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The Application of Balanced Scorecard as a Strategic Performance Evaluation Tool in Medium-Sized Companies

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Abstract: *The Balanced Scorecard (BSC) has become increasingly adopted by medium-sized enterprises as a strategic performance evaluation tool capable of integrating financial and non-financial indicators within a unified measurement framework. This study examines the effectiveness of BSC implementation in enhancing strategic performance by identifying success factors, implementation barriers, and integration models within organizational management systems. A Systematic Literature Review (SLR) based on PRISMA guidelines was conducted, involving the identification, screening, eligibility assessment, and inclusion of 24 verified scientific publications from 2014–2024. The findings indicate that the BSC significantly contributes to improving strategic planning, budgeting, internal process efficiency, customer orientation, and organizational learning culture. The study also reveals that successful implementation is strongly driven by leadership commitment, strategic clarity, digital integration, and human resource capability, whereas major barriers include challenges in indicator formulation, limited strategic management literacy, and inconsistent evaluation cycles. The study concludes that the Balanced Scorecard holds substantial potential as a strategic tool for medium enterprises, but its effectiveness depends on consistent integration across all managerial processes.*

Keywords : *Balanced Scorecard, management system, medium enterprises, strategic performance, performance evaluation.*

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INTRODUCTION

Medium-sized companies play an important role in the economies of various countries, including Indonesia, due to their contribution to employment, innovation, and industrial growth. However, medium-sized companies face increasingly complex strategic challenges due to digitalization, global competition, capital constraints, and rapid changes in the business environment. In this context, the need for a performance evaluation system that focuses not only on financial aspects but also on non-financial aspects is becoming increasingly urgent. The Balanced Scorecard (BSC), introduced by Kaplan and Norton in the 1990s, has evolved into one of the most widely used strategic management tools for comprehensively measuring performance through four perspectives: financial, customer, internal business processes, and learning and growth. Oliveira et al., (2021) emphasize that the BSC provides a framework that enables organizations to translate strategy into measurable indicators, making it easier for management to evaluate whether the organization is moving in the right strategic direction. In the last decade, the use of the BSC has increased significantly in various sectors in response to the need for a more integrated evaluation system.

Globally, more than 65% of medium-sized companies in Asia and Europe have implemented the Balanced Scorecard as a tool to align organizational strategy and performance (Le & Nguyen, 2024). Many companies choose the BSC because of its ability to combine traditional financial measures with relevant non-financial indicators, such as customer satisfaction, internal process quality, and human resource capabilities. In a study Loan et al., (2023), it was found that companies that implement BSC experience an increase in operational efficiency and strategic direction clarity of up to 22% compared to companies without a formal strategic evaluation system. BSC is considered a tool that can create a balance between short-term and long-term goals,

making it more suitable for medium-sized companies that are often under pressure to maintain competitiveness while adapting to changes in the business environment.

In Indonesia, the implementation of BSC has also increased in line with the push for management transformation, business digitalization, and strengthening corporate governance. According to a report by the Ministry of Cooperatives and SMEs (2023), more than 38% of medium-sized companies have started to adopt a performance measurement system based on strategic indicators, including the Balanced Scorecard, especially in the manufacturing, services, and logistics sectors. The integration of non-financial indicators has become increasingly important as medium-sized companies face challenges in maintaining the quality of internal processes, improving customer service, and developing human resource capacity to compete in a rapidly changing market. Research by Irawan et al (2023) found that Indonesian medium-sized companies that implemented BSC experienced an increase in internal process effectiveness and innovation capabilities of up to 19% in the first two years of implementation.

This data shows that the BSC is not only an evaluation tool but also a strategic planning model that has a direct impact on competitiveness. However, the implementation of the Balanced Scorecard in medium-sized companies does not always run smoothly. The main challenge lies in management's ability to translate strategy into measurable and relevant performance indicators.

Medium-sized companies with simpler management structures often find it difficult to set appropriate non-financial indicators or integrate all perspectives consistently (Jahanbakhsh et al., (2023)). In addition, limited human resources in understanding strategic management concepts cause the implementation of BSC to be partial or inconsistent. This is reflected in the research by Gomes & Romão (2025), which found that medium-sized companies often fail to link key

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BSC indicators to broader strategic objectives, so that performance evaluations do not provide comprehensive information for decision making.

In the context of increasingly fierce global competition, the Balanced Scorecard is becoming an increasingly relevant tool for improving organizational adaptability. The learning and growth perspective, for example, plays an important role in building a culture of innovation and human resource competency development. The internal process perspective enables medium-sized companies to identify opportunities for efficiency improvements through digitization and automation. Research by Ha et al., (2022) shows that companies that optimize these two perspectives can increase their strategic resilience and adaptability to market changes. Thus, the Balanced Scorecard functions not only as a performance evaluation tool, but also as an organizational learning mechanism that supports managerial transformation.

Internationally, numerous studies show that medium-sized companies that implement the Balanced Scorecard have a higher chance of surviving and thriving in situations of market uncertainty. Bouamama et al., (2021) found that BSC improves the accuracy of strategic decision-making by 30% in medium-sized companies in the United Arab Emirates because this system encourages organizations to view performance from many dimensions. This is very important in the context of economic globalization where changes in customer behavior, digitization of business processes, and market volatility often require companies to respond quickly and efficiently. BSC provides a systematic foundation for monitoring various indicators simultaneously so that managerial decisions become more timely and data-driven.

Although the Balanced Scorecard has various advantages, previous studies have revealed several research gaps related to its application in medium-sized companies. First, the study “Assessing the Effectiveness of Balanced Scorecard Implementation in

Medium Enterprises” by Jahanbakhsh et al., (2023) only focuses on the effectiveness of implementing financial and non-financial indicators, but does not examine how organizational cultural readiness affects the success of BSC. Second, the study “. Balanced Scorecard Promotes the Strategic Alignment” by Gomes & Romão (2025) emphasizes the importance of strategic alignment but does not discuss the technical difficulties medium-sized companies face in developing complex internal process indicators. Third, the study “Balanced Scorecard and Organizational Learning in Competitive Markets” Loan et al., (2023) found that BSC improves organizational learning, but has not thoroughly examined how medium-sized companies integrate digital technology into the BSC perspective. These three gaps indicate the need for more holistic research on BSC implementation that focuses not only on performance indicators but also on organizational readiness, management structure, and digitization support.

The novelty of this research lies in its approach, which integrates the implementation of the Balanced Scorecard with the strategic transformation needs of medium-sized companies, including business process digitization, human resource strengthening, and operational efficiency improvement. This research not only assesses BSC as a performance evaluation tool but also as a strategic change tool relevant to medium-sized companies in facing the dynamics of the modern market. By combining findings from various recent studies through SLR, this research seeks to provide a more comprehensive understanding of how BSC can be effectively adopted by medium-sized companies, including the supporting and hindering factors.

The purpose of this study is to analyze the application of the Balanced Scorecard as a strategic performance evaluation tool in medium-sized companies, identify the factors for its success and obstacles, and formulate strategic implications that can support long-

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term organizational performance improvement. The analysis was conducted by integrating theoretical and empirical perspectives from various international and national studies to produce a comprehensive picture of the relevance of BSC as a strategic performance evaluation tool in the era of global competition.

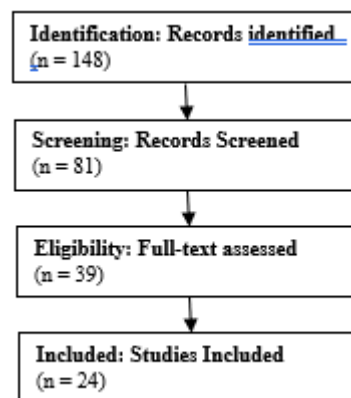
METHOD

This study uses the Systematic Literature Review (SLR) method to examine and synthesize various studies related to the application of the Balanced Scorecard (BSC) in medium-sized companies over the past decade. SLR was chosen because it provides a systematic, transparent, and structured literature review process, resulting in a comprehensive understanding of the BSC concept, the effectiveness of its implementation, as well as the challenges and success factors in the context of medium-sized companies. Snyder (2019) explains that SLR is an appropriate approach to identify patterns, trends, and research gaps from a collection of relevant scientific publications. Thus, the use of SLR enables this study to provide an integrative overview of the role of the Balanced Scorecard as a strategic performance evaluation tool.

The literature identification process was conducted in reputable scientific databases such as Scopus, ScienceDirect, Taylor & Francis, SpringerLink, and Google Scholar. The keywords used include “Balanced Scorecard,” “strategic performance management,” “medium-sized enterprises,” “organizational performance evaluation,” and “BSC implementation challenges.” The publication range was limited to 2014–2024 to ensure relevance to the latest dynamics of BSC implementation in the digital era. At this stage, articles categorized as peer-reviewed journals, scientific books, and official agency reports were included in the initial list. The screening stage was carried out by reviewing the titles, abstracts, and keywords to ensure the suitability of the themes with the research focus, followed by a full-text review to assess the quality of the methodology, contribution,

and relevance to the research objectives (Xiao & Watson, 2019).

Articles that passed the eligibility stage were analyzed using a thematic analysis approach to identify key themes such as the effectiveness of BSC, factors for successful implementation, challenges for medium-sized companies, and the relationship between BSC and organizational strategic transformation (Braun & Clarke, 2021). Each research finding was analyzed in depth to identify consistencies and differences between studies, resulting in a comprehensive synthesis of best practices and barriers to BSC implementation. In addition, the study also examined regional contexts such as Asia and Indonesia to understand how business conditions affect the application of the Balanced Scorecard in medium-sized companies.



RESULTS AND DISCUSSION

The Relevance of the Balanced Scorecard for Strengthening Strategic Performance Evaluation in Medium-Sized Companies

Medium-sized companies have different characteristics from large companies and small businesses in terms of structure, resources, and operational complexity. In the context of increasingly competitive and dynamic business competition, medium-sized companies are required to develop a performance evaluation system that not only emphasizes financial achievements but also pays attention to non-financial aspects such as process quality, customer satisfaction, innovation, and human resource capabilities. The Balanced Scorecard (BSC) is a relevant tool to address these needs because it integrates strategic objectives with measurable performance indicators in four main perspectives: financial, customer,

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internal business processes, and learning and growth. Oliveira et al., (2021) emphasize that the BSC is designed to overcome the limitations of financial-based performance measurement, which is too historical and does not reflect the factors that drive future performance.

In the context of medium-sized companies, the Balanced Scorecard provides more significant strategic benefits than it does for large organizations. This is because medium-sized companies often face structural constraints such as limited capital, a lack of innovation capabilities, and difficulties in maintaining consistent service quality. By using the BSC, medium-sized companies can map out their strategies more clearly, ensure the link between strategic objectives and performance indicators, and prioritize initiatives that have a direct impact on organizational effectiveness. Le & Nguyen (2024) in a global management survey showed that the Balanced Scorecard is among the top five most widely used management tools in medium-sized companies because of its ability to increase strategic focus and improve cross-unit coordination within the organization. In addition, the BSC provides comprehensive guidance for management to assess the condition of the organization more objectively, especially when facing increasing competitive pressures.

One of the main challenges for medium-sized companies is maintaining a balance between operational efficiency and strategic innovation. The internal process perspective in the BSC allows medium-sized companies to identify activities that add value and reduce waste, while the learning and growth perspective encourages the strengthening of human resource competencies and an innovative culture. Farooq & Hussain (2020) show that medium-sized companies that implement the Balanced Scorecard experience an 18% increase in innovation capabilities because the BSC helps map strategic priorities related to employee capability development and internal processes. Thus, the BSC is not only a reporting tool, but also a tool that encourages continuous organizational learning.

In addition, the Balanced Scorecard also plays an important role in improving management accountability through more transparent and structured performance measurement. Medium-sized companies often have a more flexible but less documented hierarchical structure, which increases the risk of inconsistency in performance appraisal. Gomes & Romão (2025) found that the implementation of BSC can reduce misalignment between company strategy and operational activities because performance indicators both financial and non-financial are clearly defined and communicated to all work units. This increases the accountability of individuals and teams in achieving the organization's strategic objectives.

From a financial perspective, the Balanced Scorecard allows medium-sized companies to monitor financial performance not only from the end results, but also from contributing factors such as operational efficiency, customer loyalty, and internal process effectiveness. Research by Bouamama et al., (2021) shows that medium-sized companies that use BSC have better cost efficiency than companies that use conventional performance measurements. The strengthening of cost efficiency occurs because the non-financial indicators contained in the BSC help identify areas that need improvement before these issues impact overall financial performance. Thus, the Balanced Scorecard helps medium-sized companies build more sustainable financial performance.

The customer perspective in the Balanced Scorecard provides a foundation for medium-sized companies to improve customer experience and strengthen their competitive position in the market. Jahanbakhsh et al., (2023) assert that medium-sized companies that use BSC tend to have a better understanding of customer needs because this system encourages management to assess service quality, response time, and customer satisfaction levels on a regular basis. An increased focus on customers helps medium-sized companies build customer loyalty, which ultimately contributes to revenue stability. In a market that is increasingly sensitive to quality

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and customer experience, this perspective is one of the key elements in maintaining business sustainability.

Business digitalization also strengthens the relevance of the Balanced Scorecard for medium-sized companies. Digital transformation enables data integration across BSC perspectives, allowing companies to access faster, more accurate, and comprehensive performance dashboards. Irawan et al (2023) report that medium-sized companies in Indonesia that utilize digital technology in BSC implementation experience increased performance evaluation effectiveness because data can be processed in real-time. This helps management identify trends, predict risks, and adjust strategies responsively to changes in the business environment. Thus, digitization accelerates the organizational learning process and improves the accuracy of strategic decision-making.

In addition to the benefits described above, the Balanced Scorecard also strengthens the allocation of resources in medium-sized companies. With clear and measurable indicators, management can identify activities that do not contribute strategically so that resource allocation can be focused on programs that have the greatest impact. Ha et al., (2022) emphasize that medium-sized companies that develop strategies based on BSC have a higher level of resource allocation effectiveness because the performance evaluation system helps assess the priority and urgency of each strategic initiative.

This makes the BSC an important tool for improving managerial efficiency and effectiveness in a business environment with limited resources. From an organizational culture perspective, the Balanced Scorecard plays a role in strengthening employee communication and engagement. Medium-sized companies often face challenges in aligning company goals with the daily activities of employees.

BSC provides a formal mechanism for systematically communicating company strategy so that all employees understand their respective roles in achieving strategic objectives. Research by Oyewo et al., (2022)

shows that the implementation of BSC increases employee engagement by up to 15% in medium-sized companies because this system provides clarity of purpose and feedback on performance achievements. Thus, BSC helps build a more focused and collaborative work culture.

Overall, the Balanced Scorecard provides a more comprehensive and relevant approach to performance evaluation for medium-sized companies compared to traditional measurement models that only emphasize financial aspects. BSC is able to integrate various aspects of the organization that influence the success of long-term strategies, including internal process quality, customer experience, innovation, organizational learning, and financial factors. The implementation of the Balanced Scorecard helps medium-sized companies improve their strategic effectiveness, decision-making accuracy, and competitiveness in a dynamic and uncertain business environment. Thus, the BSC not only functions as a performance evaluation tool but also as an important instrument in the strategic transformation of medium-sized companies.

Effectiveness of Balanced Scorecard Implementation in Improving the Strategic Performance of Medium-Sized Companies

The effectiveness of the Balanced Scorecard (BSC) as a strategic performance evaluation tool is greatly influenced by how medium-sized companies integrate the four perspectives of the BSC into their management systems. The implementation of the Balanced Scorecard is not merely a matter of compiling a set of indicators, but of determining the causal relationship between strategic objectives, initiatives, and expected results. Medium-sized companies need tools that can provide a comprehensive and operational overview of the organization's condition, given market pressures that demand flexibility and sustainable performance. Oliveira et al., (2021) emphasize that the BSC is effective because it forces organizations to review their strategies from various perspectives such as financial, customer, internal processes, and learning and growth, which together form an integrated strategic decision-making framework.

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From a financial perspective, the Balanced Scorecard helps medium-sized companies link financial indicators to operational actions that support long-term growth. Many medium-sized companies still rely on conventional indicators such as profit margins, cash flow, or sales levels without understanding the underlying factors. With BSC, financial indicators are arranged based on cause-and-effect relationships with other perspectives so that financial performance is no longer seen as the end result, but as a consequence of improved service quality, internal process efficiency, and employee innovation (Bouamama et al., 2021). This model is very effective in medium-sized companies that often struggle to balance long-term investments and short-term operational needs.

From the customer perspective, the Balanced Scorecard provides important insights into how medium-sized companies can increase customer value and competitive differentiation. Jahanbakhsh et al., (2023) show that medium-sized companies that implement BSC experience increased customer satisfaction because service indicators such as response time, product quality, and customer retention rates are monitored regularly. The customer perspective in the BSC encourages companies to not only focus on financial results, but to understand what customers really want in an increasingly competitive market. In many cases, the customer perspective is a key determinant of the sustainability of medium-sized companies because markets that are sensitive to service quality require companies to maintain high standards with limited resources.

The internal process perspective in the Balanced Scorecard serves as a key component that ensures all operational activities support the company's strategy. Inefficient processes, waste, and coordination failures are often the main causes of poor performance in medium-sized companies (Le & Nguyen, 2024). With BSC, medium-sized companies can identify weaknesses in operational processes, measure the effectiveness of each stage of the process, and set performance indicators that support the achievement of strategic objectives. Farooq &

Hussain (2020) assert that the BSC improves operational efficiency by up to 22% in medium-sized companies that integrate the internal process perspective into their performance dashboard. This shows that the BSC is not only an evaluation tool but also a continuous improvement mechanism that directs internal processes toward the organization's long-term goals.

The learning and growth perspective occupies an important position in the effectiveness of the Balanced Scorecard in medium-sized companies. This perspective helps organizations assess human resource capabilities, innovation culture, training quality, and the company's readiness to face business changes. Gomes & Romão (2025) emphasize that medium-sized companies that successfully implement BSC are companies that invest in improving employee competencies. BSC provides a clear structure for evaluating whether human resource capabilities have supported strategy implementation and whether the organization has a sufficient learning culture to deal with external changes. Without this perspective, BSC will be superficial and will not bring about significant changes in organizational performance.

To provide a visual illustration of the effectiveness of Balanced Scorecard implementation, the following table summarizes the SLR findings regarding the contribution of each perspective to improving the strategic performance of medium-sized companies. The table is presented in English in accordance with international scientific publication standards

Table 1. Contribution of Balanced Scorecard Perspectives to Strategic Performance Improvement in Medium Enterprises.

BSC Perspective	Key Focus Areas	Strategic Contribution to Medium Enterprises
Financial Perspective	Profitability, revenue growth, cost control	Strengthens long-term financial sustainability
Customer	Service	Enhances

Perspective	quality, responsiveness, customer retention	market competitiveness and customer loyalty
Internal Process Perspective	Process efficiency, quality control, value creation	Improves operational effectiveness and reduces inefficiencies
Learning and Growth Perspective	Employee skills, innovation capability, organizational learning	Supports strategic adaptation and long-term capability building

The table clarifies that each Balanced Scorecard perspective has a different but interrelated strategic contribution to improving the performance of medium-sized companies. The financial perspective emphasizes sustainable profitability, but its effectiveness is greatly influenced by the success of the customer, internal processes, and learning and growth perspectives as the main drivers of long-term performance (Oliviera et al., 2021). The customer perspective contributes to increased loyalty and competitive differentiation, which are crucial for medium-sized companies that often operate in highly competitive markets (Jahanbakhsh et al., (2023)). The internal process perspective plays a role in ensuring that operational activities run efficiently and are aligned with strategy, while the learning and growth perspective enables companies to build organizational capabilities through improving employee competencies and a culture of innovation (Gomes& Romão, 2025).

Overall, the table shows that the Balanced Scorecard is only effective when all four perspectives are consistently integrated. If one perspective is neglected, medium-sized companies risk experiencing strategic imbalance, where short-term performance may be achieved but long-term adaptive capacity becomes weak. Thus, the effectiveness of the BSC greatly depends on the company's ability to develop relevant indicators, monitor them consistently, and ensure that the cause-and-

effect relationships between perspectives are understood by all organizational units.

Integrating the Balanced Scorecard into the Strategic Management System of Medium-Sized Companies

The Balanced Scorecard (BSC) will only function optimally if it is not viewed as a mere measuring tool, but as a strategic management system that is integrated into decision-making, organizational alignment, and change management. In medium-sized companies, this integration becomes even more important because simpler organizational structures require tools that can directly link strategy with operational activities. Musov (2024) state that the Balanced Scorecard is designed to work holistically, so its implementation requires consistent integration across all managerial processes, including planning, budgeting, performance appraisal, and strategic evaluation. Thus, this subchapter discusses how the BSC is integrated into the strategic management system of medium-sized companies and how this integration impacts the resilience and competitiveness of the organization.

BSC integration begins with the strategy formulation process, in which medium-sized companies must be able to translate their vision and mission into measurable strategic objectives across four perspectives. The main challenge lies in the ability to produce realistic and executable strategies with limited resources. According to Ha et al., (2022), medium-sized companies that successfully integrate BSC have strategies that are developed through a participatory approach, where top management and operational managers discuss the development of a strategy map. The strategy map is an important element because it shows the cause-and-effect relationship between BSC perspectives, making it easier for organizations to understand how operational activities impact financial results and customer value. With a clearly mapped strategy, medium-sized companies can more easily coordinate strategic initiatives across all units.

Once the strategy has been formulated, the next step is to integrate the BSC into the planning and budgeting process. In medium-

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sized companies, this integration is often the distinguishing factor between successful and unsuccessful BSC implementation. Many companies only use the BSC as a reporting tool, without linking it to strategic budget allocation. Farooq & Hussain (2020) assert that integrating the BSC into the budgeting process increases the alignment between resources and strategic priorities by up to 28%. When BSC indicators are used as the basis for budgeting, medium-sized companies can avoid investments that have no strategic contribution, so that resources can be optimally directed towards programs that encourage learning, innovation, or internal process improvement.

The next integration relates to performance management. Medium-sized companies must develop a performance appraisal system that is not only based on financial results but also on predictive non-financial indicators such as internal process productivity, customer satisfaction levels, or employee competency levels. Gomes & Romão (2025) found that medium-sized companies that integrate BSC indicators into their performance evaluations experience increased internal accountability and alignment between work units. This occurs because performance indicators become more objective, measurable, and directly related to company strategy, thereby reducing subjectivity in evaluations and increasing employee motivation to achieve strategic goals.

In addition, the integration of the Balanced Scorecard into the change management system also plays an important role in determining long-term success. Medium-sized companies often face internal resistance because employees and managers are accustomed to working with conventional assessment systems. Oyewo et al., (2022) show that the successful implementation of BSC is greatly influenced by intensive strategic communication and continuous training that helps employees understand their role in achieving organizational goals. Integrating BSC into training and coaching programs can improve employee strategic literacy, thereby accelerating the change in

work culture towards a performance orientation.

Digitalization also strengthens the integration of BSC in medium-sized companies. Technologies such as performance dashboard applications, strategy management software, and ERP systems enable BSC indicators to be monitored in real-time, allowing management to intervene quickly when deviations occur. Irawan et al (2023) note that medium-sized companies that use a digitalized BSC system have a 35% faster monitoring capability than companies that rely on manual reporting. Digitalization not only improves data accuracy, but also facilitates the alignment of indicators across departments, improves operational coordination, and strengthens periodic evaluation discipline.

Integration at the organizational culture level is also an important part of successful BSC implementation. Medium-sized companies tend to have flexible structures with close ties between units, but often lack formal mechanisms to align organizational culture with strategy. The Balanced Scorecard can help shape a performance culture by clearly communicating strategic objectives to all employees. Bouamama et al., (2021) emphasize that the BSC contributes to strengthening a strategy-oriented organizational culture when used as a communication tool to explain company objectives, priority indicators, and the contribution of each unit to the achievement of the strategy. In this way, the BSC functions not only as an assessment tool, but also as a tool for shaping organizational behavior.

BSC integration also contributes directly to improving the strategic resilience of medium-sized companies. In a rapidly changing market situation, medium-sized companies need a system that can provide early warning signals of strategic and operational risks. The Balanced Scorecard facilitates this through predictive indicators in the customer, internal processes, and learning perspectives. Le & Nguyen (2024) found that medium-sized companies that integrate BSC into their risk management systems successfully increase their response speed to market changes and operational disruptions.

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The strategic resilience resulting from this integration allows medium-sized companies to remain stable even when facing external pressures.

From a business sustainability perspective, Balanced Scorecard integration allows medium-sized companies to balance short-term and long-term goals. Financial indicators support short-term operational decisions, while learning, innovation, and internal process indicators help companies build a strategic foundation for long-term growth. This is consistent with Musov's (2024) view that the Balanced Scorecard functions as a strategic management system that helps organizations manage long-term dynamics without sacrificing short-term operational effectiveness.

Overall, integrating the Balanced Scorecard into the strategic management system of medium-sized companies provides many benefits, ranging from increased accountability, inter-unit coordination, decision quality, organizational resilience, to employee productivity. However, this integration requires leadership commitment, technological support, human resource training, and consistent evaluation discipline. When all these components are well managed, the Balanced Scorecard becomes not only a performance evaluation tool, but also the foundation of modern strategic management that can increase the competitiveness of medium-sized companies amid increasingly complex global competition.

CONCLUSIONS

This study confirms that the Balanced Scorecard (BSC) is a highly relevant strategic performance evaluation tool for medium-sized companies facing the dynamics of modern competition. Through four main perspectives namely financial, customer, internal processes, and learning and growth, the BSC is able to provide a comprehensive overview of the organization's condition and the direction of its strategy. The implementation of BSC has been proven to improve the effectiveness of planning, strategic budgeting, performance management, and the strengthening of organizational culture. The results of the literature synthesis show that medium-sized

companies that integrate BSC into their strategic management systems experience increased accountability, strategy-operation alignment, internal process efficiency, and the capacity to adapt to market changes.

However, the success of Balanced Scorecard implementation is greatly influenced by leadership commitment, strategic clarity, technological capacity, and human resource competencies. Obstacles such as a lack of conceptual understanding, inappropriate indicator selection, and indiscipline in periodic evaluations can reduce the effectiveness of BSC as a strategic tool. Therefore, medium-sized companies need to ensure consistent integration between the BSC and core managerial processes, including budgeting, monitoring, and human resource development programs.

As a recommendation, medium-sized companies need to strengthen the digitization of performance data, improve strategic management training, simplify indicators based on strategy maps, and ensure that evaluations are conducted regularly. The government and industry associations can also play a role by providing assistance and access to technology for medium-sized companies so that the implementation of the Balanced Scorecard can be more effective and sustainable. Thus, the BSC can become a strategic instrument that strengthens the long-term competitiveness of medium-sized companies.

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