

## **Performance Evaluation of a Palm Oil Factory Using the Balanced Scorecard: A Case Study Approach**

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### **Abstract**

The purpose of this study is to evaluate the performance of a palm oil mill using the Balanced Scorecard (BSC) model at PT. Perkebunan Nusantara IV Pasir Mandoge. This research employs a quantitative approach, utilizing numerical data and statistics to answer the research questions. The data consists of primary data collected through interviews and secondary data from financial reports at PTPN IV. The data were analyzed using the Balanced Scorecard concept, which divides performance measurements into financial and non-financial perspectives. The results of the study indicate that the financial perspective yields good performance results, which need to be maintained by increasing income through marketing efforts. This can be achieved by enhancing product innovation, improving efficiency on each production machine, and developing facilities and services to boost income, maximizing existing resources for optimal returns. From the customer's perspective, performance results are poor due to inadequate attention to customer complaints and feedback, as the company focuses more on growing its market share, rather than reducing complaints through customer retention and acquisition strategies. Recommendations for the customer perspective include minimizing defective products to ensure quality, maintaining strong customer relationships, and offering appealing incentives. From an internal business process perspective, improvements in company performance are evident, as demonstrated by faster processing times, which in turn lead to higher customer satisfaction. The operational perspective shows satisfactory results, as seen in monthly outputs compared to company averages. The learning and growth perspective indicates even better outcomes. An increase in the number of employees participating in training and development has a positive impact on employee performance, satisfaction, and productivity, ultimately benefiting the company in the long run.

**Keywords:** Balanced Scorecard, Performance, Company, Business Perspective

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## INTRODUCTION

A business needs to understand how successful its plans have been and what it has achieved in the past year. It is important to remember that a company's business environment will be competitive due to procedures and competition. One of the most crucial aspects of a business is performance measurement. This metric can be used to assess the company's performance and serve as the basis for developing internal incentives..

In today's information and communication era, performance assessments have focused primarily on final results, particularly the financial components, which are insufficient. Short-term profit maximization is the sole outcome of performance evaluation, often emphasizing only the financial aspect. Furthermore, as financial performance is seen as solely pursuing short-term profits, it cannot effectively guide the company toward better outcomes or reflect the organization's history. Managers who can generate substantial profits are regarded as successful and are generously rewarded by the business.

A company's ability to generate profits and utilize its assets to create cash is reflected in its financial performance, which serves as a measure of its financial health. The company's capacity to manage and control its resources is another method for analyzing financial performance. However, evaluating a company's performance solely in terms of its financial results can be misleading, as achieving robust financial results may harm the company's long-term interests. Conversely, investments directed at long-term interests can lead to weak short-term financial performance.

A method was developed to measure company performance by considering four key aspects: financial factors, customer satisfaction, internal business processes, and learning and development processes. This shift is essential because companies require new, improved benchmarks in performance assessment that illustrate their direction and assess their capability to create long-term financial value as an overarching goal. Table 1 presents information about the production and supply of palm oil from PT Perkebunan Nusantara IV Pasir Mandoge.

**Table 1.** Palm Oil Supply and Production of PTPN IV Pasir Mandoge 2019-2023

No	Year	Palm Oil Supply			Palm Oil Processing Production		
		Target (ton)	Current (ton)	Achievements (%)	Target (ton)	Current (ton)	Achievements (%)
1	2019	189,213	201.121	132.1	37,731	43,632	119.2
2	2020	149.011	178,131	94.1	31,029	22,831	95.6
3	2021	195,419	278.108	127.3	40,344	42,597	120.4
4	2022	217,042	188,467	86.8	44,494	35,818	80.5
5	2023	218,677	222,283	101.6	42,642	40,763	95.6

Source: Primary Data, 2024

Table 1 shows that there has been variation in both supply and production over the last three years. The prolonged drought affecting nearly every part of the island of Sumatra, including North Sumatra Province, is the cause of this issue. The average production of oil palm fruit has decreased drastically due to this extended drought, which directly impacts the flowering and fruit formation process. Furthermore, this situation heightens competition for acquisitions in the agricultural industry, which negatively affects the company's performance.

**Table 2.** Financial Performance Report of PTPN IV Pasir Mandoge 2019-2023

Year	Working Capital (Rp million)	Total Assets (Rp million)	Retained Earnings (Rp million)	Income (Rp million)	Market Price (Rp million)	Sales (Rp million)
2019	115,991.16	10,165,604.30	1,316,082.41	752,363.59	3,957,407.76	6,213,939.79
2020	-235,625.58	12,798,755.07	1,767,500.57	276,687.41	6,548,197.01	5,070,056.24
2021	289,559.12	13,271,283.44	1,985,381.81	545,163.89	6,715,094.42	5,477,892.04

Year	Working Capital (Rp million)	Total Assets (Rp million)	Retained Earnings (Rp million)	Income (Rp million)	Market Price (Rp million)	Sales (Rp million)
2022	-134,454.01	13,271,539.75	2,367,775.18	430,835.79	6,955,586.42	5,370,238.60
2023	-17,654.14	17,084,365.17	2,748,786.43	1,332,139.87	7,791,402.42	5,224,597.53

Source: Financial Report of PT. Perkebunan Nusantara IV (Persero) Pasir Mandoge

Table 2 above illustrates how the revenue of PTPN IV (Persero) Pasir Mandoge fluctuated between 2019 and 2023. It has been established that examining information in a company's financial statements can reveal financial problems and early warning signs of bankruptcy. The primary source of information regarding a company's financial situation is its financial statements, which also measure the performance and growth of the company's finances. The company's financial performance can be assessed using financial data. The ability to generate profit is reflected in the company's financial performance. Performance evaluation can also consider the company's liquidity level, or its capacity to meet short-term financial obligations, as well as its solvency, profitability, and stability, which indicate the company's ability to manage and maintain operations effectively.

**Table 3.** Number of Private Oil Palm Plantation Businesses in Pasir Mandoge

No	Business Name	Production (Kg)	Reception (Rp)	Production cost (Rp)	Income (Rp)
1	PT. First New Jaya	34,000	44,203,846	13,115,385	31,088,462
2	PT. Nagali	21,640	34,920,221	10,748,211	27,919,175
3	PT. Sawit Persadara Raya	48,531	62,356,452	13,943,548	48,412,903
4	PT. Sinuraya	12,430	21,642,100	9,748,472	18,472,201

Source: Primary Data, 2024

In 2024, the national palm oil sector is expected to face increasingly tight competition. This aligns with the strong local market demand for palm oil, also known as crude palm oil (CPO), and the corresponding increase in its price. The RCA (Revealed Comparative Advantage) value often indicates that palm oil sales are highly competitive because production variables, such as labor and land, are inexpensive. Due to its vast geographical area, North Sumatra can consistently increase its palm oil production at a lower cost than other regions. Enhancing the quality of palm oil to improve acceptance in the sales market is one strategy to make the PTPN IV Pasir Mandoge Palm Oil Mill more competitive. Additionally, to boost the added value and global acceptance of MKS products, such as biodiesel, it is crucial to expand its downstreaming.

One of Indonesia's main industrial sectors is the palm oil mill. To ensure operational efficiency and productivity, optimal performance is essential. However, many businesses continue to evaluate performance using outdated techniques that consider only financial factors and fail to provide a complete picture..

However, in this situation, it becomes challenging to consistently and comprehensively evaluate palm oil mill performance. Traditional performance appraisal techniques often fail to address all relevant performance-related topics fully, including internal processes, learning and growth, customers, and finances. This can hinder the ability to respond quickly and effectively to changes in the business environment.

To ensure that every aspect of their performance is accurately assessed, PT. Perkebunan Nusantara IV, one of the largest plantation companies in Indonesia, must use an efficient performance measurement instrument such as BSC. This case study will help in assessing how well BSC is implemented in this business and how it can improve overall performance (Mawu 2018).

Balanced Scorecard is one of the solutions presented by Kaplan and Norton (2001). Balanced Scorecard is a comprehensive and impartial metric that considers business performance in both financial and non-financial aspects. In addition to being a performance measurement tool, Balanced Scorecard also functions as a process management tool. By creating a Balanced Scorecard, businesses can ensure that personal goals and objectives are in line with corporate strategy, link strategic goals with long-term targets and annual budgets, identify and integrate various strategic initiatives, conduct strategic reviews, and provide feedback that helps in improving strategy (Sunarsi 2021). To improve the current assessment methodology, it is important to implement the Balanced Scorecard (BSC) as an alternative performance evaluation instrument (Nurbaiti 2023a). In addition to assessing financial performance, BSC takes into account non-financial factors that are important for long-term growth and operational sustainability of palm oil mill.

Therefore, it is important to use BSC when assessing the performance of palm oil mill in PT. Perkebunan Nusantara IV Pasir Mandoge to improve management tactics and decision making in the future. In PT. Perkebunan Nusantara IV Pasir Mandoge, the Balanced Scorecard approach is used. The purpose is to assess the performance of the organization, and to ensure the success of the cooperative, non-financial variables must also be measured. As a result, this approach allows to assess the performance of PT. Perkebunan Nusantara IV Pasir Mandoge from various perspectives that must be taken into account. The four perspectives that form the Balanced Score technique are as follows: financial, customer (member), internal business process, and growth and learning (Ali 2018).

Combining the terms "balanced" and "scorecard," the term "balanced scorecard" refers to a method for evaluating a company's performance on both financial and nonfinancial levels. The four perspectives of the Balanced Scorecard are used in this approach. Balanced Scorecard can help companies assess their overall performance and identify areas that need development. This approach can be used to assess and improve organizational performance in various contexts, including cooperatives (Kholik 2020).

However, to determine whether a company's performance is good or bad, conventional performance assessments that only use financial data are not enough. This is because although the financial side, customers, internal business processes, and company learning and growth are factors that drive company activities, financial data does not provide a complete picture of a company and does not take into account things outside of finance (Suryanto 2019).

WIKa's financial performance is better than the previous year, based on the results of a study using the balanced scorecard concept, "Analysis of Company Performance Measurement Using the Balance Scorecard Concept (Case Study of PT. Wijaya Karya)" (Nugroho 2019), WIKa's customer satisfaction performance shows a high satisfaction rating for relationships, company image, and product and service features. Meanwhile, the innovation process, operations, and after-sales support all show positive results from the performance of internal business processes. Assessments of the financial perspective with fairly good performance, customer perspective with good performance, internal business process perspective with good performance, and learning and growth perspective with good performance are all produced. (Wildan 2016), "Balanced Scorecard Analysis in Measuring Company Performance (Case Study of PT. BA Bangunan)". By considering all of these things, the performance of PT. BA Bangunan can be assessed as good and is expected to continue to improve. In addition, the results of the study "Company Performance Analysis with the Balanced Scorecard Method for the 2013-2014 Period (Case Study at Hotel Sahid Bandar Lampung)" (Pratiwi 2018), showed that the financial perspective performance in 2013-2014 was still below average. The customer perspective remains consistent. The company's internal processes are good, and when the learning and growth perspective is examined using the employee satisfaction index, staff productivity and retention are below average or non-existent. At PT. Perkebunan Nusantara IV, performance evaluation now prioritizes financial factors over non-financial factors such as learning and development, internal company procedures, and customer satisfaction. As a result,

a comprehensive understanding of business performance is still lacking. According to preliminary research, there is a gap between the performance achieved and the methods used. There is a gap between strategy planning and execution, as evidenced by the fact that a number of strategic initiatives have no real impact on improving performance. According to published research, businesses can improve financial performance, increase operational effectiveness, and align strategy with performance by implementing the Balanced Scorecard. However, its use in the palm oil industry is still substandard, with some businesses experiencing difficulties in implementing it.

## **THEORITICAL REVIEW**

### **Company Performance Evaluation**

Performance is the result you get when you do something and achieve your goals. When someone does a good job and meets their goals, that is what is called performance. In other words, how well someone does something is as important as what they do (D. Wahyudi 2019) .

Performance management systems have a way to measure success as part of it. An analysis of how useful and successful an action was in the past is known as performance analysis. Performance measurement is part of diagnosing or analyzing something to find out what needs to be fixed first (Budi Harianto 2022) .

After reading the description above, it is clear that the success of a company is the result of the work done by the company to achieve its goals. Company performance is the best way to see how well the company is running and planning, and how well the company can use its resources and achieve its goals (Muhammad Ikhsan H 2022) .

### **Balanced Scorecard**

Kaplan and Norton (1996) put forward the idea of the Balanced Scorecard as a new way to measure performance. With this system, companies can not only see the financial progress that has been achieved, but also the progress they want to achieve by optimally utilizing the resources they currently have. Long-term and short-term strategic goals can be set and tracked with the help of the Balanced Scorecard (Dea Lora Veni, Fauzi Arif Lubis 2021) . Businesses can focus on non-financial factors that are important to measuring success, such as how happy their customers are, how efficiently their internal processes work, and how well they can communicate and understand each other at various levels of the company. Companies can continuously evaluate and improve their performance when they have measurable data (Sunarji 2019) said that the Balanced Scorecard can be a useful tool for businesses to achieve their strategic goals. Balanced Scorecard is a way to measure how well a business is performing.

The Balanced Scorecard has four perspectives, which are listed below.

#### **1. Financial perspective**

Financial perspective The business aspect remains very important because the Balanced Scorecard shows what the company has done in the past to make money. Looking at success through a monetary lens will reveal whether the planning, development, and execution of strategy have resulted in the necessary changes that have helped the business make more money (Mashur 2020) .

#### **2. Customer (Member) Perspective**

To stay competitive in today's business, companies need to know what their customers want. Thus, companies can offer better products and services, and also need to create goods and services that customers value more. Indicators on the Customer (Member) perspective/are (Jusriadi 2020) :

- a. Customer Retention (CR) or Customer retention shows how many people continue to use a business. This standard can be used to see how well a company is providing a good experience to customers.
- b. Customer Acquisition (CA) also written as "customer acquisition," measures how many new buyers a business has. People can use this measure to assess how well a business is

marketing its goods or services. Customer satisfaction, also written as “customer satisfaction,” is a way for a business to know how happy its customers are with its goods and services.

- c. You can use this as a benchmark to see how well a company is providing high-quality services or products by looking at the ratio of members who attend the cooperative's annual AGM, meet the quorum, and participate in structured interviews with other cooperative members. If there is a quorum, at least a certain number of people must be present for the Members' Meeting to run effectively.

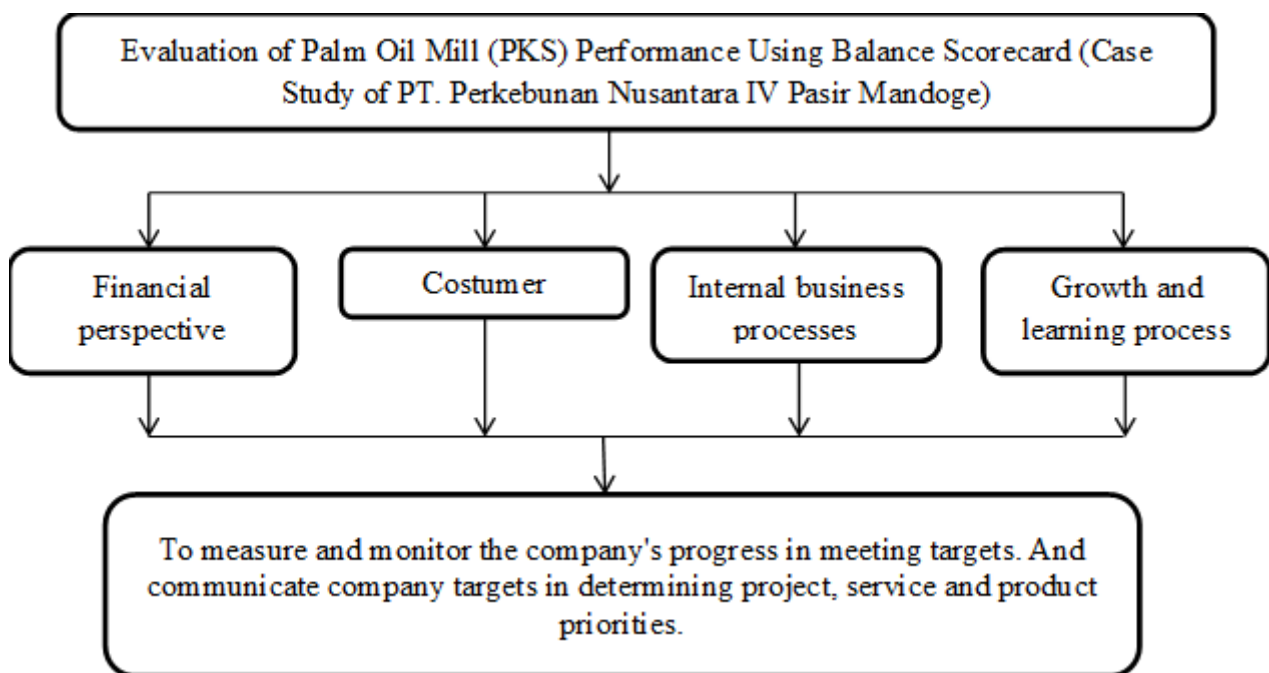
### 3. Internal Business Process Perspective

The internal business process view examines how well and quickly a company makes products and delivers services, as well as how happy its customers are and how well the company is meeting its financial goals. From an internal process perspective, the following indicators are useful (Fahmi 2019) .

- a. Improve operational efficiency and effectiveness by implementing timely joint AGMs to reduce wasted time and resources.
- b. There is a close relationship between innovation and business products and services. An important part of creating new, better and more attractive goods and services for members is the emergence of new ideas. By generating new ideas, cooperatives can continue to grow and better meet the desires of their members.

### 4. Growth and Learning Perspective

Companies need a framework that is measured from a learning and growth perspective to achieve their goals. To perform at their best, companies need to do well in terms of their own finances, customers, and internal business processes. It is essential for companies to measure this performance so that they can achieve their goals and make their performance better in general. Findings from a learning and growth perspective (Yudanto 2019).



**Figure 1.** Conceptual Framework

Measuring business performance is a crucial management tool. In facing global market competition, businesses need constant motivation to improve their performance. The state of an organization's business processes can be determined through measurement. Because it will guide employees to the crucial aspects of success in creating company performance, the Balance Scorecard (BSC), a measurement concept that comes directly from the organization's business plan, requires constant monitoring.

BSC was first implemented to improve executive performance appraisal systems. Initially, only financial metrics were used to evaluate CEO performance. After that, it developed into four broad perspectives that are used to measure the overall success of the company. These four perspectives include learning and growth, internal company operations, customers, and money.

## RESEARCH METHODS

The descriptive quantitative approach used in this study is based on post-positivism or analytical theory. Quantitative research is a method of conducting research that examines the natural conditions of a phenomenon, with researchers playing an important role in this process.

Primary data and secondary data are the types of data used and their sources. When using original data sources, there are several things to think about. Several things to think about, and the person is regarded as knowing the most about the researcher's desires. Secondary data comes from papers and books that are related to current research and previous research that is important to the case being studied.

The research subjects are reporting items from various fields needed for the Balance Scorecard. The success of the palm oil industry of PT. Perkebunan Nusantara IV Pasir Mandoge is the subject of the research.

The Balanced Scorecard Concept method is used in this study, which divides success data into financial and non-financial views. The Balanced Scorecard has four perspectives: financial perspective, customer perspective, internal business process perspective, and learning and growth perspective. These four perspectives work together to help the company achieve its goals as much as possible. Previous journals or studies are used to determine Key Performance Indicators, which are then adjusted to the needs of the company that will use them (Rahmani 2018). To use the Balanced Scorecard, you must find an equivalent measurement method between the two perspectives, using standards from each perspective. This is how, according to Mulyadi (2001), we can find out how well our strategic goals are met from all perspectives: balance criteria. The score in the balance criteria table is the normal score if the company does a "good" job in each area. The score is given based on the following rating scale:

**Table 4.** Rating Scale

Score	Mark
- 1	Not enough
0	Enough
1	Good

## RESEARCH RESULT

### Data Description

One of the most important parts of the palm oil plantation business is the palm oil mill, which converts fresh fruit bunches (FFB) into finished products such as crude palm oil (CPO) and palm kernel. Evaluating the success of the palm oil mill is an important part of ensuring that the plantation company is running efficiently and can stay in business.

palm oil mills need to have a good performance measurement system framework in order to remain superior in the fast-moving business world. The Balanced Scorecard idea is useful because it allows for a fairly broad range of measurements, in addition to looking at financial performance. The Balanced Scorecard also looks at successes that are not related to money, such as how well users, internal business processes, learning, and growth are performing. The Balanced Scorecard also tracks not only the end result (outcome), but also the actions that lead to that result (drivers).

Companies can use the Balanced Scorecard as a strategic measurement tool to see how well they are doing by looking at things from different perspectives, such as the financial perspective, the internal business process perspective, the customer perspective, and the learning

and growth perspective. Using the Balanced Scorecard is useful because it gives you a way to measure progress and use that information to plan for long-term growth. Given the history of the problem, it is interesting to see how well the Balanced Scorecard idea can be used to measure the success of a company's performance.

### Data analysis

Balanced scorecard is used to evaluate the success of PT. Perkebunan Nusantara IV Pasir Mandoge from four different perspectives: customer perspective, financial perspective, internal business perspective, and growth and development perspective. Based on a data study, the four perspectives of balanced assessment in PT. Perkebunan Nusantara IV Pasir Mandoge will be discussed below.

### Financial Perspective

#### 1. Current Ratio

This measure indicates the amount of cash a company has and its ability to settle its current bills.

$$\begin{aligned}\text{Current Ratio} &= \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\% \\ \text{Current Ratio} &= \frac{5,323,421,097}{101,463,770} \times 100\% \\ &= 52.46\%\end{aligned}$$

The results of the study indicate that as the current ratio test results increase, the change in profit decreases, and vice versa. And if the numbers on the graph above are high, it means the company is losing money.

#### 2. Debt to Total Asset Ratio

This measure looks at the difference between total assets and the amount of short-term or long-term debt.

$$\begin{aligned}\text{Debt to Total Asset Ratio} &= \frac{\text{Total Debt}}{\text{Total Assets}} \times 100\% \\ \text{Debt to Total Asset Ratio} &= \frac{2,765,091,093}{9,637,018,039} \times 100\% \\ &= 28.69\%\end{aligned}$$

The study results show that debt financing decreased, specifically by 28.69 % , making it easier for businesses to obtain more loans and enabling them to pay off their obligations.

#### 3. ROA (Return On Asset)

Economic profitability, also known as Return on assets, indicates a company's capacity to generate profits on all its assets, with total assets of 9,637,018,039, PT. Perkebunan Nusantara IV Pasir Mandoge suffered a loss of -2,876,221,091 in 2023.

$$\begin{aligned}\text{ROA} &= \frac{\text{Profitability (EBIT)}}{\text{Total Assets}} \times 100\% \\ \text{ROA} &= \frac{-876,221.09}{9,637,018,039} \times 100\% \\ &= -9.84\%\end{aligned}$$



Since the ROA value is less than 5%, the study findings indicate that it is low. A low ROA may be a sign of inefficiencies, including unused facilities, excess inventory, or poor investment choices.

#### 4. ROE ( Return On Equity )

The rate of return on net worth, or Return On Equity , is often used to evaluate the capacity of PT. Perkebunan Nusantara IV Pasir Mandoge to generate profits using its own funds.

$$\begin{aligned}\text{ROE} &= \frac{\text{Net Profit}}{\text{Equity}} \times 100\% \\ \text{ROE} &= \frac{8,902,847,773}{9,736,039,001} \times 100\% \\ &= 9.14\%\end{aligned}$$

The results of the study show that the ROE value is high because it is more than 8%, which can indicate how well the company uses shareholder capital to maximize profits.

#### 5. Net Profit Margin

The amount of net profit from sales after taxes (net profit) is measured by the net profit margin, which also takes into account all costs.

$$\begin{aligned}\text{Net Profit Margin} &= \frac{\text{Net Profit}}{\text{Net Sales}} \times 100\% \\ \text{Net Profit Margin} &= \frac{8,902,847,773}{15,758,053,958} \times 100\% \\ &= 56.49\%\end{aligned}$$

Based on the research results, a high NPM value means that the company is able to control costs effectively and generate good profits. High NPM can increase investors' desire to invest their capital in the company.

Meeting shareholder expectations is the goal from this financial perspective. Improving the company's operational performance is one strategy to increase the profits obtained. The following are the results from the financial perspective of PT. Perkebunan Nusantara IV Pasir Mandoge which are determined by the current ratio, debt to total assets ratio, return on assets, return on equity, and net profit margin.

##### 1. Current Ratio

Current Ratio of PT. Perkebunan Nusantara IV Pasir Mandoge in 2023 is 52.46 % . Because it is in the range of  $\leq 180\%$ , the current ratio is profitable. This shows that in 2023, 52.46 % of the company's existing assets will guarantee every Rp 1 of its current liabilities.

##### 2. Debt to Total Assets Ratio

Debt to Total Assets Ratio of PT. Perkebunan Nusantara IV Pasir Mandoge is 28.69 % in 2023. Because it is in the range of  $\geq 8\%$ , the debt-to-total assets ratio is profitable. It is believed that PT. Perkebunan Nusantara IV Pasir Mandoge can ensure that its business will be able to pay off its debts using its current assets.

##### 3. ROA ( Return on Assets )

Because it is in the range of  $\leq 4\%$  in 2023, then PT. ROA PT. Perkebunan Nusantara IV Pasir Mandoge is not good. Although the total assets of PT. Perkebunan Nusantara IV Pasir Mandoge are positive, the company has suffered quite a large loss. Because the ROA percentage result is negative, which is -9.84%, then from the results of the data analysis, it can be concluded

that PT. Perkebunan Nusantara IV Pasir Mandoge has not been able to utilize its assets effectively to create company profits in the midst of this pandemic. Based on the profit and loss report of PT. Perkebunan Nusantara IV Pasir Mandoge.

#### 4. ROE ( Return on Equity )

The calculation results show that PT. Perkebunan Nusantara IV Pasir Mandoge has a fairly good condition and generates a fairly large profit (loss) so that it has a Return on Equity of up to 9.14 %, which is quite satisfactory because ROE is in the range of 8-11%. This shows the effectiveness of capital participation of PT. Perkebunan Nusantara IV Pasir Mandoge in 202.

#### 5. Net Profit Margin (NPM)

The results of data analysis show that the Net Profit Margin of PT. Perkebunan Nusantara IV Pasir Mandoge increased by 56.49 % . Given that the net profit margin is in the range of  $\geq 50\%$ , this shows that PT. Perkebunan Nusantara IV Pasir Mandoge has a high and strong value.

**Table 5.** Results of Calculation of Balanced Scorecard Financial Perspective Ratio Criteria  
PTPN IV Plantation Pasir Mandoge

No	Variable	Standard Percentage Interval	Result	Score	Criteria
1	Current Ratio	$\leq 180\% - \leq 219\%$ 220%–239% $\geq 240\%$	52.46%	1	Good
2	Debt to Total Assets	$\geq 8\%$ 6%–7% $\leq 5\%$	28.69%	0	Fair
3	ROA (Return on Assets)	$\geq 12\%$ 5%–11% $\leq 4\%$	-9.84%	-1	Poor
4	ROE (Return on Equity)	$\geq 12\%$ 8%–11% $\leq 7\%$	9.14%	-1	Poor
5	Net Profit Margin	$\geq 50\%$ 30%–49% $\leq 29\%$	56.49%	1	Good

Source: Processed secondary data.

Attention is evenly divided between current ratio, debt to total assets, ROA, ROE, and NPM in the financial perspective, which is a perspective with sufficient value. These metrics must still be maintained by boosting revenue through marketing initiatives. To maximize revenue, they can expand product innovation, create and improve facilities and services that have been produced to boost revenue, and implement production efficiency on every production machine used. Comparing one element (perspective, strategic objective, and outcome measurement) with another given tabularly. finance with the strategic objective of increasing sales growth, efficiency, and effectiveness of asset utilization, and company profitability.

### Customer Perspective

#### 1. Market share

The proportion of a company's sales to the total industry sales during a given time period is known as its market share. Another name for market share is market share. In corporate strategy planning and business analysis, market share is a crucial indicator.

$$\text{Market Share} = \frac{\text{Number of Customers Completed}}{\text{Total Customer}} \times 100\%$$

$$\begin{aligned}\text{Market Share} &= \frac{132}{223} \times 100\% \\ &= 59.19\%\end{aligned}$$

## 2. Customer Retention

The ability of a business to retain its current clients and convert them into repeat customers is known as customer retention. Building relationships with consumers and growing client loyalty are two other benefits of customer retention.

$$\text{Customer Retention} = \frac{\text{Number of Repeat Customers}}{\text{Total Customers}} \times 100\%$$

$$\begin{aligned}\text{Customer Retention} &= \frac{78}{223} \times 100\% \\ &= 34.97\%\end{aligned}$$

## 3. Customer Acquisition

The number of new clients at PT. Perkebunan Nusantara IV Pasir Mandoge, compared to the total number of current clients. With 118 new clients in 2023, the customer acquisition rate is 62.4 %.

$$\text{Customer Acquisition} = \frac{\text{Number of New Customers}}{\text{Total Customers}} \times 100\%$$

$$\begin{aligned}\text{Customer Acquisition} &= \frac{118}{223} \times 100\% \\ &= 52.3\%\end{aligned}$$

Considering the number of regular customers of PT. Perkebunan Nusantara IV Pasir Mandoge, which changes every year, the consumer's perspective has the greatest influence on this. The consumer's perspective is explained as follows:

### 1. Market share

In 2023, PT. Perkebunan Nusantara IV Pasir Mandoge will control a market share of 59.19 percent . Given that the market share is in the range of  $\geq 50\%$ , this shows that the market share of PT. Perkebunan Nusantara IV Pasir Mandoge in 2023 has a fairly good value. A total of 91 customers could not be served due to cancellations and customer disruptions, according to informants from Pasir Mandoge, the head of PT. Perkebunan Nusantara IV, currently, many customers are canceling orders for palm oil processing products.

### 2. Customer Retention

Based on the results of the customer retention data examination at PT. Perkebunan Nusantara IV Pasir Mandoge, of the 78 regular customers in 2023, 34.97% came from outside North Sumatra. Given that the number is in the range of  $\leq 69\%$ , this shows that client retention is still low.

### 3. Customer Acquisition

Customer acquisition at PT. Perkebunan Nusantara IV Pasir Mandoge, based on data analysis results, is 52.3 %, and is a very good value because it is in the range of  $\geq 15\%$ . Due to the large number of distributors and palm oil enthusiasts, the majority of clients in 2023 will be new clients.

**Table 6.** Results of the Calculation of Customer Perspective Criteria in Balanced Scorecard PTPN IV Plantation Pasir Mandoge 2023

No	Variable	Standard Percentage Interval	Result	Score	Criteria
1	Market Share	$\geq 50\%$ 30%–49% $\leq 29\%$	59.19%	1	Good
2	Customer Retention	$\geq 80\%$ 70%–79% $\leq 69\%$	34.97%	1	Good
3	Customer Acquisition	$\geq 15\%$ 10%–14% $\leq 9\%$	52.3%	1	Good

Source: Processed secondary data.

Since the company is also very focused on increasing market share, listening to customer complaints with customer retention and customer acquisition is done after listening to customer input and complaints, so from the customer's perspective, the value is good. Suggestions from the consumer's perspective include minimizing the production of poor quality goods to improve the quality of the final product, maintaining positive relationships with clients, and offering attractive offers (discounts) to clients. Customer satisfaction will have a significant impact on the business in order to build positive relationships and give customers confidence in the work done by the staff. Future sales or profits for the business will be affected by this. Profits will be affected by the increasing number of consumers owned and the number of customers who have confidence in the business's ability to handle problems.

### Internal Business Process Perspective

#### 1. Minimize Error Rate and Rework (MERR)

By calculating the number of Warning Letters (SP) issued, this perspective is used to determine the percentage of errors made by PT. Perkebunan Nusantara IV Pasir Mandoge personnel. With 23 SPs issued to 132 employees in 2023, the MERR percentage of 9.6% is considered good because it is in the range of  $\leq 20\%$ . When an employee makes a routine error, the manager or supervisor will immediately issue a warning. Mistakes that are usually fatal will result in a warning letter or SP.

$$\text{MERR} = \frac{\text{Number of employees who made mistakes}}{\text{Number of employees}} \times 100\%$$

$$\text{MERR} = \frac{23}{132} \times 100\%$$

$$= 17.4\%$$

#### 2. Agreement with Third Party Providers

FGV Bukers, Yang Lou Dong, PLN, and FGV Holdings are four business actors engaged in renewable energy management that partnered with PT. Perkebunan Nusantara IV Pasir Mandoge in 2023. Given the number of partners between three and five, this shows that the agreement with the third party is in a sufficient position.

#### 3. Service Process

In 2021, PT. Perkebunan Nusantara IV Pasir Mandoge will operate for 16 hours, namely from 07.00 to 17.00. This is still within the 10-hour interval range, so it is in a sufficient position.

Although service hours are not available all the time, visitors or customers can still contact the authorities if they have questions or problems.

#### 4. Innovation

In 2023, PT. Perkebunan Nusantara IV Pasir Mandoge continues to innovate, resulting in new manufacturing methods and company management procedures. As a result, the innovation variable becomes very valuable. In addition, PT. Perkebunan Nusantara IV Pasir Mandoge is always aware of the market size and its leaders, which helps it continue to search for relevant technologies to implement.

**Table 7.** Calculation Results of Internal Business Process Perspective Criteria Standards  
Balanced Scorecard of PT. Perkebunan Nusantara IV Pasir Mandoge 2023

No	Variable	Standard Interval (Percentage / Hours)	Result	Score	Criteria
1	Minimize Error Rate and Rework	$\leq 20\%$ 21%–50% $\geq 51\%$	17.4%	-1	Poor
2	Partner with Third Party Providers	Many (>5 Partners) Medium (3–5 Partners) Few (<3 Partners)	4	0	Fair
3	Service Process Time	17–24 Hours 9–16 Hours $\leq 8$ Hours	10 Hours	0	Fair
4	Innovation Process	$\geq 3$ 1–2 0	3	1	Good

Source: Processed secondary data.

The organization's ability to minimize error rate and rework with a value of -1 or below is the starting point of analysis from an internal business perspective. This is evidenced by the company's inability to implement innovations that are considered capable of producing several breakthroughs that generate added value, as evidenced by the success of PT. Perkebunan Nusantara IV (Persero) Pasir Mandoge in winning an award from the Department of Agriculture. For the category of project management service providers, subcontractors, operational/venture cooperation patterns with foreign companies, and participation in Indonesia Incorporated with other BUMN companies, the Partner with Third Party Providers category received a value of 0 which is considered sufficient. Furthermore, for the service process, it received a value of 0 which is considered sufficient. Because the service and development process decreased, staff training costs decreased, but total operational costs increased and the company's reputation in the eyes of consumers decreased. The value received in terms of inventiveness was quite good, namely 1. By obtaining ISO 14001 and ISP 9001 certification, PT. Perkebunan Nusantara IV (Persero) Medan has demonstrated its capacity to produce goods that meet international standards. In 2019, the company's operating profit margin decreased by 8.11 % as a consequence of increasing operating costs. Suggestions to improve product innovation by adding product designs and building and maintaining positive relationships with suppliers were conveyed to the internal business perspective.

## Learning and Growth Perspective

### 1. Employee Retention

Employee retention at PT. Perkebunan Nusantara IV Pasir Mandoge is 2.2 % , which is quite valuable because it is between 2 and 7%. In 2023, three people left the company due to layoffs and resignations.

$$\text{Employee Retention} = \frac{\text{Number of employees leaving}}{\text{Number of employees}} \times 100\%$$

$$\begin{aligned}\text{Employee Retention} &= \frac{3}{132} \times 100\% \\ &= 2.2\%\end{aligned}$$

### 2. Employee Training Level

The number of workers who took part in training in 2023 was 83 people or all employees took part in training. This shows that the level of employee training is good because all employees participated in the training and are in the interval  $\geq 50\%$ .

$$\text{Employee Training Level} = \frac{\text{Number of employees trained}}{\text{Number of employees}} \times 100\%$$

$$\begin{aligned}\text{Employee Retention} &= \frac{83}{132} \times 100\% \\ &= 62.8\%\end{aligned}$$

### 3. Employee Attendance Rate ( Absenteeism )

The percentage of employees who were absent in 2023 was 8.93 % , with a total of 118 absences and 309 working days in one year. When viewed from the employee absence rate between 5% - 10%, this shows that the employee attendance rate is adequate.

$$\text{Employee Attendance Rate} = \frac{\text{Number of absences}}{\text{Number of employees}} \times 100\%$$

$$\begin{aligned}\text{Employee Retention} &= \frac{118}{309} \times 100\% \\ &= 8.93\%\end{aligned}$$

**Table 8.** Calculation of Learning and Growth Perspective Criteria Standards  
Balanced Scorecard of PTPN IV Pasir Mandoge

No	Variables	Standard Percentage Interval	Results	Weight of Value	Criteria
1	Employee Retention	$\leq 2\%$ 2%- 7% $\geq 8\%$	2.2%	0	Enough
2	Employee Training	$\geq 50\%$ 25%- 50% $\leq 24\%$	62.8%	1	Good
3	Absenteeism	$\leq 5\%$ 5%- 10% $\geq 11\%$	8.93%	0	Enough

Source: Processed secondary data.

Since it is very important for companies to understand and pay attention to their employees in order to obtain good benefits, the learning and growth perspective is used as the

main measuring tool to evaluate employee satisfaction with a value of 1 meaning good; employee retention with a value of 0 meaning sufficient; and productivity and absenteeism with a value of 0 meaning sufficient. Employees are the main drivers of the company and, with proper management, can effectively achieve and implement organizational goals. There is a tendency to ignore non-financial aspects, such as customer satisfaction, productivity, and cost-effectiveness processes used to produce products and services, as well as employee empowerment and commitment in producing products and services for customer satisfaction, because company performance measurement only considers financial aspects. As a result, the focus is more on the realization of financial performance. The balanced scorecard, which retains a number of conventional financial metrics, is a performance evaluation tool that takes into account both financial and nonfinancial factors. Beyond the summary of financial metrics, the Balanced Scorecard creates a set of business unit objectives. PT. Kebun Nusantara IV (Persero) Pasir Mandoge is an agribusiness company that has used the Balanced Scorecard as a performance evaluation tool. In addition, recommendations are given for the learning and growth perspective in the form of maintaining good relationships with employees and handling employee issues effectively to increase employee loyalty .

## Discussion

Based on the balanced scorecard model viewed from four perspectives, the performance of PT. Kebun Nusantara IV (Persero) Pasir Mandoge has improved from year to year, which has an impact on the company's ability to expand every year. If the company achieves its strategic goals by using the balanced scorecard performance measurement technique. Financial and non-financial impacts can occur in the future. Thus, the balanced scorecard perspective allows it to assess the company's performance both financially and non-financially, as well as intellectually—that is, in terms of human resources that can represent the needs of stakeholders. Related to PT. Kebun Nusantara IV (Persero) Pasir Mandoge, the company can translate and define its own vision, goals, and strategies by using the balanced scorecard performance assessment approach. The balanced scorecard can also provide a framework for explaining the company's strategy related to its operations, in addition to assisting in measuring financial and non-financial success. By outlining methods for tracking company performance, the balanced scorecard can help businesses identify performance components that will help them achieve the goals of PT. Kebun Nusantara IV (Persero) Pasir Mandoge.

This is related to the goal-setting hypothesis, which states that performance goals will influence a person by focusing attention and behavior through motivational mechanisms. This will spur more work and drive to make the necessary plans, and vice versa. Employees of PT. Kebun Nusantara IV (Persero) Pasir Mandoge are encouraged to be more dedicated to the company by the positive findings of this study.

As a modern management idea, the balanced scorecard can be used as a tool to evaluate balanced, comprehensive, and measurable performance. Company executives can now assess how much value their business divisions provide to workers and how much management needs to invest in human resources and improve internal capabilities. This is explained in QS Ath Thariq verse 16 which states that Allah SWT has prepared a good and correct plan to be implemented by humans and knows the right plans or strategies that will be carried out by humans. Therefore, humans should always make and implement a good and correct work plan towards happiness in the world and the hereafter, because good performance is undoubtedly obtained from good management in making decisions. Islam also recommends doing all work with an element of thinking about the risks or benefits and harms that will be taken so that a job is not finished in a hurry. Islam also emphasizes that a company must be able to manage the resources it currently has, which are intangible assets, in order to become a large company or organization. By developing trustworthy human resources in the work environment through training, human resource management can be used to manage the resources currently owned as the company's intangible assets. Islam believes that a person's dignity and degree of existence is

determined by the knowledge he possesses. Allah gave His Messenger the mandate to always seek new information. He will become more competent and competitive in completing the tasks given to him as his knowledge increases.

Likewise, building positive relationships with customers will keep them loyal. From an Islamic economic perspective, business operations are viewed as collaborative efforts aimed at fulfilling the organization's vision and goals. Consequently, one of the qualities of integrity that every employee in an organization must possess is trustworthiness.

Using the Balanced Scorecard in an Islamic Context The first step in keeping the balanced scorecard in line with the Shari'ah is to ensure that the performance metrics do not conflict with the rules of the Shari'ah, such as avoiding gharar, riba, and other business-related prohibitions. Second, focusing on non-financial factors: The balanced scorecard should take into account non-financial factors related to Islamic principles, such as customer satisfaction, service quality, and social contribution, in addition to evaluating financial success. Third, by integrating Islamic principles, the balanced scorecard can be used to assess and improve organizational performance in areas that are in line with Islamic principles, such as improving community welfare, reducing poverty, and improving quality of life. Fourth, encouraging social responsibility: Islamic organizations can use the balanced scorecard to assess and improve their social duties, for example, by making charitable donations, helping the poor, and promoting sustainable development.

In 2020, Ali Fikar and Dini Retnowati conducted a study on CV. MPE entitled "Implementation of Balanced Scorecard to Measure Company Performance." Findings: The performance of CV. MPE has continued to decline over the past three years, according to the findings of performance measurement using the balanced scorecard technique. Net profit margin, debt ratio, and total asset turnover index all indicate less than ideal financial prospects. Only the number of training programs indicator, which represents the growth and development perspective, is above the threshold condition, while the key performance indicators in the internal business process perspective are at the threshold condition. The sales volume indicator, which represents the customer perspective, also experienced a significant decline.

Then the research conducted by Difi Diana (2022) entitled "Balanced Scorecard Approach in Measuring the Performance of Baitul Mal Tamwil Amanah, Banjarmasin City." Results: the results show that: 1) the financial perspective performance scored 2.3, meaning less good; 2) the customer perspective performance scored 3.4, meaning quite good; 3) the internal business process perspective performance scored 2.2, meaning less good; 4) the growth and learning perspective performance scored 3.1, meaning quite good. Thus, the strategic targets of BMT Amanah which are too people-centric, resulting in the business process perspective and financial perspective being neglected, must be evaluated.

## CONCLUSION

The results of this study indicate that the performance of PT. Kebun Nusantara IV (Persero) Pasir Mandoge which is measured using a company performance measurement tool, namely using the balanced scorecard (BSC) method with 4 (four) perspectives including financial perspective, customer perspective, internal business process perspective and learning and growth perspective consisting of several indicators in it produces quite good achievement results.

Financial perspective performance produces performance results that are already good, and must still be maintained by increasing revenue with marketing efforts. Through increasing product innovation, carrying out production efficiency on each production machine used, developing and improving facilities and services that have been produced to increase revenue, so that it can optimize existing resources to achieve optimal revenue.

From the customer perspective, it produces poor performance results due to a lack of listening to customer complaints and customer input, also because the company focuses more on increasing market share and then followed by reducing customer complaints with customer retention and customer acquisition. From the customer perspective, suggestions are given in the



form of avoiding defective products as much as possible so that the quality of the products produced is maintained, maintaining good relations with customers and providing attractive offers (discounts) for customers.

In the perspective of internal business processes shows the improvement of performance in the company that is getting better. In improving the results and speed of processing time, the work is increasing so that customers feel satisfied. For the perspective itself, the results obtained are sufficient. This can be seen from the results obtained from month to month and also compared with the company average.

Based on the learning and growth perspective shows increasingly better results. The increase in the number of employees who participate in training and development has an impact on improving employee performance, satisfaction and employee work productivity so that it will have a beneficial impact on the company in the future.

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