ABSTRACT

Information system technology has been widely used in organizations to achieve competitive advantage. Support business and align with business strategy. The technical performance of information systems can be measured using the IT Balanced Scorecard. This study develops an IT BSC model that consists of four research variables based on the IT BSC perspective, namely the perspective of Corporate Contribution, User Orientation, Operational Excellence, and Future Orientation. These variables that supported by 13 indicators that refer to the Alignment Goals at COBIT 2019. These indicators were used to measure four variables, answered by employees of the Enterprise Service unit of PT. Telekomunikasi Indonesia through the distribution of questionnaires generated by 75 respondents. The measurement results become the primary data in conducting data analysis using the Structural Equation Modeling (SEM) approach based on Partial Least Square (PLS) with SmartPLS software. Testing consists of Measurement Model (Outer Model), Structural Model (Inner Model), and Testing Hypotheses. The Outer Model describes how each indicator block relates to its latent variable. The measurement model (outer model) was used to assess the validity and reliability of the model. Validity is done by evaluating convergent validity and discriminant validity. As for reliability, it is done with Cronbach's Alpha assessment. The Inner model testing aims to test the presence or absence of influence between constructs and R2. The results show that the Future Orientation variable has a positive and significant effect on Operational Excellence. The Operational Excellence variable has a positive and significant impact on the User Orientation variable has a positive and significant impact. The User Orientation variable has a positive and significant effect on Corporate Contribution.

*Keywords— **Structural Equation Model, IT Balanced Scorecard, Partial Least Square***