"Performance measurement of Islamic philanthropic institution during pandemic in Indonesia: A balanced scorecard approach"

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PERFORMANCE MEASUREMENT OF ISLAMIC PHILANTHROPIC INSTITUTION DURING PANDEMIC IN INDONESIA: A BALANCED SCORECARD APPROACH

Abstract

This study aims to analyze the performance of Islamic philanthropic institution during the COVID-19 pandemic (2020–2021) by using a balanced scorecard approach. The balanced scorecard assesses a company or institution based on four perspectives: finance, customer, internal business, and growth and learning. For internal business and growth and learning performance perspectives, data were taken from interviews, and the annual report of the institution was taken for a finance perspective. For customer perspectives, the study used a questionnaire distributed to 100 respondents who are regular donors to philanthropic institution. They play an essential role because regardless of the economic conditions that occur, they are still obliged to donate as a form of the obligation of a rich Muslim to pay zakat. The results showed that the customer perspective had the highest value in its performance results compared to the other three perspectives. Islamic philanthropic institution has a high orientation to customers where customer satisfaction is prioritized in improving the performance of zakat institutions, especially during the pandemic. This is in line with the performance of Islamic philanthropic institution, which continues to increase performance during the pandemic. Despite experiencing a decline in zakat funds in the second wave of COVID-19, Islamic philanthropic institution increased infaq and sadaqah funds during the same period.

Keywords	performance, measurement, Islamic philanthropy, non-profit organization
JEL Classification	G23, G34, L25, L31, M10

INTRODUCTION

Company performance measurement is a process or system for assessing the ability to implement the performance of a company (organization) based on specific standards within a certain period (Martunis et al., 2020). Performance measurement that only pays attention to the financial aspect has a weakness because it is not only finance that can be assessed to measure company performance. The performance measurement approach, which only focuses on financial aspects, encourages management toward short-term goals, which causes the organization to miss out on strategic goals in the long term (Sartor, 2019).

The purpose of performance measurement is to drive employees to achieve corporate objectives and adhere to set standards of conduct in order to produce the outcomes and behaviors required by the organization (Martunis et al., 2020). Therefore, effective performance measurement requires transforming the company's vision, mission, and strategy into operational goals and performance indicators (Martunis et al., 2020).

An effective performance management system can answer the needs and expectations of both organizations; however, in reality, many organizations are experiencing difficulties. The difficulties encountered are related to the organization's strategy implementation, while the balanced scorecard (BSC) has a vital role in overcoming these problems (Keser Ozmantar & Gedikoglu, 2016). The BSC was first introduced by Kaplan and Norton (1992) as a measurement system and modern strategic plan-making (Hasan & Chui, 2017). BSC is a tool for measuring corporate performance; nonetheless, it is acknowledged as an all-encompassing enterprise management system (Sartor, 2019). During the COVID-19 outbreak, the large number of fatalities that resulted in isolation, contact restrictions, and economic closures caused a complete change in the corporate environment, including Islamic philanthropy organizations (Alam et al., 2021). Therefore, it is crucial to discuss how Islamic philanthropy performs as a non-profit institution during the pandemic using a balanced scorecard approach.

1. LITERATURE REVIEW

Islamic philanthropic board/ Islamic philanthropic institution (LAZIS) plays a vital role during COVID-19. For instance, in Indonesia, according to Rachmawati et al. (2022), LAZIS MU and LAZIS NU have raised fund IDR 308 Billion (USD 21.28 million) and IDR 113 billion (USD 7.6 million), where these gallons of the fund is benefited for pandemic handling programs. Swandaru and Mohsin (2022) reveal that the zakat fund is mainly used for basic needs, health services, education, and economic recovery activities. The Islamic economy is growing swiftly in Indonesia, undergoing many changes in its economic advancement policies (Febriandika et al., 2023). Events that occur in one country can affect economic conditions in other countries (Febriandika et al., 2023). Global markets require relations between one country and another, which can mutually influence the economy (Febriandika et al., 2023).

The BSC distinguishes between four significant aspects of formulating a strategic plan (Hladchenko, 2015). The Balanced Scorecard not only uses a financial perspective but also relates to a customer perspective, an internal business perspective, and a learning and growth perspective (Llach et al., 2017). The BSC selects indicators and goals that reflect the organization's strategic vision and evaluates their implementation, namely turning strategic goals into action, improving service quality, and continuous learning (Quesado et al., 2018).

The BSC is a performance evaluation or assessment tool applied to commercial firms to balance financial and non-financial components (Martunis et al., 2020). However, the application of the BSC in measuring the financial aspects of a non-profit organization in the public sector is different from that of a private organization (Sartor, 2019). The BSC method measures performance and is more commonly found in business companies that produce goods. However, it also applies to non-profit organizations in hospitals that run a service provision business (Martunis et al., 2020).

The application of the Balanced Scorecard in non-profit organizations can be found in the Islamic philanthropic board (LAZIS), such as Government Zakat Agency (BAZ) and Private Zakat Institution (LAZ) (Febriandika et al., 2020). One of the Islamic philanthropic board (LAZIS) in Indonesia is the Muhammadiyah Amil Zakat, Infaq and Shadaqah Institute, Muhammadiyah University of Surakarta (LAZISMU UMS). LAZISMU UMS is an institution engaged in economic, social, da'wah, education, and public health programs. An institution focuses on community social empowerment by managing and utilizing the potential of zakat, infaq, and sadaqah (ZIS) in Indonesia, especially Central Java.

Zakat, infaq, and sadaqah (ZIS) have implications for the economy, including income distribution, economic growth, macroeconomic stabilization, and social security (Saputro & Sidiq, 2020). A performance assessment is needed to find out the success of the various programs. The BSC method of performance assessment is not only a performance measurement instrument but also a strategic management system that can communicate the organization's vision and mission and get learning feedback (Martunis et al., 2020).

Gavrea et al. (2011) identify organizational performance as a key variable in management research. In the 1950s, organizational performance was defined as a social system to achieve goals as far as the organization views it. In the 1980s and 1990s, performance was seen as the use of limited resources (efficiency) and how the organization achieves its goals (effectiveness) (Owusu & Liu, 2017). In this case, profit becomes one of the main orientations of performance indicators. However, Lebas and Euske (2002) explained the concept of performance as a set of financial and non-financial parameters in order to achieve goals and results (Owusu & Liu, 2017).

The Balanced Scorecard is a management instrument that creates prerequisites for assessing the quantity and quality aspects in a comprehensive evaluation (Tuan, 2020). The Balanced Scorecard can achieve organizational goodwill in determining financial and managerial strategies (Quesado et al., 2018). Accounting performance measurement uses the Balanced Scorecard to measure organizational performance from different perspectives: financial, customer, internal business processes, and learning and growth perspectives (Alewine & Miller, 2016). The four perspectives of the BSC enable organizations to define and balance the business administration perspective comprehensively balancing between long-term and short-term targets, between internal and external standards, between the desired structure and the factual results, and element satisfaction will support the organization to develop stably in a dynamic economy with wide integration and strong competitiveness (Tuan, 2020).

Kaplan and Norton (1992) proposed and developed a system of four different dimensional factors (represented by a set of measures) of performance as a structure with causal implications so that managers can control the organization by setting targets on performance measures, taking action, and setting evaluations in their achievements (Sanchez-Marquez et al., 2020). There are two main concepts based on the system:

1) Cause-and-effect relationship between the four metric dimensions (key for management control purposes);

2) The organization's future achievements are not only based on the results of financial performance measurements because they are based more on intangible assets, such as organizational performance in internal business processes and how external relationships are with customers (Sanchez-Marquez et al., 2020).

The institution or organization in this method was developed using the BSC and a balanced scorecard, which explains that the financial perspective does not adequately disclose all parameters or performance indicators (Alewine & Miller, 2016). Thus, a more "balanced" approach to financial and non-financial performance measurement results in more comprehensive performance measurement.

Performance measurement using a financial perspective is carried out with financial interpretations such as general income from operations, increasing economic value, and income from rented capital (Tuan, 2020). The financial perspective uses the ratio of efficiency and effectiveness in measuring the performance of institutions (Abraham, 2006). The efficiency ratio compares the amount of expenditure and the realization of revenue, while the effectiveness ratio describes certain standards that must be achieved to succeed in goals and objectives (Martunis et al., 2020). The strategic target of the financial perspective on zakat, infaq, and sadaqah institutions is to increase the receipt of funds from people who pay zakat, infaq, and shadaqah (ZIS) for fund utilization activities in the economic, education, health, da'wah, and community empowerment sectors.

The customer perspective is a lead indicator where the results of customer measurements are customer retention, customer acquisition, and customer satisfaction (Tuan, 2020). Performance indicators or parameters of the customer perspective show the relationship between customer satisfaction and business performance (Sulastiningsih et al., 2020). Zakat, infaq, and sadaqah institutions have two customers who must be provided with services, namely people who pay zakat, infaq, and sadaqah (ZIS) and mustahiq (ZIS recipients). The strategic target is to increase loyalty with people who pay ZIS and provide good service to mustahiq for customer satisfaction indicators (Sulastiningsih et al., 2020).

The customer perspective has a relationship with the institution's ability to provide quality services to the people who use its services. In this study, the analysis of the customer satisfaction index was used. Customer satisfaction data are obtained from a survey that measures customer satisfaction with the services provided by the institution (Martunis et al., 2020).

Internal business processes lead to the institution's ability to carry out work activities according to the plan (Martunis et al., 2020). In this study, the institution uses a strategic target with an innovation process in responding to the community's needs. The measure of strategy in this perspective is to develop the quality of service needed by mustahiq.

Through this perspective, the company perceives employees' abilities, motivation, and employee empowerment as the parameters of the assessment. As the basis of strategy, this perspective deals with the intangible assets of the organization, especially with the internal capabilities and skills needed to support internal processes that create value (Tuan, 2020). The process of growth and learning is sourced from human resources, systems, and organizational procedures (Tuan, 2020). The strategic target in this perspective is to increase employee retention and improve skills and quality of work to produce quality human resources (HR). Employee retention is vital for institutions because employee contributions and loyalty will support success in realizing the institution's vision and mission (Sulastiningsih et al., 2020).

The critical performance index represents a set of measures that focus on the aspects of organizational performance that are most important to the current and future success of the organization (A. P. C. Chan & A. P. L. Chan, 2004). There are three types of performance measurements:

3) Key Result Indicators (KRI). KRI measures the business actions taken and is essential for tracking progress and determining achievements.

4) Performance Indicators (PI). PI are performance indicators in the form of business actions taken.

5) Key Performance Indicators (KPI). KPIs describe what must be implemented to further develop the organization's implementation in a firm manner.

This paper tries to assess the performance of LAZISMU UMS using the BSC during the COVID-19 pandemic (2020–2021). In addition, the novelty lies in the research model, where human resources (customers and employees) and financial management (business plans, budgets, and performance) affect the performance of institutions in the COVID-19 era. The results of this study are expected to contribute to performance measurement research using the balanced scorecard technique, especially in non-profit organizations that show increased performance, especially financial performance, during the COVID-19 pandemic.

2. METHODOLOGY

This study uses a qualitative and quantitative approach. The quantitative-qualitative method is research that uses numbers to present data and draw conclusions through a thorough description (Doyle et al., 2020). Quantitative data are based on the results of data carried out in measuring customer perspectives regarding the level of customer satisfaction with services at the Islamic philanthropic board.

The results are presented in the form of tables; data are obtained from the answers to the questionnaires distributed to the respondents as well as from the interviews with institutional managers (Bowling, 2005). In comparison, qualitative data are obtained from data sourced from financial reports and information through journals and websites (Bowen, 2009), which are interpreted into descriptions.

In general, the unit of analysis describes the main problems to be studied to provide an overview of the research focus. The unit of analysis refers to the level of data unity required. This study was conducted at the Islamic philanthropic board of Muhammadiyah University of Surakarta (LAZISMU UMS) by implementing the Balanced Scorecard method. The subjects in this study

are people who pay zakat, infaq, and sadaqah (ZIS): managers and employees of LAZISMU UMS. Employees and managers have an important role in maintaining organizational activities. Customers pay ZIS, such as all lecturers and permanent employees from 12 faculties at the University of Muhammadiyah Surakarta.

The sampling technique uses non-probability tool, such as snowball sampling (Owusu & Liu, 2017). Sampling data were collected by distributing questionnaires to 100 respondents who paid zakat, infaq, and sadaqah (ZIS) at LAZISMU UMS to measure the performance of the customer perspective. The other performance perspective data are taken from interviews and the annual report of the institution. There are two types of data sources in this study; primary data were obtained from direct interviews with the institution, while secondary data were obtained from the annual report of the institution and questionnaires (Windiastuti & Athief, 2019). Secondary data in this study were obtained through media and publication results in annual reports and information from books, journals, articles, and websites related to the research topic (Bowen, 2009).

Validity and reliability tests are used to ensure that the data from the questionnaire can be trusted (Rustam & Tentama, 2020). An indicator is valid if assuming there is a relationship between each indicator that shows significant results. This study uses a Pearson Moment product relationship strategy with a critical value of 5% of significance (Rustam & Tentama, 2020). Reliability is a tool to measure a questionnaire based on indicators of variables. Cronbach's Alpha statistical test was used to measure reliability. A variable is reliable if it shows Cronbach's Alpha > 0.60 (Rustam & Tentama, 2020). Technical data analysis using the Balanced Scorecard is conducted through several stages. The Balanced Scorecard assesses a company or institution based on four perspectives: finance, customer, internal business, and growth and learning. Table 1 shows the key performance indicators for the four perspectives used in the balanced scorecard.

Financial performance measurement provides data for evaluating whether the company's strategy and its execution or implementation contribute to the company. Thus, financial statements as the final result of the accounting process are significant for estimating the implementation of financial performance measurement (Funna & Suazhari, 2019). The paper calculates the financial perspective through two strategic goals: (1) zakat, infaq, sadaqah (ZIS) fund collection, and (2) ZIS fund efficiency distribution. Financial ratios are numbers obtained from the correlation of one item in the budget report with different items with a relevant and significant relationship. The ratio describes the collection from year to year by looking at the Net Profit Margin of the institution in the financial statements each year. The following formula (1) shows collection growth:

$$ZIS\,Collection\,Growth =$$
$$= \left(\frac{ZIS\,Collection\,Year\,(t)}{ZIS\,Collection\,Year\,(t-1)} - 1 \right) \cdot 100\%. \qquad (1)$$

Efficiency is the ratio between output and input, where the greater the output produced compared to the input, the higher the efficiency rate (Syamsudin et al., 2015). From the perspective of a profit-oriented organization, the smaller the efficiency ratio, the better the performance (Harahap et al., 2021). However, from the perspective of non-profit-oriented organizations such as Islamic philanthropic boards, in Indonesia, the common practice of Islamic philanthropic boards is to take 10% of operational cost. Thus, the criteria of distri-

Table 1. Key performance indicators (KPI)

Perspective	Strategic Goals	KPI
Financial	ZIS fund collection optimization	Optimization of zakat, infaq, and sadaqah (ZIS) funds collection
	ZIS fund efficiency distribution	ZIS fund efficiency distribution
Customer	Customer satisfaction	Customer satisfaction index
Internal business	Innovation improvement	Development of product-service innovations and institutional services to customers for the convenience of paying ZIS
Learning and growth	Employee retention	Ability to retain employees
	Quality and competency improvement	Improving the quality and competence of employees (quality of human resources)

bution of the ZIS fund is efficient when the score is near 90%. The following shows the ZIS fund efficiency distribution:

$$ZIS\ Distribution = \frac{ZIS\ Distribution\ Year(t)}{ZIS\ Collection\ Year(t)} \times \tag{2}$$

$$\times 100\%.$$

The customer perspective is a perspective that allows companies to adjust customer satisfaction, loyalty, retention, acquisition, and profitability with customers and target market segments (Funna & Suazhari, 2019). In this study, the customer is the person who pays ZIS. Thus, the performance measurement of customer perspective is measured on the satisfaction of the person who pays ZIS using customer satisfaction level. The level of customer satisfaction measures how far customers are satisfied with the company's services. Customer satisfaction is estimated by the customer index (CI), the average value of the responses to the survey according to the level of customer satisfaction. There are several steps to calculate the customer index (IK) shown in formulas (3), (4), (5), (6), and (7):

1. Count IK maximum:

$$IK_{max} = Number\ of\ Question(PP) \times \tag{3}$$
$$\times Number\ of\ Respondent(R) \times$$
$$\times Maximum\ Score(EK_{max}),$$

2. Count IK minimum:

$$IK_{min} = Number\ of\ Question(PP) \times$$
$$\times Number\ of\ Respondent(R) \times \tag{4}$$
$$\times Maximum\ Score(EK_{min}),$$

3. Count interval:

$$Interval = \frac{IK_{max} - IK_{min}}{number\ of\ category} \cdot 100\%, \tag{5}$$

4. Count the actual IK number

$$IK_{actual} = Number\ of\ Question(PP) \times$$
$$\times Number\ of\ Respondent(R) \times \tag{6}$$
$$\times Actual\ average\ score\ answered$$
$$by\ the\ respondent(EK_{actual}),$$

5. Match the actual IK number into the interval

6. Count the final score of customer satisfaction

$$final\ score = \frac{IK_{actual}}{IK_{max}} \cdot 100\%. \tag{7}$$

This study divided the satisfaction category into four groups, with a score of 4 for "Very Satisfied" and 1 for "Very Disappointed." Thus, the EK_{max} score is 4, while the EK_{min} is 1. The number of questions in this study is 14, while this study uses 100 respondents. The internal business process perspective is where the company conducts measurements of all activities carried out by the company to create a product that can provide satisfaction for customers or innovation of the product (Funna & Suazhari, 2019). Thus, the internal business perspective is focused on what innovation has already been achieved compared to its target. Formula (8) measures performance from an internal business innovation perspective.

$$Internal\ Business\ Innovation =$$
$$= \frac{Innovation\ Realization\ in\ year(t)}{Innovation\ Targeted\ in\ a\ year(t)} \cdot 100\%. \tag{8}$$

The learning process and organizational development consist of three basic items: people, systems, and organizational procedures (Bastiar & Bahri, 2019). It measures the organization's ability to retain employees as long as possible by the number of employees who leave with the total number of employees. Formula (9) measures performance from an employee retention perspective

$$Employee\ Retention =$$
$$= \frac{Resigned\ Employee}{Total\ Employee} \cdot 100\%. \tag{9}$$

Improvement in quality and competency can be seen from the delegation of employees in every training or seminar held outside LAZISMU UMS. From the results of the study, it was found that during the period of research, LAZISMU UMS delegated two employees to attend training. From these data, the study can calculate the percentage improvement in the quality of human resources by using formula (10):

$$Employee\ Competency\ Improvement =$$
$$= \frac{Trained\ Employee}{Total\ Employee} \cdot 100\%. \tag{10}$$

For the last stage, the BSC score is simply calculated following formula (11):

$$BSC\,Score = Weight(W) \times \qquad (11)$$

$$\times \frac{Realization\,Each\,Perspective(R)}{Total\,Target\,Each\,Perspective(T)}.$$

3. RESULTS

The magnitude of the weighting value determines the final score of the performance measurement carried out, with the total weight given being a 100% score. The determination of this weight is carried out on LAZISMU UMS based on an interview with the management of LAZISMU. Based on Table 2, the customer perspective is the highest weight compared with others. The weight of a 50% score shows that the LAZISMU UMS believed that muzakki as the main customer is the main support of the ZIS fund. Thus, the relationship between LAZISMU UMS and muzakki should be maintained well. The second position obviously is the financial position. From the LAZISMU UMS perspective, the ZIS fund collection is the result of a good maintaining relationship with muzakki as well as successful distribution of the ZIS fund; thus, a 25% weighting score is given, which consists of a 10% weighting score of ZIS fund collection and a 15% weighting score of ZIS fund efficiency distribution. The higher weighting value of the ZIS fund efficiency distribution is based on the consideration that LAZISMU UMS has a target of increasing the benefit distribution every year.

The third position is placed by the learning and growth perspective with a 20% weighting score. This is based on the importance of employee contributions in supporting the achievement of the vision and mission of LAZISMU UMS. Both strategic goals of employee retention and employee competency improvement obtain a 10% weighting score. The internal business perspective is in the last place with a 5% weighting score. Innovation is conducted by developing programs that have become something new according to the conditions and developments of the times.

Based on Table 3, the ZIS fund collection experienced a fluctuation during the period of study. Before the pandemic in 2019, the growth of zakat funds was 0.5% and –70% for infaq/shadaqah funds; however, during the first wave of COVID-19 in 2020, the zakat funds and infaq and sadaqah funds experienced increases of 32% and 242%, respectively. This shows that muzakki are encouraged to help pandemic recovery by providing greater zakat, infaq, and sadaqah. Furthermore, although in the second wave of COVID-19 in 2021, the fund of zakat decreased by –18%, the fund of infaq and sadaqah still increased by 33%. In addition, the increase in COVID-19 deaths also affects the number of people who pay zakat, thus impacting the decrease in zakat funds. Hence, the average total score for 2020–2021 ZIS fund collection is (70% + 1%)/2 = 35.5%.

Based on Table 4, LAZISMU UMS shows a distribution efficiency ratio in 2020 of 83%, while in 2021, it was 99%. Based on the efficiency measurement criteria, the zakat fund in 2021 is quite efficient because the efficiency measurement results are higher than 80%. However, in 2020, it was less efficient because efficiency measurements were higher than 80%. In 2020–2021, the average efficiency ratio of ZIS fund distribution is (83%+99%)/2 = 91%.

Table 5 shows the financial perspective of the BSC score from fund collection growth and fund efficiency distribution. Even though in terms of ZIS fund collection it could not meet the target, LAZIZMU UMS was able to meet the target in terms of ZIS fund efficiency distribution with an achievement of 91%.

Table 2. Balanced scorecard perspective weighting

Perspective	Weight	Strategic Goals	Weight
Customer	50%	Customer satisfaction	50%
Finance	25%	Zakat, infaq, sadaqah (ZIS) fund collection	10%
		ZIS fund efficiency distribution	15%
Learning and Growth	20%	Employee retention	10%
		Employee competency improvement	10%
Internal Business	5%	Internal business innovation	5%

Table 3. ZIS fund collection

Year	Realization of zakat fund collection	Growth	Realization of infaq and sadaqah fund collection	Growth	Total realization of ZIS fund collection	Growth
2018	1.155.914.287	–	861.174.195	–	2.017.088.482	–
2019	1.161.879.122	0.5%	253.351.216	–70%	1.415.230.338	–30%
2020	1.534.098.340	32%	868.083.441	242%	2.403.081.781	70%
2021	1.262.499.837	–18%	1.159.518.279	33%	2.422.018.116	1%

Table 4. ZIS fund efficiency distribution

Year	Total ZIS fund expenses	Total ZIS fund collection	ZIS efficiency distribution ratio
2019	2.120.195.149	1.415.230.338	149%
2020	2,016,910,828	2,411,181,781	83%
2021	2,406,363,798	2,422,018,116	99%

Table 5. Financial perspective of BSC score

Strategic Goal	KPI	Weight	Target	Actual	BSC Score
ZIS fund collection	ZIS fund collection	10%	05%	35.5%	7.1
ZIS fund efficiency distribution	ZIS fund efficiency distribution	15%	09%	91%	15.1

Table 6. Validity and reliability test

Variable	Item	R^2	Sig	Result	Cronbach Alpha	Result
XI	X1	0.636	0.00		0.624	
	X2	0.748	0.00		0.618	
X2	X1	0.734	0.00		0.743	
	X2	0.566	0.00		0.558	
X3	X1	0.681	0.00	V A L I D	0.645	R E L I A B L E
	X2	0.720	0.00		0.728	
X4	X1	0.613	0.00		0.613	
X5	X1	0.695	0.00		0.681	
	X2	0.773	0.00		0.734	
	X3	0.749	0.00		0.755	
Y	Y1	0.489	0.00		0.685	
	Y2	0.820	0.00		0.843	
	Y3	0.738	0.00		0.743	
	Y4	0.671	0.00		0.674	

Based on Table 6, the validity and reliability tests show that all questions in the questionnaire are valid and the answer is stable and consistent or reliable, which exceeds the minimum criteria (critical value of 5% of significance). Thus, the interpretation of the survey is be biased. The next step is to calculate the customer satisfaction index as follows:

$$IK_{max} = 14 \cdot 100 \cdot 4 = 5.600,$$

$$IK_{min} = 14 \cdot 100 \cdot 1 = 1.400,$$

$$Interval = \frac{5.600 - 1.400}{4} = 1.050,$$

$$IK_{actual} = 14 \cdot 100 \cdot 3.39 = 4746.$$

Interval Score:

- 1400 – 2450: Very Disappointed;

- 2450 – 3500: Disappointed;

- 3500 – 4550: Satisfied;

- 4550 – 5600: Very Satisfied.

The customer satisfaction index in this study shows the value of customer satisfaction is 4746, so it can be concluded that customers are very satisfied with the services provided by LAZISMU UMS. The final score was then obtained from 4746 divided by 5600 = 84.75%.

Table 7. Customer perspective of BSC score

Strategic Goal	KPI	Weight	Target	Actual	BSC Score
Customer Satisfaction	Customer Satisfaction Index	50%	001%	84.75%	2.3754

From the overall results, it is concluded that customers are very satisfied with the services and interactions carried out by LAZISMU UMS through various programs and services provided to people who pay ZIS. This must be maintained by LAZISMU UMS and continue to provide the best service for customer satisfaction. However, Table 7 shows that LAZISMU UMS was unable to meet the target and only succeeded in obtaining 84.75% of the planned target.

Based on Table 8 and Table 9, it can be concluded that one of the strategies in implementing LAZISMU UMS innovation can be said to be very good because the realization is 100%. This shows the seriousness in innovation to meet the beneficiaries of mustahiq by looking at the situation and conditions of the COVID-19 pandemic until the new normal era so that institutions synergize to respond to helping people affected by COVID-19. The distribution of food vouchers for students was due to the COVID-19 pandemic, which forced students to live in boarding houses during Ramadan. Vouchers are worth IDR

10,000; they can be exchanged at restaurants in partnership with the UMS Peduli COVID-19 movement team. As many as 380 students are registered to take part in this program.

Meanwhile, the Sang Surya Scholarship is intended for UMS students who are economically affected by COVID-19. LAZISMU UMS provides scholarships in the form of tuition discounts worth Rp. 500,000; 517 students passed the selection.

Table 10 and Table 11 show the data processed from the results of interviews with the LAZISMU UMS manager. It shows that there are no resigned employees and no employee additions in the period of study. This illustrates that employees have a strong desire to continue to work at LAZISMU UMS every year. Competency improvement can be seen in the participants in training or workshops outside LAZISMU UMS. From the interviews with managers, information was obtained that during the 2021 period, LAZISMU UMS delegated all employees to attend training.

Table 8. Innovation

No.	Targeted innovation	Realization
1	Iftar package during Ramadhan	Realized
2	Subsidy of the tuition fee (Sang Surya Scholarship)	Realized

Table 9. LAZISMU UMS innovation

Targeted innovation	2021
Amount of innovation	2
Realized innovation percentage	100%

Table 10. Internal business perspective of BSC score

Strategic Goal	KPI	Weight	Target	Actual	BSC Score
Internal business	Internal business innovation	5%	50%	100%	01

Table 11. Employee retention

Kind	2020	2021	Note
Resigned employee	0	0	$Competency\ Improvement = \dfrac{Trained\ Emloyee}{Total\ Employee} \cdot 100\%$
Total employee	2	2	
(%) Retention	100%	100%	$Competency\ Improvement = \dfrac{2}{2} \cdot 100\% = 100\%$

Table 12. Learning and growth of BSC score

Strategic Goal	KPI	Weight	Target	Actual	BSC Score
Employee retention	Employee retention	10%	100%	100%	01
Competency improvement	Employee competency improvement	10%	100%	100%	01

Based on Table 11, the improvement in the quality and competence of employees is categorized as very good at 100%. Table 12 shows that employee retention, learning and growth perspective can meet the planned target with each score of 100% to get a weight of 10.

After calculating each BSC score for all perspectives, the next step is to add up the total BSC scores as in Table 13. Based on Table 13, the overall assessment of the Balanced Scorecard for a financial perspective, customer perspective, internal business perspective, and development and growth perspective is 94.575 out of 100. Based on the criteria, the performance of LAZISMU UMS is categorized in a range with a value between 86-99 or very good (Table 15) in terms of the performance carried out by LAZISMU UMS.

From the four perspectives mentioned in Table 14, it is known that the customer perspective is the perspective with the highest value. This is because the institution is able to provide customer service and trust in the management of ZIS assets. This is a differentiating factor between previous studies because it puts a financial perspective as the highest priority in the Balanced Scorecard method. Although the financial perspective is in the second position, it can be seen that the COVID-19 pandemic did not have a significant effect on the finances of the institution. This is because LAZISMU UMS has the primary source of funds from internal UMS, thereby proving that the institution can survive and be competitive in carrying out its management system.

4. DISCUSSION

This study examined the role of the BSC in the public sector to explore the extent to which this role is translated into practice at the organiza-

Table 13. Total balanced scorecard score

Perspective	Strategic Goal	KPI	Weight	Target	Actual	BSC Score
Financial	ZIS fund collection	ZIS fund collection	10%	05%	35.5%	7.1
	ZIS fund efficiency distribution	ZIS fund efficiency distribution	15%	09%	91%	15.1
Customer	Customer satisfaction	Customer satisfaction index	50%	100%	86%	2.3754
Internal business	Internal business	Internal business innovation	5%	50%	100%	01
Learning and growth	Employee retention	Employee retention	10%	100%	100%	01
	Competency improvement	Employee competency improvement	10%	100%	100%	01
Total			100%			94.575

Table 14. Balanced scorecard rank

No.	Perspective	Total Score	Average	Rank
1.	Customer	43	43	1
2.	Financial	22.2	10.1	2
3.	Learning and growth	20	10	3
4.	Internal business	10	10	4

Table 15. Criteria of performance measurement

Score range	Criteria	Color
100	Excellent	Dark Green
86-99	Very Good	Green
60-85	Good	Yellow
50-59	Average	Rose
< 50	Poor	Dark Yellow

tional (institutional) level (Bobe et al., 2017). The findings from the analysis show that the Balanced Scorecard method can be adopted in measuring the performance of institutions in the context of non-profit institutions. Overall, from the four perspectives of the Balanced Scorecard, it has a positive impact on the performance of the Islamic philanthropic board (LAZISMU UMS). However, the implementation of the Balanced Scorecard has little effect on the financial performance of the institution (Owusu & Liu, 2017). This is because the financial perspective is third in the performance measurement results. However, there is a significant relationship between the application of the Balanced Scorecard method and performance measurement at LAZISMU UMS derived from the perspective of customer satisfaction because this perspective occupies the highest position in the overall performance measurement.

First, from the financial perspective, two indicators measure performance assessment, namely the ZIS fund collection ratio and the ZIS fund distribution efficiency ratio. From the results of the ZIS collection ratio, in 2020, it increased by 32% (zakat) and 242% (infaq/sadaqah), while in 2021, it experienced –18% (zakat) and 35% (infaq/sadaqah). Meanwhile, the efficiency ratio of ZIS distribution in 2020 was 83%, and in 2021 was 99%. It is known that in that year, there was a COVID-19 pandemic not only in Indonesia but almost all over the world. The COVID-19 pandemic has had a broad impact on various sectors of life, especially the economy. The impact thus affects the ZIS fund collection as well as distribution. However, the uniqueness and advantage of LAZISMU UMS are that the primary source of funds for ZIS comes from the salaries of lecturers and permanent employees of UMS. Hence, COVID-19 does not affect the financial aspects of LAZISMU. In 2021, there was a decrease in the ZIS fund raising ratio due to zakat payers (muzakki), coinciding with the increase in death cases due to COVID-19. However, from a financial perspective, it is proven that LAZISMU UMS can survive and has no significant effect on the performance of the institution even amid COVID-19 pandemic conditions.

Second, in the perspective of customer satisfaction, the performance measurement is the customer satisfaction index. From the results of the validity and reliability tests, the data are valid and reliable because both values are greater than the r table and Cronbach's Alpha. Then, the results of the customer satisfaction index show that customers are very satisfied with the performance carried out by LAZISMU UMS. This is because the value interval is within 4550-5600.

Third, the internal business process perspective with innovation indicators measures the institution's performance through its work program. In institutional innovation, it is very good because the realization is 100%. The COVID-19 pandemic does not affect the institution's performance because LAZISMU UMS runs its work program together with partners. Partners of this institution carry out their technical duties and the institution as a supporting system in the context of financial distribution (ZIS funds) so that the financial perspective affects the internal business process perspective. Because the financial condition of the institution goes well, the internal business processes will also run well and vice versa.

Fourth, learning and growth perspective was measured through employee retention indicators and competency improvement. The results of employee retention show that employees still want to work and have high loyalty to LAZISMU UMS. Then, on the indicators of improving the quality of human resources, employees attend training usually held by the region during the National Coordination Meeting (RAKORNAS). The two indicators also show results that align with the target of 100%.

Zakat institutions have an essential role in economic recovery. In the midst of a pandemic, zakat funds that zakat institutions have collected have actually increased. This shows that the performance of zakat institutions amid the COVID-19 pandemic has increased. LAZISMU UMS uses the Balanced Scorecard method with more emphasis on measuring institutional performance than financial performance to achieve strategic goals and implementation from different perspectives. The novelty of this study lies in the analysis of the performance of a non-profit organization, namely LAZIS, which was carried out during the COVID-19 pandemic.

This study emphasizes that managers of Islamic philanthropic boards prioritize the customer perspective. The implication of the study reveals that customers or the people who pay zakat, infaq, and sadaqah are at the heart of the performance of non-profit organizations such as the Islamic philanthropic board. The customer is perceived as the primary contributor that should be maintained carefully to achieve institutional goals in the long term. The customer perspective is also the stimulator for other perspectives, such as the financial perspective. The loyal customers will increase the collection of ZIS funds. In contrast, the availability of ZIS funds will ensure the continuity of innovation of the distribution program (internal business perspective) as well as the increase of employee competency (learning and growth perspective).

CONCLUSION

The main purpose of this study is to investigate empirically, after the adoption of the Balanced Scorecard method, the performance of Islamic philanthropic institution. The findings show that a non-financial perspective can be used to measure the performance of an institution. This study measures the performance of the institution from financial and non-financial perspectives, namely the customer perspective, internal business process perspective, and learning and growth perspective. The findings revealed that the COVID-19 pandemic had no significant effect on the performance measurement of Islamic philanthropic institution. This is evidenced by the financial perspective of surviving the COVID-19 pandemic. The financial perspective has a vital role in the institution because the running of the work program also depends on the financial condition of the institution. Precisely at the beginning of the COVID-19 pandemic, the collection of ZIS funds increased even though there was a decline in 2021 because zakat payers (muzakki) who were categorized as obliged to pay zakat died due to the second wave of COVID-19 in 2021.

The perspective of customer satisfaction shows satisfactory results because customers feel very satisfied with the institution's performance. Then, the internal business process perspective describes a good realization because the institution has proven that the COVID-19 pandemic condition does not affect the institution's performance in carrying out its various work programs. Instead, institutions have adapted by trying to create and realize work programs for communities affected by the COVID-19 pandemic so that receiving benefits can reach a more comprehensive layer of society. The learning and growth perspective also shows favorable results with the realization according to the expected target.

AUTHOR CONTRIBUTIONS

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