

**PERFORMANCE ANALYSIS OF WAQF INSTITUTION
USING BALANCED SCORECARD ANALYSIS: CASE
STUDY AT LAZNAS YATIM MANDIRI**

**Nur Rizky Febriandika¹, Muhammad Rafi Siregar², Harun³, Afief
El Ashfahany⁴**

^{1,3,4}Universitas Muhammadiyah Surakarta

²Institut Bisnis Muhammadiyah Bekasi

nrf679@ums.ac.id¹, m.rafisiregar@gmail.com², har179@ums.id³,
aea930@ums.ac.id⁴

Abstrak: Penelitian ini bertujuan untuk mengukur kinerja lembaga wakaf (LAZNAS Yatim Mandiri) dengan menggunakan balanced scorecard (BSC). Penelitian ini menggunakan analisis kuantitatif dan kualitatif atau metode campuran dengan menggunakan balanced scorecard (BSC). Balanced Scorecard digunakan untuk mengukur kinerja baik dari perspektif keuangan maupun non-keuangan, yang mencakup empat perspektif utama: (1) keuangan, (2) pelanggan, (3) proses bisnis internal, dan (4) pembelajaran dan pertumbuhan. Hasil penelitian menemukan bahwa skor BSC secara keseluruhan sebesar 85,6% menunjukkan bahwa kinerja LAZNAS Yatim Mandiri dikategorikan sangat baik. Dari masing-masing perspektif, perspektif pelanggan mendapatkan skor BSC tertinggi, diikuti oleh perspektif keuangan dan bisnis internal, sedangkan perspektif pembelajaran dan pertumbuhan mendapatkan skor terendah. Hasil temuan analisis BSC juga menunjukkan skala prioritas untuk meningkatkan setiap

tujuan strategis dari masing-masing perspektif. Kepuasan pelanggan menjadi prioritas pertama, disusul pengumpulan dan pendistribusian wakaf sebagai prioritas kedua. Prioritas selanjutnya adalah kepuasan karyawan sekaligus menjaga agar tujuan strategis lainnya tetap terjaga. Temuan penelitian ini dapat membantu lembaga filantropi Islam mendefinisikan visi dan strateginya, serta mengubah visi dan strateginya menjadi kegiatan yang spesifik, dengan menerapkan langkah-langkah yang akurat dan komprehensif, serta memberikan informasi yang akurat dan benar bagi pengelola untuk membuat keputusan bisnis.

Kata Kunci: *Balanced scorecard, Institusi Wakaf, Pengukuran Kinerja*

Abstract: *This research aims to measure the performance of the waqf institution (LAZNAS Yatim Mandiri) using a balanced scorecard (BSC). This study uses quantitative and qualitative analysis or mixed-method by using a balanced scorecard (BSC). The Balanced Scorecard is used to measure performance from both a financial perspective and a non-financial perspective, which includes four main perspectives: (1) finance, (2) customers, (3) internal business processes, and (4) learning and growth. The study found that an overall BSC score of 85,6% shows that the performance of LAZNAS Yatim Mandiri is categorized as very good. From each perspective, the customer perspective is the highest BSC score, followed by the financial perspective and internal business while the learning and growth perspective gains the lowest score. The BSC suggests a direction of priority to improve each strategic goal of perspective. Customer satisfaction becomes the first place, followed by waqf collection and distribution as the second priority. The next priority is employee satisfaction while keeping other strategic goals to be maintained. The findings of this study could help Islamic philanthropic institutions define their vision and strategy, as well as change their vision and strategy into specific activities, by implementing measures that are accurate and comprehensive, as well as providing information that is accurate and correct for managers to make business decisions.*

Keywords: *Balanced scorecard, waqf institution, performance measurement*

Introduction

Waqf or Endowment fund has a prominent role in Islamic society. Waqf is one of the social finance forms in Islam that contribute directly to the enhancement of social welfare in the form of education, health, and poverty¹. Waqf assets in Indonesia approximately reach almost 2000 trillion rupiahs². Most of the waqf asset is in the form of land where it is mostly used as *Masjid* and *Mushalla* while some of them are used for Islamic education. However, waqf asset utilization is still not optimal since the idle waqf land is dominant³

The low productivity of waqf assets is because waqf management is still dominated by the traditional method⁴. This is due to the manager of the waqf fund, or nazhir having low capacity and skill in utilizing waqf assets. Ideally, besides nazhir should have competency in Islamic law of waqf, they have to be competent in the form of business operation⁵. Thus, the benefit of the waqf asset can be maximized while the principle remains.

¹ M. N. R. Al Arif, "Potensi Wakaf Uang Serta Dampaknya Terhadap Perekonomian", *Jurnal Dialog Balitbang Kemenag RI*, 70 (2010): 14-23.

² B. Dikuraisyin, "Manajemen Aset Wakaf Berbasis Kearifan Lokal Dengan Pendekatan Sosio-Ekonomi di Lembaga Wakaf Sabilillah Malang". *ZISWAF: Jurnal Zakat Dan Wakaf*, 7(2) (2020), 100-117.

³ O. Medaline, "The Development of "Waqf" on the "Ulayat" Lands in West Sumatera, Indonesia". *Journal of Social Science Studies, Micro think Institute, ISSN*, (2018):2329-9150.

⁴ A.A. Pitchay *et. al*, "Cooperative-waqf model: a proposal to develop idle waqf lands in Malaysia". *ISRA International Journal of Islamic Finance*, (2018).

⁵ M. Abdullah, "Waqf, sustainable development goals (SDGs) and maqasid al-shariah". *International Journal of Social Economics*, (2018).

On the other hand, it is quite rare to measure performance at waqf institutions⁶. Performance measurement is more widely used by profit organizations such as private companies that aim to increase their profits⁷. Meanwhile, organizations such as non-profit management institutions that aim for the welfare of the community and provide social services to the community are still less aware of the importance of measuring performance for organizations⁸. One of the famous performance measurement tools is the balanced scorecard (BSC). The balanced scorecard measures the performance of a company from four perspectives such as finance, customer, learning and growth, and internal business⁹

Meadow and Pike researched performance management in humanitarian, and social enterprises, which shows that the financial perspective must reflect a continuous need in the long term. In addition, organizational development is strongly correlated with the learning and growth perspective to build capacity in core or functional areas of excellence. At the same time, the internal

⁶ N. H. Noordin, S. N. Haron, & S. Kassim, "Developing a comprehensive performance measurement system for waqf institutions". *International Journal of Social Economics*, (2017).

⁷ H. Nørreklit, & F. Mitchell, Contemporary issues on the balanced scorecard. *Journal of Accounting & Organizational Change*, 15(4), (2014): 513-534.

⁸ Ibid

⁹ S. I. Wu, & J. M. Hung, "The performance measurement of cause-related marketing by balance scorecard". *Total Quality Management & Business Excellence*, 18(7), (2007):771-791.

business perspective is very valuable for a social enterprise to improve products, services, and markets. Thus, the balanced scorecard shows the priority action and the main customer for the company and how the social enterprise earns money¹⁰.

The BSC was first used by profit organizations and is continuously updated following organizational developments, and only a few are used to measure non-profit institutions¹¹. This study tries to measure non-profit institutions/Islamic philanthropy institutions, namely waqf institutions. This research can develop how non-profit institutions develop in the future. The findings of this study can help Islamic philanthropic institutions define their vision and strategy, as well as change their vision and strategy into specific activities, by implementing measures that are accurate and comprehensive, as well as providing information that is accurate and correct for managers to make business decisions.

This research tries to elaborate waqf the institution's performance using a balanced scorecard that completes the previous study. The object of study is Lembaga Amil Zakat (LAZNAS) Yatim Mandiri, Surabaya which succeed to collect 168 billion Rupiah by 2019. This study focuses on measuring the performance of the institution using a balanced scorecard from four

¹⁰ M. Meadows, & M. Pike, "Performance management for social enterprises". *Systemic Practice and Action Research*, 23(2), (2015):127-141

¹¹ A. Sharma, "Implementing balance scorecard for performance measurement". *ICFAI Journal of Business Strategy*, 6(1), (2009):7-16.

perspectives; finance, customer, learning and growth, and internal business.

Literature Review

Balanced Scorecard

According to Kaplan and Norton, the Balanced scorecard method means is a set of measures that gives top managers a fast but comprehensive view of the business financial measures that tell the result of action already taken complement satisfaction, internal processes, and the organization's innovation and improvement activities-operational measures that are the drivers of future financial performance¹².

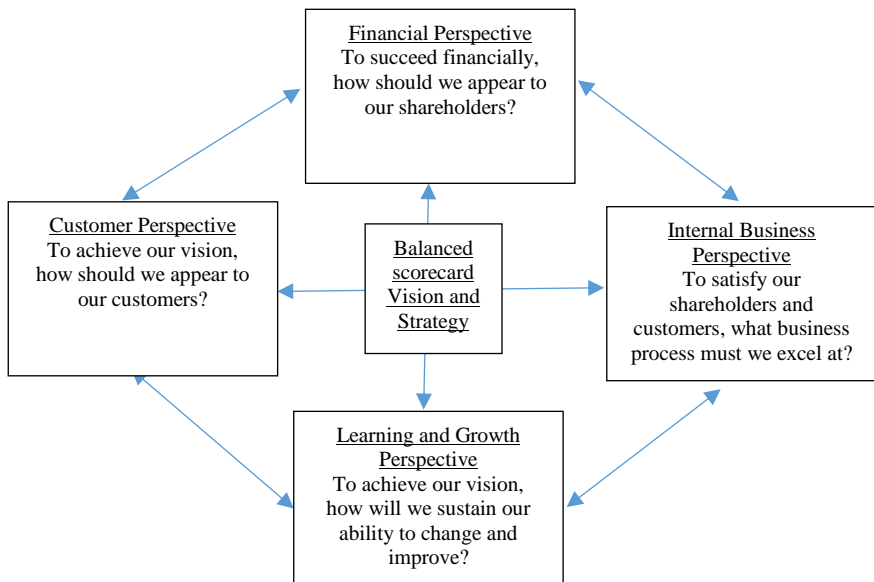
On the other hand, Ihsan, Yuwono, and Sukarno explained the Balanced Scorecard as a system of management, measurement, and comprehensive control where it can provide understanding to managers about business performance¹³. The performance consists of four perspectives, namely the financial perspective, customer perspective, internal business processes, and learning and growth. According to Hansen and Mowen, the Balanced Scorecard translates the mission and strategy of the organization into

¹² R. S. Kaplan, & D. P. Norton, "Linking the balanced scorecard to strategy". *California management review*, 39(1), (1996): 53-79.

¹³ Yuwono, S. Sukarno, & M. Ikhsan, *Petunjuk Praktis Penyusunan Balanced Scorecard Menuju Organisasi yang Berfokus pada Strategi*. Jakarta: PT Gramedia Pustaka Utama, (2006)

operational goals and measures performance from four different perspectives stated above¹⁴.

A well-balanced scorecard should qualify several criteria: (1) Identify the long-term strategic objectives of each perspective (outcomes) and mechanisms to achieve these goals (performance drivers); (2) each perspective has causality, and effect relationship; (3) in particular of financial perspective, improvement strategies such as upgrading quality, fulfillment of customer satisfaction or innovation must be impacting on increasing company revenue¹⁵.



Source: Kaplan and Norton, 1996

Figure 1

¹⁴ Hasen, & Mewon, *Management Accounting*. Jakarta: Salemba Empat, (2005)

¹⁵ Lubis, Ikhsan Arfan, & Sutopo, "Implementasi Konsep Balance Scorecard (BSc) Bagi Small And Medium Business di Indonesia Suatu Tinjauan Teoritis". *EKOBIS*, 4(1), (2003)

Four Perspectives of the Balanced Scorecard

There are four steps to conduct a Balanced scorecard in a profit organization (company) by Kaplan and Norton: (1) translate the vision and missions of the company into strategic goals with clear performance measurement; (2) connect each strategic goal; (3) allocate each strategic goals based on the financial plan. At this point, the balanced scorecard becomes a basis of resource allocation through priority order that leads to long-term goals; (4) evaluate and monitor what has been done in the short-term as feedback. This will be a cyclical improvement process of strategic learning—figure 1 captures a balanced scorecard in detail¹⁶.

Methods

This study employed survey research that takes samples from a population and uses a questionnaire as a primary data collection tool¹⁷. Descriptive research is used that collaborates quantitative and qualitative analysis or mixed-method. The study employed a mixed-method to reach better result analysis compared with only quantitative or qualitative analysis. Qualitative analysis in this research is in the form of interpretation of interviews with LAZNAS Yatim Mandiri, while the quantitative part is a set of examination and calculation of quantitative data. The resource of

¹⁶ R. S. Kaplan, & D. P. Norton, loc. cit

¹⁷ J.K. Creswell, *Research Design Pendekatan Kualitatif, Kuantitatif, dan mixed*. Yogyakarta: Pustaka Pelajar. (2016)

primer data was acquired from the interview with the head of the waqf department, while secondary data was obtained from their annual report.

A validity test is a test of whether or not a questionnaire is valid. The validity test technique uses Pearson's Product Moment correlation technique where if the significance value is below 0.05 (5%), it is stated that the questionnaire question is valid. At the same time, a reliability test is a test to measure the questionnaire, which is an indicator of a variable. It is reliable if someone's answer is consistent and stable¹⁸. The reliability testing technique uses the Cronbach Alpha statistical test with a value > 0.60 , which is a reliable indicator

Several data technique analysis is as follows:

1. Calculate financial perspective through two strategic goals:
Waqf Fund Collection and Waqf Fund Distribution.

$$Waqf\ Collection = \frac{Waqf\ collection_t}{Waqf\ collection_{t-1}} \times 100\% \quad (1)$$

$$Waqf\ Distribution = \frac{Waqf\ Distribution}{Total\ Waqf\ Fund} \times 100\% \quad (2)$$

2. Calculate customer perspective through customer satisfaction index (IKP)

$$inIKP_{min} = R \times PP \times EX_{min} \quad (3)$$

$$IKP_{max} = R \times PP \times EX_{max}$$

¹⁸ Imam Ghozali, *Aplikasi Analisis Multivariate dengan Program SPSS, Edisi keempat*. Semarang: Badan penerbit Universitas Diponegoro. (2009)

$$Interval = \frac{(IKP_{max} - IKP_{min})}{Categories}$$

Where:

IKP=Customer Satisfaction Index

R=Respondents

PP=Questions

EX=Score where EX max = highest score and EX min = lowest score

3. Calculate internal business perspective through measurement of innovation.

$$Innovation = \frac{Innovation\ Realization_t}{Targeted\ Innovation_t} \times 100\% \quad (4)$$

4. Calculate learning and growth perspective with three measurements: (a) measurement tension; (b) Employee Character dan (c) Employee Satisfaction Index (IKK)

$$Retention = \frac{Employee\ Resign_t}{Total\ Employee_t} \times 100\% \quad (5)$$

$$Character = \frac{Learning\ Realization_t}{Targeted\ Learning_t} \times 100\% \quad (6)$$

$$IKK_{min} = R \times PP \times EX_{min} \quad (7)$$

$$IKK_{max} = R \times PP \times EX_{max}$$

$$Interval = \frac{(IKK_{max} - IKK_{min})}{Categories}$$

Where:

IKK=Employee Satisfaction Index

R=Respondents

PP=Questions

EX=Score where EX max = highest score and EX min = lowest score

Data Triangulation is a method of synthesizing data against its truth by using other data collection methods or various triangulation paradigms¹⁹. In this study, the triangulation used compares data from the waqf manager (Nazhir) and the people who give waqf (Waqif). The triangulated data is on the weighting of performance priorities on the balanced scorecard to determine whether there are differences in the expectations between the waqif and waqf managers²⁰. This comparison is conducted due to balance scorecard design process becomes more valid when compared to only sourced from one party. In addition, triangulation is also carried out on strategic mapping involving the head of the institution (supervisor) and employees.

Result and Discussion

Balanced Scorecard Weighting

The first step to conducting a balanced scorecard is weighing the customer's perspective, finance, learning and growth, and internal business. Each perspective consists of one or two

¹⁹ N. Jentoft, & T. S. Olsen, "Against the flow in data collection: How data triangulation combined with a 'slow interview technique enriches data". *Qualitative Social Work*, 18(2), (2019):179-193.

²⁰ S. M. Renz, J.M. Carrington, & T.A. Badger, "Two strategies for qualitative content analysis: An intramethod approach to triangulation". *Qualitative health research*, 28(5), (2018):824-831.

strategic targetings. Based on the interview, table 1 below shows weightage in detail.

Table 1
Balanced Scorecard Weighting

Perspective	Weight	Strategic Goals	Weight
Customer	50 %	Customer Satisfaction	50%
Finance	25%	Waqf Fund Collection	15%
		Waqf Distribution	10%
Learning and growth	15%	Employee Satisfaction	5%
		Employee Character	5%
		Employee Retention	5%
Internal Business	10%	Innovation Enhancement	10%
Total	100%	Total	100%

Source: Interview with head of waqf division.

Key Performance Indicator (KPI) selection of each strategic goal and its target

Key Performance Indicator (KPI) specifies each strategic goal for all perspectives. Each KPI is used as an indicator to measure the achievement of strategic goals. On the other hand, the target means that LAZNAS Yatim Mandiri set a certain percentage achievable in one period. Table 2 below shows KPI and its target in detail.

Tabel 2
Key Performance Indicator (KPI) and Target

Customer	Finance	Learning and Growth	Internal Business
Waqif Satisfaction	Increased Waqf Fund	Employee Satisfaction Index (IKK) (100%)	Waqf Service Innovation (100%)

Index (IKP) (100%)	Realization (50%)	
	Increased Waqf Distribution (80%)	Islamic character building (100%)
		Employee Retention (100%)

Source: data processed, 2019

Actual Achievement of Customer Satisfaction

Customer perspectives become the most important perspective for LAZNAS Yatim Mandiri since its weight is one-half weight from all perspectives. The strategic goal for customer perspective is to achieve customer satisfaction were the people who give waqf (waqif) as the main customer. Thus, the measurement of customer satisfaction uses the waqif satisfaction index (IKP). A survey is employed to 30 waqif to answer 16 questions whether they are satisfied or not satisfied with company services. A Likert scale is given to measure the survey with the value one = really disappointed until 4 = satisfied. This study uses the Pearson Product Moment correlation technique (r-value) with a significance level of 5% critical value. A critical r value for 30 respondents at a 5% significance level is 3,494. Hence, an indicator with a value higher than 3,494 is deemed as a valid indicator. In addition, the test of reliability uses Cronbach alpha with a critical value of 0,60

The result of the validity test and reliability test shows that all indicators of KPI are valid, but some indicators are not reliable. Then, some indicators should be eliminated to increase Cronbach

alpha value. Several steps are conducted to construct the waqif satisfaction index (IKP): (1) Calculate the waqif satisfaction index. The calculation follows the formula number (6): (Number of respondents) x (number of the valid question) x (value of each question). The score is 1320; (2) Divide the category into four groups with the same interval (Interval: $(IKP \text{ max} - IKP \text{ min})/Categories = (1680-420)/4 = 315$): disappointed (420-735), disappointed (736-1051), satisfied (1052-1366), really satisfied (1367-1680); (3) Match the score into the category. We found waqif satisfaction is categorized as satisfied; (4) finally, to find the actual number of waqif satisfaction compared to the total, the actual score is divided by the total (1320/1680) then we found 79%.

Table 3
Customer Perspective

Perspective	Strategic Goals	KPI	Weight	Target	Actual
Customer	Customer Satisfaction	Waqif Satisfaction Index (IKP)	50%	100%	79%

Source: data processed, 2019

Actual Achievement of Finance Perspective

The finance perspective is the second most important perspective according to LAZNAS Yatim Mandiri, with a quarter half weight from all perspectives. The first strategic goal for the finance perspective is to optimize waqf fund collection. According to the financial report, by 2018, the collection of waqf funds increased from Rp. 1,750,269,020 to Rp. 2,713,723,669. Thus, by

simply calculating the growth of waqf fund collection, we found the actual number of the first goal is 35%.

The second strategic goal is to optimize waqf fund distribution. This strategic goal is different from profit organizations with cost efficiency where they minimize the cost of operation. Since LAZNAS Yatim Mandiri is a non-profit waqf institution, thus the higher the waqf fund is distributed is, the better. According to the financial report, by from Rp. 2,713,723,669 waqf fund collected, Rp 1,447,109,968 is already distributed. Thus, by dividing the total fund distributed by the total fund collected, we found the actual number of the second goal is 54%.

Table 4
Finance Perspective

Perspective	Strategic Goals	KPI	Weight	Target	Actual
Finance	Waqf Fund Collection	Increased Waqf Fund Collection	15%	50%	35%
	Waqf Fund Distribution	Increased Waqf Fund Distribution	10%	80%	54%

Source: data processed, 2019

Actual Achievement of Learning and Growth Perspective

Learning perspective is the third most important perspective according to LAZNAS Yatim Mandiri, with 15% weight from all perspectives. The first strategic goal for the learning and growth perspective is to achieve employee satisfaction—measuring employee satisfaction the ses employee satisfaction index. A survey is employed to 40 employees to answer 18 questions whether they are satisfied or not satisfied with company services. A Likert scale is given to measure the survey with the value 1 = really

disappointed until 4 = really satisfied. This study uses the Pearson Product Moment correlation technique (r-value) with a significance level of 5% critical value. A critical r-value for 40 respondents at a 5% significance level is 3,044. Hence, an indicator with an r-value higher than 3,044 is deemed a valid indicator. In addition, the test of reliability uses Cronbach alpha with a critical value of 0,60.

The result of the validity test and reliability test shows that all indicators of KPI are valid, but some indicators are not reliable. Then, some indicators should be eliminated to increase Cronbach alpha value. To construct employee satisfaction, index several steps are conducted: (1) Calculate the employee satisfaction index (The calculation follows the formula number (6). It found the score is 2198; (2) Divide the category into four groups with the same interval (Interval: $(IKK \text{ max} - IKK \text{ min}) / \text{Categories} = (2880 - 720) / 4 = 1350$): disappointed (720-1260), disappointed (1261-1801), satisfied (1802-2341), really satisfied (2342-2880); (3) Match the score into the category. We found employee satisfaction is categorized as satisfied; (4) finally, to find the actual number of employee satisfaction compared to the total score, the actual score is divided by the total score (2198/2880) then we found 77%.

The second strategic goal is to build Islamic character among employees. According to LAZNAS Yatim Mandiri, the employee is involved in Islamic character-building programs such as Islamic class. The class program exists to enhance employee knowledge of Islam. One of the lessons is to encourage the

employee to give charity or waqf. To calculate the actual score for this second strategic goal, we analyze the continuity of the Islamic class. Since the class in the period of study still exists, thus we set 100% for the actual score.

The third strategic goal is to maintain employee retention. Employee retention means there is no resignation during the period of study. Based on an interview with LAZNAS Yatim Mandiri, the total number of employees by 2019 increased from 60 to 75 while there is no resigned employee. Thus, the actual score is 100% for this strategic goal.

Table 5
Learning and Growth Perspective

Perspective	Strategic Goals	KPI	Weight	Target	Actual
Learning and Growth	Employee Satisfaction	Employee Satisfaction Index	5%	100%	77%
	Employee Character	Islamic character building	5%	100%	100%
	Employee Retention	Employee Retention	5%	100%	100%

Source: data processed, 2019

Actual Achievement of Internal Business Perspective

The internal Business perspective is the last important perspective for LAZNAS Yatim Mandiri, with 10% weight from all perspectives. The strategic goal for this perspective is to exist the innovation of waqf services to increase waqf satisfaction. By

2019, there are three innovations made by LAZNAS Yatim Mandiri; (1) opening two new office branches; (2) introducing online waqf service in cooperating with the bank; and (3) publishing waqf magazine and proactive waqf door to door promotion. Since these three innovations were realized successfully in the study period, the actual score is 100% for this strategic goal.

Table 6
Learning and Growth Perspective

Perspective	Strategic Goals	KPI	Weight	Target	Actual
Internal Business	Innovation Enhancement	Waqf Service Innovation	15%	100%	100%

Source: data processed, 2019

Balanced Scorecard Total Score (BSC Score)

The balanced scorecard total score (BSC score) is calculated by the formula: actual score divided by target and times the weight. The table below shows the BSC score in detail. The total BSC score is 85,6% obtained from all perspectives. The interpretation of the BSC score is LAZNAS Yatim Mandiri achieved 85,6% performance from the total 100%. The BSC score also produces an order of priority. The customer's perspective comes first. The second order is the financial perspective, the third order is the internal business perspective, and the learning and growth perspective is the last order.

Table 7
Balanced Scorecard Total Score

Perspective	Strategic Goals	KPI	Weight	Target	Actual	BSC Score
Customer	Customer Satisfaction	Waqif Satisfaction Index	50%	100%	79%	39.5%
Finance	Waqf Fund Collection	Increased Waqf Fund Collection	15%	50%	35%	10.5%
	Waqf Fund Distribution	Increased Waqf Fund Distribution	10%	80%	54%	6.75%
Learning and Growth	Employee Satisfaction	Employee Satisfaction Index	5%	100%	77%	3.85%
	Employee Character	Islamic character building	5%	100%	100%	5%
	Employee Retention	Employee Retention	5%	100%	100%	5%
Internal Business	Innovation Enhancement	Waqf Service Innovation	15%	100%	100%	15%
Total			100%	Total BSC Score		85,6%

Source: data processed, 2019

Table 8
Balanced Scorecard Rank

Perspective	BSC Score	Average	Rank Number
Customer	39.5%	39.5%	1
Finance	17.25%	8.62%	2
Learning and Growth	13.85%	4,61%	4
Internal Business	15%	15%	3
Total	85,6%		

Source: data processed, 2019

Table 9
Balanced Scorecard Criteria

Perspective	BSC Score	Color
>100	excellent	dark green
86-100	very good	light green
60-86	good	yellow
50-59	average	pink
<50	poor	dark yellow

Source: data processed, 2019

Discussion

Initially, a balanced scorecard is a tool that can measure the performance of a profit organization²¹. However, a non-profit organization such as a waqf institution could benefit from using a balanced scorecard to track their modifications. This study examines LAZNAS Yatim Mandiri through four perspectives; customer perspective, financial perspective, learning and growth perspective, and internal business perspective. According to the balanced scorecard final score (BSC score), customer perspective developed into the most prominent perspective with actual achievement is almost perfect. The BSC score of 39,5% out of 50% weight indicates that waqif as main customers are satisfied with the service of the institution.

²¹ A. Sharma. Loc. cit

Waqif satisfaction directly correlates with the increasing amount of collected waqf funds²² (Shukor et al., 2017). From a financial perspective, the BSC score of 10.5% out of 15% weight of waqf fund collection shows that there is a significant rise amount of waqf collected during the period of study. While at the same time, BSC scores 6,75% out of 10% weight of waqf distribution explains that LAZNAS Yatim Mandiri optimizes waqf fund distribution (Iman et al., 2021). The growth of waqf fund collection could not be separated from innovations that have been made by the institution.

The internal business BSC score of 15% out of 15% weight points out that LAZNAS Yatim Mandiri is excellent at innovation. An action of opening two new office branches, introducing online waqf service in cooperating with the bank, and publishing waqf magazine and proactive waqf door to door promotion considered as attractive innovation by the customer to ease access of waqf payment. This innovation is the result of the hard work of employees and managers that are satisfied to work in their job²³. The worker perceived that working in waqf institutions are satisfied since they are not working for income only but also for God's

²² S. A. Shukor et al, "Waqif Satisfaction: Antecedents and Consequences". *Advanced Science Letters*, 23(5), (2017):4852-4855

²³ N.R. Febriandika, "The Effect of Distributive Justice, Procedural Justice of Compensation and Emotional Intelligence on Affective Commitments". *Jurnal Ilmiah Ekonomi Islam*, 6(1), (2020):34-41.

pleasure. The character-building program through Islamic class enriches the employee to understand Islam. Hence, all employees are staying in their job.

However, the Balanced scorecard analysis gives a direction for Laznas Yatim Mandiri to improve their performance. Some strategic goals need improvement since the actual score is still below the target. Customer satisfaction is the priority to improve by the company, followed by waqf fund collection and distribution. Employee satisfaction becomes the last priority while, on the other hand, other strategic goals still need to be maintained.

Conclusion

This study examines the performance of waqf institution using balanced scorecard for *Lembaga Amil Zakat (LAZNAS) Yatim Mandiri*, Surabaya. This study focuses on measurement four perspectives; finance, customer, learning and growth, and internal business. An overall score of 85,6% shows that the performance of LAZNAS Yatim Mandiri is categorized as very good. The highest BSC score reached by customer perspective consists of 39.5% out of 50%. The second highest score is a financial perspective, with 17.5% out of 25%. The internal business perspective is the third place with 15% out of 15%, while the learning and growth perspective is the last with 13.85% out of 15%. The BSC score also gives a direction of priority of improvement of strategic goals. Customer satisfaction has become the first priority to improve,

followed by waqf collection and distribution. The next priority is employee satisfaction while keeping other strategic goals to be maintained.

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