

PROPOSED PERFORMANCE APPRAISAL SYSTEM INNOVATION USING BALANCED SCORECARD METHOD FOR PT JATI MIARA KASAE (ARCANA INDONESIA)

Ainun Adhelia Fitri

Institut Teknologi Bandung, Indonesia

Email: ainunadhelia01@gmail.com

Abstract

The event organizer industry, such as Arcana Indonesia in Bandung, faces major challenges related to flexibility and irregular working hours, resulting in high overtime and employee turnover; in the past three months, nine employees have resigned, causing material and non-material losses to the company. This research aims to analyze existing performance appraisal methods, identify the causes of turnover, and design a Balanced Scorecard (BSC)-based performance appraisal system, which was chosen for its comprehensive approach in measuring organizational success from various aspects. Qualitative methods were used with data collection through interviews and internal document analysis, which showed that Arcana Indonesia did not have a structured performance appraisal system. Other causes of turnover included lack of structure and clear expectations, unconstructive feedback, high workload, and unclear career paths. Based on these findings, BSC set goals from the Internal Process, Financial, Customer, and Learning & Growth perspectives to address these issues, such as increased freelancer utilization, improved profit margins, additional B2B clients, and achievement of employee satisfaction and reduced turnover.

Keywords: Balance Scorecard, Key Performance Indicators, Financial Perspective, Internal Business Perspective, Customer Perspective, Learning & Growth Perspective

**Correspondence Author: Ainun Adhelia Fitri
Email: ainunadhelia01@gmail.com*



INTRODUCTION

As an archipelago, Indonesia has significant advantages in the tourism and creative economy sectors. Both sectors play a significant role in the Indonesian economy. Based on a report from the Ministry of Tourism and Creative Economy published in September 2024, the performance of the tourism sector until the first semester of 2024 has contributed a tourism foreign exchange value of US\$10.46 billion to US\$13.08 billion and has succeeded in contributing to Tourism GDP of 4.5% (Adiprasetyo et al., 2023; Indrayani et al., 2023). This success needs to be supported by the growing employment to increase further. Therefore, tourism has great potential to expand employment.

The development of the tourism sector has not escaped the limited human resources that have occurred due to the COVID-19 pandemic (Katunian, 2019; Sejdiu et al., 2023). Based on the results of Sakernas in 2018-2021, the percentage of tourism labor based on its sub-sectors is diverse. Unlike other tourism subsectors, the Other Tourism Service Provision subsector related to special tourism service activities and event arrangements has a labor contribution that has decreased from 2020, which initially had a percentage of 1.60% and only 1.48% in 2021. This needs to be a particular concern because, according to data from the Ministry of Tourism and Creative Economy, one of the five main factors that can increase tourist movements in 2024 - 2025 is the organization of events, which is 35.90% (Awuchi et al., 2022; Zaidel et al., 2020). This opens up business opportunities for

businesses that provide event organizer services, and therefore, businesses engaged in event organizing or MICE services are also very competitive.

With such competitive competition, each company must be able to compete by providing high-quality services (Fang & Casadevall, 2015; Orosz et al., 2018). One of the factors that can be used to achieve this is the quality of each individual who works in the company. The quality of each individual must be measurable through competence and willingness to be dedicated to the company. Therefore, employee performance appraisals that have been adjusted and use clear parameters and KPIs (Key Performance Indicators) are needed to manage employees better. A measurable performance appraisal can help achieve the company's vision and mission.

In the event organizer industry, there are unique characteristics. This industry requires high flexibility and often has irregular working hours (Heffron et al., 2020; Seimon & Endagamage, 2022). This results in a high incidence of overtime and, if not handled with a transparent work appraisal system, will also impact employee productivity, accountability, and motivation. Worse still, if employees feel this is a serious and personal matter, they could opt out of the company or even the industry. These negative impacts go hand in hand with high financial costs, increased stress within the work unit, and decreased quality, competitiveness, innovation, and productivity of a company (Ziky & El-Abdellaoui, 2023). These challenging issues affect one of Bandung's event organizer businesses, Arcana Indonesia or PT Jati Miara Kasae.

PT Jati Miara Kasae, with the brand name Arcana Indonesia, is one of the companies engaged in event organizing specializing in MICE (Meetings, Incentives, Conferences, and Exhibitions). Since its first appearance in 2017, Arcana Indonesia has provided several service products, such as launching programs, MICE programs, event programs, live streaming programs, and merchandise. Arcana Indonesia has had regular customers for the past 7 years, namely BUMNs with headquarters in Bandung, namely PT KAI and PT Bio Farma. As of October 2024, Arcana Indonesia has 21 in-house employees, and every time there is an event, they recruit at least 25 additional freelancers. Based on data owned by the company, in 2024, 9 in-house employees chose to resign.

Table 1. Arcana Indonesia Resignation Data for 2024

Arcana Indonesia Resignation 2024		
Month	Number of Resignation	Role
January	0	-
February	0	-
March	0	-
April	0	-
June	0	-
July	2	Junior Creative
August	3	Junior Creative
September	3	Junior Creative
October	1	Creative

(Source: Arcana Indonesia, 2024)

Based on observations from the results of exit interviews held by Arcana Indonesia, most employees choose to resign due to the absence of work balance with employees' personal lives. Even so, from the results of observations of the environment in Arcana

Indonesia when viewed in terms of payroll, Arcana Indonesia applies a basic salary system that is at a minimum by the Decree of the Governor of West Java No.561.7/Kep.804-Kesra/2023 which is IDR 4,209,309 plus health benefits and incentive bonuses when there are events that the employee handles. Furthermore, the company provides a career path, but the assessment is subjective based on the COO and owner. As a result, Arcana Indonesia currently uses a very subjective employee performance appraisal. This is certainly an unpleasant thing for some employees, especially new ones because they cannot objectively know the feedback and assessment of their performance. This incident will be unfair to employees who have a high rate of overtime cases, especially in the event organizer industry, which demands high flexibility.

Thus, to retain employees, develop the company, and compete with other companies, Arcana Indonesia needs to make the most basic improvements and reforms first, namely by measuring the performance of its employees, which will impact the overall performance of the company. In addition, a clear performance appraisal system can also be used as a tool to recognize overtime or additional workload.

With unique challenges in the event organizer industry, such as high workloads, irregular schedules, and high turnover rates, Arcana Indonesia needs a structured performance management system (Plard & Martineau, 2022; Raymark S. Pabilando et al., 2022). Balanced Scorecard (BSC) is a perfect fit for Arcana Indonesia because of its comprehensive approach. Unlike traditional performance appraisal methods focusing only on the financial side or individual output, BSC looks at performance from four perspectives: Financial, Customer, Internal Process, and Learning and growth. So, it is not just about profit or efficiency but also employee engagement, process improvement, and skill development, all of which are important for performance in a dynamic work environment like an event organizer.

In addition, BSC helps Arcana Indonesia align individual and team goals with the company's big vision. So, employees know what to achieve and understand where they are going, which can motivate them despite sometimes stressful situations. With the Balanced Scorecard, Arcana Indonesia has a more systematic way to manage employee contributions effectively and remain flexible according to the needs of event organizers.

The purpose of this study is to analyze and evaluate the effect of a structured performance management system, such as the Balanced Scorecard (BSC), on employee performance in the event organizing industry, specifically at Arcana Indonesia. Theoretically, this study is expected to add to the repertoire of knowledge about the application of BSC in the context of the creative and tourism industries, as well as provide empirical evidence regarding the importance of objective and transparent performance appraisals. Practically, the results of this study are expected to provide recommendations for Arcana Indonesia management in developing effective human resource management strategies, so as to increase employee productivity, motivation, and retention, and support sustainable company growth.

RESEARCH METHODS

This chapter outlines the techniques employed within this study, the methodology of data collection and treatment for answering all the research questions. The main purpose of this research is to examine how PT Jati Miara Kasae, or Arcana Indonesia, measures the performance of its employees. Besides, this research also seeks to find out the reasons why many employees are willing to leave and how a fitting Balanced Scorecard system could be designed for the organization. The expectation is that the Balanced Scorecard can be a measure that assists organizations in improving job satisfaction while employee turnover remains low.

This research uses a qualitative approach to explore in-depth understanding of the performance appraisal system at Arcana Indonesia, focusing on the perspectives of management and employees (Cheron et al., 2022). This method was chosen because it provides space to explore the experiences, opinions, and perceptions of individuals that are difficult to measure through quantitative data. Data was collected through in-depth interviews with employees and managers who have a direct understanding of the existing evaluation system. A qualitative approach allows researchers to construct richer and more contextualized narratives, which can describe social dynamics as well as factors that influence job satisfaction and employee intention to leave. With this approach, it is expected to reveal the main themes that cause dissatisfaction and turnover intention, as well as more applicable recommendations for improving the evaluation system in the company.

This chapter has three parts. The initial section, Research Design includes all the objectives of the approach applied, including the justification for using mixed methods in this study. The next section, Data Collection Methods, speaks about the types of data used, methods of data collection such as interviews and questionnaires, and the importance of these data in meeting research's aims. At last, the Data Analysis Methods part explains such processing of the data that makes it possible to address the research questions thoroughly in terms of the qualitative and quantitative analysis of the data.

RESULTS AND DISCUSSION

Analysis

In this chapter, research results obtained from in-depth interviews with management and employees at Arcana Indonesia will be presented and analyzed to identify factors that influence performance appraisal and employee exit intentions. This analysis aims to reveal key findings that will form the basis for formulating solutions for the improvement of the company's performance appraisal system.

This analysis process uses a thematic approach, where the interview data obtained will be grouped into main themes relevant to the problems faced by the company, namely: job satisfaction, communication with superiors, workload, and compensation. The investigation will also examine trends that show up in the connection between these parameters and the intents of employees to leave.

The characteristics of the respondents who took part in the interviews should be briefly described before starting to analyze the key findings. Gaining insight into the respondents' backgrounds allows to better examine their viewpoints and contextualize the results. Therefore, the following section will present demographic information about the

interview respondents, including their job titles, duration of employment, and experiences with performance appraisals and factors driving exit intentions.

1. Presentation of Findings

Based on data analysis utilizing the coding approach, the results from the interviews will be presented in this section in a structured and thematic manner. In order to identify the key concepts or ideas that are pertinent to the research issue, the transcribed interview material is first subjected to an open coding process. These key concepts will then be grouped and subjected to additional analysis in the axial coding step in order to identify connections among the concepts discovered. The categories that have been created will then be integrated in the selective coding stage to create main themes that can address research questions on Arcana Indonesia's performance appraisal system and employee departure intentions.

Three primary respondents—the Chief Operating Officer (COO), Project Manager (PM), and Creative Staff—were interviewed. The results offer a variety of detailed insights into how the company's performance appraisal system is implemented, as well as how it affects employee exit intentions and job satisfaction. Despite the fact that the three responders have varying positions and backgrounds within the company, their results are extremely pertinent to highlighting the difficulties businesses encounter in enhancing the efficacy of their current performance review processes.

a. Open Coding

At this stage, the data obtained through interviews with COO, Project Manager (PM), and Creative Staff at Arcana Indonesia have been analyzed using open coding. The purpose of this process is to identify key categories relevant to the research topic, specifically regarding performance appraisal, feedback, employee turnover, and career development. Each interview provided different insights related to how Arcana Indonesia manages performance appraisals, as well as factors that influence employee turnover rates.

Based on the results of open coding, several main categories emerged that can be classified into major themes. The following are the findings presented in the form of a table linking the main categories based on the interviews conducted.

Table 2. Key Findings Based On Open Coding

Category	COO Interview	PM Interview	Creative Staff Interview	Direct Quote
Performance Appraisal	x	x	x	"Di Arcana, kita nggak pakai sistem penilaian yang formal banget sih." (COO) "Penilaian kinerja tuh nggak ribet banget." (PM) "Sistem penilaian kinerja yang ada sekarang tuh oke, cuma mungkin ada beberapa bagian yang perlu lebih jelas." (Creative Staff)
Feedback	x	x	X	"Feedback itu penting banget, tapi kurang jelas." (COO) "Feedback itu aku kasih langsung di tengah event." (PM) "Feedback jelas banget mempengaruhi motivasi aku." (Creative Staff)

Expectation Clarity	x	X		"Kadang ada karyawan yang merasa kalau mereka nggak tahu pasti apa yang kita harapkan dari mereka." (COO) "Penilaian kinerja lebih fokus ke apa yang mereka lakuin selama event." (PM)
Work Motivation		x	X	"Kalau mereka kerja keras, dan mau belajar, itu udah cukup buat kita." (COO) "Feedback positif bikin kita lebih semangat." (PM) "Kalau feedbacknya positif, itu bisa banget ningkatin motivasi mereka." (Creative Staff)
Work Life Balance	x	x	x	"Beban kerja yang terlalu banyak, tapi nggak diimbangi dengan keseimbangan hidup yang baik." (COO) "Kalau lagi peak season, kerjanya kan nggak cuma di kantor, tapi sering lembur juga." (PM) "Kerja di dunia event itu capek banget." (Creative Staff)
Employee Turnover	X			"Dari 8 orang probation, yang bertahan sampai sekarang cuma 2 orang." (COO)
Teamwork & Collaboration		X		"Kerjasama juga kunci, soalnya kalau timnya kompak, semuanya jadi lebih lancar." (PM)
Career Development			X	"Menyediakan pelatihan atau rencana pengembangan karier akan membuat karyawan merasa ada peluang untuk berkembang." (Creative Staff)
Non-Material Awards			X	"Kadang pengakuan aja udah cukup buat bikin kita merasa dihargai." (Creative Staff)
Workload Management		x		"Kalau ada yang performanya bagus, biasanya aku kasih tanggung jawab lebih besar." (PM)
Communication	x	X		"Kadang keputusan atau arahan nggak tersampaikan dengan jelas." (COO) "Komunikasi itu penting banget, karena di event semua pihak harus ngerti apa yang harus dilakuin." (PM)
Feedback System		x		"Sistem evaluasi yang ada mungkin jadi salah satu faktor penting yang mempengaruhi turnover." (COO) "Feedback-nya itu membangun, ya." (PM)

Source: (Author, 2024)

Interviews with the COO, PM, and creative staff after open coding indicate that Arcana Indonesia is still applying an informal method for employee performance review. As noted by the COO, the company's assessment process is more reliant on direct observation and intuition in the absence of a very established system. This creates confusion in expectation elements they communicate to employees because not all assessment indicators are sufficiently numeric or clear. Lack of clarity may create a vacuum among workers about their responsibilities which might lead to discontent in motivation at work.

There is also the fact that, according to the project manager, the current performance evaluation system is heavily geared towards group activities and performance within events. There is as yet no formal means of evaluating the performance effects on individual employees. Hence, the evaluation is becoming more subjective and dependent on the opinion of each management. However, even though the creative personnel consider the existing approach as satisfactory, it calls for more overt and quantifiable indicators in order that they can feel assured that their outputs are equitably evaluable.

While some interviews revealed, extensive workloads, and a poor work-life balance at Arcana Indonesia contribute significantly to employee attrition. Many of the staff quit because they thought that they did not have time for their personal life, especially during busy times, according to the COO. High turnover rates result from employees viewing themselves as overworked during uneven workload distribution. Poor management at events is also noted by the PM as a primary contributor to employee burnout, which also affects retention.

Another factor that aggravates the problem is the absence of workplace advancement. Employees often feel trapped-for-the-money and within clear development tracks as Creative Staff indicated. Critics who do not have their criticism made clearer may also perceive comments made toward them as the company does not value them anymore, and they become at a greater probability to quit the company.

Inevitably, the findings from the analysis exposed several of Arcana Indonesia's long-standing flaws, such as ambiguous performance reviews, a lack of constructive criticism, and serious imbalance in life-work aspects. These phenomena are mutually dependent in generating the high employee turnover rate. Thus career development and job incentive should be taken into serious consideration to ensure better employee retention going forward. The author will further analyze the results from open coding using axial coding to build an inquiry on the underlying connections between categories.

b. Axial Coding

Axial coding, the next step of open coding, groups these categories together to help illustrate how the connections between them might clarify the phenomena under study. The categories discovered—the general trends that could explain Arcana Indonesia's issues with staff turnover, performance reviews, and feedback—will be further examined using axial coding. A better understanding of the relationships and mixing of the indicated categories inside the organization may then be obtained from the results of this axial coding.

Table 3. Axial Coding

Category	Related Category	Nature of Relationship
Performance Appraisal	Feedback, Clarity of Expectations	The lack of structured performance appraisal leads to unclear feedback for employees, resulting in uncertainty regarding expectations and decreased motivation.
Feedback	Employee Motivation, Turnover	Unclear or unconstructive feedback can make employees feel undervalued, leading to low motivation and higher turnover rates.
Work-Life Balance	Turnover, Job Satisfaction	High workload without proper work-life balance leads to employee burnout, causing high turnover rates and low job satisfaction.

Employee Motivation	Performance Appraisal, Feedback	Motivation is highly dependent on clear performance appraisal and constructive feedback. The lack of both can lead to low motivation and higher turnover intention.
Career Development	Turnover, Employee Motivation	The lack of career development opportunities reduces motivation and increases turnover, while clear development prospects enhance employee engagement.
Workload Management	Work-Life Balance, Turnover	Poor workload management, especially during peak seasons, leads to imbalance between work and personal life, increasing turnover and decreasing work-life balance.

Source: (Author, 2024)

This pattern of results from Axial Coding shows that Arcana Indonesia's staff turnover closely relates to job motivation, work-life balance, performance reviews, and feedback, all wrapped in an intricate way. This pattern suggests that the performance appraisal system itself is discriminatory and it affects employee feedback which consequently affects job motivation and contributes to high turnover rates.

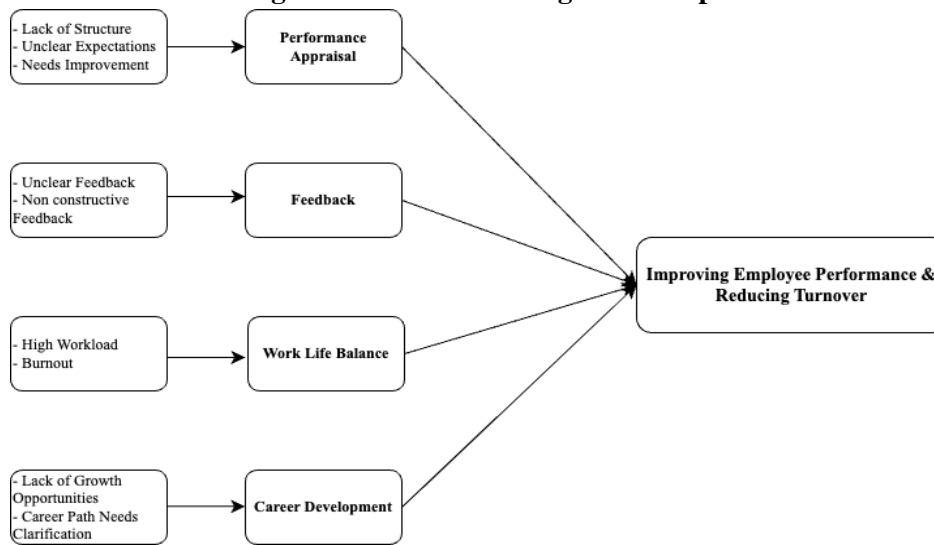
The particularly imprecise feedback with non-structured performance review leads to what many call "breakdown in the communication between staff and management." When performance assessments are not based on solid indicators, COOs and PMs claim that workers become unsure about what is actually expected from them by their bosses. Through this ambiguity, employees feel unvalued or don't know how to improve, resulting in low job motivation as well.

As a matter of fact, the inconsistent and often unhelpful feedback demotivates employees and is a crucial factor in driving them away from their workplace. Employees become less interested in doing better or worse as a result of receiving no clear and encouraging feedback, thus prompting them to go searching for opportunities at other businesses where they might receive explicit-coaching recognition.

Moreover, the data from this research study closely aligns with increased turnover levels at Arcana due to highlighted work-life balance inadequacies. According to COO and PM, too much work for employees - especially during a peak season - has an effect on their well-being, then leaving them after some time. Again, it has extreme workload, which states development returns by cause that life becomes unbalanced and less satisfied about the job, although more supposedly quitting urge. The result is also considered as a very vital factor for people retention and motivation. They feel bored by this lack of career-growing opportunities - not at any rate exciting in a place without challenge and no openings for climbing up the management ladder. Without a clear evolution pathway, it can signal that there is no possible advancement and prove that such employees will begin looking outside organizations for other positions. From Axial Coding Results, we can move towards Selective Coding, which will filter and narrow down to the most pertinent main categories to research objectives.

c. Selective Coding

The revelation of the various interrelated categories on the findings from the open coding and axial coding was meant to explain the major issues of staff turnover and performance reviews in Arcana Indonesia. Below mind map summarizes these findings and shows interconnections of categories strongly related to the challenges of the organization.

Figure 1. Selective Coding Mind Map

Source: (Author, 2024)

Based on the data, it can be said that Arcana Indonesia now conducts performance reviews in a less formal manner. Generally, company performance assessments are based on personal judgment and intuition rather than an organized or clear indicator-based methodology. The COO clarified that because these evaluations don't make reference to certain performance metrics, employees receive ambiguous feedback and don't know what is expected of them. As per this idea, Arcana Indonesia should take a more organized way in conducting performance appraisal and adopt something like a Balanced Scorecard to gauge an employee's performance from various aspects (self-development, teamwork, customer satisfaction, etc.). This will, hence, provide more clear and precise feedback to the organization and create a more complete picture of employee performance. With this in mind, it could really help Arcana Indonesia a lot to adopt a very systematized approach to holding performance evaluations, perhaps a Balanced Scorecard, which may account for self-development, teamwork, customer satisfaction, and other criteria. This would facilitate feedback from the organization to its employees in a clearer manner and a very complete picture of their performance would be made available.

Arcana Indonesia's excessive workload, lack of work-life balance, and lack of professional growth chances are some of the major characteristics linked to turnover that were found in the Selective Coding results. The COO and PM stated that a lack of balance between their personal and professional life led to burnout, which resulted in the resignation of numerous staff. Lack of performance recognition and ambiguous feedback also contribute to low motivation, which in turn causes high turnover. Thus, better work-life balance, better task management, and more defined career development can all contribute to lower turnover rates in businesses.

d. Competitor Analysis

The author uses competitor analysis to analyze in general how competitors in related industries can manage their performance appraisal systems and what competitors

are doing in facing similar challenges. The process of identifying competitors in this study was obtained based on informal information from the COO of Arcana Indonesia. However, it should be underlined that this competitor analysis has limitations, so that the competitors obtained are not direct competitors who focus on the service products offered, namely as the main focus of Arcana Indonesia is MICE. This analysis is also obtained from in-depth interviews from a resource person who is an employee of the company. For this reason, the names of competitors and interviewees will be disguised in this analysis. The competitor's name will be disguised with the initials AE while the interviewee will be disguised with the initials SY.

AE is a company engaged in event organizing from Bandung which was established in 2014. The products offered by AE are creative agency, social movement creator, creative festival promoter, and concert. AE is famous as the creator of the largest annual music event in Indonesia which carries the concept of 90s artists. In the event, not only the artists are 90s artists, but they also create the atmosphere and feel of the 90s through games and all aspects that existed at that time. In addition to these events, AE is also well known as a promoter of solo concerts from other internationally renowned artists. In 2024, AE created a festival that featured artists from the 2000s. The event was successfully held in November in Jakarta. For the plan in 2025, AE will organize 2 solo concerts from other international artists.

Although AE as an event organizer has been quite successfully recognized by the general public, AE also faced difficulties in 2020 due to the COVID-19 pandemic. As happened in Arcana Indonesia, AE also faced problems in employee management after the pandemic occurred. Therefore, the following competitor analysis table is presented which aims to compare competitors with Arcana Indonesia.

Table 4. Comparison of Competitor Analysis

Aspect	Competitor's Information	Arcana Indonesia's Information	Analysis Notes
Performance Evaluation (KPI)	Uses KPIs with monthly targets for each position to evaluate employee performance.	KPIs are not formally structured; performance is evaluated based on project/event outcomes.	Competitor has an advantage with structured KPIs. Arcana can improve by implementing measurable, outcome-based KPIs.
Employee Turnover	High turnover due to project/event-based hiring. Mitigation: contracts employees for multiple events.	High turnover as well, with 9 employees resigning within 3 months (July-September 2024).	Both face similar challenges. Arcana can consider adopting project/event-based hiring for greater flexibility and cost efficiency.
Work System	WFO Monday-Friday (09:00-17:00), with WFH option 2 days/week for some employees depending on workload.	WFO Monday-Friday (10:00-18:00) with no WFH option.	Competitor offers more flexibility with WFH options. Arcana could explore hybrid work to attract more talent and increase employee satisfaction.
Training & Development	No formal training, but identifies potential	Provides basic training for new employees but	Arcana has a slight edge with basic training. Both need to

	employees for lacks long-term skill focus on long-term employee
	challenging roles in development and skill
	future events. programs. enhancement programs.
Work Environment	Supportive, flexible, Flexible work Arcana has an advantage in
	and dynamic work environment focused office facilities. Competitor
	environment; needs on project/event excels in creating a more
	improvement in office completion. Office dynamic and supportive work
	facilities and facilities are relatively environment.
	equipment. adequate.

Source: (Author, 2024)

Looking at the results of the analysis Arcana Indonesia has advantages in the field of office facilities and basic training held for new employees. On the other hand, competitors also have other more fundamental advantages, namely KPIs and a flexible work environment including work from home work schemes. Therefore, there is still room for improvement for Arcana Indonesia by observing, imitating, and modifying the insights gained from competitors.

2. Business Solution

Based on the results of the analysis that has been done, Arcana Indonesia has great potential in this industry. This is in line with what is described by the COO of Arcana Indonesia through the following quote regarding the intensity of events in one week which is very high:

“Kalau lagi rame, eventnya seminggu bisa tiga event.”

With the high intensity of existing events, it certainly also affects the high workload. Therefore, it is unfortunate if the performance appraisal is still unstructured which will ultimately lead to turnover intention. The urgency to have a structured performance appraisal system is also reinforced by the statements put forward by the COO as follows:

“Kalau menurut aku, sistem penilaian kinerja yang ada mungkin jadi salah satu faktor penting yang mempengaruhi turnover di perusahaan. Meskipun kita nggak pakai sistem yang formal banget, kadang ada karyawan yang merasa nggak puas dengan cara kita menilai mereka. Jadi, kalau penilaiannya cuma berdasarkan attitude dan kerja keras tanpa ada indikator yang jelas, bisa jadi mereka merasa nggak dihargai atau nggak tahu harus bagaimana untuk berkembang. Ke depannya, kita mungkin perlu sistem penilaian yang lebih terstruktur dan transparan, biar karyawan bisa lihat perkembangan mereka dan tahu apa yang diharapkan dari mereka. Dengan sistem yang lebih jelas, mereka bisa merasa lebih dihargai dan termotivasi untuk terus berkembang, sehingga bisa menurunkan turnover.”

Therefore, the Balanced Scorecard is the right solution to overcome the problems in structuring the performance appraisal system. As what has been described in Chapter 2 in this study, the application of the Balance Scorecard proposed by Kaplan & Norton (1996) is one of the tools that can help create a more structured appraisal system. The Balance Scorecard can provide a more holistic picture of employee performance by combining several important perspectives, such as finance, internal processes, client satisfaction, and employee development. By using the Balance Scorecard, Arcana Indonesia can assess employee performance not only based on final results, but also taking into account non-financial factors that affect the company's success. The hope is that this solution will provide

a more objective and structured assessment, which in turn will increase employee motivation and reduce turnover. This is also in line with the direct quote from COO Arcana Indonesia in his statement as follows:

“Sebetulnya, aku cukup tertarik sama konsep BSC, karena itu bisa memberikan pandangan yang lebih menyeluruh tentang kinerja karyawan, bukan cuma dari hasil akhir doang. Di Arcana, kita kan lebih fokus ke sikap dan kontribusi mereka, jadi kalau BSC bisa menambahkan aspek lain kayak pembelajaran dan pengembangan diri, mungkin itu bisa membantu kita melihat perkembangan karyawan dengan cara yang lebih objektif. Mungkin bisa ditambahin juga sama KPI nya ya, karena sekarang ini kita belum punya KPI jadi selain belum ada alat yang terstruktur, kita juga belum punya KPI nya.”

Therefore, the solution that will be offered to Arcana Indonesia in overcoming existing problems related to the performance appraisal system and turnover intention is to create a Balance Scorecard and Key Performance Indicator. The making of the two tools is also generated from the company's internal data and competitor analysis that has been done before.

a. Designing The Balance Scorecard

Based on previous information and analysis, the Balance Scorecard design stage will be divided into four stages, namely; designing Arcana Indonesia's strategic objectives, performance indicators and strategic mapping, weight areas, and value description.

1) Designing Arcana Indonesia's Strategic Objective

In the first stage to create a Balance Scorecard, companies need to first formulate what are the measurable and clear strategic objectives for each perspective in the Balance Scorecard. Of course, the goals made also need to be in accordance with the company's vision and mission so that these goals can support the long-term goals of Arcana Indonesia. Based on the data that has been obtained and the results of the company's internal discussions, the company's strategic goal design is as follows:

Table 5. Proposed Strategic Objectives

Perspective	Strategic Objectives
Internal Process	Implemented a freelancer management system with a target of 60% utilization rate in 3 months.
Financial	Increase profit margin per event by 15% in 12 months.
Customer	Added 5 new B2B clients per quarter, mainly from the campus segment.
Learning & Growth	Achieve 80% employee satisfaction and reduce turnover rate by 15% in 12 months.
	Develop 2 new products for the campus market and make IDR100 million in 12 months.

Source: (Author, 2024)

2) Designing Performance Indicators and Strategic Mapping

Performance Indicators (IK) are obtained after conducting literature reviews and conversations with management. The success rate of a company's strategy is measured using relevant IK. Each set strategic objective (ST) must be represented by at least one IK

in order to be measured appropriately. In this context, it is important to ensure that the indicators chosen truly reflect the goals that the company wants to achieve.

The Internal Process Perspective has three clear STs, namely implementing a freelancer management system with a target utilization rate of 60% in three months, optimizing freelancer costs per event, and improving the quality of project management. On the other hand, the Finance perspective also has three STs, including increasing profit margin per event by 15% in 12 months, managing operating costs more efficiently, and increasing revenue from new products. In addition, the Customer perspective establishes three STs, which include adding five new B2B clients each quarter, increasing customer loyalty, and increasing customer satisfaction.

This strategy mapping shows how the four perspectives in the Balanced Scorecard (BSC) are interconnected to achieve the company's grand goals. Starting from Learning & Growth, the main focus is to make employees feel happy, with a satisfaction target of 80%, and reduce turnover rates so that they feel at home. This became the basis for better organizing the internal system, coupled with the launch of two new products aimed specifically at the campus market, which is expected to be a breakthrough to gain new revenue.

Furthermore, from the perspective of Internal Processes, efficiency is a major concern. From a freelancer management system that targets a 60% utilization rate to cost optimization to make everything more efficient while still running as planned. This clearly impacts the Customer Perspective, which will increase customer satisfaction and loyalty. Finally, all of these steps contribute to the Finance perspective, with a target of increasing profit margins by 15% per event, plus additional revenue from new product launches.

3) Designing Weight Area

Once the relationship between the strategic objectives and their mapping has been designed, the next step will entail determining the KPIs (Key Performance Indicators) to track success against each of the strategic objectives. Such determination is still guided by the company's vision, mission, and culture, as well as by how the company is ready right now. Usually, the matter involves brainstorming and discussion with internal teams so that the decisions made are appropriate to the environment. However, for Arcana Indonesia, most decisions are taken directly by the COO as the principal decision-maker. So it really goes unambiguously and unambiguously because it is based directly on insights and inputs from people who actually understand the company's operational conditions.

Internal Processes is the first part that both Author and Arcana Indonesia want to start with. Well, if the system for managing freelancers is good, and the quality of projects is right, that will form a sublime base on which the effectiveness of all other processes rests. We will then follow up with a Financial perspective. This perspective attempts to highlight the importance of some areas that include the generation of revenues from new products directly derived from the efficiency of the operations as well as the increase in profit margins and controlling costs. Then will come the Customer perspective, with the increased number of new clients, improved loyalty, and customer satisfaction. Finally, Learning & Growth will serve as the founding pillar for continuous development of employees and innovations of products to remain competitive in the marketplace. With the modalities that have been well-organized in this manner, all strategies can support each other optimally.

4) Designing the Value Description

In this last stage, all results from the calculation of this performance appraisal system will be used as a reference whether the performance of Arcana Indonesia can be categorized as very good, good, sufficient, or still needs improvement. To be able to facilitate the company, a percentage will be used as a form of categorization. This percentage selection is a general percentage used by Arcana Indonesia which is divided into the following 4 categories:

- a. 85% - 100% = Excellent
- b. 75% - 85% = Good
- c. 75% - 70% = Fair
- d. <70% = Need Improvement

With this method, companies can know the progress of each target periodically, to get important insights about things that need to be improved or anticipated. For this calculation to be effective, companies need to do it regularly, so that the insights obtained are maximized.

3. Implementation Plan

Based on the results of the Balance Scorecard design that has been made before, this implementation plan is made to be able to help the implementation process to be more structured. The focus of this process is to be able to create optimal efficiency for all business instruments in Arcana Indonesia. Seeing that the time of making this research falls at the end of 2024, the plan to implement it will begin in 2025 and will be carried out in stages every quarter to evaluate the previous Balance Scorecard that has been made. Of course, in order for everything to be balanced, this implementation process must be carried out in all Arcana Indonesia operational units including on the day of the event. In its implementation, this implementation will be fully monitored by the COO with assistance from related divisions. Here is the implementation plan timeline:

Table 6. Proposed Balanced Scorecard for Arcana Indonesia

Task	Start Date	End Date
Implement Freelancer Management System	2025-01-01	2025-03-31
Optimize Operational Costs	2025-01-01	2025-09-30
Train Employees on New System	2025-02-01	2025-03-31
Develop 2 New Products for Campus Market	2025-03-01	2025-06-30
Acquire 5 New B2B Clients	2025-03-01	2025-12-31
Launch and Market New Products	2025-06-01	2025-12-31
Evaluate Customer Satisfaction	2025-09-01	2025-11-30
Final Implementation Review	2025-12-01	2025-12-31

Source: (Author, 2024)

But keep in mind that this design is still a proposal and will not necessarily be implemented as written in this study. In the future, there may be adjustments from Arcana

Indonesia stakeholders and it is also possible that there will be changes in this implementation plan.

CONCLUSION

In the last three months, Arcana Indonesia has faced a serious issue with nine employees resigning, leading to significant material and non-material losses, as remaining staff are now required to work more overtime. Research identified three key problems: the current methods of employee performance assessment, the internal factors contributing to turnover, and the design of a Balanced Scorecard (BSC) tailored for the company. It was found that Arcana Indonesia lacks a structured performance evaluation system, relying instead on the COO's subjective assessments based on employee attitudes. Additionally, factors such as unclear expectations, non-constructive feedback, high workloads leading to burnout, and ambiguous career paths have fueled turnover. Competitor analysis revealed that while competitors also experience turnover, they employ clear KPIs and structured evaluations for their positions. Consequently, a BSC was proposed, offering four perspectives: Internal Process, Financial, Customer, and Learning & Growth. Objectives include implementing a freelancer management system to achieve a 60% utilization rate, increasing profit margins by 15%, adding five new B2B clients quarterly, and achieving 80% employee satisfaction while reducing turnover by 15%. This BSC is designed to address current challenges and help Arcana Indonesia evolve into a more stable organization, ultimately reducing employee turnover and aligning with its main vision.

BIBLIOGRAPHY

- Adiprasetyo, J., Wibowo, K. A., Fauzi, M. I., & Aliifa, D. N. (2023). Indonesian ministry of tourism and creative economy and the crisis frame related to COVID-19. *PRofesi Humas Jurnal Ilmiah Ilmu Hubungan Masyarakat*, 7(2). <https://doi.org/10.24198/prh.v7i2.41465>
- Awuchi, C. G., Ondari, E. N., Nwozo, S., Odongo, G. A., Eseoghene, I. J., Twinomuhwezi, H., Ogbonna, C. U., Upadhyay, A. K., Adeleye, A. O., & Okpala, C. O. R. (2022). Mycotoxins' Toxicological Mechanisms Involving Humans, Livestock and Their Associated Health Concerns: A Review. In *Toxins* (Vol. 14, Issue 3). <https://doi.org/10.3390/toxins14030167>
- Cheron, C., Salvagni, J., & Colomby, R. K. (2022). The Qualitative Approach Interview in Administration: A Guide for Researchers. *Revista de Administracao Contemporanea*, 26(4 Special issue). <https://doi.org/10.1590/1982-7849rac2022210011.en>
- Fang, F. C., & Casadevall, A. (2015). Competitive science: Is competition ruining science? In *Infection and Immunity* (Vol. 83, Issue 4). <https://doi.org/10.1128/IAI.02939-14>
- Heffron, R., Körner, M. F., Wagner, J., Weibelzahl, M., & Fridgen, G. (2020). Industrial demand-side flexibility: A key element of a just energy transition and industrial development. *Applied Energy*, 269. <https://doi.org/10.1016/j.apenergy.2020.115026>
- Indrayani, I. G. A. P. W., Suprastayasa, I. G. N. A., Armeli, A., & Suchyo, P. E. (2023). Travel Behavior of State Civil Servants of Ministry of Tourism and Creative Economy. *LACULTOUR: Journal of Language and Cultural Tourism*, 2(1). <https://doi.org/10.52352/lacultour.v2i1.1128>
- Katunian, A. (2019). Sustainability as a new approach for the human resource development in tourism sector. *Public Policy and Administration*, 18(4). <https://doi.org/10.13165/VPA-19-18-4-03>

- Orosz, G., Tóth-Király, I., Büki, N., Ivaskevics, K., Bothe, B., & Fülöp, M. (2018). The four faces of competition: The development of the Multidimensional Competitive Orientation Inventory. *Frontiers in Psychology*, 9(MAY). <https://doi.org/10.3389/fpsyg.2018.00779>
- Plard, M., & Martineau, A. (2022). Ultra-Trail: Inside the Event Community, Nature, and Wildlife: An Authentic Trail Running Experience in Canada's Wild Backcountry. *International Journal of Sport and Society*, 13(1). <https://doi.org/10.18848/2152-7857/CGP/v13i01/39-54>
- Raymark S. Pabilando, Dannah R. Pitao, & Maria Lourdes. (2022). Challenge of Event Management as a New Trends in Hospitality Industry Amidst Covid-19 Pandemic. *International Journal of Innovative Science and Research Technology*, 7(1).
- Seimon, A. T. M., & Endagamage, D. M. (2022). Is Organizational Ambidexterity a Good Booster to Supply Chain Flexibility in the Textile and Apparel Industry? *International Journal of Multidisciplinary: Applied Business and Education Research*, 3(6). <https://doi.org/10.11594/ijmaber.03.06.09>
- Sejdiu, S., Rexha, B., & Deda, E. (2023). The Development of the Tourism Sector, Important for the Socio- Economic Development of the Country. *Journal of Educational and Social Research*, 13(3). <https://doi.org/10.36941/jesr-2023-0072>
- Zaidel, E. J., Forsyth, C. J., Novick, G., Marcus, R., Ribeiro, A. L. P., Pinazo, M. J., Morillo, C. A., Echeverría, L. E., Shikanai-Yasuda, M. A., Buekens, P., Perel, P., Meymandi, S. K., Ralston, K., Pinto, F., & Sosa-Estani, S. (2020). COVID-19: Implications for People with Chagas Disease. In *Global Heart* (Vol. 15, Issue 1). <https://doi.org/10.5334/GH.891>
- Ziky, M., & El-Abdellaoui, L. (2023). CAN SUSTAINABLE DEVELOPMENT GOALS GO HAND IN HAND WITH ECONOMIC GROWTH? EVIDENCE FROM MOROCCO. *Problems and Perspectives in Management*, 21(3). [https://doi.org/10.21511/ppm.21\(3\).2023.51](https://doi.org/10.21511/ppm.21(3).2023.51)



© 2025 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY SA) license (<https://creativecommons.org/licenses/by-sa/4.0/>).