKPD that is financial management according to SAP	%	95	89,06	93,75

Table 4: Internal Business Process Perspective

C. Financial Perspective					
Strategic Goals	Indicators	Unit	Target	Realization	Performance Achievement
Manado is one of the largest investment and trading centers in eastern Indonesia	Economic growth	%	7,3	6,36	87,13
	Number of licenses that support investment	Permit	7.000	9.257	132,24
	Total Own Source Revenue	Rp	218.722.500.000,-	227.728.938.510,-	105,43
	The total value of investments (PMDN/PMA)				
	Domestic Investment	Investor	22	2	9,09
	Foreign Investment	Investor	1	4	250

Table 5: Financial Perspective

D. Customers & Stakeholder Perspective					
Strategic Goals	Indicators	Unit	Target	Realization	Performance Achievement
Quality health services are able to reach and reach by the entire community at all times	Life expectancy	Years	73	71,28	97,64
	Ratio of health center, polyclinic / unit of population	%	0,2	0,23	115
	Ratio of paramedical personnel per unit of population	%	8,7	13,08	150,34
	Coverage of malnourished toddlers get treatment	%	100	100	100
	Mortality rate of discovery and treatment of TBC + AFB	%	100	100	100
	Discovery and treatment of DHF	%	100	100	100
Quality education is able to guarantee Education for all people with superior IPTEK and International Language	Percentage of literacy rate	%	100	100	100
	Percentage of net enrollment rate (APM)				
	SD / MI	%	93,03	95,85	103,03
	SMP / MTs	%	89,01	65,4	73,47
	SMA / SMK / MA	%	81,32	70,31	86,64
	Percentage of graduation rate	%	100	100	100
	Percentage of teachers who hold S1/D-IV	%	86,43	86,94	100,59
Manado is a model of eco-tourism destination of world ecotourism	The number of activities from the Manado ecotourism community	Event	5	5	100
	The ecotourism event (regional, national, and international) scale	Event	6	4	67
	Total tourist visits	Person	732.655	866.458	118,26
Public service implements excellent service and integrated information system that can be accessed by all society	Percentage of SKPD service implementing service standard	%	50	28	56
	Number of participation in service innovation competition	Amount	2	2	100
	Scores of IKM SKPD services	Score	3	3,045	101,05
	Number of public service information systems that are electronized	System	2	2	100

Table 6: Customers and Stakeholder Perspective

However, some indicators able to break the target and recorded more than 100% such as: religious activities, harmonious among religion, family planning participation, number of children per family, number of pre and prosperous family, accessible of road and bridge, building permit, and the availability of price supply of information and food access, completion of examination results, and the elaboration of RPJMD.

The improvement has been running by the city ruler like building/upgrading drainage in 29 locations and rehabilitation/maintenance the existence drainage in 22 locations spread over the city and encourage e-SAKIP as performance evaluation. Meanwhile, the other problems like poor traffic signs, limited human resources to carry out the work, limited available budget, lack of cross-sectoral support such as from the police and other related agencies, trials of changes in traffic flow causing severe congestion at certain points, as well as lack of public awareness are still unsolved.

4.4.2.3. Financial Perspective

It can be seen in table 6 that the economic growth is missed from 7.3% down to 6.36%. However, the accession is over the national economic growth that recorded 5.3%. The amount of domestic investment is flop from 22 targets investors to 2 investors only, while foreign investment rose sharply to 250%. The escalation of investment also drive investment license and own source revenue.

4.4.2.4. Customers & Stakeholder Perspective

Table 7 describes performance measurement based on customer and stakeholder perspective. It can be seen that in a glance, all indicators generally goes well. 14 out of 19 indicators are completed the target even exceed above 100%. Ratio of paramedics compared to population is the highest rating at 150.34%, followed by total tourist and ratio of health centre to population (118.26% and 115% respectively).

Nevertheless, the service standard can only be applied by half of 50 working unit. Meanwhile, ecotourism event noted 67% only. Those indicators are the lowest achievement in this perspective.

In summary, the government has improves the quality of health including infrastructure and paramedics ratio, service innovation, and tourism management. However, it still needs improvement in education quality, especially in mid education and international languages can be realized properly, sustainability in ecotourism project, continual evaluation in civil servant service standard.

5. Discussion

The application of BSC to local government in Indonesia is consistent and in-line with the strategic plan development policy, which directs local government to organize its own strategies. Preparation of Strategic Plan is used to formulate vision, mission, goals, targets, and strategy of government organizations.

The design of performance measures begins with the determination of strategic components. The strategic component consists of vision, mission, objective, and strategic plan of local government. The strategic component is the elaboration of the vision, mission, objectives set out in the Report on Accountability and Performance of Government Institutions (LAKIP) which is then adjusted to the current condition and its relation with the main task and function of Manado City Government. Government Audit Agency (BPKP) stated that BSC can be selected as an alternative in the preparation and development of the Strategic Plan because it is useful for: (a) mapping out existing or existing strategies; (b) recognize the outcomes to be generated and performance accomplishments along with its drivers; (c) choosing strategy and evaluating performance; and (d) a comprehensive analysis and evaluation tool as it sees from various perspectives. In the preparation of Renstra of Manado City Government, has been done step identification of performance indicators. Performance indicators in the strategic plan refer to the report prepared as a form of government accountability to the public.

The application of Balance Score Card in regional government proved that the object has represented 4 (four) perspectives of it. The growth and learning perspective becomes the first goal to achieve the internal business process perspective. This perspective describe smunicipal strategies to achieve the vision "Manado as Fun City". Next, financial perspective becomes the third goal, which makes the City of Manado as a center of investment and trading center in eastern Indonesia. Last, the fourth perspective, customers and stakeholders perspective becomes the ultimate goal of all process on the BSC method.

In summary, the result shows the achievement of Manado city performance indicator based on the BSC scheme has been good. Most of the indicators have reached the target. Although there are some performance indicators that have not reached the set target, some of them are exceed the target.

6. Conclusion

6.1. Conclusion

Based on the results of the interviews, although there are weaknesses in performance measurement system, the program planning and implementation in general has been good with results-oriented. They used The Government Institution Performance Report (LKIP) to see its non-financial performance and Budget Realization Report (LRA) to assess its financial performance. However, the concept of balanced scorecard in performance measurement can provide performance appraisal comprehensively.

From the results of performance measurement with Balanced Scorecard method, shows that the achievement of the strategic objectives for each perspective is broadly meaningful in supporting the achievement of the vision and mission of the municipal. However, there are still some performance indicators and the main performance indicators have not fully met the Regional Long Term Development Plan (RPJMD) targets. The availability of excellent, fast, precise, and thoroughly public services for the people of Manado City must be constantly improved to meet the expectations of society as the object of service.

6.2. Suggestion

From the conclusions described, the authors provide some suggestions that are expected to be useful for readers and the Government of Manado City, namely:

- The government should apply Balanced Scorecard method because it can integrate planning stage, performance evaluation stage, and further strategic policy. Manado City Government will be more comprehensive in conducting performance evaluation with more representative perspective if the method is implemented.

- The Manado City Government needs to analyze the performance indicators that do not meet the set targets, and then look for strategic solutions to address the problems found in achieving the performance indicator in subsequent years.

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