

CHAPTER ONE

INTRODUCTION

A. BACKGROUND OF STUDY

The development of the increasingly between universal bank are complex, with a range of products and systems to determine the health of the company and in the face of new competitors world bank. Companies that maintain the existence of a market leader in the era of information revolution is a company that is able to mobilize and exploit the power and intangible assets that are not easily translated into financial dimensions.

Being key to the competition of global market is the quality of the total that includes of emphasis of product quality, cost of quality or price, quality service, timely delivery of quality, aesthetic quality and other quality forms are constantly evolving in order to provide continuous customer satisfaction in order to created a loyal customer.¹

Meanwhile, Bank Muamalat Indonesia posted a positive performance in the first half of 2013, with profit growth of 51.27% from Rp 246.05 billion to Rp 372.2 billion as of June 2013 in the same period in the prior year. Assets stood at Rp 47.92 trillion from Rp 32.69 first half of 2012 trillion is 46.6%.

Financing disbursed amounted to Rp 38.11 trillion from Rp 25.77 trillion, with growth of 47.9% along with financing problems, which

¹Hansen and Mowen, *Management Accounting*, (Ohio: International Thompson Publishing, 2000) p.34.

declined from 1.94% to 1.86%. Deposits recorded 38.85% increase from Rp 25.65 trillion to Rp 35.61 trillion, followed by the growth of retail funds from savings products, which reached 31.8% to Rp 9.47 trillion.²

In terms of the development of financial perspective previously described, moderate-to-date Bank Muamalat Indonesia added 23 cash offices running (mobile branch) so the total is 53 units and plans to add about 64 units by the end of the year, the Mobile Branch Office 453 services complement and Muamalat 1,113 ATMs spread all over Indonesia. This is the form perspective customer, internal business process and learning and growth perspective to measure the performance of a company.

Basically as of firm performance measure various tools, but most of the companies using traditional performance measurement, which only focuses on financial measures. Measuring in one hand is not able to guarantee the quality of the Bank's good health and meet the standards, because of the ease of manipulation that were encountered. Moderate Islamic Bank has the primary purpose of providing services to consumers and public transparency and Shariah-compliant.

Traditional performance limitations that are not able to measure the potential of human resources, there is now the company's new performance measurement system proposed by Robert S. Kaplan and David P. Norton, the Balanced Scorecard to balance financial and

² (Republika, Monday, 26 August 2013) p.15.

nonfinancial in four perspectives: financial perspective, customer perspective, internal business process, learning and growth perspective.³

This concept is very important because, this concept is balancing the performance of companies that have been considered unusual slant on financial performance to look beyond the financial aspect. This benchmark also uses internal and external factor scorecard to counterbalance the profitability dimension, such as aspects of customer satisfaction, quality of product or service, employee loyalty and so on.

Therefore by observing the growth of competition in the corporate performance of Islamic banks, coupled with Bank Muamalat is the pioneer of Islamic Banking which already has many branches in Indonesia and abroad, Malaysia. With one of the branch offices are located in Sragen, who always strive to provide excellent service and friendly to all customers.

Accompanied with the growth of the main contributors to the increase in total assets for the distribution of location by region, Sragen ranks third in the increase in asset ownership, and recorded in the third fundraising site through third party funding for regional growth in Solo Raya covering by Surakarta City and six regencies, there are: Boyolali, Sukoharjo, Karanganyar, Wonogiri, Sragen and Klaten.⁴

³ Robert S. Kaplan and David P. Norton, *Balance Scorecard: Translating Strategy Into Action*, (Boston: Harvard Business School Press, 1996) p.22.

⁴ www.harianjambi.com, (13.00, Tuesday, 03 December 2013)

Table 1.1

SOLO RAYA Asset Portion Development

NO	LOKASI	ASSET PORTION
1	Surakarta City	71,27%
2	Klaten Regency	5,58%
3	Sragen Regency	5,49%
4	Sukoharjo Regency	5,34%
5	Karanganyar Regency	5%
6	Boyolali Regency	3,71%
7	Wonogiri Regency	3,62%

Resource: *www.harianjambi.com*, (20:00, Wednesday, 13 November 2013)

Table 1.2

SOLO RAYA Third Party Fund Development

NO	LOKASI	3 rd PARTY FUND LEVEL
1	Surakarta City	54,3%
2	Sukoharjo Regency	21,82%
3	Sragen Regency	20,64%
4	Klaten Regency	17,16%

Resource: *www.harianjambi.com*, (20:00, Wednesday, 13 November 2013)

According to the Chief Representative of Bank Indonesia (BI) Solo, this increase can be interpreted that the increased purchasing power Sragen, it is characterized by the improvement in income or a change in consumption patterns into the pattern of investment in the form of deposits. Therefore, the Bank Muamalat performance opportunity is very large in transferring the vision and mission of the company to the public Sragen.

B. PROBLEM FORMULATION

Then, in order that the research arranged well fully and not wide without arrangement, the researcher limits this study as follow:

1. How does the application design PT BMI Tbk Sub Branch Sragen performance in perspective of the Balanced Scorecard in accordance with the vision, mission, goals and strategy of the company?
2. How is performance measurement PT BMI Tbk Sub Branch Sragen seen from the perspective of the Balanced Scorecard?

C. PURPOSE OF STUDY

Based on the background described above, then the problem is formulated in this study are:

1. To know the application design PT BMI Tbk Sub Branch Sragen performance in perspective of the Balanced Scorecard in accordance with the vision, mission, goals and strategy of the company
2. To know the analysis performance measurement PT BMI Tbk Sub Branch Sragen seen from the perspective of the Balanced Scorecard

D. SIGNIFICANCE OF STUDY

1. Theoretical Significance

Contribute to thought of science development of science in improving company performance.

2. Practical Significance

Results of this study are expected to provide benefits to some parties, among others:

a. Benefits for Financial Institutions Banks

The result is expected to provide benefits to the financial institution, especially regarding performance evaluation influential companies in improving the quality of various aspects of the company's operations are preferred by most consumers.

b. Benefits for the Academic World

This research is expected to increase the repertoire of science for the academic world, as well as beneficial for subsequent researchers.

c. Benefits for Researchers

Results of this study are expected to provide additional benefits in the form of knowledge and experience for the writer on the development of new measurement system of the Bank, namely the Balanced Scorecard, that the assessment of the company is good and healthy not only be seen on one aspect (financial) but also nonfinancial.

E. SYSTEM OF STUDY

To simply the study, the researcher divided the system and procedures this study into five parts, those are:

In this study, the authors start on first chapter with putting the preface that gives the introduction to research. Include the background of study, problem formulation, purposes of study, hypothesis, and significance of study, research method and system of study.

Second chapter, consists of explanation about the literature review and theoretical framework. For the literature review consist of preceding research. And for the theoretical framework review consist of Islamic Bank Performance, Performance Measurement, Vision, Mission and Strategy, Strategic Management, Definition of Balanced Scorecard, The Concept of Balanced Scorecard Perspective, Balanced Scorecard Excellence.

Third chapter contains the method analysis of performance in fourth perspectives in Balanced Scorecard, they are: financial perspective, customers perspective, internal business perspective, learning and growth perspective.

Fourth chapter contains the analysis and the analysis result about PT BMI Tbk Sub Branch Sragen performance in fourth perspective Balanced Scorecard and the generality of PT BMI Tbk.

And the last chapter contains to conclusion of the research and answer the question of problem formulation then the suggestion for the

next researches in order to make this research more complete and more perfect than before and the appendixes.