BUSINESS DEVELOPMENT STRATEGY FOR NON-FINANCIAL PERSPECTIVE BALANCE SCORECARD METHODS TO INCREASE THE PERFORMANCE OF MSMEs IN INDONESIA DURING THE COVID-19 PANDEMIC

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Abstract: The COVID-19 pandemic has affected the performance of companies, especially MSMEs in Indonesia. The purpose of this study is to determine and analyze how much the company's business strategy has an influence on improving company performance, especially MSMEs. This research has its own peculiarities and is unique because at the time this research was conducted it was in a world situation that was experiencing a pandemic, including Indonesia. The research data was collected using quantitative techniques from primary data sources, which collected 173 questionnaires from 200 questionnaires distributed to several restaurants, canteens, and beverage outlets including small and medium businesses in the Jakarta, Bandung, and Surabaya areas. Based on the test results using multiple linear regression, it can be concluded that: (1) The customer perspective has a significant influence on the performance of MSMEs in Indonesia, (2) the Internal Business Process Perspective has no significant influence on the performance of MSMEs in Indonesia, and (3) The Learning and Growth Perspective has a significant influence on the performance of MSMEs in Indonesia.

Keywords: Customer perspective Internal Business Process Perspective, Learning and Growth Perspective, BSC, Corporate performance

INTRODUCTION

Nowadays, in the International World including Indonesia, there is also a COVID-19 Pandemic since the beginning of 2020. The current COVID-19 pandemic has an impact on various business sectors in Indonesia. At the global economic level, the COVID-19 pandemic has had a very significant impact on the domestic economy of nation-states and the existence of Micro, Small and Medium Enterprises (MSMEs). The Organization for Economic Co-operation and Development (OECD) report states that this pandemic has implications for the threat of a major economic crisis marked by the cessation of production activities in many countries, falling levels of public consumption, loss of consumer confidence, falling stock markets which in turn...
leads to uncertainty. If this continues OECD predicts output levels will fall by between one-fifth and one-quarter in many countries, with consumer spending potentially falling by around one-third. This prediction can certainly threaten the Indonesian national economy which will also have an impact on the stability of economic growth.

In reality on the ground that is currently happening, it can be said that there are three implications for Indonesia that are directly related to the COVID-19 pandemic, namely the tourism, trade and investment sectors. The country of Indonesia, which is dominated by the existence of Micro, Small and Medium Enterprises (MSMEs) as the backbone of the national economy, is also seriously affected not only in terms of total production and trade value but also on the number of workers who have lost their jobs due to this pandemic. Data from the Ministry of Cooperatives and Small and Medium Enterprises shows that in 2018 there were 64,194,057 MSMEs in Indonesia (or about 99 percent of the total business units) and employed 116,978,631 workers (or around 97 percent of the total workforce) in the economic sector.

A study by the Ministry of Finance shows that the COVID-19 pandemic has had negative implications for the domestic economy, such as a decline in people's consumption and purchasing power, a decline in company performance, threats to the banking and financial sector, and the existence of MSMEs. In the aspect of people's consumption and purchasing power, this pandemic has caused many workers to decrease or even lose their income, thus affecting the level of consumption and purchasing power of the people, especially those in the category of informal workers and daily workers. Most people are very careful about managing their financial spending because of the uncertainty when this pandemic will end. This causes a decline in people's purchasing power for consumer goods and puts pressure on producers and sellers. On the corporate aspect, this pandemic has disrupted the performance of companies, especially those engaged in the trade, transportation, and tourism sectors.

Previous studies that discussed the implementation of the balance score card on company performance also had several different results, both in terms of the overall effect and the effect of each perspective on the balance score card on financial performance, such as research by Alimudin, et.al (2019), Aspriyati, et.al (2017) show that the application of the balance score card has a significant effect on company performance. Rahmania Putri et.al's research (2020) shows that the implementation of the balanced scorecard perspective in SOEs in Bandung City is included in the very good category. However, from the perspective of growth and learning, his statement has a low score.

The purpose of this research is to help business actors in the field of Micro, Small and Medium Enterprises (MSMEs) in Indonesia, especially in the 3 largest cities in Indonesia (Jakarta, Bandung, and Surabaya) to provide strategies, especially from a non-financial perspective in developing their business during their lifetime. The Covid-19 pandemic is ongoing. The research subjects that will be examined in this study are supervisors, store managers and owners at restaurants, restaurants, canteens, and beverage outlets in the Jakarta, Bandung, and Surabaya areas, especially in the food and beverage sector (Food and Beverages industry sector).
LITERATURE REVIEW

Positive Accounting Theory

Positive Accounting Theory is a theory that explains accounting phenomena that occur based on empirical observations (Erawati & Jepriansyah, 2019). In addition, positive accounting theory also explains the process to deal with future conditions by using accounting skills, knowledge, and accounting policies. This theory will explain and predict the consequences that occur if managers make certain choices. These explanations and predictions are based on contractual processes or agency relationships between managers and investors or creditors. According to research conducted by Hidayat (2019), the purpose of positive accounting theory is to explain (to explain) and predict (to predict) accounting practices. Explanation means giving reasons for the observed practice. For example, positive accounting theory seeks to explain why firms continue to use historical cost accounting and why certain firms change their accounting techniques. Prediction of accounting practice means theory seeks to predict phenomena that have not been observed.

Positive accounting theory argues that the company's accounting policies will be selected as part of a wider problem in achieving efficient corporate governance (Scott, 2012). Positive accounting theory does not force companies and standard setters to determine the accounting policies they use. This theory gives managers the flexibility to choose which policies to apply so that they can adapt to new policies or changes that occur. Positive accounting theory also explains the factors that influence management in choosing optimal accounting procedures and having certain goals. According to positive accounting theory, the accounting procedures used by companies do not have to be the same as others, but companies are given the freedom to choose one of the available alternative procedures to minimize contract costs and maximize firm value. With this freedom, managers have a tendency to take an action which according to positive accounting theory is called an opportunist action.

Balanced Scorecard (BSc) Methods

The rapid development of information technology has changed the pattern of company competition from industrial competition to information competition and also changed the reference used to measure the performance of a company. According to Kaplan & Norton (2000), the BSc consists of two words, namely: (1) Scorecard That is a card that is used to record a person's performance score which will later be used to compare with the actual performance results; (2) Balanced It is intended to show that the performance of personnel or employees is measured in a balanced manner and is viewed from two aspects, namely: financial and non-financial, short-term and long-term, and internal and external. The BSC provides a way to communicate a company's strategy to managers across the company. The BSc is a collection of integrated performance measures derived from the company's strategy that supports the company's overall strategy. The objectives and measures of the Balanced Scorecard are derived from the vision and strategy. Objectives and measures view company performance from four perspectives, financial, customer, internal business processes, and learning and growth (Kaplan and Norton, 2001). The financial objectives and measurements in the Balanced Scorecard are not only a combination of existing financial and non-financial measures but are the result of a top-down process based on the mission and strategy of a business unit. Mission and strategy must be translated by the BSc into a tangible goal and measure. The word "Balanced" here emphasizes the balance between several factors: 1. Balance between external measurement for stakeholders
and consumers with internal measurement for internal business processes, innovation and learning and growth processes. 2. A balance between measuring the results of past efforts with measures that drive future performance, 3. The balance between the elements of objectivity, namely measurement in the form of quantitative results obtained easily with the element of subjectivity, namely the measurement of performance triggers that require consideration. Thus, the Balanced Scorecard is a measurement and control management system that can quickly and comprehensively provide management with an understanding of business performance. The performance measurement looks at the business unit from four perspectives, namely the financial perspective, customers, business processes within the company as well as learning and growth processes.

Performance Measurement and Performance Measurement Objectives

Performance is a general term used to indicate some or all of the actions or activities of an organization over a period along with reference to a number of standards such as past or projected costs, a basis for efficiency, management responsibility or accountability and the like. Meanwhile, performance appraisal is the periodic determination of the operational effectiveness of an organization, its part of the organization and its personnel, based on predetermined targets, standards and criteria. Because organizations are basically operated by human resources, performance measurement is actually an assessment of human behavior in carrying out the roles they play in the organization. Performance appraisals can be used to suppress inappropriate behavior and to stimulate and enforce desirable behavior, through feedback on performance results in time to provide rewards, both intrinsic and extrinsic. With the performance appraisal, the main owner and top management can obtain an objective basis for providing compensation in accordance with the achievements contributed by each responsibility center to the company as a whole. All of this is expected to provide motivation and stimulation for each part to work more effectively and efficiently.

Performance is a person's action to meet expectations related to his function or a picture of the reaction to his work. Rustiana (2002) provides a definition of managerial performance as a manager's individual performance perception which consists of eight activity dimensions, namely planning, investigation, coordination, and supervision. Managerial performance can also be used as a measure of how effective and efficient managers have worked to achieve organizational goals.

Objective performance measurement is obtained directly from individual actions, which is measured through subjective considerations about work. Performance measurement is needed to evaluate and determine the effectiveness of the actions taken by managers. Performance measures are the type of information that is appropriate for control. Performance measures can be used as the basis for making improvements so as to create better performance in the future. Performance result data is collected during operational activities periodically. The data is reported to the manager in charge of certain operational activities for the purpose of evaluating the progress of its performance. Performance is evaluated by comparing the results achieved with the plans set by the company's management so that it can be seen whether the goals or targets of management's performance can be achieved.
Hypothosis
H1: BSc from the customer's perspective has a positive effect on the corporate performance
H2: BSc from the perspective of internal business processes has a positive effect on the corporate performance.
H3: BSc Learning and growth perspectives have a positive effect on the corporate performance.

RESEARCH METHODS

The research subjects that will be examined in this study are supervisors, store managers and owners at restaurants, canteens, and beverage outlets in the Jakarta and Bandung areas, especially in the food and beverage sector. Researchers only conducted research in the Jakarta, Bandung, and Surabaya areas because these areas have many restaurants, canteens or beverage outlets that have developed rapidly, as well as DKI Jakarta as the State Capital which is a strategic center and place to start or develop new businesses. While the city of Bandung and Surabaya as a famous culinary city is sought after by people from outside Bandung and Surabaya. The object of this research is to examine the effect of the phenomenon and to seek factual information regarding the effect of customer perspective, internal business process perspective, and growth & learning perspective from the balanced scorecard method on the financial performance of food and beverage companies in the Jakarta, Bandung, and Surabaya areas.

This study uses quantitative methods by using the type of research conducted with quantitative approaches and data. According to Sujarweni (2018) quantitative research is a type of research that produces findings that can be achieved using statistical procedures. While the type of research used in this study is comparative causal research which is included in the associative or relationship section. According to Sujarweni (2018) associative research aims to determine the relationship between two or more variables and determine their influence. According to (Ghozali, 2017) defines that Primary data is data obtained directly from the object under study, both from individual objects (respondents) or from an agency that intentionally collects data from other agencies or bodies for research purposes from users. Observation is a systematic observation and recording of the symptoms that appear on the object of research.

FINDINGS AND DISCUSSION

With the respondents used in this study, it is hoped that they can represent the population of MSMEs engaged in the food and beverage business to find out business strategies from a balanced scorecard perspective during the pandemic and the impacts that occur because of this, especially in the cities of Jakarta, Bandung and Surabaya.
Table 1. Statistics Questionnaire

<table>
<thead>
<tr>
<th>Information</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Questionnaires distributed</td>
<td>200</td>
<td>100 %</td>
</tr>
<tr>
<td>Total Questionnaires that did not return</td>
<td>12</td>
<td>9,50 %</td>
</tr>
<tr>
<td>Total Questionnaire that cannot be processed</td>
<td>15</td>
<td>10,00 %</td>
</tr>
<tr>
<td>Total Questionnaires that were processed as research samples</td>
<td>173</td>
<td>81,80 %</td>
</tr>
</tbody>
</table>

Source: primary data processed by researchers (2021)

Tabel 2. RESPONDEN PROFILE

<table>
<thead>
<tr>
<th>Total Respondent</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender:</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>105</td>
</tr>
<tr>
<td>Female</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>173</td>
</tr>
<tr>
<td><strong>Position:</strong></td>
<td></td>
</tr>
<tr>
<td>Owner</td>
<td>30</td>
</tr>
<tr>
<td>Manager</td>
<td>63</td>
</tr>
<tr>
<td>Supervisor</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>173</td>
</tr>
<tr>
<td><strong>Education:</strong></td>
<td></td>
</tr>
<tr>
<td>SMA/SMK</td>
<td>57</td>
</tr>
<tr>
<td>D3</td>
<td>68</td>
</tr>
<tr>
<td>S1</td>
<td>33</td>
</tr>
<tr>
<td>S2</td>
<td>10</td>
</tr>
<tr>
<td>S3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>173</td>
</tr>
</tbody>
</table>

Source: primary data processed by researchers (2021)

Hypothesis Test Results

T Test (Partial)

Statistical testing begins by ensuring that all independent and dependent variables pass the classic assumption test which consists of a normality test, a heteroscedasticity test, a multicollinearity test, and an autocorrelation test. After testing the classic assumptions successfully, here are the results, the following are the results of testing all hypotheses.

Partial t test is a statistical test used to determine the effect of each (partially) independent variable on the dependent variable. The t-test shows how far the influence of one explanatory or independent variable individually in explaining the variation of the dependent variable and is used to determine whether or not the influence of each independent variable individually on the dependent variable is tested at a significance level of 0.05 and compares the results of t-count
with \( t \) table, if the result of \( t \) count is greater then \( H_a \) is accepted. The testing process is carried out on the independent variable on the dependent variable on the company's performance as the dependent variable in this study. From the results of the study, it was found that the regression coefficient, \( t \) value and partial significance were as follows:

**Table 3. STATISTICAL TEST RESULTS T**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>( t )</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.873</td>
<td>1.235</td>
<td>3.112</td>
<td>.002</td>
</tr>
<tr>
<td>PERS_PL</td>
<td>.289</td>
<td>.062</td>
<td>.296</td>
<td>4.667</td>
</tr>
<tr>
<td>PERS_BI</td>
<td>.066</td>
<td>.050</td>
<td>.096</td>
<td>1.311</td>
</tr>
<tr>
<td>PERS_PP</td>
<td>.462</td>
<td>.049</td>
<td>.559</td>
<td>9.446</td>
</tr>
</tbody>
</table>

a. Dependent Variable: KIN_PER

Source: Primary data processed by SPSS 24 (2021)

Based on the variables above, it can be seen that the calculated \( t \) value of each variable, namely the Customer Perspective variable is 4.667 with a significance of 0.000. The Internal Business Process Perspective Variable with a \( t \)-count value of 1.311 with a significance of 0.191, and the Growth and Learning Perspective Variable with a \( t \)-count value of 9.446 with a significance of 0.000. This indicates that \( H_1 \) is accepted, \( H_2 \) is rejected and \( H_3 \) is accepted, in other words, the Customer Perspective and the Growth and Learning Perspective have a significant effect on MSME Corporate Performance, while the Internal Business Process Perspective has no significant effect on the Corporate Performance.

**Data Interpretation**

**The Influence of Customer Perspective on the Corporate Performance**

Based on the results of the research data analysis described above, the hypothesis in this study shows that the customer perspective has a significant effect on the corporate performance. Based on the test results, the \( t \) value for the customer perspective variable is 4.667 with a significance value of 0.000. The significance value is less than 0.05 which indicates that it has a significant influence between the customer's perspective on the corporate performance.

**The Influence of Internal Business Process Perspective on the Corporate Performance**

Based on the results of the research data analysis described above, the hypothesis in this study shows that the internal business process perspective has a significant effect on the corporate performance. Based on the results of the tests conducted in this study, the \( t \)-value for the internal business process perspective variable was 0.988 with a significance value of 0.325. The significance value is greater than 0.05, which indicates that it does not have a significant influence between the internal business process perspective on the corporate performance.

**The Influence of Growth and Learning Perspectives on Corporate Performance**

Based on the results of the research data analysis described above, the hypothesis in this study shows that the Growth and Learning Perspective has a significant effect on the Corporate Performance. Based on the test results, the \( t \) value for the Growth and Learning Perspective
variable is 6.430 with a significance value of 0.000. The significance value is less than 0.05, this indicates that there is a significant influence between the Growth and Learning Perspectives on the Corporate Performance. This indicates that every MSME must create several new innovations to be able to develop and pay attention to any trends that are happening in order to maintain or improve corporate performance.

**CONCLUSION AND SUGGESTION**

**Conclusion**

Based on the results of research and discussions that have been carried out, conclusions can be drawn:

This study aims to determine that the variables of customer perspective, internal business process perspective, and growth and learning perspective have an influence on corporate performance. Based on the results of this study, and after testing the classical assumptions, multiple regression equations, and analyzing the data by testing the hypothesis using a partial test (t test) as well as a simultaneous test (f test), the following results were obtained:

- Based on the research results, the customer perspective has a positive effect on corporate performance. Every business that is included in the MSME category in the cities of Jakarta and Bandung, especially the sample in this study, must pay attention to every strategy and plan by paying attention to the customer perspective in order to create good corporate performance.

- Based on the results of the study, the internal business process perspective does not have a positive effect on corporate performance. For this reason, companies do not need to maintain and continue to develop internal business processes to make it easier for companies to improve corporate performance. Because the absence of an internal business process perspective does not affect the company's financial performance.

- Based on the research results, growth and learning perspectives have a significant and positive effect on corporate performance. Every existing MSME must create new innovations to be able to develop and pay attention to any trends that are happening in order to maintain or improve corporate performance so as to increase company profitability.

**Suggestion**

Based on the discussion and conclusions obtained, the researchers suggest several things that are expected to help MSMEs in running their businesses during the current pandemic. Suggestions given by researchers are as follows:

a. Poor customer service can cause corporate performance to deteriorate. Therefore, a customer perspective in an effort to improve corporate performance must be considered better for every MSME in running their business.

b. Every MSME must be able to continue to develop every aspect of the internal business process so that it can create good corporate performance.

c. For every MSME, it is expected that they should continue to create innovations and pay attention to market trends to be able to improve corporate performance.

d. Increase the number of variables that can affect corporate performance so that it can produce better data for further research.
e. Future researchers are expected to expand the scope of research not only in the cities of Jakarta, Bandung, and Surabaya but to develop a wider scope of research in more than three cities.

1. Further researchers are expected to increase the period in the study and expand the research sample because the research used in this study only used a sample of 173 respondents. By expanding the research sample by using more companies, it is hoped that the next research can be a reference material for MSME businesses in Indonesia.

REFERENCE


