

PUBLIC ORGANIZATION PERFORMANCE EVALUATION USING THE BALANCED SCORECARD

Giska Nur Aziza¹, Muhammad Taufiq²

Politeknik STIA LAN Bandung¹

Politeknik STIA LAN Jakarta²

Email : muhammad.taufiq@stialan.ac.id¹

Abstract

Performance measurement evaluation is essential for driving continuous improvement in public sector organizations. This study addresses recurring issues at the Bandung City Regional Revenue Agency (UPT PPD Central Bandung Region), which has experienced a continuous decline in PBB tax realization alongside a shortage of human resources. If left unaddressed, these issues will permanently degrade public service quality. To evaluate performance comprehensively, this study implements the Balanced Scorecard (BSC) method by analyzing Key Performance Indicators across both financial and non-financial dimensions. The research adopts a descriptive quantitative approach, utilizing both primary and secondary data sources. The results indicate that the overall performance of the UPT PPD Central Bandung Region using the BSC framework is in good standing, achieving a total score of 85.42%, which places the organization in the green level category. In detail, the customer perspective achieved the highest performance value at 30.44%, reflecting high taxpayer satisfaction. This is followed by the financial perspective at 22.43%. Furthermore, the internal business process perspective scored 12.79%, showcasing effective innovations that accelerate service delivery. Finally, the learning and growth perspective scored 19.74%, indicated by high employee satisfaction and strong expertise in their fields. This balanced scorecard evaluation confirms that despite structural challenges, the agency maintains a highly commendable quality of service.

Keywords: Public Organization, Balanced Scorecard, Bandung City Regional Revenue Agency.

1. Introduction

Public sector organizations are fundamentally different from private sector organizations. Public sector organizations aim to provide services to the

community, while private sector organizations prioritize profit for the company's benefit. In public sector services, it is highly necessary to have good and appropriate service quality to provide satisfaction and benefits to the community, meaning that the government not only serves itself but also needs to pay attention to all the services needed by its people.

Taxes are the main source of revenue in the State Budget or Anggaran Pendapatan dan Belanja Negara (APBN), primarily aimed at advancing the country and improving the welfare of its people (Lubis, 2015). According to Tax Law Number 28 of 2007 on General Provisions for Taxation (KUP), which was later updated to Law Number 16 of 2009 concerning General Provisions and Procedures for Taxation, tax is a mandatory contribution to the State, owed by individuals or entities, which is compulsory based on law, without direct compensation, and used for state purposes for the prosperity and welfare of the people.

Optimizing tax funds is crucial for evaluating the performance of tax agencies to identify areas that need improvement and enhancement in tax fund optimization. Therefore, using the *Balanced Scorecard* as a performance measurement tool in an organization can evaluate whether the performance has been carried out well and successfully in accordance with the organization's vision, mission, and objectives. The importance of performance measurement in the public sector is to assess the success within the organization in gaining public support through the organization's ability to provide relatively cheap, fast, and high-quality public services. Performance measurement in public sector organizations can periodically determine the effectiveness of the organization over time, and ascertain the effectiveness within organizational units and employees based on established goals, criteria, and standards (Mulyadi, 2001).

Local governments annually set targets for Property and Land Tax revenue as a source of income, but sometimes the results obtained do not always go as planned, leading to unmet targets and realizations. The phenomenon occurring at

the Bandung City Revenue Agency, UPT PPD Central Bandung Region, shows that the realization of Property and Land Tax revenue has almost below the set target every year, compounded by a shortage of human resources compared to the established workload measurements for employees, despite performing various tasks and providing other services.

Table 1 Target and Realization of Land and Building Tax (PBB) 2017 – 2022

YEAR	NUMBER OF SPPT	PBB TARGET	PBB REALIZATION	PERCENT (%)
2017	89.841	128.893.686.747	122.164.411.547	94,78%
2018	103.872	151.415.534.080	124.150.433.226	81,99%
2019	96.096	139.451.928.171	125.413.418.251	89,93%
2020	97.552	110.051.006.299	113.050.616.630	102,73%
2021	59.154	119.316.131.011	100.967.106.012	84,62%
2022	81.308	165.774.877.162	106.276.796.616	79,57%

Source : Regional Revenue Agency (BAPENDA) UPT Bandung Tengah (2023).

Based on Table 1 and Table 2, it can be seen that the realization and target values experienced a decline, particularly from 2021 to 2022. In addition, the number of employees required according to the workload analysis was 18,96 employees, while only 10 employees were available.

Table 2 Employee Workload Measurement

	Task Description	Effective working time	Workload	Standard Hours	Required Employees (JS/WKE)
A.	Carrying out tax intensification inventory analysis activities in the Bandung Tengah Regional Tax UPT work area	360.000	11.843	532.395	7,39438

B.	Conducting data administration activities for SPPT PBB, Tax Collection Letter (STPD), and Regional Tax Collection Letter (SKPD PAT) in the Bandung Tengah Regional Revenue UPT	720.000	106.440	634.230	8,99100
C.	Carrying out operational service activities for Land and Building Tax (PBB) at the Bandung Tengah Regional Revenue UPT	288.000	7.533	91.085	1,26507
D.	Carrying out other official duties assigned by the leadership	144.000	1.100	94.500	1,313
TOTAL					18,96

Sumber : Regional Revenue Agency (BAPENDA) UPT Bandung Tengah (2023).

The Regional Revenue Agency of Bandung City, UPT PPD Bandung Tengah Region, had previously never implemented the *Balanced Scorecard* method. In addition, this study applies weighted score values within the *Balanced Scorecard* method. It is important to evaluate the performance of the Regional Revenue Agency of Bandung City, UPT PPD Bandung Tengah Region, from the *Balanced Scorecard* perspective in order to reveal a more comprehensive and balanced organizational performance. The problems that arise can be resolved more effectively from both non-financial and financial perspectives. If these issues are left unresolved, they may lead to recurring problems. Furthermore, this condition will certainly affect the quality of performance and result in less-than-optimal outcomes. The contribution value of the Regional Revenue Agency, UPT PPD Bandung Tengah Region, will not achieve optimal results in Land and Building Tax (PBB) contributions, because the largest contribution of BAPENDA UPT PPD Bandung Tengah Region can be seen from the target and realization of PBB revenue, unlike the Central Office of BAPENDA. If these problems continue to be neglected and no sufficient improvement efforts are made, they will ultimately affect the achievement of the organization's goals, vision and mission, as well as organizational strategies.

2. Literature Review

The *Balanced Scorecard* (BSC) was first introduced in 1992 by Robert S. Kaplan and David P. Norton through their groundbreaking study entitled “*Balanced Scorecard: Measures that Drive Performance.*” Since its initial development, this concept was designed to address the weaknesses of traditional measurement systems that focused exclusively on financial indicators. Performance measurement relying solely on financial aspects was considered a lag indicator, reflecting only past performance and failing to capture long-term value creation activities. Furthermore, it often encouraged short-term managerial behavior that sacrificed organizational sustainability. As a solution, the BSC complements financial measures with future performance drivers (*lead indicators*) derived directly from the organization’s vision and strategy. Through this approach, managerial accountants are able to evaluate the organization’s competitive position in order to ensure long-term business competitiveness and sustainability (Perkins et al., 2014).

Structurally, the BSC concept directs top management to view and manage organizations comprehensively through four primary perspectives: the financial perspective, customer perspective, internal business process perspective, and innovation, learning, and growth perspective. The customer perspective emphasizes the value proposition delivered by the organization to satisfy the market, as well as the resulting outcomes such as customer satisfaction and market share (Gao et al., 2018; Kicová & Poniščiaková, 2021). Furthermore, the internal business process perspective focuses on the efficiency of key activities involved in creating and delivering value expected by customers (Chavan, 2009; Perkins et al., 2014). Meanwhile, the innovation and learning perspective serves as the fundamental basis focusing on intangible assets such as human capabilities, information systems, and organizational climate (Kicová & Poniščiaková, 2021; Perkins et al., 2014). These four perspectives are interconnected through the principle of causal relationships,

where improvements in learning and growth are expected to drive improvements in internal processes, enhance customer satisfaction, and ultimately lead to financial success (Kaplan, 2010; Kaplan & Norton, 1996).

Although the BSC method was initially designed for commercial business sectors, over time this strategic management tool has been widely adopted by public sector organizations and other non-profit institutions. The fundamental difference in its implementation lies in the organizations' primary objectives, where private sector organizations are oriented toward profit maximization, while public sector organizations prioritize non-profit motives focused on public service quality (Muda et al., 2018). In Indonesia, the development of BSC research and implementation has been dominated by public sector organizations, such as government ministries, educational institutions, hospitals, and State-Owned Enterprises (Eklund, 2020; Erawan, 2019; Handayani, 2021; Martunis et al., 2020). A concrete example of the effectiveness of this instrument can be seen in research conducted at the Department of Marine Affairs and Fisheries of Situbondo Regency, where the integration of financial aspects through *value for money* analysis and non-financial aspects through *service quality* analysis was able to provide a comprehensive and measurable organizational performance evaluation (Rudyanto et al., 2017).

Despite its high level of success, researchers acknowledge that BSC implementation presents its own challenges and does not automatically guarantee organizational success without strong commitment. The success of implementing this method varies significantly because each organization possesses unique cultural values, leadership styles, and operational characteristics (Handayani, 2021). In addition, human factors within organizations play a crucial role, where all organizational members, from top management to lower-level staff, must understand, support, and accept accountability for the targets established in the scorecard. In the future, the implementation of BSC in Indonesia is recommended not to be limited to single case studies, but to be expanded across various

organizations within the same sector so that performance evaluations can be assessed more broadly, while also emphasizing the role of the customer perspective in achieving public accountability (Handayani, 2021).

The *Balanced Scorecard* (BSC) possesses several key characteristics that make it a highly effective strategic management tool. First, this method is comprehensive because it does not focus on only one dimension, but instead emphasizes performance measurement that integrates both qualitative and quantitative aspects holistically. In addition, the BSC demonstrates coherence, as the system is capable of mapping and determining clear cause-and-effect relationships among each planned strategic objective. Another characteristic is balance, reflected in the BSC's ability to align various objectives within organizational strategic planning in order to maintain long-term performance. Finally, all objectives designed within organizational planning are measurable, allowing implemented strategies at every stage to be clearly evaluated in order to maintain organizational focus toward achieving broader goals.

Although it offers numerous advantages, the implementation of the *Balanced Scorecard* within organizations is not free from limitations that may reduce its optimal benefits if not properly anticipated. One common obstacle is the weak relationship between non-financial measures and actual achieved results. This condition occurs because the cause-and-effect relationships within the BSC structure require a relatively long validation process, meaning that future target achievements cannot always be guaranteed instantly. Another challenge relates to reward systems, where higher financial performance achievements are often not fully integrated with incentive programs, combined with assessment indicators that still mix objective and subjective elements. On the other hand, initiatives within organizational work programs sometimes require periodic reassessment, especially those affecting long-term strategies. Therefore, performance evaluation should not

rely solely on operational aspects, but must remain linked and aligned with sound financial considerations.

Compared to various other management approaches, the *Balanced Scorecard* offers significant competitive advantages, particularly when implemented in public sector organizations. This instrument enables management to monitor and measure organizational performance from multiple perspectives proportionally. Through these balanced perspectives, all organizational processes and performance achievements can be reviewed comprehensively and holistically, resulting in more objective and transparent evaluations for the public.

Based on the above, the conceptual framework in this study can be seen in Figure 1 as follows.

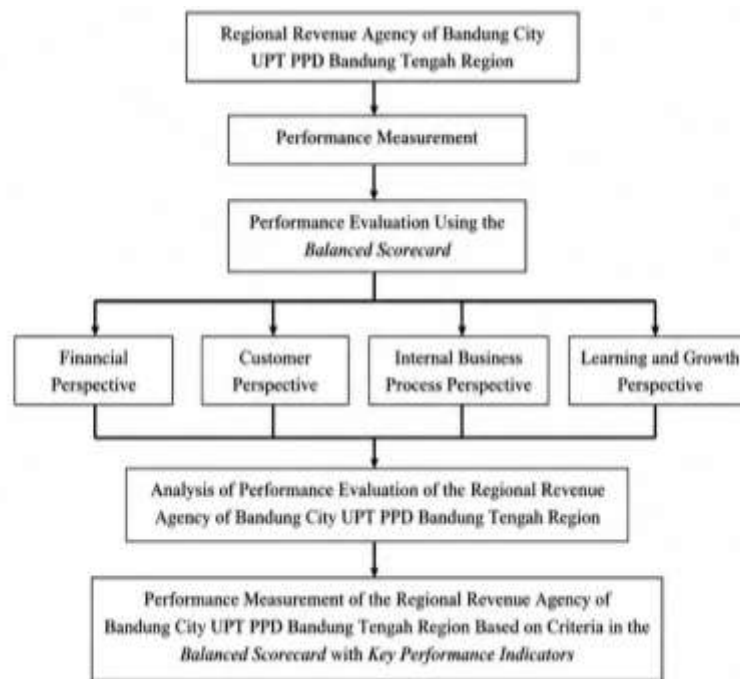


Figure 1. Research Conceptual Framework
Source : Developed in the study (2023).

3. Research Method

This study employs a descriptive quantitative approach using a case study method to evaluate organizational performance comprehensively. The use of the descriptive method aims to provide a systematic, factual, and accurate description of the organization's actual performance conditions based on predetermined indicators. The primary instrument used as the analytical framework is the *Balanced Scorecard* (BSC), which evaluates performance not only from a financial perspective but also balances it with non-financial aspects through four main perspectives: financial, customer, internal business processes, and learning and growth.

The data used in this study consist of primary and secondary data. Primary data were collected through the distribution of structured questionnaires to service users and employees. The customer questionnaire was specifically designed to measure their level of satisfaction and expectations regarding the quality of organizational services (covering dimensions P.1 to P.9). In addition to questionnaires, direct observation and in-depth interviews with management were also conducted to strengthen data interpretation. Meanwhile, secondary data were obtained through documentation studies of the organization's financial reports, performance accountability reports, strategic planning documents (*Renstra*), and other internal operational records relevant to the analysis period.

The object of this research is the Regional Revenue Agency of Bandung City, UPT PPD Bandung Tengah Region, using the *Balanced Scorecard* method. Information supporting the required research data was obtained from the Head of Administration Subdivision (*KASUBAG TU*) and staff members at the Regional Revenue Agency Office of UPT Bandung Tengah. Accordingly, the minimum sample size determined in this study was 100 respondents. Quantitative research is a process based on positivism that is utilized in conducting observational research on populations and samples that have been designated as the target of a study. The

approach used in this research is a descriptive approach, namely an approach that describes the condition of the research object raised by the researcher through collected data or samples as they are, without conducting further analysis or drawing generalized conclusions (Sugiyono, 2019). The following is the research flow as illustrated in Figure 2 below:

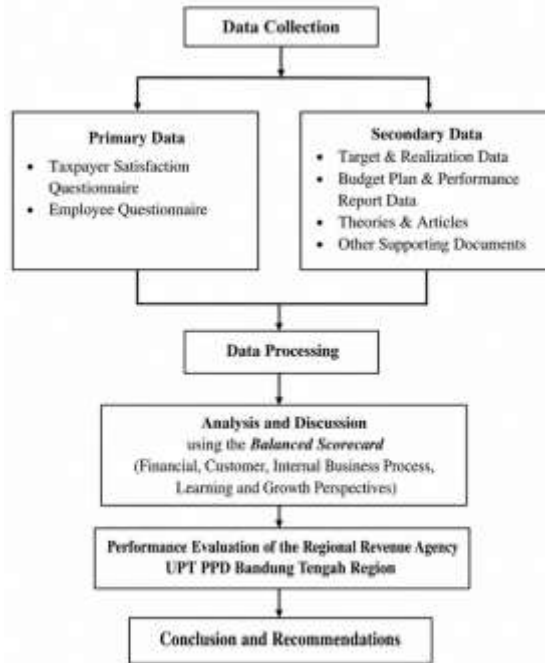


Figure 2. Research Flow
Source : Developed in the study (2023).

Planning carried out using the *Balanced Scorecard* method with its four perspectives is utilized in evaluating the performance of the Regional Revenue Agency of Bandung City, UPT PPD Bandung Tengah Region. The evaluation is described through the use of *Key Performance Indicators* (KPI) and a scoring system or average value measurement using the Likert Scale. The following is the *Balanced Scorecard Strategy Map* at BAPENDA UPT PPD Bandung Tengah Region:

The data analysis technique was conducted through several systematic stages to test the feasibility of the instruments and calculate performance scores.

Before the questionnaires were analyzed further, validity and reliability tests were first conducted to ensure that the data collection instruments were valid and consistent. For the customer perspective analysis, the data were processed using a satisfaction index formula by multiplying the dimension weights by the gap between the performance score and the target score, resulting in values that were then categorized according to specific assessment criteria (such as “Very Satisfied”).

4. Result and Discussion

4.1. Key Performance Indicator Design Based on the Balanced Scorecard

The identification and determination of Key Performance Indicators (KPI) were obtained based on the established strategic objectives derived from the collected data. The following represents the design of strategic objectives and KPIs at the Regional Revenue Agency of Bandung City, UPT PPD Bandung Tengah Region:

Table 3 KPI Design Based on the Balanced Scorecard (BSC)

Perspective	Strategic Objectives	KPI
Financial	Increase in PBB Breakdown	Efficiency of the percentage increase in Land and Building Tax (PBB) breakdown.
Customer	Facilities	Office facilities and infrastructure are clean and well-maintained.
		Facilities and infrastructure are adequate and comply with standards.
	Service Quality	Employees are neat, polite, patient, and able to provide proper service.
		Service providers treat taxpayers well.
		The service delivery process is fast in inputting data.
		Accuracy in accordance with taxpayer needs.
		Fast response in handling taxpayer complaints.
Solutions provided during the process.		
Service providers are skilled in their field.		
Internal Business	Innovation	Availability and provision of services.
	Operational Processes	Processing time and complaint resolution for taxpayers.
	Employee	Quality of employee performance in accordance with

	Productivity Level	assigned duties.
Learning & Growth	Using an Ideal Workload Analysis	Quality of human resources in accordance with workload analysis standards.
	Information systems	Employees feel comfortable using applications.
		Task completion accurately on time.
		Information systems are easy to use.
		Information networks are sufficiently smooth and do not experience crashes.
	Coordination & Work Relations	Effective communication.
		Employees are given opportunities to express opinions.
		Employee involvement in solving problems.
		Employees understand their responsibilities in carrying out tasks.
	Technical Expertise	Good employee skills.
		Availability of solutions for taxpayer complaints.
		Receiving taxpayer complaints in the taxation field.
		Providing solutions for taxpayers experiencing obstacles in the taxation application process.
		Completing tasks properly and within the SOP timeframe.
		Focus on tasks.
	Motivation & Support	Completing tasks more quickly and accurately.
		Leaders provide examples for employees.
Facilities and infrastructure at the workplace are maintained and create a comfortable atmosphere.		
Comfort in working and socializing.		
		Feeling given the freedom to express opinions.

Source : Developed in the study (2023).

In Table 3, the KPI strategic objectives are arranged within the *Balanced Scorecard* framework using its four perspectives as the foundation for the Regional Revenue Agency of Bandung City, UPT PPD Bandung Tengah Region in achieving its vision and mission. Based on the data collected in this study, the *Balanced Scorecard* concept is used to measure the performance of the Regional Revenue Agency of Bandung City, UPT PPD Bandung Tengah Region through the following four perspectives:

1. Financial Perspective Measurement

$$\text{PBB Effectiveness} = \frac{\text{PBB Realization}}{\text{PBB Target}} \times 100\%$$

Table 4 PBB Effectiveness in 2022

Year	Number of SPPT	PBB Target (Rp)	PBB Realization (Rp)	Percentage
2022	81.308	165.774.877.162	106.276.796.616	79,57%

Source: Secondary data processed in this study (2023).

Based on Table 4 above, it can be concluded that the 2022 PBB target and realization were 79.57%, which indicates that the performance was ineffective because it had not reached 100%. It can be considered effective if the percentage reaches 100%. The benchmark for the *Balanced Scorecard* performance criteria of BAPENDA UPT Bandung Tengah can be seen in Table 5.

Table 5 Financial Perspective Performance Measurement

Weight (%)	Objectives	Measure	Target	Initiative	Realization	Score (R/TxB)
35	Increase in PBB Breakdown	Efficiency percentage increase in PBB realization	Rp. 165.774.877.162	Increase PBB tax revenue	Rp. 106.276.796.616	22,438%

Source: Secondary data processed in this study (2023).

Based on the *Balanced Scorecard* criteria table for increasing PBB breakdown, it was found that the condition for increasing the PBB breakdown value had not yet achieved the target. This was caused by several factors, one of which was the lack of taxpayer awareness. The Financial Perspective is highly important;

therefore, the weighting value for this perspective is greater than the other perspectives. This is because the Regional Revenue Agency of Bandung City, UPT PPD Bandung Tengah Region, focuses more heavily on its primary performance target, namely achieving PBB realization results.

2. Customer Perspective Measurement

The customer perspective is directed toward increasing taxpayer satisfaction. In this perspective, the researcher measured taxpayer satisfaction using questionnaires. The questionnaire consisted of 9 questions covering the quality of facilities and service delivery provided. A total of 100 questionnaires were distributed to taxpayers, each containing 9 questions aimed at taxpayers visiting the service office of BAPENDA UPT PPD Bandung Tengah Region. The results of the taxpayer satisfaction survey are presented in Table 6.

Table 6 Customer Satisfaction Index

No	Dimension	Weight (%) (I)	Average Actual Score (P)	Average Expected Score (E)	Difference	Actual IKK I*(P-E)	Assesment Criteria
1.	P.1	2,3	4,52	5	0,48	0,96	Very satisfied
2.	P.2	2,3	4,32	5	0,68	1,36	Very satisfied
3.	P.3	2,3	4,6	5	0,4	0,8	Very satisfied
4.	P.4	2,3	4,46	5	0,54	1,08	Very satisfied
5.	P.5	2,3	4,49	5	0,51	1,02	Very satisfied
6.	P.6	2,3	4,5	5	0,5	1	Very satisfied
7.	P.7	2,3	4,56	5	0,44	0,88	Very satisfied
8.	P.8	2,3	4,49	5	0,51	1,02	Very satisfied
9.	P.9	2,3	4,65	5	0,35	0,7	Very satisfied
Average			4,51		4,41	0,98	

Source: BAPENDA UPT Bandung Tengah (2023).

5 five scales of taxpayer satisfaction criteria used are as follows:

0 – 1 = Very Dissatisfied

1,1 – 2 = Dissatisfied

2,1 – 3 = Fairly Satisfied

3,1 – 4 = Satisfied

4,1 – 5 = Very Satisfied

Based on the data presented in Table 6 regarding the Customer Satisfaction Index, overall customer satisfaction toward all service dimensions (P.1 to P.9) is at a very high level. This is evidenced by the achievement of the assessment criterion “Very Satisfied” in every measured dimension. All dimensions have the same importance weight of 2.3%, with the standard average expected customer score reaching the maximum value of 5. When examined in more detail, dimension P.9 recorded the highest average actual score of 4.65, which also resulted in the lowest gap or difference from customer expectations, namely only 0.35, with an Actual CSI value of 0.7. This high achievement was closely followed by dimension P.3 with an average actual score of 4.6 and dimension P.7 with a score of 4.56. Meanwhile, among the other dimensions, P.1 achieved an actual score of 4.52, followed by P.6 with a value of 4.50. Dimensions P.5 and P.8 showed identical performance, each obtaining an average actual score of 4.49.

On the other hand, dimension P.2 recorded the lowest average actual score among all dimensions, namely 4.32. Because it had the largest gap compared to customer expectations—amounting to 0.68—dimension P.2 generated the highest Actual CSI value of 1.36, followed by dimension P.4 which obtained an average actual score of 4.46 with an Actual CSI value of 1.08. Despite variations in scores among dimensions, the overall accumulated performance shows highly positive results, where the overall average actual score reached 4.51 with an average difference of 4.41 and an average Actual CSI value maintained at 0.98. This indicates that the quality of services provided has successfully approached the ideal standard and exceeded the basic satisfaction threshold expected by customers.

Meanwhile, the *Balanced Scorecard* performance benchmark for the Customer Perspective of BAPENDA UPT Bandung Tengah can be seen in Table 7 below.

Table 7. Customer Perspectives Performance Measurement

Weight (%)	Objectives	Measure	Target	Initiatives	Realization	Score (R/TxB)
3%	Service Quality	Clean and well-maintained office facilities and infrastructure	4	Conducting regular office cleanliness maintenance and providing special service rooms	4,52	3,39
3%		Adequate office facilities and infrastructure according to standards	4	1) Availability of comfortable waiting chairs in large quantities for taxpayers visiting for tax-related matters. 2) Provision of special service rooms for certain purposes. 3) Availability of representative service desks.	4,32	3,24
3%	Service	Employees are neat, polite, patient, and able to provide good service	4	Carrying out services according to SOPs without differentiating among taxpayers	4,6	3,45
3%		Service officers treat taxpayers properly	4	Service officers provide solutions effectively and appropriately	4,46	3,345
3%		The service process is fast in inputting taxpayer data	4	Service officers provide services according to SOPs	4,49	3,3675
3%		Accuracy and suitability of services with taxpayer needs	4	Providing services according to taxpayers' needs	4,5	3,375
3%		Fast response in handling taxpayer complaints	4	The complaint service process for taxpayers is carried out quickly and accurately	4,56	3,42
3%		Appropriate solutions for taxpayer complaints	4	Service officers provide solutions properly so that taxpayers problems can be resolved effectively	4,49	3,3675
3%		Service officers are skilled in their field	4	Every service officer has specialized knowledge and skills in taxation services	4,65	3,4875

Source : Developed in the study (2023).

Based on the data in Table 7 regarding Customer Perspective Performance Measurement, an evaluation was conducted on nine objective indicators covering the quality of facilities and services, each with a weight of 3% and a uniform target score of 4. The data processing results show very impressive performance because all indicators successfully exceeded the established targets, with the total final achievement score of the customer perspective reaching a high level. The indicator regarding employees' expertise in their respective fields recorded the highest realization score of 4.65, thereby contributing an optimal score of 3.4875%. This outstanding achievement was supported by the initiative of assigning staff members who possess specialized knowledge and skills in the field of PBB services. This success was closely followed by the aspect of employee friendliness and politeness in providing services without discrimination, which achieved a realization score of 4.6 with a score of 3.45%, as well as the speed of employees in responding to taxpayer complaints, which recorded a realization score of 4.56 with a score of 3.42%.

On the other hand, although the indicator regarding adequate office facilities and infrastructure recorded the lowest realization score among the other aspects, namely 4.32 with a score acquisition of 3.24%, this achievement was still considered successful because it remained above the basic operational target. The success of this facilities dimension was driven by initiatives such as providing a large number of comfortable waiting chairs, special visitor rooms for certain purposes, and representative service desks. Meanwhile, indicators related to office cleanliness, service accuracy, complaint resolution, employee friendliness, and speed of data input recorded consistent and stable realization scores ranging from 4.46 to 4.52. Overall, the integration of all initiatives focusing on standard operating procedures (SOP) and responsive services demonstrates that the organization has successfully provided consistent and excellent satisfaction to taxpayers.

3. Internal Business Perspective Measurement

The following is an explanation of each variable:

1) Innovation Process

$$\text{Innovation Process} = \frac{\text{Newly Offered Services}}{\text{Existing Services}} \times 100\%$$

$$\text{Innovation Process} = \frac{2}{4} \times 100\% = 0,5\%$$

Table 8. Innovation Process

Services	Innovation	Description
Newly Offered Services	2	1) MPP 2) “Teman PBB” Application
Existing Services	4	1) Service Office 2) OPDU, OPSIR 3) e-PBB Service and Information (Regional Revenue Service of Bandung City) 4) Community Education at Urban Villages (Taxpayers)

Source : BAPENDA UPT Bandung Tengah (2023).

2) Operational Process

The calculation of process time can be used to determine the efficiency of the implementation time in service delivery processes. The calculation formula can be formulated as follows:

$$\text{Operational Process} = \frac{\text{Processing Time}}{\text{Completion Time}}$$

Table 7.PBB Service Operational Process

No	Description	Unit	Standard Time (minutes)	Time Coverage (minutes)
1.	Time for Receiving and Reviewing PBB Service Requests	Files	15	7
2.	Time for Inputting Request Data into the PBB Software System	Files	5	3

3.	Conducting Verification, Authorization, Processing, Research, and Data Analysis of PBB Service Request Files	Files	15	10
4.	Conducting Coordination with the PAD2 Division for the Follow-up of PBB Service Request File Submission	Activities	45	37
5.	Carrying Out External Office Service Activities	Activities	15	15
6.	Tax Consultation and Complaint Services	Taxpayer Reports	15	13
Total			110	85

Source : BAPENDA UPT Bandung Tengah (2023).

Based on Table 9, it can be seen that the total time coverage required in carrying out the service delivery process takes 85 minutes or the equivalent of 1 hour and 25 minutes. Specifically, service-related activities indicated in numbers 1, 2, 3, 5, and 6 require 48 minutes. Therefore, the operational process can be calculated as follows:

$$\text{Operational Process} = \frac{110}{85} = 1,29$$

The performance results of the internal business perspective in the operational process variable indicate that the value exceeds one, which means that the operational process can be considered effective.

3) Employee Productivity Process

The following is the formula used to determine the level of employee productivity at BAPENDA UPT PPD Bandung Tengah Region:

$$\text{Employee Productivity Process} = \frac{\text{Realization amount}}{\text{Number of Employees}} \times 100\%$$

$$\text{Employee Productivity Process} = \frac{79,57\%}{10} \times 100\% = 0,07957 \%$$

To determine the performance measurement occurring at the Regional Revenue Agency of Bandung City, UPT PPD Bandung Tengah Region, within the Internal Business Perspective, each variable is explained in Table 10 below.

Table 8. Internal Business Perspective Performance Measurement

Weight (%)	Objetives	Measure	Target	Initiative	Realization	Score (R/TxB)
6,5	Innovation Process	Availability and Provision of Services	4	Facilitating PBB services at MPP for all residents of Bandung City through the “Teman PBB” application	2	3,25
7	Operational Process	Processing time, completion of taxpayer complaints	1%	Service activities are carried out according to taxpayer needs	1,29%	9,03
6,5	Employee Productivity Level	Quality of employee performance according to assigned duties	10	Performing tasks using available human resources.	79,57%	0,517205

Source : BAPENDA UPT Bandung Tengah (Developed in the study, 2023).

Based on the data presented in Table 10 regarding the Internal Business Perspective Performance Measurement, the evaluation was conducted through three main indicator points covering the innovation process, operational process, and employee productivity level, with a total weight of 20%. In the innovation process indicator, which has a weight of 6.5%, the organization’s primary focus lies in the aspect of service availability and delivery, with a target value of 4. Through initiatives such as facilitating PBB services at the Public Service Mall (MPP) for all Bandung City residents and launching a new application called “Teman PBB,” the organization successfully achieved a realization score of 2, resulting in a final score acquisition for the innovation aspect of 3.25%.

Furthermore, highly positive results were shown in the operational process indicator, which carries the highest assessment weight of 7%. This indicator measures the efficiency of processing time and the resolution of taxpayer complaints, with a minimum target of 1%. Through strategic initiatives involving adaptive operational activities aligned with the actual needs of taxpayers, the organization was able to exceed the established target with a realization achievement of 1.29%. This success in surpassing the operational target enabled the

operational process indicator to contribute the highest score within this perspective, namely 9.03%.

On the other hand, the employee productivity level indicator, which has a weight of 6.5%, focuses on the effectiveness and quality of employees' working time in carrying out operational duties. With an assessment target of 10, the organization implemented initiatives aimed at optimizing task execution using currently available human resources (HR). Although the recorded quantitative realization showed a relatively large percentage of 79.57%, the final calculation produced the lowest contribution score among the indicators, namely 0.517205%. These results indicate that although operational processes are running very effectively due to service innovations, the optimization and adjustment of the existing workforce workload still require special attention so that employee productivity can contribute more proportionally to the organization's internal business performance.

4. Learning and Growth Perspective Measurement

The following explains the measurement of the learning and growth perspective:

1. Achieving an Ideal Human Resource Composition

$$\text{Ideal Employees} = \frac{\text{Work Unit Hours}}{\text{Effective Working Hours}}$$

Based on Table 11 above, the analysis conducted in measuring tasks and workload over a one-year period shows that the number of employees required is 18, while the available workforce consists of only 10 employees. It can therefore be concluded that the number of human resources at BAPENDA UPT Bandung Tengah is not ideal. This condition results in accumulated workloads exceeding the capacity of several employees, in addition to employees experiencing working hours that exceed normal schedules.

Table 9. Composition of Required Employees

No	Tasks	Effective Working Hours	Work Unit Hours	Required Employees
Conducting Taxpayer Potential Inventory				
1	PBB	72.000	445.320	6,18
2	Groundwater Tax	72.000	73.440	1,02
3	Boarding House Tax	72.000	13.635	0,18
Carrying Out Distribution of PBB SPPT, Warning Letters, and Regional Tax Assessment Letters (SKPD PAT)				
1	Receipt of PBB SPPT	144.000	292.500	4,06
2	Distribution of PBB SPPT Books I-IV	144.000	158.040	2,19
3.	Monitoring PBB SPPT Distribution	72.000	1.620	0,022
4	Distribution of Warning Letters	144.000	158.040	2,19
5	Distribution of SKPD PAT and Other Letters in the Bandung Tengah UPT PPD Area	216.000	24.030	0,51
Conducting PBB Service Operational Activities				
1	PBB	288.000	91.085	1,26
Carrying Out Official Duties Assigned by Leadership				
1	Taxpayer Data Recapitulation	72.000	72.000	1
2	Field Survey of Tax Object Data	72.000	22.500	0,31
Number of Employees Required				18,96

Source : BAPENDA UPT Bandung Tengah (Data Processed by the Author, 2023).

An interesting finding from this composition analysis reveals a very contrasting workload imbalance between the PBB sector and other tax sectors such as Groundwater Tax (PAT) and Boarding House Tax. Compared to PBB affairs, which dominate almost every stage, the staffing requirement for Groundwater Tax inventory activities is only 1.02 employees, while for Boarding House Tax it is extremely low at only 0.18 employees. In addition, crucial activities such as monitoring the distribution of PBB SPPT were recorded as requiring only 0.022 employees due to the very small number of work unit hours (1,620 hours). This finding is significant because it indicates that the operational focus and

organizational energy absorption at UPT Bandung Tengah are almost entirely concentrated on PBB management. This imbalance reinforces previous abstract findings regarding human resource shortages, where the organization is required to implement precise staffing arrangement or rotation strategies so that supporting and administrative duties—such as taxpayer data recapitulation (1 employee) and field surveys (0.31 employees)—can still be carried out effectively.

Table 10. Respondent Index in the Perspective of Growth and Learning

No	Dimension	Weight (%) (I)	Average Actual Score (P)	Average Expected Score (E)	Difference	IKK Actual I*(P-E)	Assessment Criteria
1.	P.1	2,3	4,8	5	0,46	0,46	Very Satisfied
2.	P.2	2,3	4,7	5	0,69	0,69	Very Satisfied
3.	P.3	2,3	4,6	5	0,92	0,92	Very Satisfied
4.	P.4	2,3	4,7	5	0,69	0,69	Very Satisfied
5.	P.5	2,3	4,7	5	0,69	0,69	Very Satisfied
6.	P.6	2,3	4,8	5	0,46	0,46	Very Satisfied
7.	P.7	2,3	4,5	5	1,15	1,15	Very Satisfied
8.	P.8	2,3	4,8	5	0,46	0,46	Very Satisfied
9.	P.9	2,3	4,8	5	0,46	0,46	Very Satisfied
10.	P.10	2,3	4,8	5	0,46	0,46	Very Satisfied
11.	P.11	2,3	4,5	5	1,15	1,15	Very Satisfied
12.	P.12	2,3	4,2	5	1,84	1,84	Very Satisfied
13.	P.13	2,3	4	5	2,3	2,3	Satisfied
14.	P.14	2,3	4,5	5	1,15	1,15	Very Satisfied
15.	P.15	2,3	4,6	5	0,92	0,92	Very Satisfied
16.	P.16	2,3	4,3	5	1,61	1,61	Very Satisfied
17.	P.17	2,3	4,3	5	1,61	1,61	Very Satisfied
18.	P.18	2,3	4,4	5	1,38	1,38	Very Satisfied
19.	P.19	2,3	3,9	5	2,53	2,53	Satisfied

Source: BAPENDA UPT Bandung Tengah (Data Processed by the Author, 2023).

Based on Table 12 regarding the Respondent Index in the Learning and Growth Perspective, overall organizational internal capability performance is at a highly positive level. Of the total 19 evaluated dimensions, each with an equal weight of 2.3%, as many as 17 dimensions successfully achieved the “Very Satisfied” assessment criterion, while the remaining 2 dimensions fell into the “Satisfied” category. The highest performance peak in this perspective was collectively recorded by dimensions P.1, P.6, P.8, P.9, and P.10, all of which

achieved an optimal average actual score of 4.8. The high realization scores in these dimensions automatically minimized the gap with the ideal expectation score (expected score of 5), thereby producing the smallest difference values and the lowest as well as most efficient Actual Employee Satisfaction Index (CSI), namely 0.46.

Behind the dominance of highly satisfying assessments, an interesting finding in this analysis lies in the data anomalies found in several later dimensions, particularly P.13 and P.19. Unlike the other dimensions, P.19 recorded the lowest average actual score at 3.9, followed by P.13 with a score of 4. These two dimensions became the only ones categorized as “Satisfied” instead of “Very Satisfied.” The low realization scores triggered increases in the gap values and the highest Actual CSI values, where dimension P.13 reached 2.3 and P.19 peaked at 2.53. In addition, dimensions P.12, P.16, and P.17 also showed declining trends with actual scores ranging from 4.2 to 4.3. The widening gaps in these dimensions indicate the existence of specific issues or obstacles related to human capital aspects, information systems, or the organizational work climate that have not yet been fully addressed, thereby requiring deeper evaluation and strategic intervention from management. From the employee satisfaction index results of BAPENDA UPT Bandung Tengah, it can generally be concluded that employees are capable of mastering the work activities carried out within their respective fields. The score results for the Learning and Growth Perspective in the employee satisfaction index are presented in Table 13.

Table 11. Performance Measurement in the Growth and Learning Perspective

Weight (%)	Objetives	Measure	Target	Initiative	Realization	Score (R/TxB)
1,11	Creating Ideal Human Resources	Quality of human resources according to job standards and employee duties	18	Carrying out tasks and responsibilities assigned to each staff member because the available human resources consist of 10 employees	10	0,616
0,91	Information System	Employees feel comfortable with the available and utilized network system and applications at the Regional Revenue Agency UPT PPD Bandung Tengah, enabling work completion	4	Utilization of information networks and applications used in work processes, as well as improvement of internet network quality	4,3	0,97825

0,91		Employees complete tasks on time by using the information network system	4	Work and service processes utilize the internal information network system	4,3	0,97825
0,91		The available information network system is easy to use in completing work tasks	4	Employees complete tasks using the information system applications available in the office	4,4	1,001
0,91		Adequate information network system	4	Utilization of the existing computer network available to several employees	3,9	0,88725
0,85	Coordination & Working Relationship	Effective communication is established	4	Establishment of two-way communication	4,8	1,02
0,85		Employees are given opportunities to express opinions	4	Employees are given the freedom to express their opinions during meetings and work activities	4,7	0,99875
0,85		Involvement in decision-making	4	BAPENDA employees are involved in decision-making processes	4,6	0,9775
0,85		Employees cooperate with one another in carrying out tasks	4	Cooperative working relationships are established among individuals	4,7	0,99875
0,85		Family-like relationships between superiors and subordinates	4	Formal office activities and activities outside the office are conducted annually to strengthen family-like relationships	4,7	0,99875
1	Technical Expertise	Able to provide solutions to taxpayers who face difficulties in tax processing	4	Resolution of every complaint submitted by taxpayers	4,8	1,2
1		Receiving knowledge training in taxation according to their respective duties	4	Annual evaluations are conducted for employees to maintain the quality of tax service performance	4,5	1,125
1		Providing solutions to taxpayers who experience difficulties in tax processing	4	Providing services to assist taxpayers experiencing difficulties with tax-related issues	4,8	1,2
1		Completing tasks correctly and according to the established time period and SOP	4	Tasks are carried out according to the established schedule	4,8	1,2
1		Focusing on tasks even when supervisors or leaders are not in the office	4	Each employee completes tasks in accordance with established standards and schedules	4,8	1,2
1		Attempting to complete tasks faster than the specified time and performing tasks accurately	4	Tasks are completed according to the schedule so they can be accepted by the central office	4,5	1,125
0,75	Motivation & Support	The Regional Revenue Agency UPT PPD Bandung Tengah provides appreciation to high-performing employees	4	Recognition and appreciation are given to employees	4,2	0,7875
0,75		Facilities and infrastructure in the workplace are adequate and support comfort	4	Availability of meeting rooms, prayer rooms, work desks, and rest areas	4	0,75
0,75		Encouragement to work and enthusiasm at work	4	Employees are encouraged to maintain awareness in carrying out their duties and responsibilities	4,5	0,84375
0,75		Feeling free to express opinions	4	No restrictions are imposed on expressing opinions, allowing employees to freely voice their aspirations	4,6	0,8625

Source: Secondary Data Processed by the Author (2023).

Weighting of Perspective Levels in the Balanced Scorecard

In the weighting among perspectives, questionnaires were distributed within the customer perspective and the learning & growth perspective, which were filled out by taxpayers and employees of BAPENDA UPT Bandung Tengah. The results of the inter-perspective weighting can be seen in Table 14 below.

Table 12. BSC Perspective Score Values

No	Perspective	Weight	Score (%)
1	Financial	35	22,4381
2	Customer	27	30,4425
3	Internal Business	20	12,7972
4	Learning and Growth	18	19,7489
Total		100	85,42681

Source: Developed in this study (2023).

From Table 14, it can be seen that the customer perspective obtained the highest weighted score with a value of 30.44%, while the lowest score was found in the internal business perspective with a value of 12.79%.

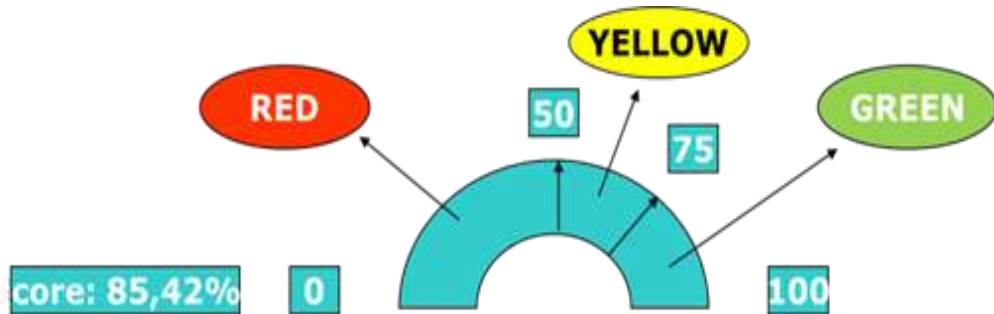


Figure 1. Dashboard BSC
Source: Developed in this study (2023).

The performance measurement results obtained by the Regional Revenue Agency of Bandung City, UPT PPD Bandung Tengah Region, reached a score of 85.42%, which falls into the “good” category and is classified within the green level on the dashboard method. Despite these results, improvement efforts are still necessary, particularly in the financial and internal business perspectives, because the gap between the target weights and the achieved scores in these perspectives remains the largest. The financial perspective represents the highest priority level, as the largest contribution within the UPT scope lies in the financial perspective (PBB realization and target). Based on the BSC score results, the gap from the target reached 12.57%, followed by the internal business perspective with a target gap of 7.21%.

5. Discussion

Based on the overall performance measurement results using the *Balanced Scorecard* (BSC) method, the Regional Revenue Agency (BAPENDA) of Bandung City, UPT PPD Bandung Tengah Region, recorded a total cumulative score of 85.42%. In the performance dashboard visualization, this achievement places the organization in the green category, indicating that its performance quality is considered good. An interesting finding shows that the customer perspective contributed the highest score, reaching 30.44% from the base weight of 27%. This indicates that the institution has successfully delivered excellent service exceeding taxpayer expectations. In contrast, the internal business perspective produced the lowest score at 12.79%. This comprehensive evaluation confirms that although the organization is generally in a healthy condition, disparities among perspectives still require strategic attention to ensure balanced effectiveness in achieving organizational goals.

When associated with the fundamental concepts proposed by experts (Kaplan, 2010; Kaplan & Norton, 1996), the BSC measurement system emphasizes the importance of coherent causal relationships between financial and non-financial

aspects. However, field findings reveal unique dynamics when BSC is implemented in public sector organizations, which aligns with arguments from previous researchers (Biswan & Andika, 2020; Hafianti et al., 2022; Martunis et al., 2020) that the primary orientation of government institutions has shifted from profit maximization toward public service quality and accountability. The high achievements in the customer perspective and the learning and growth perspective (19.74%) demonstrate successful strengthening of intangible assets such as employee capabilities and the quality of public service interactions. Nevertheless, the weak relationship between non-financial satisfaction achievements and final financial outcomes—as criticized in previous literature (Erawan, 2019; Rahayu et al., 2022) — is clearly evident in this organization, where very high taxpayer satisfaction has not automatically increased regional tax revenue realization optimally.

The most crucial strategic gap is reflected in the financial perspective, which recorded the largest target gap at 12.57%, followed by the internal business perspective with a gap of 7.21%. This phenomenon is an important concern considering that within the UPT scope, financial performance measured through PBB targets and realization carries the largest weight proportion (35%) and serves as a vital *value for money* indicator. The gap in the internal business perspective, influenced by productivity constraints and imbalanced human resource utilization, directly hampers the efficiency of operational processes in executing long-term financial initiatives. Therefore, in line with recommendations from the literature (Handayani, 2021; Rahayu et al., 2022), BAPENDA UPT Bandung Tengah should reassess its operational work program initiatives. Performance evaluation should no longer rely solely on routine counter services but must be aggressively transformed into concrete actions that contribute to reducing the financial gap in order to ensure regional fiscal sustainability and independence.

6. Conclusion

This study demonstrates that performance evaluation using the *Balanced Scorecard* (BSC) method was implemented for the first time at the Regional Revenue Agency (BAPENDA) of Bandung City, UPT PPD Bandung Tengah Region. Based on the analysis of the four BSC perspectives, performance in the customer perspective as well as the learning and growth perspective was generally considered good, although improvements are still needed in the quality of physical facilities, adjustment of employee workloads to achieve a more ideal balance, and enhancement of work motivation aspects. On the other hand, performance in the financial and internal business perspectives was considered suboptimal and still far from the target, mainly due to the low effectiveness of Land and Building Tax (PBB) realization caused by the lack of taxpayer awareness.

As an improvement measure, the institution is advised to develop concise guidelines for implementing the BSC as a comprehensive organizational performance evaluation standard covering both financial and non-financial aspects. To overcome existing obstacles, the institution should implement a proactive *door-to-door* strategy following educational outreach activities in order to increase PBB realization, reorganize the comfort of customer service facilities, and accelerate the handling of taxpayer complaints through persuasive communication. In addition, management and leadership are expected to be more attentive to fulfilling employee workplace facility needs in order to provide moral support and increase internal motivation. For future researchers, this study may serve as a reference for deepening and refining the implementation of the BSC method in the public sector.

REFERENCES

- Biswan, A. T., & Andika, W. (2020). Balanced Scorecard Sektor Publik : Sebuah Pelajaran Berharga. *InFestasi*, 16(2), 166–178. <https://doi.org/10.21107/infestasi.v16i2.8570> This

- Chavan, M. (2009). The balanced scorecard: a new challenge. *Journal of Management Development*, 28(5), 393–406. <https://doi.org/10.1108/02621710910955930>
- Eklund, M. A. (2020). Future Prospects in Balanced Scorecard Research: Sustainability Perspective. *Indonesian Journal of Sustainability Accounting and Management*, 4(2), 192–213. <https://doi.org/10.28992/ijSAM.v4i2.263>
- Erawan, I. G. A. (2019). Implementation of Balanced Scorecard in Indonesian Government Institutions: A Systematic Literature Review. *Journal of Public Administration Studies*, 4(2), 64–71.
- Gao, H., Chen, H., Feng, J., Qin, X., Wang, X., Liang, S., Zhao, J., & Feng, Q. (2018). Balanced scorecard-based performance evaluation of Chinese county hospitals in underdeveloped areas. *Journal of International Medical Research*, 46(5), 1947–1962. <https://doi.org/10.1177/0300060518757606>
- Hafianti, R., Lestari, Y., & Erliningsih, E. (2022). Measuring Performance of Padang Panjang Public Hospital in Achieving Its Targets Using the Balanced Scorecard Method. *Media Kesehatan Masyarakat Indonesia*, 18(2), 74–82. <https://doi.org/10.30597/mkmi.v18i2.19006>
- Handayani, N. (2021). Perkembangan Balance Scorecard di Indonesia. *Jurnal Al-Iqtishad*, 17(2), 289–303.
- Kaplan, R. S. (2010). *Conceptual Foundations of the Balanced Scorecard* (No. 10–074).
- Kaplan, R. S., & Norton, D. P. (1996). *The balanced scorecard: translating vision into action*. Harvard Business School Press.

- Kicová, E., & Poniščiaková, O. (2021). The methodology of BSC system in strategic management of non-profit organization in the globalization process. *SHS Web of Conferences, Globalizat.* <https://doi.org/10.1051/shsconf/202112909007>
- Martunis, A., Dalimunthe, R., Amalia, K., Juanita, J., Syahputra, H., Adam, M., & Masyudi, M. (2020). Adaptation of the balanced scorecard model to measure performance of the departments at Dr Zainoel Abidin Regional General Hospital, Banda Aceh. *Journal of Modelling in Management, 15*(2), 365–379. <https://doi.org/10.1108/JM2-09-2018-0149>
- Perkins, M., Grey, A., & Remmers, H. (2014). What do we really mean by “Balanced Scorecard”? *International Journal of Productivity and Performance Management, 63*(2), 148–169. <https://doi.org/10.1108/IJPPM-11-2012-0127>
- Rahayu, A. Y. S., Rahmayanti, K. P., Mahendra, W., Syarien, M. I. A., & Afra, S. A. (2022). Performance Evaluation of Public Service Mall (Mall Pelayanan Publik) in Indonesia using the Balanced Scorecard. *Policy & Governance Review, 6*(2), 123-140
- Rudyanto, T., Suroso, I., & Budi, A. S. (2017). Pengukuran kinerja dinas kelautan dan perikanan kabupaten situbondo. *Bisma Jurnal Bisnis Dan Manajemen, 11*(3), 336–349.
- Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Alfabeta.