

The Balanced Scorecard Concept as a Measurement of Sharia Cooperative Performance Through SWOT Analysis

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Abstract. A cooperative is a group of people who joined freely to meet their common economic, social, and cultural needs and aspirations through a business that is jointly owned and democratically managed. Meanwhile, sharia cooperatives are cooperatives that carry out their activities in a halal and good manner and integrate Islamic economic principles, such as the prohibition of usury, *gharar*, no speculation, and encouraging social awareness in every activity. This research is a qualitative research with a descriptive analysis method with a multi-case study on mosque-based sharia cooperatives in Bandung City, Indonesia. Mosque-based sharia cooperatives are sharia cooperatives established by mosque administrators with the aim of improving the welfare of mosque congregations in particular and the community around the mosque in general, also as an effort to reduce the community's dependence on loan sharks, save the community's faith from the dangers of usury, increase Islamic brotherhood through empowering the community's economy, increase the welfare of members and help develop micro, small and medium enterprises (MSMEs), and can alleviate poverty, but in reality, sharia cooperatives are not developing, the level of profitability is low and tends to continue to decline, the number of members does not increase and even tends to decline, the potential for prospective members is low and tends not to be interested in becoming cooperative members. Loan sharks are rampant and the poverty rate tends to decline. The results of this study indicate that performance measurement in existing Islamic cooperatives is only measured from a financial perspective and not from a non-financial perspective. The solution is that mosque-based sharia cooperatives must implement the Balance Scorecard (BSC) concept to measure the performance of sharia cooperatives in more detail, both from the financial and non-financial sides

Keywords. Balance ScoreCard, SWOT Analysis, Performance, Sharia Cooperatives.

I. INTRODUCTION

1.1 Background

Cooperatives are a people's economic movement based on families from members to members and consisting of individuals or legal entities (UUD RI, 1992). A cooperative is a group of people who joined freely to use a jointly owned, democratically run enterprise to fulfill their shared economic, social, and cultural needs and goals (International Cooperative Alliance, 2024). Sharia cooperatives are cooperatives that carry out their activities in a halal and good manner, are useful, profitable and do not contain elements of *maysir*, *gharar* and *riba* (Ikram et al., 2024). In addition, sharia cooperatives are based on mutual assistance. (*ta'awun*), justice (*'adil*) and implement *amar ma'ruf nahi mungkar* with the aim of realizing equality and fair distribution of income so as to achieve overall prosperity, both worldly prosperity and the hereafter, or in other words, to obtain *falah*. Mosque-based sharia

cooperatives are sharia cooperatives established by mosque administrators with the aim of improving the welfare of mosque congregations in particular and the community around the mosque in general, also as an effort to reduce the community's dependence on loan sharks, to save the community's faith from the dangers of usury, improving ukhuwah islamiyah (Islamic brotherhood) through empowering the people's economy, improve member welfare and help develop micro, small and medium enterprises (MSMEs) (Adriani, 2019). and this mosque-based sharia cooperative was initiated in 2007 by the Indonesian Ulema Council (MUI) of Bandung City.

The characteristics of cooperatives are that they can directly reach the poor and poorest groups, the number of which is quite large, namely 11.79% as of March 2024.(BPS, 2024), For this reason, cooperatives play a very strategic role as the mainstay of the nation's economy in achieving the ideal of improving social welfare for all Indonesian people.

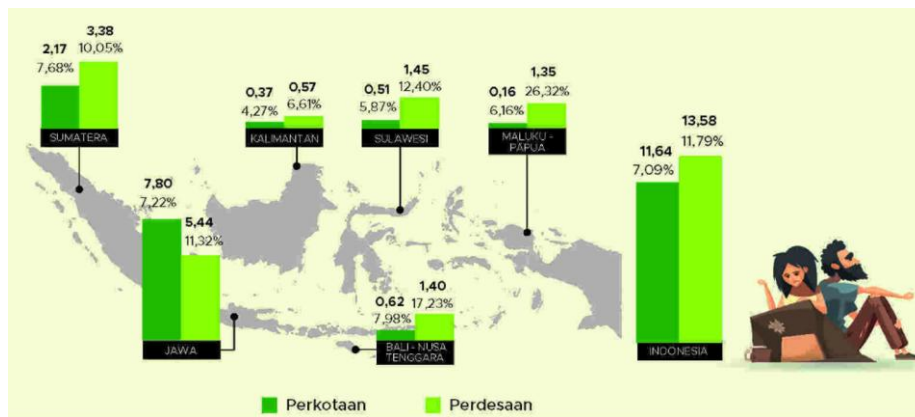


Figure 1.1 Number and Percentage of Poor Population by Island, March 2024

Currently, mosque-based sharia cooperatives continue to grow and emerge, in 2012 there were 229 cooperatives recorded(Tribun Jabar, 2012). and sharia cooperatives are Microfinance Financial Institutions (MFI), according to the Financial Services Authority report, MFI is growing faster than other institutions, the number of sharia MFI has increased rapidly from only 13 MFI in 2016 to 80 MFI in 2023.

Table 1.1 Statistics of Islamic Microfinance Financial Institutions in Indonesia

Indikator Utama	2016	2017	2018	2019	2020	2021	2022	2023
QTY MFI (entity)	13	29	60	75	80	82	81	80
Financial Data (billion Rupiah)								
Total Asset	82.96	113.80	278.24	467.90	499.70	567.20	600.43	623.48
Total Outstanding Disbursement	43.79	65.20	112.83	169.03	192.78	223.32	248.72	277.36
Total Savings	18.18	24.08	31.65	52.69	54.34	66.23	72.47	81.01
Total Temporary Syirkah Funds	49.30	63.44	116.32	146.45	160.51	186.17	206.67	215.28
Financial Ratio Data (%)								
Solvability Ratio	113.23	123.92	179.69	220.52	222.30	206.37	193.02	186.71
Liquidity Ratio	58.22	59.36	127.15	171.15	201.49	192.23	152.99	142.56
MSMD Ratio	143.91	133.58	88.91	84.04	102.77	103.70	102.79	97.64
NPL	-	-	-	12.80	26.38	22.67	14.51	25.88
BOPO	73.59	70.94	75.59	81.04	91.17	92.24	86.40	82.70
ROA	1.39	1.92	0.49	0.63	0.21	0.05	-0.14	0.26

The objective of forming cooperatives is to improve the well-being of members as well as society as a whole, and to contribute to the growth of the national economy in order to build a society that is advanced, just and prosperous. Prosperous members or prosperous society are the benchmark for cooperative performance. For Cooperative Managers, Cooperative performance plays an important role in developing, implementing and monitoring strategic plans in the future to achieve organizational progress and growth (Ainun Nikmah & Mustika Dewi, 2021).

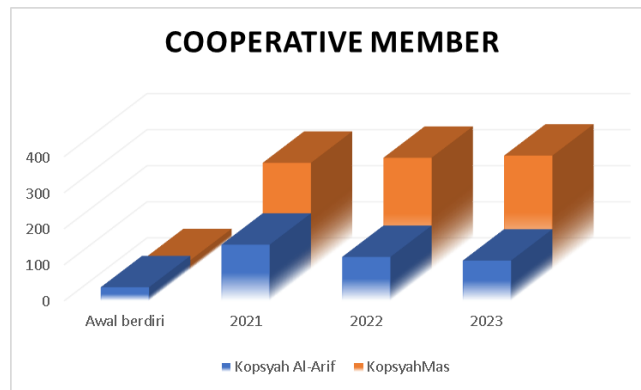


Figure 1.2 Development of the Number of Members of Mosque-based Sharia Cooperatives

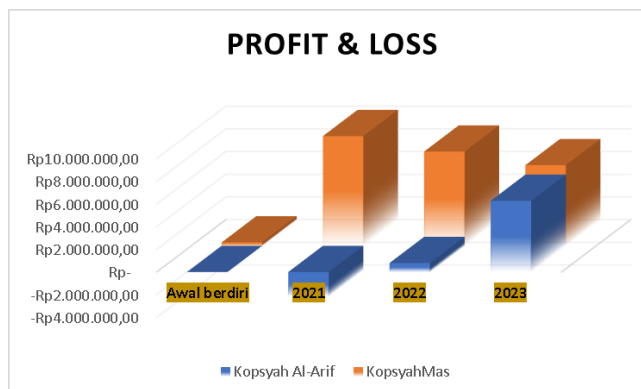


Figure 1.3 Development of Profit and Loss of Mosque-Based Sharia Cooperatives

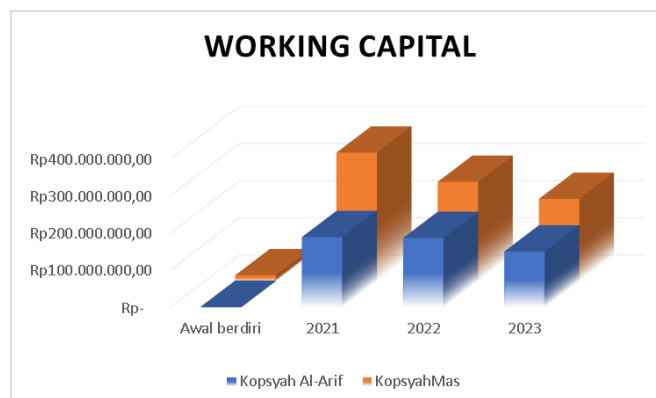


Figure 1.4 Development of Working Capital for Mosque-based Sharia Cooperatives

Source: Financial performance of Kopsyah Al-Arif and KopsyahMas data processed

Currently, the Islamic cooperatives studied in measuring cooperative performance are only measured from the financial side. Islamic cooperatives have not been able to measure the satisfaction of their members, have not been able to see the development of their business processes and have not been able to measure the level of capability of their human resources. Based on figures 2 and 3, the number of cooperative members tends not to increase and even continues to decline, then the same thing applies to the development of profit and loss, even though performance measurement is used as feedback as a means of information on organizational performance (Sinaga et al., 2020). Performance measurement is also carried out with the aim of suppressing undesirable behavior through feedback on work results, as well as a basis for providing awards to people who have achieved or exceeded the goals that have been set (Hartati et al., 2022). Balanced Scorecard (BSC) is a tool that is able to measure organizational performance from a financial and non-financial perspective and is used to boost the organization's ability to improve performance, because it can help managers to measure and evaluate operational performance in the company (Ainun Nikmah & Mustika Dewi, 2021).

The balanced scorecard is a new framework for integrating various measures derived from a company's strategy; It demonstrates the harmony between leading and lagging indicators, financial and non-financial metrics, and internal and external performance viewpoints. In addition to past financial performance measures, the balanced scorecard also introduces drivers of future financial performance that include customer perspectives, internal business processes, and learning and growth, derived from the process of explicitly and rigorously translating the company's strategy into tangible objectives and measures (Atkinson, 2007)..

Because the success of cooperatives in achieving their goals can be measured by increasing the welfare of their members, the balanced scorecard is a suitable performance tool for measuring cooperative performance. This method is very comprehensive in assessing cooperative performance so that it can describe in full and in detail how the cooperative is performing and make it easier for the cooperative to see its weaknesses and strengths (Ainun Nikmah & Mustika Dewi, 2021).

This research was conducted to formulate the concept of a balanced scorecard through a SWOT analysis to measure cooperative performance not only from a financial perspective but also from four perspectives, namely finance, customers, business processes, growth and learning, with a multi-case study on mosque-based sharia cooperatives in Bandung City, West Java Province-Indonesia.

II. LITERATURE REVIEW

2.1 Definition of Sharia Cooperatives

A cooperative is a group of people who joined freely to meet their common economic, social, and cultural needs and aspirations through a business that is jointly owned and democratically managed (International Cooperative Alliance, 2024), Sharia cooperatives are cooperatives that carry out their activities in a halal and good manner, are useful, profitable and do not contain elements of maysir, gharar and riba (Ikram et al., 2024), Sharia cooperatives integrate Islamic economic principles, such as the prohibition of riba, gharar, and speculation, and encourage social awareness in all their activities (Firmansyah et al., 2024).

2.2 Definition of Performance

Performance describes the level of achievement of task implementation in an organization in an effort to realize its goals, objectives, mission, and vision (Bastian, 2001). Organizational performance is a benchmark for the success of an organization. Effective, efficient, relevant, economic and financial performance of an organization is influenced by the environment, organizational motivation, organizational capacity, organizational performance can be seen as how well the organization fulfills its mandate, carries out its mission, aims and objectives stated by the organization (Lusthaus, 2002., p. 10). organizational performance as the ability of an organization to achieve its goals and objectives (Wade & Recardo, 2016). Organizational performance has become the most important issue for every organization, be it profit or non-profit organization. Although in reality, the concept of performance is a controversial issue among organizational researchers (Barney, 1991). Performance is the

implementation of a job and the improvement of that job in accordance with one's responsibilities so that the results can be achieved as expected. This definition shows that performance is more emphasized on the process, where during the implementation improvements are made so that the achievement of work results or performance can be optimized (Sinambela & Sinambela, 2012). Because of the authority and responsibility of a job in a company or organization, performance is the level or actual results of an individual that are monitored on a regular basis in terms of quality and quantity based on previously established targets, standards, and criteria. (Sinaga et al., 2020).

Performance indicators are measurements, both quantitative and qualitative, that show how well predefined goals and objectives are being met, taking into account Input, Output, Outcome, Benefit and Impacts indicators (Bastian, 2001, p. 267).

2.3 Balanced Scorecard Concept

The balanced scorecard is a development of scorecards from four different angles: financial, customer, internal, and innovation, and learning. It shows how to balance short-term and long-term goals, financial and non-financial measures, lagging and leading indicators, and external and internal performance perspectives (S. Kaplan & P. Norton, 2000). In order to achieve future development and profitability, businesses can use the Balanced Scorecard to evaluate financial accomplishments while also keeping an eye on non-financial metrics that show how they are improving their customer, process, staff, and system capabilities (Atkinson, 2007).

The BSC methodology is a technical analysis designed to translate a company's mission statement and business strategy into specific and measurable goals, and to monitor the company's performance in achieving its goals (Paul L, 2007).

Many of the fundamental presumptions of industrial age competitiveness have become outdated since the emergence of the information age in the final decades of the 20th century. Companies can no longer generate sustainable competitive advantage simply by rapidly implementing new technologies into physical assets or simply by implementing good financial asset and liability management. To achieve competitive success, the information age environment requires new capabilities that must be possessed by both manufacturing and service companies.

A company's ability to mobilize and exploit its intangible assets becomes much more decisive than investing in managing tangible physical assets (S. Kaplan & P. Norton, 2000). Balanced Scorecard (BSC) is a tool used to measure performance comprehensively, reflecting measurements that are very important for the success of a company's strategy and also provides a means for measuring performance with the company's strategy (Blocher et al., 2012). The application of the balanced scorecard in measuring company performance is expected to ensure that company performance can be measured as a whole and in a balanced manner, and that financial performance can be improved (Herawati et al., 2018).

In the balanced scorecard, a company performance measurement system is introduced using certain criteria. In reality, the criteria in question describe the company's long-term goals and strategy, which are divided into four distinct viewpoints, namely:

a) Financial Perspective

Among the several perspectives, the financial perspective is thought to be the most crucial, particularly when it comes to plan implementation and organizational performance evaluation (Al-Hosaini & Sofian, 2015). Financial perspective is how we orientate ourselves towards shareholders. According to Kaplan, The first step in a company's financial measuring process is to determine whether the industry it owns exists. Kaplan divides industrial development into three phases: harvest, sustain, and grow. Various approaches will be required as we move through various phases of industrial development. Three strategies that a company carries out include: 1) revenue growth and a combination of revenues owned by a business organization, 2) Cutting expenses and raising output, 3) optimal use of assets and investment strategies.

b) Customer Perspective

In this customer perspective, it identifies the condition of their customers and the market segment that the company has chosen to compete with their competitors. The customer perspective enables companies to align key measures of customer satisfaction, loyalty, retention, acquisition, and profitability with their target market segments (Djo & Dharmadiaksa, 2019). Measurements were carried out using five main aspects (S. Kaplan & P. Norton, 2000) namely:

- 1) The magnitude of a company's market share, or market share measurement, indicates the percentage of business in a specific industry and can be stated in terms of money, customers, or volume units sold for each unit of product supplied..
- 2) Customer retention, which is a measurement of customer loyalty or how a company can retain customers through the percentage of business with existing customers (Kaplan & Norton, 2000, p. 61)
- 3) Customer acquisition, measurement can be done through the percentage of the number of new consumers added and a comparison of total sales with the number of existing new consumers.
- 4) Customer satisfaction: a number of methods, including as postal surveys, phone interviews, or in-person interviews, can be used to gauge the degree of customer satisfaction..
- 5) Customer Profitability: The Activity Based-Costing (ABC) technique can be used to measure customer profitability..

c) Internal Business Process Perspective

In this perspective, Which company procedures are most effective for achieving both short-term and long-term financial objectives and customer satisfaction? This process allows companies to find and retain customers in targeted markets (Hery, 2017). This can be achieved by measuring every activity taken by the business, including managers and staff, in order to produce a product that will satisfy customers and shareholders. In this instance, the business prioritizes three key processes: the innovation, operation, and after-sales operations.

d) Growth and Learning Perspective

We may continuously enhance and add value by adopting a growth and learning attitude, particularly when it comes to staff motivation and competencies. Maintaining employee attention, keeping an eye on their welfare, and raising employee knowledge are all crucial for an organization because doing so will enable them to contribute to the accomplishment of the objectives of the business and the outcomes of the three aforementioned perspectives.

2.4 SWOT Analysis

This SWOT analysis is a method used to evaluate strengths, weaknesses, opportunities and threats in a business speculation (Fatimah, 2016). SWOT analysis is the systematic identification of various factors to formulate a company strategy (Rangkuti, 1998). Then, the SWOT analysis is related to the formulation of strategies that are adjusted to the company's vision and mission (Ramadhani & Trisyulianti, 2017).

To maintain the competitive position of the organization as a key factor for stockholder wealth preservation, it is recommended that the organization conduct a competitive analysis, where SWOT is an important part of reviewing competitors (Kukuh et al., 2021). SWOT analysis is carried out by systematically identifying various factors to formulate a company strategy based on logic that can maximize strengths and opportunities, but at the same time can minimize weaknesses and threats. The SWOT matrix produces four types of strategies (Syahrul Mubarrok, 2018) as follows:

- 1) Strength & Opportunity (SO) strategy uses the company's internal strengths to take advantage of external opportunities.
- 2) Weakness & Opportunity (WO) strategy aims to strengthen internal deficiencies by seizing outside chances.

- 3) Strength & Threat (ST) strategy makes use of the company's advantages to prevent or lessen the impact of outside dangers.
- 4) Weakness & Threat (WT) strategy is a defensive strategy used to lessen vulnerabilities within and prevent threats from the outside.



Figure 2.1 SWOT ANALYSIS, Source : (Xhienne, 2007)

2.5 Key Performance Indicator (KPI)

a) KPI Financial Perspective

Key Performance Indicator (KPI) is a measure from a financial perspective, namely return on assets (ROA), Operating expenses to operating income (BOPO) and capital capability ratio. ROA is used to measure how efficiently a company uses its assets to generate profits. The higher the profit generated, the higher the ROA. This means that the company is increasingly effective in using assets to generate profits (Raharjo, 2014), with the formula:

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}}$$

Furthermore, BOPO is used to measure how efficient the cooperative's performance is in managing member funds and managing costs. The smaller the BOPO, the more efficiently the organization carries out its business activities (Raharjo, 2014). With the formula:

$$BOPO = \frac{\text{Operational Expenses}}{\text{Operating Income}}$$

To finance its business, cooperatives have two main sources, namely their own capital and external capital. If the capital capability value is more than one, it means the level of independence is quite high. On the other hand, if the capital capacity is less than one, it means that the cooperative is still dominated by external capital sources in financing its business activities, with the formula:

$$\text{capital capacity} = \frac{\text{Total Own Capital}}{\text{Total external Capital}}$$

b) KPI Member Perspective

Customer Acquisition is a benchmark for identifying customer conditions and market segments in order to compete with competitors, so that it can increase the number of members, member satisfaction and member loyalty, and can attract potential members, with the formula:

$$\text{Customer Acquisition} = \frac{\text{New Customer}}{\text{Total Customer}} \times 100\%$$

Furthermore, Customer Satisfaction is the level of member satisfaction by conducting interviews, distributing questionnaires, and other indicators from a customer perspective, namely Customer Retention to measure member loyalty, with the formula:

$$\text{Customer Retention} = \frac{\text{Total Final Members}}{\text{Total Beginner members}} \times 100\%$$

c) **KPI Internal Business Process Perspective**

KPI in internal business processes, cooperatives can measure the level of growth of innovation and after-sales service in creating good internal business processes, both in the short and long term, with the formula:

$$\text{innovation growth rate} = \frac{\text{Quantity of New Product}}{\text{total Product}} \times 100\%$$

Meanwhile, the after-sales service ratio to accommodate complaints from members and prospective members, with the formula:

$$\text{after sales service} = \frac{\text{number of complaints handled}}{\text{total complaints}} \times 100\%$$

d) **KPI Growth and Learning Perspective**

KPI in the growth and learning perspective are employee and cooperative manager productivity, employee education and training programs, member participation, formulas for measuring employee and manager productivity levels:

$$\text{employee productivity} = \frac{\text{value of business volume}}{\text{total employees and managers}}$$

And the formula for measuring the level of employee education and training:

$$\text{Employee Education and Training Program} = \frac{\text{Number of Training employees}}{\text{Total employees}}$$

The participation of cooperative members is reviewed from their role as cooperative owners. The role of cooperative members as owners can be seen from their participation in organizing annual member meetings, which can be reflected from two variables, namely the level of member attendance at MAT and the level of activeness in providing input during the MAT (Soemitro, 2022), with the formula:

$$\text{Attendance rate in MAT} = \frac{\text{Number of members attending MAT}}{\text{Total Members}}$$

III. RESEARCH METHODS

This research is a qualitative research with a descriptive analysis method with a multi-case study (Yin, 2012) on mosque-based sharia cooperatives in Bandung City, Indonesia, Namely The Sharia Cooperative of the Al-Arif Mosque Study Council (Kopsyah Al-Arif) and the Hayatus Sunnah Sharia Cooperative of the Mungsolkanas Grand Mosque (KopsyahMas), In this study, the aim is to describe

and analyze in depth the measurement of the performance of Islamic cooperatives. The author tries to record all the symptoms or events that occur in the field to then describe them as they are to answer all the questions in the research. The data used is qualitative data sourced from primary data obtained from direct observation and interviews and sourced from secondary data in the form of data that complements primary data, including: Law on Cooperatives, Books related to BalanceScoreCard (BSC), Performance Measurement, Journals on Sharia Cooperatives, online media that discusses performance measurement. The focus of the research is to collect empirical evidence that can be evaluated and used as a reference for managers or administrators of Islamic cooperatives by analyzing and assessing financial performance with the BSC concept through SWOT analysis.

IV. RESULTS AND DISCUSSION

4.1 Brief profile of research location

a) Kopsyah Al-Arif Profile

On March 6, 2007, DKM Al-Arif sent 2 administrators to attend the Sharia Cooperative Training initiated by the Indonesian Ulema Council (MUI) of Bandung City. As a follow-up to the training, the Al-Arif Mosque Sharia Cooperative was established with the vision : “Become a Driver of Economic Empowerment of the Ummah” and Motto: “Helping to be helped”, on March 10, 2007 through a formation meeting attended by 37 prospective members, located at Al-Arif Mosque Gg. Crow 2 No. 249 / 144c Ex. Sukaluyu District. Cibeunying, Kaler, Bandung City. In the meeting to establish the cooperative, it was agreed: Basic Savings : Rp. 50.000, Mandatory Deposits : Rp. 5.000,- Composition of Management and Supervisors: Murdiyatno (chairman), Rian Kurniawan, SE. (secretary I), Sulastri (secretary II), H. Nurwidadi (treasurer I), Een Suhaeni (treasurer II). Supervisor: Kafi (Chairman of Supervisory Board), H. Handiman (member 1 of Supervisory Board), Drs. Andi Hermawan (member 2 of Supervisory Board).

b) KopsyahMas Profile

Hayatus Sunnah Islamic Cooperative of Mungsolkanas Mosque, Established on February 1, 2008, with the initial number of founding members being 20 members, The aim of establishing this cooperative is to provide solutions for the congregation or local residents who are affected by mobile bank loans or so-called loan sharks, This establishment was inspired by the activities of the MUI of Bandung City. In the meeting to establish the cooperative, it was agreed, Hj. Dede Mulyaningsih (chairman), Imas Ernaningsih (Secretary), Elin Karlina (treasurer) dan supervisor: Drs. Djuandi, SE. (Chairman of Supervisory Board), Amas Masri, SE.(member 1 of Supervisory Board), H. Sugiarto (member 2 of Supervisory Board). it was agreed: Basic Savings: Rp. 50.000,00 Mandatory Deposits: Rp. 5.000,00.

4.2 Balance Scorecard Concepts

The performance measurement of mosque-based sharia cooperatives currently still uses financial ratio analysis. The measurement results using financial ratio analysis are as follows:

Table 4.1 Cooperative Financial Ratios

Kopsyah	RATIO	RESULT %			AVERAGE	STANDARD (%)
		2021	2022	2023		
Al-Arif	Liquidity	138,82	175,88	195,63	170,11	150-200
	Return On Asset	-0,30	0,18	1,85	0,57	> 7
	BOPO	112,77	94,73	69,72	92,41	<80
KopsyahMas	Liquidity	218,67	190,00	192,55	200,41	150-200
	Return On Asset	2,67	2,94	2,96	2,86	> 7
	BOPO	68,80	72,26	70,25	70,25	<80

Source: Accountability Report Book of Sharia Cooperatives that has been processed

Based on table 2, it shows that the performance of the Al-Arif sharia cooperative based on the level of liquidity has an average ratio of 170.11% and the Hayatus Sunnah sharia cooperative based on the level of liquidity has an average ratio of 186.53%. This means that every Rp. 1.00 of current debt owned by the Al-Arif Cooperative is guaranteed by current assets of 1,701. The same thing at KopsyaMas, every Rp. 1.00 of current debt is guaranteed by current assets of Rp. 2,041, The higher the liquidity ratio value, the better the ability of Islamic cooperatives to pay their short-term debts. From these data, the financial management of Islamic cooperatives can be said to be more efficient, and when cooperative members make loans or withdraw funds, they can do so optimally and maximally, but if we look at the development of the number of cooperative members, it is not growing and tends to decrease every year.

Then the measurement of the performance of sharia cooperatives based on the profitability ratio, the Al-Arif sharia cooperative has an average ratio of 0.57% and the Hayatus Sunnah sharia cooperative has an average ratio of 2.86%, in the Technical Instructions of the Deputy for Cooperatives Number 15 of 2021, as follows:

Table 4.2 Standard ROA Values

Ratio (%)	Value	Kategori
$X \geq 7$	1	Healthy
$5 \leq X < 7$	2	Healthy Enough
$3 \leq X < 5$	3	Less Healthy
< 3	4	Unhealthy

Source: Technical Instructions of the Deputy for Cooperatives Number 15 of 2021

Based on these data, the profits generated by sharia cooperatives are far from expectations, meaning that sharia cooperatives can be said to be less than optimal in generating profits.

Meanwhile, the BOPO value generated by sharia cooperatives can be said to be partly healthy and partly less healthy, meaning that sharia cooperatives need to manage their operational costs optimally so that the profits expected by members can be achieved.

Table 4.3 Standard BOPO Values

Ratio (%)	Value	Kategori
$0 < X < 80$	1	Healthy
$80 \leq X < 90$	2	Healthy Enough
$90 \leq X < 100$	3	Less Healthy
≥ 10	4	Unhealthy

Source: Technical Instructions of the Deputy for Cooperatives Number 15 of 2021

Based on the above description, Islamic cooperatives need to carry out performance measurements using a balanced scorecard with strategic targets determined in accordance with the conditions of Islamic cooperatives, which are then analyzed using a SWOT analysis and then adjusted to the cooperative's work program and refer to the cooperative's mission to strengthen the cooperative's institutions, business and finances.

S.W.O.T analysis is used to see the internal and external conditions of sharia cooperatives. The results of this analysis are used to determine a good strategy in analyzing the S.W.O.T matrix. And KPI is a performance measure that can be measured and is able to represent the objective strategy to be achieved

(Vanany, 2004). Ultimately, Islamic cooperatives can measure performance from the financial and non-financial sides in the four BSC perspectives.

Table 4.1 SWOT Analysis of Sharia Cooperatives

	Helpful to achieving the objective	Harmful to achieving the objective
Internal origin (attributes of the organization)	1) The cooperative has a legal entity 2) The cooperative has a business license 3) Has a cooperative member education activity team 4) Every year holds the Year-End Meeting (MAT) on time 5) Some have Standard Operating Procedures (SOP) 6) Receives government support 7) High liquidity level 8) Has good cooperation 9) Receives great trust from its members	1) Having a fairly high idle fund 2) The remaining operating results (SHU) fluctuate 3) There are still sharia cooperatives that do not have SOPs 4) Do not have a strategic plan 5) Product innovation is not developing 6) There are still many members who do not understand cooperatives with sharia principles 7) There are still few members interested in joining as members of sharia cooperatives 8) There is no special marketing division 9) There is no customer satisfaction survey 10) Human Resources (HR) who understand sharia principles are still lacking
	Strengths	Weaknesses
External origin (attributes of the environment)	1) Computer technology continues to develop rapidly 2) Media platforms for disseminating information on sharia cooperative profiles to recruit new members have many choices 3) There are quite a lot of free seminars or webinars related to education and training, both organized by the Cooperative Service and the Ministry of Cooperatives and universities.	1) Uncertain Economic Conditions 2) The rise of loan sharks or online loans
	Opportunities	Threats

Based on table 5, Islamic cooperatives need to implement a weakness and threat strategy with the aim of minimizing existing weaknesses and avoiding threats. This strategy must be accompanied by a cooperative program to map performance measurements based on four balanced scorecard perspectives, which include:

1) SWOT Analysis in Financial Perspective

Strategic targets from a financial perspective for Islamic cooperatives include increasing income, operational cost efficiency, and increasing capital. Increasing income is the target of the strategy considering that the cooperative's SHU from 2021-2023 has increased and decreased every year, even tending to decrease and seen from the average return on assets it is still below the standard.

The goal of the cooperative is to improve the welfare of its members, members hope that their

income will continue to increase both from basic savings services and from mandatory savings services, therefore the strategic target is that operational costs (BOPO) must be low or less than 80% in order to obtain maximum profit, the cooperative must also diversify several investment instruments as an effort to increase the cooperative's remaining business results (SHU).

2) SWOT Analysis from Member Perspective

From the member perspective, there are three strategic targets, namely increasing the number of members, increasing member satisfaction, and increasing member loyalty. Because members of Islamic cooperatives are both owners and customers. Based on the data on the number of members of the Islamic cooperatives studied, the number of members did not grow and even tended to decrease. In the Al-Arif sharia cooperative, the number of members in 2021 was 155 members, in 2022 the number of members was 121 members and in 2023 the number of members was 111 members. Although the KopsyahMas sharia cooperative experienced an increase in the number of members, the increase was not significant, in 2022 the increase in the number of members was 4.75% and in 2023 it was 1.9%. Therefore, Islamic cooperatives must measure the level of service that has been provided to all members, Islamic cooperatives must measure the level of member satisfaction, and Islamic cooperatives must measure the level of member loyalty in order to have a positive impact on members and potential prospective members of Islamic cooperatives.

3) SWOT Analysis in Internal Business Process Perspective

From an internal business process perspective, the first strategic target is increasing product innovation. Product innovation is needed to help realize the increase in productive financing, and to help realize the increase in the number of members. Then, the second strategic target is service improvement, aimed at helping sharia cooperatives in measuring the level of service to members in accordance with the cooperative's mission and to improve the welfare of members and the community. Product innovation and the best service provided have an impact on customer satisfaction and member loyalty.

The data that is owned shows that product innovation is still the same from year to year, the products owned are still in Murobahah, Mudharabah, Ijarah, Qord financing. This means that sharia cooperatives are still lacking innovation in developing products. For this reason, sharia cooperatives must measure the growth rate of product innovation to see the development of the products launched. Diversification of products owned by cooperatives will help to increase the interest of potential members and can increase profitability. In addition, Islamic cooperatives must accommodate complaints felt by cooperative members which are useful for evaluating ongoing internal business processes.

4) SWOT Analysis in Growth and Learning Perspective

The strategic targets in the growth and learning perspective are employee and cooperative manager productivity, employee education and training programs, and member participation.

Employee and manager productivity, if the value is greater, means that cooperative employees and managers have worked productively to develop the cooperative, which in turn will increase the welfare of cooperative members (Soemitro, 2022). The productivity in question is the cooperative's business volume, namely the total value of sales/income of goods and services from the cooperative's business in a period. The average business volume is Rp. 3 million to Rp. 6 million per year, the business volume generated by the cooperative is still far from expectations.

Employee education and training programs are implemented when there are education and training programs organized by the cooperative service or universities that organize community service (PKM).

Furthermore, every year the participation of members attending the MAT is very good and always meets the quorum, which is above 50% +1, meaning that every MAT can be accounted for.

V. CONCLUSION AND SUGGESTIONS

5.1 Conclusion

Performance measurement in Islamic cooperatives that are running is only measured from a financial perspective, so that they cannot see the performance from the non-financial side, even though this non-financial performance is very important for developing the pace of Islamic cooperatives, by measuring performance from the non-financial side, cooperatives can measure the level of member satisfaction, cooperatives can measure the level of service provided, Islamic cooperatives can measure member loyalty, Islamic cooperatives can see the development of desired products, Islamic cooperatives can find out the level of productivity of administrators/employees/managers. Ultimately, cooperatives can compete with other institutions and can improve the welfare of members and other stakeholders.

5.2 Suggestion

The solution to overcome the problems faced by sharia cooperatives is that sharia cooperatives must measure their performance from both financial and non-financial aspects by implementing the Balanced Scorecard (BSC). The measurement of the performance of Islamic cooperatives is more detailed both in terms of finance and non-finance, so that administrators/managers can find out the increase in income, operational cost efficiency, member satisfaction levels and member loyalty are always monitored, innovation of Islamic products continues to develop, improving the welfare of members, administrators, supervisors, employees and other stakeholders, and can compete with other financial institutions, and ultimately the vision and mission of Islamic cooperatives can be fulfilled.

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