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**Performance Management in Indonesian Coal Mining Company with Balance Scorecard Approach**

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**Abstract** Lately the mining industry experienced a shock that was superb ranging from a ban on exports from the government to the commodity prices continue to fall every year it makes the mining industry is increasingly sluggish as to be able to survive the company should be able to improve the competitiveness of its manner of efficiency on all fronts, a good strategy and improve company performance. To achieve the PT. Riung Mitra Lestari implementing performance measurement balanced scorecard method that aims to design a good performance management system and determine measures and policies that will take the company forward. Balanced scorecard has four perspectives: financial perspective, customer perspective, internal business perspective and the perspective of learning and growth perspectives of four can conclude PT. Riung Mitra Lestari experiencing poor conditions in the financial and internal business, namely financial and production continues to decline but had excellent conditions on customers and growth is by increasing award received by the company as well as increased investment HR 15% annually with the training activity is controlled.

**Keywords** Balanced scorecard, financial perspective, customer perspective, internal business, learning and growth perspective

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**Introduction**

These last six years of mining services industry experienced a tough challenge, especially with the government's policy of restricting exports. Plus the market price of the product (coal) which decreased lately, then it is highly impact the mining service companies, by lowering production and reduce operating costs. Along with this is a mining service company should be able to improve competitiveness by increasing productivity and efficiency, reduce costs, increase the use of new technologies and perform continuous improvement (continuous improvement) in their production processes.

In the face of such competition the company in implementing strategies that have been implemented in accordance with the core competencies of each enterprises. However management companies often face difficulties in visualizing and communicating the strategy that has been formulated by management to improve competitiveness in an increasingly competitive business world. To evaluate the implementation of the strategy needed a comprehensive performance assessment.

In the era of globalization, companies need strategic management within the company in order to combine efforts and resources as well as science and technology, which is owned in order to maintain and develop the company. The management strategy is not just to respond to changes that occur in the future but also to create the good future company and the company's progress can be achieved if the company successfully implements a corporate strategy that can be measured through the company. In business performance measurement performance typically companies using the traditional approach, i.e. using a measuring instrument separately as financial measure likely to hinder the company's ability to create economic value in the future.



Management organizations need a design more complete performance management, namely Balanced Scorecard. Balanced Scorecard has four perspectives namely financial perspective, customer perspective, internal business processes and learning and innovation perspective. The four perspectives in the Balanced Scorecard is a unit that has a relationship of mutual links between one another as well as closely associated with the mission and strategy of enterprises. With their perspectives of the Balanced Scorecard is required and can be applied to all types of companies, especially in the service sector companies mining.

One such company is PT Riung Mitra Lestari, as one of the players in the mining business in Indonesia. The company focuses on the enterprise business services of coal mining. The company serves the mining services in the mining region of 4. Its location in the province of South Kalimantan, East Kalimantan and Northern Borneo. Where PT RML contract mining services business do with a mining company in Indonesia which has a mining business license i.e. pt. Inti Mandiri Perkasa (Tarakan), PT Indo Tambangraya Megah (Tenggarong), PT Trubaindo (Kutai Barat), PT. KUB (Rantau). Specifically for mining company PT MIP operated coal mines under the Cce (Covenant Coal Entrepreneurs Work) the first generation that is valid until 2022.

Problems that would like to be answered in this study are:

- 1). Designing a system of performance management in mining service companies by using the Balanced Scorecard method,
- 2). Knowing the steps and company policy to be taken in future related performance management and business processes.

### **Materials and Methods**

Performance management is defined as the process by which managers ensure that employees' activities and outputs are the same as the goals of the organization.

Performance measurement is determination of the periodic operational effectiveness of an organization, part of the Organization, and the casualties, based on goals, standards, and criteria that have been set before (Mulyadi, 2001:353). Performance measurement is the measurement of actions committed against a range of activities in the value chain of the company (Mangkunegara, 2010:47).

### ***Balanced Scorecard***

Is the concept of Management introduced Robert Kaplan in 1992, as the development of the concept of performance measurement (performance measurement) that measure the company. Robert Kaplan to sharpen the concept of performance measurement by determining an effective approach that balanced (balanced) in measuring the performance of the company's strategy.

The approach is based on 4 perspectives: Financial, customer, internal business processes, and Learning and growth. The fourth perspective offers a balance between short term goals and long term, the desired results (Outcomes) and trigger performance (performance drivers) of those results, and benchmark hard and software as well as subjective.

At first Balanced Scorecard was created to address the problem of the weakness of the Executive performance measurement system that focuses on the financial aspects. Next. Balanced Scorecard development experience in its implementation, not only as a tool for measuring the performance of executives, but extended as an approach in the preparation of the strategic plan.

The Balanced Scorecard developed a set of goals going beyond business unit summary Financials size. Company executives can now measure how big the various business units they are creating value for the customers of the company's current and future, and how much the company should improve its internal capabilities and investment in human resources, systems and procedures that are needed to improve performance.

Balanced Scorecard covers various activities of value creation produced by the company participant who has the ability and motivation high, while still looking at the short term performance through financial perspective. Balanced Scorecard clearly reveals the variety of factors that are becoming the drivers of financial performance and competitive to achieve long-term superior. The purpose and size of the scorecard derived from vision and strategy. The size of the goal and looked at the performance of companies from four perspectives, namely



financial, customer, internal business processes, and learning and growth. The four perspective it gives a framework for the Balanced Scorecard. Menurut Kaplan dan Norton (2000)

Balanced Scorecard consists of the first two words namely Balance (Balanced). Balanced words can be interpreted with the performance being measured are balanced from two aspects, namely the financial and non-financial aspects, including short term and long term as well as involving the internal and external part. Second, the Scorecard (score card) is a card used to record the score good performance results for the present conditions as well as for planning in the future. The Balanced Scorecard is a performance measurement method with the balance between the two aspects, namely the financial and non financial where there are four perspectives, namely a financial perspective, the customer perspective, the perspective of internal business process and learning and growth. The four perspectives of the aforementioned have a sustainable relationship in translating strategy of an enterprise.

So, the Balanced Scorecard is a contemporary management tool used to boost the capabilities of the Organization in a double financial performance. Balanced Scorecard completes a set of financial measure past performance with the size of the driving (drivers) future performance. The Balanced Scorecard Framework as articulated above that there are four perspectives to form a balanced scorecard framework. (Robert & Norton, 1996).

**Financial Perspective:** financial Size is very important in giving a summary of the consequences of economic actions already taken. Financial performance measures provide clues on whether corporate strategies, implementation, and its implementation contribute or not to the increase in profit of the company. Financial destination usually associated with profitability through measurement of the operating profit, return on capital (ROCE) or self-employed economic value added. Other financial goal might be the rapid sales growth or the creation of cash flow. 1997 financial goals may be very different for each stage of the life cycle of a business. The theory of business strategy offers several different strategies that can be followed by business units, from an aggressive market growth to the consolidation business, come out and liquidation. In general there are three stages:

Growth companies that are growing are at the beginning of the life cycle of the company. They produce products and services that have potential for growth. To harness this potential, they need to involve a fair amount of resources to develop and enhance a wide range of new products and services; building and expanding production facilities; build the capability of operation, embed investments in systems, infrastructure and distribution network that will support the creation of a global relationship; and maintaining and developing close relationships with customers. Companies in the growth phase may be operating with a negative cash flow and return on capital investment is low. The overall financial goals of the company in a phase of growth are the percentage of revenue growth rate, and the rate of sales growth in a variety of target markets, customer group and region.

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Sustain most of the business units within a company may be on the stage, situations where the business unit still had an attraction for investment and reinvestment plantings, but it is expected to generate high enough returns on capital. Business units such as these are expected to maintain market share and gradually grows year by year. Financial objectives in the stage survive usually associated with profitability, expressed by wearing the size associated with the accounting profit as operating profit and gross margin. This measure considers the capital investment in the business unit are already fixed (given/exogenous) and ask managers to maximize the revenue generated from the investment of capital.



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Harvest some business units will reach a stage of maturity in its life cycle, the stage where the company wants to "reap" investments made in the previous two stages. Business no longer requires large investment, just for maintenance of equipment and capabilities, not expansion or development of a range of new capabilities. Every investment project has to have a return on investment period of definitive and short. Its primary purpose is to maximize cash flow to the Corporation. The overall financial objective for businesses in the reaping was operating cash flow and working capital needs of various savings.

The perspective of the customer in the customer's perspective of the Balanced Scorecard, the management company shall identify the customer and market segments in which the business unit will compete and any size business unit performance on a segment of the target. This perspective is typically composed of several main sizes or the size of the company's success of generic strategies are formulated and implemented properly. The main measure comprises customer satisfaction, customer retention, and acquisition of new customers, customer profitability, and market share in the segment of the target.

In addition the customer perspective also includes various sizes of a particular preposition describes the value that will be assigned the company to the customer segment of the target market. The driving factor in the success of the core customers in a particular market segment is an important factor, which may affect the customer's decision to move or remain loyal to the suppliers. Customer perspective allows the managers of the business units of articulating a strategy oriented to customers and the market that will provide future financial gains.

#### *Internal Business Process Perspective*

In the internal business processes perspective, the executives identified a range of important internal processes that must be mastered by the company. This process allows business units to; provide a value proposition that will attract and retain customers in the target market segment, and the expectations of high financial gains shareholders. The size of the internal business process focused to various internal processes that will have a major impact to the customer satisfaction and the achievement of financial objectives of the company.

In the process of innovation, business unit examined the needs of customers who are developing or are still hidden, and then create a product or service that will meet those needs. The process of operation, the second major step in the value chain internally generic, is a place where goods and services are produced and delivered to the customer. This process has historically has been the focus of most of the company's performance measurement system. The third major step in the value chain is internal to the customer service after the sale or delivery of products and services.

#### *The learning and growth perspective*

The four perspectives of a Balanced Scorecard that is learning and growth, identify the infrasrutur that must be built in creating growth and an increase in long-term performance. The three main sources of learning and growth companies stems from human, systems and procedures of the company. Goal financial, internal business processes and customers in the Balanced Scorecard will usually showed the gap between the capabilities of human resources, systems and procedures at this time with what it takes to produce a performance full of



breakthrough. To close this gap, companies must make investments with re-trained workers, improving technology and information systems as well as to harmonize the various procedures and everyday activities of the company.

In the balanced scorecard, there are three main categories for the learning and growth perspective:

- Capability of workers
- Capability of information systems
- Motivation, empowerment and alignment.

In the BSC performance measurement methods, there are three principles that allow the strategy can be translated into a variety of purposes in every perspective, in strategic planning, namely as follows:

#### **Cause and effect relationship**

Cause and effect chain must include the four factors above, so each BSC measurement selected in the BSC should be an element of the chain of cause and effect relationship that communicates the meaning of the strategy of a company.

#### **The size of the result and size trigger performance.**

It is these benchmarks serve as a tool to know the changes to the company's performance (better, worse, or fixed).

#### **Linkages with financial problems.**

Causal relations of all sizes in a Balanced Scorecard should be associated with each company's financial goals.

Strategic planning as a whole consists of the determination of:

- Objectives
- The size of the result and the size of the trigger
- Target
- The initiative

This research uses qualitative research methods type descriptive. Descriptive research is research conducted to figure out the problem on the object of research. This research examines the situations that occur, attitude, Outlook, and the cause of a phenomenon. Researchers developing the concept and gather facts but did not test the hypothesis (Gus, 2005:11).

The object of this research is the performance of PT Riung Mitra Lestari are measured using the balanced scorecard approach are reviewed with four (4) means a minimum balanced scorecard. Additional data were obtained directly from the management Riung Mitra Lestari, PT, the source data used are secondary data sources. Data obtained processed as necessary to research these and then paraphrased. As for the variables used in this study using the method of a minimum of four (4) perspectives that can be identified as follows:

1) the performance of a financial perspective.

This perspective will describe the company's financial position at a certain period in connection with the company's appearance in the eyes of shareholders.

2) Performance perspective customers.

This perspective will illustrate the focus to the needs of customer satisfaction and the views of its customers against the company.

3) the performance of the internal business processes perspective.

This perspective will focus on what the management company should do in the company. Internal processes that must be performed is the process which has regard to the creation of goods or services, thus able to attract and retain customers and ultimately be able to satisfy the wishes of shareholders.

4) Performance perspectives of learning and growth. This perspective identify the means that should be created or built by the company with the objective of growth and development of the company in the long term (long term). This relates to the improvement and the company's ability to create sustainable value.

As for the benchmark used in the study to assess the performance of PT Riung Mitra Lestari, among others:



# The Performance Of A Financial Perspective

Rewards to shareholders/Return On Equity (ROE) Return On Equity (ROE) is a measurement of earnings (income) that are available to the owners of the company (both regular shareholders or holders of preferred stock) over the capital that they invested in the company (Syamsudin. 2009:64). The formula used to calculate the Return On Equity (ROE) is:

$$ROE = \frac{\text{Net profit after tax}}{\text{Own Capital}} \times 100\%$$

#### In Exchange For Investment/Return On Investment (ROI)

Return On Investment (ROI) is a measurement of the company's overall capability in generating profits with the overall amount of assets that are available within the company (Syamsuddin, 2009:63). Return On Investment (ROI) is calculated by the formula:

$$ROI = \frac{\text{Net profit after tax}}{\text{total assets}} \times 100\%$$

### *Cash Ratio*

This ratio measures the extent to which the company is able to meet short-term obligations by using the available cash in the company (Wibisono, 2011:90). The formula used to calculate the cash ratio is:

$$\text{Cash Ratio} = \frac{\text{cash} + \text{bank} + \text{short-term securities}}{\text{debt smoothly}} \times 100\%$$

### *Current Ratio*

Current ratio is a ratio used to calculate how the company's ability in repaying debt well with current assets available in the company (Syamsuddin, 2009:68). The formula used to calculate the current ratio is:

$$\text{Current Ratio} = \frac{\text{current assets}}{\text{debt smoothly}} \times 100\%$$

### *Collection Periods (CP)*

Is a comparison between the total accounts receivable businesses with total revenues. The formula used is as follows:

$$\text{Collection Period} = \frac{\text{total accounts receivable businesses}}{\text{total revenues}} \times 365 \text{ hari}$$

### Total Assets Turn Over/ TATO

*Total asset turn over* indicates the level of efficiency of the use of the overall assets of the company in producing a certain volume of sales (Syamsuddin, 2009:62). Total assets turnover (TATTOOS) can be calculated using the following formula:

$$TATO = \frac{Sales}{total\ asset} \times 1\ kali$$

## The Total Capital Ratio Against Total Assets

This ratio is a comparison between the total own capital against total assets owned by the company. The formula used is as follows:

$$TMS \text{ against } TA = \frac{\text{Total own capital}}{\text{total asset}} \times 100\%$$

A. The profitability ratios include:

- #### 1. Return on asset (ROA)

$$ROA = \frac{\text{Net profit}}{\text{total aktiva}} \times 100\% \quad \dots \quad (1)$$

- ## 2. Return in investment (ROI)



### 3. Return on Equity (ROE)

$$ROE = \frac{\text{Net profit after tax}}{\text{own capital}} \times 100\% \quad \dots \dots \dots \quad (3)$$

B. The ratio of growth include:

#### 1. The rate of increase (growth of) income

$$= \frac{\text{income of the period now} - \text{December period earnings}}{\text{last period income}} \times 100\% \quad \dots \dots \dots (4)$$

## 2. The rate of Increase (growth) net income

$$= \frac{\text{income of the period now} - \text{December period earnings}}{\text{net profit for the previous period}} \times 100\% \dots\dots\dots(5)$$

#### C. The Rate Of Increase (Growth) Operating Expenses

$$= \frac{\text{income of the period now} - \text{December period earnings}}{\text{operating costs last period}} \times 100\% \dots\dots\dots(6)$$

## **The Performance Of The Customer's Perspective**

If the award is received by the company grew each year, so it can reflect the satisfaction of customers served by PT Riung Mitra Lestari as a professional company can maintain its quality as has been promised. Conversely, if the award is received is the same as the year 2015 or even decreases, then these shows a declining reputation and image for PT Riung Mitra Lestari

## The Performance Of The Internal Business Processes Perspective

In the internal business perspective, the managers identify important internal processes that must be mastered by the company to emphasize various important processes that support the success of corporate strategy (Rangkuti, 2012:77). According to Kaplan and Norton, (2000:87) there are three key business processes within the value chain perspective a business process internally. First, the process of innovation. At this stage of the innovation companies strive to make research and development new product so created products that are truly in accordance with the wishes and needs of the customer.

Second, the process of operation. The operating process is shortwave value creation within the company. The process focuses upon the delivery of products and services to existing customers in an efficient, consistent and timely (Kaplan, 2000:90).

Third, after-sales service. After-sales service warranty covers a range of activities from repair, replacement of the faulty product and returned, as well as process payments, such as credit card Administration (Kaplan,2000:91). A growing number of innovations that are carried out by the company, then this could be a sign that the company is always looking for new breakthroughs that have never been done by a competitor. Further more the new breakthrough made by the company, it will be increasingly strengthened the company's position to get a patent over innovation. The number of patents registered by the company can show that the company is always looking for new breakthroughs in his effort to win the competition.

## The performance of the learning and growth Perspective

The learning and growth perspective identifies the infrastructure that must be built in creating growth and an increase long-term performance. This perspective comes from the factor of human resources, systems, and procedures of the organization. One measure used according to Kaplan and Norton (2000:112-114) is worker productivity, a measure of overall impact on business outcomes, improved morale and skills of workers, innovation, internal processes, and customer satisfaction. As for the benchmark used is the large number of budget education, training and certification that is granted to employees of the company and also the large number of different types of education, training and certification followed by employees throughout the year 2015 and whether the budget and the type of training given increases in 2016 or even vice versa.



### Previous Research Studies

According to (Kartalis, et al 1995) method of balance scorecard (BSC) can be applied as a performance measurement for the industry in Greece, where the four perspectives to translate strategic objectives into performance measurement to measure the effects of applying the strategies and provide feedback on the performance of strategic initiatives. The most important thing as a first priority is to change the company's image to the general public and the adjustment of the product cost.

Christina and Sudana (2013) stated the Balanced scorecard is also a performance measurement indicators that can assist management in improving the quality of products or services and in creating excellence competitiveness which belonged to the company.

### Results and Discussion

#### Performance Assessment of Financial Perspective

That became a benchmark on financial perspective *i.e.* financial annual report PT Riung Mitra Lestari, based on annual financial reports can be seen from the following table

**Table 1:** Financial Ratios

	<b>Financial Ratios</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Gross Profit Margin (%)	35.2	29.2	22	20	18
EBITDA Margin (%)	36.1	28	25.3	23	21
Business Margin (%)	28.4	20	21	19.4	15
ROE (%)	24	25	16	14	9.9
ROA (%)	10	6	3	4	3
ROIC (%)	15	16	9	9	5
Net Debt Towards Equitas	0.6	0.6	0.5	0.5	0.4
Against Net Debt Ebitda	1	1.8	1.9	1.1	1.5
Cash from operations against capital expenditures	1.1	0.9	3.4	2	1.2
Coal price USD/ton (market)	83.61	69.06	61.07	52.3	41.2

Source: Financial Statements Of PT Riung Mitra Lestari

Results from the table above it can be concluded that financial of PT Riung Mitra Lestari has decreased from year to year, caused by a decrease in the price of coal.

#### Performance Assessment of Customer Perspectives

On the perspective of the customer, the benchmark used is the number of awards received by the company. The award is a form of appreciation over the performance of outside parties that has been done by the company. A growing number of awards received by a company, then this indicates the company has been appreciated by stakeholders as a professional.

By 2015, PT Riung Mitra Lestari get additional awards from the Ministry of MINERAL RESOURCES with the main category (exceptional) in terms of the mining process as well as an award from the Governor of East Kalimantan. Awards received by this company is a reflection of customer satisfaction that has been working with the company. Thus, the assessment of the performance of the customer's perspective that is owned by the company are the better.

#### The Performance of The Internal Business Processes Perspective

Next on the internal business perspective, the benchmark used is the number of innovations and patents owned by the company. In this year of PT Riung Mitra Lestari currently was keen to do a QCC for all Departments with the hope of continuing to improve the quality of the company in terms of neither the employee nor the equipment work.



**Table 2:** List of Operational Performance

	Operational Performance				
	2011	2012	2013	2014	2015
The volume of coal production (million tonnes)	2.4	3.0	1.9	5.1	4.7
Oberburden removal (million bcm)	26	31	15	45	41
The average stripping ratio planned	7.4	10.2	8.8	9.2	7.3

**Weighting Level Perspective**

Participants to this weighting is performed by 4 participants i.e. Director, General Manager (GM), the HRD Manager and owner of the company (the owner). The four participants are relevant because participants are a function and an influential position towards the achievement of the vision and mission of the company. Results weighting can be seen in the table below:

**Table 3:** Results of Weighting between Perspectives

Criteria	Priority	Weights	Total weights
Finance	1	30,3 %	
Customers	2	26 %	100 %
Internal Business Process	3	22,4 %	
Learning & Growth	4	21,3 %	

This greater weighting is influenced by corporate interests who chose finance as a priority as each company expects profits from the products sold. But to gain the necessary human resources, internal business and customers.

**Weighting Level Strategic Goals**

Participants to this weighting is performed by 4 participants i.e. Director, General Manager (GM), the HRD Manager and owner of the company (the owner). The four participants are relevant because participants are a function and position is influential in determining the strategic goals of the company. Results weighting can be seen in the table below:

**Table 4:** Results Weighting between Strategic Goals

Criteria	Priority	Weights	Total weights
Increase the profitability ratio	1	77,8 %	100 %
Boost liquidity ratio	9	11,1 %	
Increasing the ratio of effectiveness	8	11,1 %	
Enhance customer satisfaction	6	33 %	100 %
Sales effectiveness	3	67 %	
Innovation (new product development)	4	50 %	100 %
Innovation (new product development)	5	50 %	
Increase the productivity of human resources (HR)	7	25 %	100 %
Power support against technology	2	75 %	

This weighting is influenced by corporate interests that prioritize finance becomes a top priority. Some weighting get the same result, the determination of the scale of priority consideration based on the interests of the company and what is to be achieved by the company at this time. This goal will be achieved through the attainment of the target of each Division/individuals are elaborated through key performance indicator (KPI).

**Weighting Between Key Performance Indicator (KPI)**

Participants to this weighting is performed by 6 participants which was the relevant participant since function and influential Office in determining Key Performance Indicator (KPI) that will be applied to each Division, with the translation as follows: KPI-weighting by the Director of Finance, General Manager (GM), the owner of



the company (owner) and Accounting Manager

- Weighting KPI-Customers conducted by the Director, General Manager, and HRD Manager
- Internal Business KPIs-Weighting Process is done by the Director, General Manager, HUMAN RESOURCES Manager and owner.
- Weighting KPI-learning and Growth undertaken by the Director, the General Manager (GM), the HRD Manager and head of Export import.

Results weighting can be seen in the table below:

**Table 5:** Results Weighting Between KPIs

Criteria	Priority	Weights	Total weights	Criteria
<b>Finance</b>	Turnover Return on Equity/ROE	1	47 %	100%
	Turnover Return on Investment/ROI	2	31 %	
	The Increase In The Ratio Of Cash (The Cash Ratio)	2	35 %	
	The Increase In Current Ratio (Current Ratio)	1	65 %	
	Inventory Turnover (Inventory Turn Over/ITO)	2	70 %	
	Turnover Total Assets (Total Assets Turn Over/TATTOO)	1	74 %	
<b>Customers</b>	<i>On time delivery</i>	1	50 %	100 %
	The increase in the number of new customers	3	25 %	
	The decline in the number of customer complaints	2	25 %	
	Customer Growth Rate	1	50 %	
	Decrease Customer Retention Rate	2	50 %	
<b>Internal Business Process</b>	The increase in average sales Account Officer (AO)	1	62 %	100 %
	An increasing number of new products	2	38 %	
	<i>On time lead time</i>	1	45 %	
	The decline in the number of products of second quality (AR quality)	3	25 %	
<b>Learning and Growth</b>	Decrease the amount of products re-process	2	30 %	100 %
	Increased employee satisfaction index	1	40 %	
	Decreased employee turn over	3	15 %	
	Decrease the cost of overtime	4	15 %	
	The decline in the rate of absences	2	30 %	
	Application of ERP to 3 divisions (Export import, warehouse, Accounting)	1	100 %	

This weighting is influenced by the interests of each of the divisions that are there in the mining company. Management contributed in defining the scale of priorities of each KPI so established that the main priority is the KPI-Customers on time delivery. The company will focus on the delivery of coal to various customer especially PLN because many got complaints of delay of delivery where the delay will be caused because the production was not achieved and must wait for the next month.

With the recent shipping companies suffered losses with the calculation of costs of production over (labor, overtime etc).



	<b>Weights</b>	<b>KPI</b>	<b>Weights</b>	<b>Indicator</b>
Increase the profitability ratio	0,778 the total number of	Turnover Return on Equity/ROE Turnover Return on Investment/ROI 0,78	0,60 0,40	0,47 0,31
Boost liquidity ratio	0,111 the total number of	The Increase In The Ratio Of Cash (The Cash Ratio) The Increase In Current Ratio (Current Ratio) 0,11	0,35 0,65	0,04 0,07
Increasing the ratio of effectiveness	0,111 the total number of	Inventory Turnover (Inventory Turn Over/ITO) Turnover Total Assets (Total Assets Turn Over/TATTOO) 0,11	0,70 0,30	0,08 0,03
Enhance customer satisfaction	0,33 the total number of	<i>On time delivery</i> The increase in the number of new customers The decline in the number of customer complaints 0,33	0,50 0,25 0,25	0,165 0,083 0,83
Sales effectiveness	0,67 the total number of	Customer Growth Rate Decrease Customer Retention Rate 0,67	0,50 0,50	0,34 0,34
Innovation (new product development)	0,50 the total number of	The increase in average sales Account Officer (AO) An increasing number of new products 0,50	0,62 0,38	0,31 0,185
Efficient use of production	0,50 the total number of	<i>On time lead time</i> The decline in the number of products of second quality (AR quality) Decrease the amount of products re-process 0,5 Increased employee satisfaction index	0,45 0,25 0,30 0,40	0,225 0,125 0,15 0,1
Improve HUMAN RESOURCES	0,25 the total number of	Decreased employee turn over Decrease the cost of overtime The decline in the rate of absences 0,25	0,15 0,15 0,30	0,04 0,04 0,07
Power support technology	0,75 the total number of	Application of ERP to 3 divisions (Export import, Finish God own, Accounting) 0,75	1	0,75

Some weighting get the same result, the determination of the scale of priority consideration based on the interests of the company and what is to be achieved by the company at this time.



### Analysis of the Mining Company Balanced Scorecard Hierarchy

**Table 6:** Analysis of the Hierarchy of Strategic Goals

Perspective	Weighting	Criteria	Weighting	Indicator
FINANCE	0,303	Increase the profitability ratio Boost liquidity ratio Increasing the ratio of effectiveness	0,778 0,111 0,111 the total number of	0,236 0,034 0,034 0,3
CUSTOMERS	0,26	Enhance customer satisfaction Sales effectiveness	0,33 0,67 the total number of	0,086 0,17 0,26
INTERNAL BUSINESS PROCESS	0,224	Innovation (new product development) Increase efficiency	0,50 0,50 the total number of	0,112 0,112 0,224
LEARNING & GROWTH	0,213	Increase the productivity of human resources (HR) Power support against technology	0,25 0,75 the total number of	0,053 0,160 0,213
	1		1	1

### Balanced Scorecard Evaluation

The next stage is to conduct evaluations using the Balanced Scorecard, based on the scale of measurement of the ratio of the performance so calculated weights and value of the Balanced Scorecard with the results in the table below:

**Table 7:** The calculation of weights and Score Balanced Scorecard

	KPI	Value	Weighting	(Value x Weight)
Increase the profitability ratio	Turnover Return on Equity/ROE Turnover Return on Investment/ROI	4 3 the total number of	0,47 0,31 2,81	1,88 0,93
Boost liquidity ratio	The Increase In The Ratio Of Cash (The Cash Ratio) The Increase In Current Ratio (Current Ratio)	1 4 the total number of	0,04 0,07 0,32	0,04 0,28
Increasing the ratio of effectiveness	Inventory Turnover (Inventory Turn Over/ITO) Turnover Total Assets (Total Assets Turn Over/TATTOO)	4 3 the total number of	0,08 0,03 0,41	0,32 0,09
Enhance customer satisfaction	<i>On time delivery</i> The increase in the number of new customers	1 1	0,165 0,083	0,165 0,083



	The decline in the number of customer complaints	1	0,083	0,083
			the total number of	0,33
Sales effectiveness	Customer Growth Rate	1	0,34	0,34
	Decrease Customer Retention Rate	1	0,34	0,34
			the total number of	0,68
Innovation (new product development)	The increase in average sales Account Officer (AO)	4	0,31	1,24
	An increasing number of new products	4	0,185	0,74
			the total number of	1,98
Efficient use of production	<i>On time lead time</i>	5	0,225	1,225
	The decline in the number of products of second quality (AR quality)	1	0,125	0,125
	Decrease the amount of products re-process	1	0,15	0,15
			the total number of	1,4
Improve HUMAN RESOURCES	Increased employee satisfaction index	1	0,1	0,1
	Decreased employee turn over	1	0,04	0,04
	Decrease the cost of overtime	1	0,04	0,04
	The decline in the rate of absences	2	0,07	0,07
			the total number of	0,25
Power support technology	Application of ERP to 3 divisions (Export import, Finish God own, Accounting)	1	1	0,75
			the total number of	0,75

Key performance indicator (KPI) scaled to each Division and each Division make the effort to reach the target KPIs that are already set.

**Table 8:** Decrease in KPI

Perspective	Criteria	Executor	Monitoring
Finance	Turnover Return on Equity/ROE	All divisions	Accounting
	Turnover Return on Investment/ROI	All divisions	Accounting
	The Increase In The Ratio Of Cash (The Cash Ratio)	All divisions	Accounting
	The Increase In Current Ratio (Current Ratio)	All divisions	Accounting
	Inventory Turnover (Inventory Turn Over/ITO)	Production	Accounting
	Turnover Total Assets (Total Assets Turn Over/TATTOO)	All divisions	Accounting
	<i>On time delivery</i>	Marketing , Finish God own	Marketing
	The increase in the number of new customers	Marketing	Marketing
	The decline in the number of customer complaints	Marketing	Marketing
	Customer Growth Rate	Marketing	Marketing
Customers	Decrease Customer Retention Rate	Marketing	Marketing



<b>Internal Business Process</b>	The increase in average sales Account Officer (AO)	Marketing	Marketing
	An increasing number of new products	Production	Production
	<i>On time lead time</i>	Production	Marketing
	An increasing number of backup material availability	Engineering	Engineering
	The decline in the number of production	Produces	Engineering
	Increased employee satisfaction index	HRD	HRD
	Decreased employee turn over	HRD	HRD
	Decrease the cost of overtime	All divisions	HRD
	The decline in the rate of absences	All divisions	HRD
	Application of ERP to 3 divisions (Export import, Finish God own, Accounting)	Export import, Finish God own, Accounting	Export import

### The performance of the learning and growth Perspective

The learning and growth perspective identifies the infrastructure that must be built in creating growth and an increase long-term performance. This perspective comes from the factor of human resources, systems, and procedures of the organization.

A benchmark used, namely the ability of the employee (employee capabilities) as measured by the number of education, training and certification that is granted and the number of employees who receive such learning, PT Riung Mitra Lestari continued to grow and make the investment on HUMAN RESOURCES by continuing to enhance training programs for its employees.

Table 9: Training Activity Control 2015

TRAINING ACTIVITY CONTROL 2015											FORM TR 014														
NO	FREQ:	TRAINING MODUL	MCH	INST OR PIC	VENUE	PLAN						ACTUAL						REPORT	REMARKS						
						START	END	DAY	HRS	NAME	NRP	GRD	STATUS	SITE	GIMP	INT P	START	END	DAY	HRS	INT A	T	P	DATE	REG NO.
3	1	1	Preventive Maintenance	ALL	WWN	2015-02-15	16-Feb-15	3	8	Def. Pradiyo	151205	GIS	MEN	KRS	1	2	16-Feb-15	20-Feb-15	1	8	1	2	100	16-Feb-15	Competen
			Preventive Maintenance	ALL	WWN	2015-02-15	16-Feb-15	3	8	Suryadi	1113019	GIS	MEN	KRS	1	2	16-Feb-15	20-Feb-15	1	8	1	2	100	16-Feb-15	Competen
3	1	1	Preventive Maintenance	ALL	WWN	2015-02-15	17-Feb-15	1	8	Fatoni	1111123	G2	MEN	KRS	1	2	17-Feb-15	21-Feb-15	1	8	1	2	90	17-Feb-15	Competen
			Preventive Maintenance	ALL	WWN	2015-02-15	17-Feb-15	1	8	Lukman Hafiz	1111199	G2	MEN	KRS	1	2	17-Feb-15	21-Feb-15	1	8	1	2	100	17-Feb-15	Competen
3	1	1	Preventive Maintenance	ALL	WWN	2015-02-15	18-Feb-15	1	8	Kashemur Nunihawa	1110077	G2	MEN	KRS	1	2	18-Feb-15	22-Feb-15	1	8	1	2	90	18-Feb-15	Competen
			Preventive Maintenance	ALL	WWN	2015-02-15	18-Feb-15	1	8	Wardina	1110140	G2	MEN	KRS	1	2	18-Feb-15	22-Feb-15	1	8	1	2	90	18-Feb-15	Competen
4	1	1	Preventive Maintenance	ALL	WWN	2015-02-15	19-Feb-15	1	8	Heri Kridiyono Yurno	1111195	G2	MEN	KRS	1	2	19-Feb-15	23-Feb-15	1	8	1	2	100	19-Feb-15	Competen
			Preventive Maintenance	ALL	WWN	2015-02-15	19-Feb-15	1	8	Ade Setiawan	1111254	G2	MEN	KRS	1	2	19-Feb-15	23-Feb-15	1	8	1	2	100	19-Feb-15	Competen
5	1	1	Preventive Maintenance	ALL	WWN	2015-02-15	20-Feb-15	1	8	Abdul Rehid	1112058	G15	MEN	KRS	1	2	20-Feb-15	24-Feb-15	1	8	1	2	90	20-Feb-15	Competen
			Preventive Maintenance	ALL	WWN	2015-02-15	20-Feb-15	1	8	Randi Prabu Putra	1115007	G2	MEN	KRS	1	2	20-Feb-15	24-Feb-15	1	8	1	2	100	20-Feb-15	Competen
6	1	1	Preventive Maintenance	ALL	WWN	2015-02-15	21-Feb-15	1	8	Demelin	1112101	G15	MEN	KRS	1	2	21-Feb-15	25-Feb-15	1	8	1	2	85	21-Feb-15	Competen
			Preventive Maintenance	ALL	WWN	2015-02-15	21-Feb-15	1	8	Sigit Priyono	1111065	G2	MEN	KRS	1	2	21-Feb-15	25-Feb-15	1	8	1	2	90	21-Feb-15	Competen
7	1	1	Preventive Maintenance	ALL	WWN	2015-02-15	22-Feb-15	1	8	Yauzik Heru	1111086	G2	MEN	KRS	1	2	22-Feb-15	26-Feb-15	1	8	1	2	100	22-Feb-15	Competen
			Preventive Maintenance	ALL	WWN	2015-02-15	22-Feb-15	1	8	Urding Sulisty	1111097	G2	MEN	KRS	1	2	22-Feb-15	26-Feb-15	1	8	1	2	90	22-Feb-15	Competen
8	1	1	Preventive Maintenance	ALL	WWN	2015-02-15	23-Feb-15	1	8	Dony Widayatmo	1113046	G15	MEN	KRS	1	2	23-Feb-15	27-Feb-15	1	8	1	2	90	23-Feb-15	Competen
			Preventive Maintenance	ALL	WWN	2015-02-15	23-Feb-15	1	8	Oedy Purnomo	1112096	G15	MEN	KRS	1	2	23-Feb-15	27-Feb-15	1	8	1	2	90	23-Feb-15	Competen

Source: Training Development centre PT Riung Mitra Lestari.

Table 10: Training Activity Control 2014

TRAINING ACTIVITY CONTROL 2014											FORM TR 014														
NO	FREQ:	TRAINING MODUL	MCH	INST OR PIC	VENUE	PLAN						ACTUAL						REPORT	REMARKS						
						START	END	DAY	HRS	NAME	NRP	GRD	STATUS	SITE	GIMP	INT P	START	END	DAY	HRS	INT A	T	P	DATE	REG NO.
4	1	1	Starting System	ALL	WWN	2014-06-15	18-Jun-15	1	8	HERU PRASTYO	1111204	G2	MEN	MEL	1	3	18-Jun-15	18-Jun-15	1	8	1	3	93	18-Jun-15	Competen
			Starting System	ALL	WWN	2014-06-15	18-Jun-15	1	8	WAWUWU SETIYAWAN	11112041	G2	MEN	MEL	1	3	18-Jun-15	18-Jun-15	1	8	1	3	93	18-Jun-15	Competen
5	1	1	Starting System	ALL	WWN	2014-06-15	19-Jun-15	1	8	SALVYANTO	1111098	G15	MEN	MEL	1	3	19-Jun-15	19-Jun-15	1	8	1	3	92	19-Jun-15	Competen
			Starting System	ALL	WWN	2014-06-15	19-Jun-15	1	8	ROBERTA AHMAD SUFYANA	1111094	G15	MEN	MEL	1	3	19-Jun-15	19-Jun-15	1	8	1	3	97	19-Jun-15	Competen
6	1	1	Starting System	ALL	WWN	2014-06-15	21-Jun-15	1	8	KRIE SALUTIA	1110500	G2	MEN	MEL	1	3	21-Jun-15	21-Jun-15	1	8	1	3	100	21-Jun-15	Competen
			Starting System	ALL	WWN	2014-06-15	21-Jun-15	1	8	PRADIYONO PRASITYO	1110501	G2	MEN	MEL	1	3	21-Jun-15	21-Jun-15	1	8	1	3	95	21-Jun-15	Competen
7	1	1	Starting System	ALL	WWN	2014-06-15	22-Jun-15	1	8	MOHAMAD FAHRI	1110404	G2	MEN	MEL	1	3	21-Jun-15	21-Jun-15	1	8	1	3	90	21-Jun-15	Competen
			Starting System	ALL	WWN	2014-06-15	22-Jun-15	1	8	IRAKWAN PAROMOKAS	1111018	G15	MEN	MEL	1	3	22-Jun-15	22-Jun-15	1	8	1	3	87	22-Jun-15	Competen
8	1	1	Charging And Lighting System	ALL	WWN	2014-06-15	23-Jun-15	1	8	ADI RIVANTO	1111012	G15	MEN	MEL	1	2	22-Jun-15	23-Jun-15	1	8	1	2	87	22-Jun-15	Competen
			Charging And Lighting System	ALL	WWN	2014-06-15	23-Jun-15	1	8	ALI TAUZIR	1111100	G2	MEN	MEL	1	2	22-Jun-15	23-Jun-15	1	8	1	2	87	22-Jun-15	Competen
9	1	1	Charging And Lighting System	ALL	WWN	2014-06-15	24-Jun-15	1	8	YUDIKA SEPTIANA RAHAYU PRASITYO	1111085	G2	MEN	MEL	1	3	24-Jun-15	24-Jun-15	1	8	1	2	90	24-Jun-15	Competen
			Charging And Lighting System	ALL	WWN	2014-06-15	24-Jun-15	1	8	ARIS SAKITTO	1111081	G2	MEN	MEL	1	3	24-Jun-15	24-Jun-15	1	8	1	2	83	24-Jun-15	Competen
10	1	1	Charging And Lighting System	ALL	WWN	2014-06-15	25-Jun-15	1	8	ROSETTA AHMAD SUFIYANA	1111088	G2	MEN	MEL	1	2	25-Jun-15	25-Jun-15	1	8	1	2	87	24-Jun-15	Competen
			Charging And Lighting System	ALL	WWN	2014-06-15	25-Jun-15	1	8	YULI YANTI	1111095	G2	MEN	MEL	1	2	25-Jun-15	25-Jun-15	1	8	1	2	87	25-Jun-15	Competen
11	1	1	Charging And Lighting System	ALL	WWN	2014-06-15	26-Jun-15	1	8	RAHMATullah SURENDRA	1111082	G2	MEN	MEL	1	3	26-Jun-15	26-Jun-15	1	8	1	3	100	26-Jun-15	Competen
			Charging And Lighting System	ALL	WWN	2014-06-15	26-Jun-15	1	8	ARIS SAKITTO	1111080	G2	MEN	MEL	1	3	26-Jun-15	26-Jun-15	1	8	1	3	93	26-Jun-15	Competen
12	1	1	Starting System	ALL	WWN	2014-06-15	26-Jun-15	1	8	PAUL YANI	1111088	G2	MEN	MEL	1	2	26-Jun-15	26-Jun-15	1	8	1	2	87	26-Jun-15	Competen
			Starting System	ALL	WWN	2014-06-15	26-Jun-15	1	8	DAVE ARIS PRASITYO	1111086	G2	MEN	MEL	1	2	26-Jun-15	26-Jun-15	1	8	1	2	87	26-Jun-15	Competen
13	1	1	Charging And Lighting System	ALL	WWN	2014-06-15	30-Jun-15	1	2	YRI NURAYANTO	1111163	G2	MEN	MEL	1	2	30-Jun-15	30-Jun-15	1	8	1	2	97	30-Jun-15	Competen
			Charging And Lighting System	ALL	WWN	2014-06-15	30-Jun-15	1	2	SEPTIAYAR	1111165	G2	MEN	MEL	1	2	30-Jun-15	30-Jun-15	1	8	1	2	93	30-Jun-15	Competen

Source: Training Development centre PT Riung Mitra Lestari.



The table above is the data development employees from 2014 to 2015, if we see an increase in the competence employees increased 15% every year since his training that planned calculated from the total number of employees as well as upgrade training.

## Conclusion

Based on the results of research that has been done and the discussion of research results then can be obtained the following conclusions:

1. The application of the Balanced Scorecard method to measure the performance of the company can provide information on overall business performance. Measurements with the use of Balanced Scorecard are not only centered on the financial aspect, but also consider aspects of non financial or operational aspects such as customer, internal business, and learning and growth.
2. Review the financial aspects, internal business process performance measurement results that PT Riung Mitra Lestari showed a decline in financial and production results coupled with decrease, this is because the price of coal has decrease in the last 4 years as well as the presence of government rules on the prohibition of the export of coal and other minerals so as inhibit the rate of production of PT Riung Mitra Lestari.
3. Review of operational aspects of which include customer and perspectives of learning and growth of performance measurement results that PT Riung Mitra Lestari can be said either. Judging from the results of innovation has been done with increasing award received increased every year in addition to the process of learning is shown by the presence of a reschedule employee development every year so that the growth of competence increases 15% in accordance with the skills and the position of each employee.

## Advice

1. The company should adopt the balanced scorecard method because this method is consistent with the strategy of the firm. Three of the non-financial perspectives which exist within the balanced scorecard performance directly affect the company's financial theorist, so all four perspectives there is interplay's performance with each other. So by applying this method, PT Riung Mitra Lestari can improve the performance of the company. The design of the Balanced Scorecard performance that will be applied by the company to achieve its vision of mission and objectives of the Organization are identified through the 9 strategic goals and 21 Key Performance Indicator (KPI) that describes the current condition of the company
2. With the known weaknesses of PT Riung mitra lestari. if viewed from four perspectives above companies should act soon and memfollow up so that the company could still exist as well as improve competitiveness and find a new strategy for the next year.

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