

Mataram City Government Regional Asset Management Strategy (With the implementation of *the Balanced Scorecard*)

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ABSTRACT

This study aims to determine alternative regional asset management strategies in the Mataram City Government with the *Balanced Scorecard approach*. The main focus in this study is to introduce the concept of *Balanced Scorecard* to the Mataram City Government Work Unit in charge of regional asset management. The problems faced in this study include a large number of assets, the potential for regional revenue that is not optimal, demands for improvement of community services, and weak performance and organizational systems of regional asset management agencies. This study uses a mixed *approach* that combines qualitative and quantitative methods. Primary data collection was carried out through in-depth interviews with 5 expert respondents, participant observation, and distribution of survey questionnaires. Secondary data were obtained through documentation studies. The implementation of this research was carried out at the Mataram City Regional Finance Agency. So that the results of this study are expected to formulate the right strategy for the Mataram City Government in determining regional asset management policies and provide input and suggestions for improving regional asset management to focus more on the vision, mission, and organizational strategy and through the implementation of *the Balanced Scorecard* It is expected to increase the effectiveness and efficiency of regional asset management, optimize regional revenues, and improve the performance of regional asset management agencies in carrying out government administration activities.

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Introduction

The implementation of Law No. 32 of 2004 stipulates that the President is the holder of the highest power and emphasizes unity between levels of government which aims to increase supervision and guidance of local governments, but this Law experiences problems due to differences in the vision and mission of regional heads as well as uncontrolled political interests. So that this law was replaced by Law no. 23 of 2014 which

is still valid today. With the existence of this law, it changes the paradigm of local government from centralistic to decentralized government. Not only that, the central government also issued Law no. 1 of 2022 to regulate the financial relationship between the central government and local governments so that they can focus on the implementation of urban management (Clark et al., 2021). With this regulation, the implication made by the Mataram city government is to issue Regional Regulation No. 15 of 2016 concerning the formation and composition of regional apparatus where this regulation is required to be able to explore the potential and financial resources of the region itself and can increase the optimal local revenue in order to become a source of strategic financing and reduce dependence on the central government (Bowen, 2009). In the implementation of the Law that has been explained above, that the management of regional assets in the Mataram City Government is currently facing major challenges in terms of asset data collection, maintenance, and optimal utilization of assets. This problem causes low effectiveness of public services and potential regional revenue that cannot be used properly (Ponto, 2015). The Mataram City Government has various regional assets that have not been optimally managed, such as land and buildings scattered in various locations in the Mataram City Region. The main problems currently faced are the lack of accurate data, weak coordination between agencies, and inefficient asset management procedures (Vincent, 2002).

From the description of the explanation above, this research was compiled which aims at how to develop asset management for the Mataram City government in order to improve the performance of stakeholders to be effective and optimal with the method of applying *the Balanced Scorecard* as the indicator used, namely one of the agencies of the Mataram City Regional Finance Agency, because the agency is one of the core the running of programs in Mataram City (Field, 2013).

With this research, it is hoped that it will be able to help have a positive impact on the Mataram City government, improve other agencies so that they can jointly manage their respective assets more effectively, accountability, improve performance and minimize the occurrence of problems. And also this research can be used as input to the Mataram City Government on how to make every asset management in the city effective and efficient. As well as what will be fixed so that the potential for regional revenue becomes optimal, then help support performance in the form of learning for each regional apparatus organization in Mataram City so that it improves and becomes more developed and professional (Mulyadi, 2001).

Literature Review

(Kaplan & Norton, 2002) said that the concept of the Balanced Scorecard has 4 perspectives used, namely the Customer Perspective (*Costomer*), the Financial Perspective (*Finance*), the Internal Business Perspective (*Internal Process*) and the learning and growth perspective (*learning and growt*). Not only that, the *Balanced Scorecard* also has its own uniqueness, which can show the causal relationship between 4 perspectives and can help identify what factors affect future performance. Meanwhile, the advantages of this *Balanced Scorecard* include:

1. Complementing financial measures with a non-financial perspective
2. Help translate strategies into concrete activity plans
3. Allows the organization to focus on strategy implementation.

In the application of *the Balanced Scorecard* for asset management, it is very different to the stakeholders such as leaders, staff or employees, because in the application of this concept a leader must be able to explain in detail and firmly to his staff or

employees so that the strategy used reaches the desired goal. And a leader must be able to explain the strategy so that uniting the vision and mission will later make it easier for good management (Rangkuti, 2015).

In (Munthafa & Mubarak, 2017) it is explained that, Hierarchy is described as one of the depictions of complex problems in a multi-level structure, with the aim of being the first level and moving down through factors, criteria, and substructure so that it will achieve an alternative strategy as the final level. But in (Sumani, 2020) article, it is explained that to synthesize from various alternative considerations that can be said to be valid, when intuitively juxtaposed with the hope of finding a problem, this approach combines the power of intuition and logic that arises when dealing with various problems. Therefore, The advantages of this Process Analysis are:

1. Easy to operate and interpret and suitable for those who are used to making decisions with quantitative models
2. Easy to understand by busy decision-makers.
3. Allows simulation of changes to an element easily and its analysis can be done quickly.

In the application of Hierarchy Analysis with a management, various kinds of data are needed in the field. It must be able to decipher data on existing strengths and weaknesses that occur, opportunities that can be developed and anticipate the occurrence of a threat.

In this case, asset management, such as environmental development, must first identify the factors of strengths, weaknesses, opportunities and threats that may occur. After the factors are identified, then the relevant hierarchical analysis is applied so that the information obtained can be maximized by minimizing the occurrence of weaknesses or threats. An example of decision-making in environmental development is building facilities and facilities that can be used by the community so that later they can obtain regional income due to the development (Kawulich, 2005).

(Satty T L, 2020) said that this analysis allows in decision-making by deciphering complex problems into a simpler and easier to understand hierarchy. So that in the context of this study, related to regional asset management and the implementation of *the Balanced Scorecard* can be used to:

- Helping to identify and weight the criteria in terms of regional asset management such as efficiency, effectiveness, and economic value so that it can enable decision-making to determine which strategies should be prioritized.
- AHP can be integrated in asset management information systems to help make decisions faster and more accurately.

Research Methods

This study is a case study with a research design using a mixed approach *that* combines qualitative and quantitative approaches. This approach was chosen because this research not only aims to describe or explore regional asset management strategies, but also to determine alternative strategies and apply the concept of *Balanced Scorecard* in regional asset management (Creswell, 2021).

The qualitative method used in the application of this study is to obtain in-depth information about the management of regional assets of the Mataram City Government, by directly interviewing stakeholders such as employees of the Mataram City Regional Finance Agency and parties related to regional asset management, participant observation to directly observe regional asset management activities at the Mataram City Regional Finance Agency, Meanwhile, the Quantitative Approach in this study was carried out by

distributing a consortium to 5 experts who understood related to Regional Asset Management to analyze data and formulate alternative strategies for regional asset management using methods such as: *SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)* to identify internal and external factors that affect regional asset management (Denzin, 2017).

After obtaining various kinds of qualitative and quantitative data, the variables of factors in terms of strengths, weaknesses, opportunities and threats are first analyzed. After that, statistical analysis observations are carried out on the variables that have been identified and determine the relationship between these variables (Morgan, 1996).

Then validity is carried out by means of Trigulation of the analysis results with the concept of theory or steps to implement a good *Balanced Scorecard* whether the observation results are in accordance with the theory and can help decision-making on the analysis carried out so that it can be implemented in the field as input for better asset management.

Results and Discussion

The author tries to analyze asset management in Mataram City to be effective and efficient. Previously, the author made observations in the field and conducted a survey that in 2023, the Mataram City Government experienced annual inflation year on year of 5.14 percent with a Consumer Price Index of 113.19 which is lower than February 2023 and resulted in inflation of 6.30 percent. Thus, the Mataram City Government, in March 2023 experienced deflation of 0.03 percent, lower than in February 2022 which experienced inflation of 0.31 percent. But in 2024, the Mataram City Government experienced year-on-year inflation of 2.78 percent in February 2024 with a Consumer Price Index of 105.66. Not only that, the socio-political and security conditions that occurred in 2020 were not better than the previous year where that year was still colored by the turmoil of the conflict that occurred, namely an outbreak of diseases that could endanger lives. So, the Government of Indonesia, especially the Mataram City Government, has taken firm steps, one of which is to close all travel access from and out of the city or abroad (*lockdown*), eliminating activities outside the home to inhibit the spread of the virus that occurs. Therefore, the outbreak can change social and economic dynamics that have never happened and never been thought of. Thus, the political debate that occurred was very fierce to tighten economic stability. The main alternative strategy carried out by the Mataram City Government is based on a strategic environmental analysis that includes the general environment, and the internal environment. This strategic environment analysis is summarized into an analysis of strengths, weaknesses, opportunities, and threats (SWOT Analysis).

The author tries to analyze these problems so that asset management in Mataram City becomes effective and efficient by applying an alternative main strategy, namely conducting a SWOT matrix where this analysis combines each element of strength, weakness, opportunity, and threat. And the advantage of this analysis is that it is the direction of the strategic alternative of the Mataram city government.

The External Strategy Factors of this study are divided into 2, namely *Opportunity* Factors and Threat Factors. This Opportunity Factor consists of several External Strategy factors obtained from the results of field findings as follows:

External Strategic Factors	Weight	Rating	Score
	1	2	1x2
Chance			
a. high property needs	0,15	3	0,45
b. Regulations on Regional Assets	0,05	4	0,20
c. high interest in being able to utilize regional assets	0,05	4	0,20
d. increase PAD contributions	0,15	3	0,30
e. Strategic location of assets	0,10	4	0,40
Threat			
a. low market knowledge	0,05	2	0,10
b. Competition between business people	0,15	3	0,45
c. Business Professionalism	0,10	2	0,20
d. Asset Grabbing by Third Parties	0,05	4	0,20
e. Reduction of regional assets	0,15	3	0,45
f. lack of requirements for asset utilization by third parties	0,05	3	0,15
TOTAL	1		3,10

From the results of the analysis of the table above, it is informed that the EFAS (External Factors) the largest opportunity score is the strategic location of assets and high property needs, and the threat in the form of the possibility of reducing regional assets. So that the data can help input the Mataram City government to strengthen the strategic asset location management system to reduce the risk of reducing the strategic assets of the Mataram City government.

The second factor carried out in this study is the Internal Strategy Factor which consists of 2 factors, namely Strength Factor (*Strengthness*) and Weakness (*Weakness*). These factors include the following:

Internal Strategic Factors	Weight	Rating	Score
	1	2	1x2
Strength			
a. Highly educated human resources	0,10	4	0,40
b. Potential Regional Assets	0,06	4	0,24
c. Distribution Network	0,10	4	0,40
d. Regulatory Support	0,04	3	0,12
e. Large Number of Assets	0,05	3	0,15
Debilitation			
a. Data Availability	0,05	3	0,15
b. Weak Strategic Plan	0,25	2	0,50
c. Coordination between Asset Management Agencies	0,10	1	0,10
d. Procedures for Settlement of Regional Asset Utilization	0,15	1	0,15
e. Incomplete Asset Documents	0,10	4	0,40
Total	1		2,61

From the IFAS Analysis Table (Internal Factors) above, it is informed that the highest score for strength is the number of highly educated human resources in the Mataram City government is quite high, while the biggest weakness factor is the lack or weakness of the strategic plan made. Therefore, the table can help input the Mataram City government with the existence of a large level of highly educated human resources must be able to develop a strategic plan in Mataram City, improve comparative studies on how to manage assets well so as to minimize the weaknesses that currently exist in the government.

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So that from all the factors above, the Mataram City Government calculates a score where the score produced from the External Strategy Factor (EFAS) is 3.10 and the Internal Strategy Factor (IFAS) is 2.61. These values can be interpreted as follows:

SWOT/BSC	Customer	Finance	Internal Business	Learning
Chance	The high interest in utilizing regional assets can provide opportunities with the location of strategic assets that can attract many customers or users from the regional assets.	Provide opportunities to increase revenue through asset leasing or sale of regional assets.	Regional asset regulations that can be used as a strong and structured internal process that can improve efficiency and effectiveness in the management of regional assets and increase the contribution of PAD	The high interest in utilizing regional assets can provide opportunities to develop and improve skills, as well as knowledge in regional asset management.
Strength	A distribution network that allows access from the region's assets to be wider.	With highly educated human resources, they are able to better manage their finances and make smart investment decisions, so that they can provide a stable source of income and increase PAD.	The support of these regulations can provide a strong framework in the management of regional assets and the utilization of regional assets	With the existence of highly educated human resources, it will be possible to develop in terms of sustainable skills and knowledge, and with the potential for regional assets to provide innovation in the use of regional assets.
Debilitation	The weak strategic plan can hinder the ability to respond to customer needs quickly and effectively, which is also influenced by the lack of	The existence of limited asset data can hinder data-based decision-making for investment and regional asset management.	Weak procedures for resolving the use of regional assets, as well as incomplete regional asset documents, result in inhibitions in	The lack of availability of asset data and the weak strategic plan of regional asset management can hinder data-based learning and

	coordination between the local government agencies concerned.		operational efficiency.	decision-making and long-term growth.
Threat	Competition between business actors can affect customer satisfaction and loyalty.	Low market knowledge can hinder the ability to take advantage of good market opportunities. And it can reduce the share of the oasar or profit margin.	The seizure of regional assets carried out by third parties can disrupt business and operational processes and reduce regional assets.	The lack of requirements for the utilization of regional assets can hinder human resource development and innovation with reduced regional assets can reduce opportunities for learning and growth.

Not only doing a SWOT analysis, I as the author also try to analyze how to fix it so that the potential for regional revenue is optimal. In the context of these problems, a strategy was taken, namely *the Balanced Scorecard* , and in its application, it was tried to be analyzed on one unit of work agency, namely the Mataram City Regional Finance Agency in the field of Regional Assets. *Balanced Scorecard* is an integrated performance benchmark derived from a strategic plan from the Mataram City Regional Finance Agency for the Asset Sector itself in seeking to support the global strategy implemented by the Mataram City Government which is contained in the Mataram City Government's business strategy, namely: Developing a financial management system that supports to increase the potential of regional revenue, management and utilization of regional finances. From a basic strategy, it is basically a theory for how to achieve goals or *goals* in the Asset Field.

In the *Balanced Scorecard* approach, the Head of Regional Assets as a financial manager must describe his strategy into performance benchmarks, so that all elements of employees/staff understand and can implement something to achieve the strategy. In order, the following will describe the steps to implement the Balanced Scorecard integrated performance management system in the Regional Assets Section of the Mataram City Regional Finance Agency. The main goal and target of the Regional Asset Division of the Mataram City Regional Finance Agency is not to maximize financial results but the balance of financial or budget accountability through the distribution of service tasks and functions of each Sub-Division of the Regional Asset Division of the Mataram City Regional Finance Agency itself to interested parties in formulating policies and implementing needs plans, security and administration of regional asset management.

Based on the results of this study, the factors that are the key to success (*Critical Success Factors*) are obtained when *the Balanced Scorecard* concept is implemented in the Asset Field of BKD Mataram City. It is stated in the following table:

Table 2 Key Factors for the Success of the Balanced Scorecard Concept

a. Superiors, namely the Head of Field, and the Heads of Sub-Divisions are able to formulate strategies based on good rules and governance;
b. Communicate with each other and implement good strategies between subdivisions;
c. Clear vision, strong leadership, clear commitment and goals;
d. Interconnect in operating activities with mutual trust;
e. Implementing the right strategy with existing resources;
f. Forming team members who are able to solve emergency matters;
g. Able to adapt strategies to changes that occur
h. Able to design individual goals into shared goals
i. Able to measure performance even though it is standard
j. Desire to implement an open or transparent management system
k. The effectiveness of the awarding and compensation given by superiors to subordinates in striving or motivating and increasing work productivity.

Source: *Field Observation Results*

So that it provides results based on the analysis above that if the *Balanced Scorecard strategy is implemented*, it will provide improvements to Mataram City government agencies to be more optimal.

In this discussion, the author also wants to analyze that stakeholders can support performance so as to help regional asset management be effective. Managing the development of *the Balanced Scorecard* in the asset field of the Mataram City Regional Finance Agency is not an easy thing, but it is also not impossible to implement. Therefore, it is necessary to form a team or group specifically to discuss who will participate and when the implementation of *the Balanced Scorecard* will begin. The decision on who will be included in the team or group from the implementation of *the Balanced Scorecard* is very important in the successful implementation of *the Balanced Scorecard*.

After identifying the findings in the field with the above stages, the integrated performance system with *Balanced Scorecard* has become an important part of the management of the Asset Division of the Mataram City Regional Financial Agency. Thus, the Asset Field has successfully adopted and implemented *the Balanced Scorecard*. Here is Figure 1 of the integrated *Balanced Scorecard* scheme.

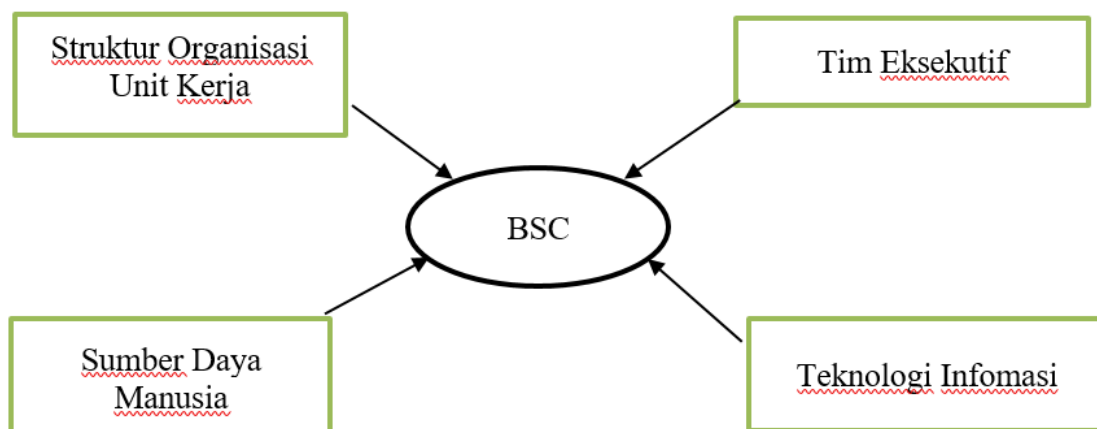


Figure 1 *Balanced Scorecard Integrated Management System*

One of the main goals of implementing the *Balanced Scorecard* is to create good and conducive participation and communication regarding the vision and strategic goals of an organization. If the concept is applied improperly, then people in the organization may have a wrong perception related to the concept of the *Balanced Scorecard*. The *Balanced Scorecard* is a controller for themselves, not for the organization that is trying to make progress to achieve the goals that have been set. Therefore, all those in the organization must participate in the actual management of the development of the *Balanced Scorecard*. Where the processing can be started from the vision and mission of the organization. Through this system, a consensus will be produced on how each person can realize the achievement of their strategic goals.

And also the *Balanced Scorecard* is an effective means to communicate the strategic perception that exists in the Asset Division of the Mataram City Regional Financial Agency which in its role as a Unit/Work Unit in charge of regional asset management. All related parties such as the Community, DPRD, Work Units/Units, Regional Executive Leaders (Mayors) and Employees in the Asset Sector will find it easier to understand the strategic plan to be achieved. So that stakeholders must be accommodated with each other in order to make supporting asset management performance more professional and effective.

In this study, it is also explained related to Hierarchical Analysis where previously it has been explained that the analysis method is used to support the concept of the *Balanced Scorecard theory*, namely at the stage of making the right decision in accordance with the data that has been obtained in the field by various methods of data collection.

The stages obtained in the Hierarchy Analysis in this study to optimize the benefits of regional assets are explained in several factors as follows:

Social Factors: Related to the positive impact that the community will get from regional asset management cooperation activities. The impact will be felt directly by the local community and by the region directly. The impact that can be felt if decision-making is carried out as analyzed above is:

1. New Job Opportunities: namely with the opening of new business fields for the surrounding community in the use of regional assets by the private sector.
2. Environmental Development: namely the construction of facilities and facilities that can be used and felt by the community with the management of regional assets.

Economic factors: It is an economic benefit that the government will obtain from cooperation in the utilization of regional assets. The economic benefits that will be obtained can be received by local governments, and can also be used to meet the needs of facilities and infrastructure in improving the regional economy. The impact that can be obtained when using the right decision-making is:

1. Optimizing local revenue. This is sourced from the cooperation between the private sector and the government outlined in a clear contract and can develop government assets.
2. Improving the regional economy: this is done if the private sector collaborates with the government in managing regional assets and invites the participation of local residents to jointly manage with the aim of prospering local residents.

From the above description, which is based on the results of data collection in the field, the results of hierarchical analysis or decision-making that prioritize the development of asset management to be optimal with a regional asset management cooperation policy

system with the aim of having a positive impact on regional development, making a real contribution to regional income, and hoping for community welfare.

Conclusion

This research reveals that the regional asset management system of the Mataram City Government has not been able to meet the needs of information and regional asset management in a modern way. This is exacerbated by the weak performance and work system of agencies in charge of regional asset management. To overcome this, SWOT analysis is used to identify influential factors in determining alternative strategies. The results of the analysis show that the Mataram City Government is in Quadrant I with a positive value, where based on the analysis of internal factors was found a result of 2.61 while based on the analysis of external factors it was found a result of 3.10, it can be interpreted that an organization has opportunities and strengths, so that it can optimize management to be more efficient.

The development of a *Balanced Scorecard* in the asset field of the Mataram City Regional Finance Agency is not an easy thing, but it is also not impossible to implement. Therefore, it is necessary to form a team or group specifically to discuss who will participate and when the implementation of the *Balanced Scorecard* will begin. The decision on who will be included in the team or group from the implementation of the *Balanced Scorecard* is very important in the successful implementation of *the Balanced Scorecard*. And it can support management performance to be more effective and efficient because it has been explained what aspects or factors are the points of strength to be improved, for example, knowledge renewal can be carried out comparative studies so that it becomes an evaluation to adjust strategies according to circumstances or needs. Providing recommendations if there are weaknesses after the evaluation is carried out, such as conducting training to stakeholders to support their performance in management so that they can further develop an optimally coordinated management system.

And the concept of Hierarchy Analysis to support the theory of the Balanced Scorecard is important because the analysis affects the factors found in the preparation of the Balanced Scorecard, so that the written factors can facilitate appropriate decision-making so that all forms of asset management become structured, neat, easy to implement and make good and effective asset management increase social and economic factors.

The limitation of this study is that it only researches on one regional apparatus organization, so if you want the asset management of Mataram City to be more complete in all agencies, it is necessary to conduct further research on all regional apparatus organizations in Mataram City so that the asset management of all agencies in Mataram City becomes structured and monitored in terms of their strengths and weaknesses.

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