

## CHAPTER I

### INTRODUCTION

#### A. Background

University as a higher education institution is part of the public sector organization that give emphasize more to provide public service in education for the society in its practices. A University needs to realize and to know how to improve its performances that it may provide a good public service to serve and to contribute betterment to the society where the university exists.

Every organization whether profit or non-profit organization done performance evaluation to find out it current performance and what needed to do in achieving its objectives.

Balanced Scorecard is one of ways to measure the performance of organization that it can be used as a tool to define organization current performance. This approach was first introduced by Norton and Kaplan through their writing, entitled "*The Balanced Scorecard-Measures That Drive Performance*" in Harvard Business Review, in year 1992. This approach was a better development of the conventional tools in measuring the organization's performance. Where in the conventional methods only include the company's financial information that is very limited to give

a broad picture of the company's performance, due to the non financial information were ignored in the analysis.

Norton and Kaplan's Balanced Scorecard, translates the organization mission and strategy into a set of framework of measurement and strategic management system (1996). According to Norton and Kaplan (1996), balanced scorecard's approach provides information of an organization performance through four different perspectives, there are:

1. Financial perspective
2. Customer perspective
3. Internal business process perspective
4. Learning and growth perspective

Implementation of balanced scorecard in public organization has to be modified to fulfill the needs of organization. Due to different characteristic of profit and nonprofit organization have (Imelda 2004). According to Averson (Imelda 2004), things that differentiate business and public organization are on its goals, financial, stakeholder and outcome objectives. Financially, private sector focuses on profit, growth and its market share, while public sector focuses on productivity, efficiency and value. Private sector goals are gain competitiveness and uniqueness while public sector goals are mission success and best practices. Therefore, the implementation of balanced scorecard in public sector has been modified to fit with the characteristics of

nonprofit organization. The balanced scorecard perspectives in higher education institution are going to be explained more in the theoretical background section.

This research is going to do a strategic evaluation using balanced scorecard in two departments in Atma Jaya Jogjakarta of University, there are: management department and communication department. The results of this study can be used as reference in strategic planning for each department.

## **B. Research question**

This study is going to evaluate the performance of communication and management department in Atma Jaya Jogjakarta of University using balance scorecard. The study will be guided by these following research questions:

How is the performance of management and communication departments of Atma Jaya Yogyakarta University according to four perspectives of balanced scorecard, there are:

1. Customer perspective
2. Financial Perspective
3. Internal business process perspective
4. Learning and growth perspective

### **C. Scope of the research**

This study is limited in terms of:

- a. This study is going to do strategic evaluation only in two departments in Atma Jaya Jogjakarta of University there are: management department and communication department. Other departments in this university are not included in the study.
- b. This study is going to evaluate performance of management department and communication department of Atma Jaya Jogjakarta of University through balanced scorecard perspectives. This kind of study has never been done before towards the same object of study using the same tool. Therefore this study is a genuine research.
- c. The study is going to be conducted during September 2009 - May 2010. The relevancy of the data result cannot be generalized to capture the environment of these two departments in another timeframe.

### **D. Contribution of the study**

1. For the university

This study can be used as providing information of environment scanning of management department and communication department to develop a strategy that may improve its performance in future.

## 2. For the readers

This study may enrich reader's knowledge on strategic evaluation of higher education institution using balanced scorecard.

## 3. For the researcher

This research creates an opportunity for the researcher to find knowledge and experiences in the actual life deal with the strategic evaluation in higher education institution using balanced scorecard.

## **E. Research Methods**

### **1. Population and sample**

Population of this study is the total number of active students and staff of department management in two departments of Atma Jaya Jogjakarta of University, there are: management and communication departments. Sample is going to choose by using convenience method due to limited of time and cost, where samples from all group such as: student and management staff will be chosen according to the positively responded to questionnaire given to each group during certain time of research in each department.

## **2. Type of data**

Data needed in doing the research are :

### **1). Primary data**

Primary data will be taken by questionnaire collected from students and staff management of these three faculties.

### **2). Secondary data:**

Secondary data will be taken from resources as mention bellow:

- (a) The profile of the university (history, vision, mission, goal, strategies)
- (b) The profile of each department of Atma Jaya Jogjakarta of University, there are: economics department, technical department and technology of industry department
- (c) Data of students, staffs and lectures of economic department
- (d) Others relevant data

## **3. Method of data collection**

Due to there are various measurements in this research, author is going to do research by some activities there are:

- 1) observation
- 2) literature study

3) questionnaire

4) Statistic Analysis

Steps in doing research through questionnaire are explained bellows:

1) Questionnaire collection

The primary data is taken from the questionnaire collected from each of group of sample of students and management staffs of each department in Atma Jaya Jogjakarta of University.

Each question will be given score as bellow:

SS = Strongly agree	Scores 5
S = Agree	Scores 4
N = Neutral	Scores 3
TS = Disagree	Scores 2
STS = Strongly disagree	Scores 1

#### 4. Method of data processing

1). Tabulation, is computed the data where data are going to be classified and arranged systematically.

2). Processing the data, that is processing the tabulated data mathematically and

using statistic descriptive analysis.

- 3). Data interpretation that is data that had been processed is going to be analyzed to draw interpretation about the level of excellence of strategic of each department being studied. Then setting comparison toward each department based on the findings of the data interpretation.

#### **E. Method of data analysis**

Method of analysis used in this research is descriptive analysis on data found according through four perspectives of balanced scorecard there are:

1. Customer perspective
2. Financial Perspective
3. Internal business process perspective
4. Learning and growth perspective

#### **G. Place and Time of research**

- 1). Place of research

The research is going to be done in below locations, there are:

- a). Management Department of Atma Jaya Jogjakarta University located at  
Campus II, Bonaventura Building on Jl. Babarsari 43, Jogjakarta.



**b). Communication of Atma Jaya Jogjakarta University located at Campus**

**V Gedung Theresa Jl. Babarsari 6 Yogyakarta**

**2). Time of research**

The research is going to be conducted during November 2009-May2010

**5. Thesis Outline**

The writing of this thesis is going to follow bellows arrangement:

**Chapter I introduction**

This chapter includes the background, research question, limitation of the research, contributions of the research, objective of the research and thesis outline.

**Chapter II Theoretical Background**

This chapter discusses balanced scorecard theory and its implementation and the use of balanced scorecard in higher education institution.

**Chapter III Atma Jaya Yogyakarta University**

This chapter captures a general picture of Atma Jaya Yogyakarta University. The chapter consists of the history, vision, mission, goals, organization structure and recent number of student and staffs.

#### Chapter IV Analysis

This chapter provides the analysis on four perspectives of balanced scorecard in two departments in Atma Jaya Yogyakarta University there are: Management Department and science of communication Department. The four Perspective of balanced scorecard that be analyzed are: customer perspective, financial perspective, internal business process perspective and learning and growth perspective.

#### Chapter V Conclusion and Suggestion

This chapter draws conclusion from the study that been done then give suggestion for further research and the using of this research for institution and academic activist.