

The Application of Balanced Scorecard as a Performance Assessment Tool at Four Points by Sheraton Bali, Kuta in 2021

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Abstract: The outbreak of Coronavirus Disease 2019 (Covid-19), which has been declared as a global pandemic since 2020, has caused a decrease in the number of tourist visits, both local and foreign. In addition, the increasing number of hospitality businesses that are growing, especially in Bali, requires hotel management to be able to provide their services to compete with other hotels and survive in the current pandemic situation. To find out how a hotel perform, there is required evaluation in the form of performance measurement. This study aims to assess the performance of the Four Points by Sheraton Bali, Kuta in 2021, where in that year Four Points by Sheraton Bali, Kuta did not use any evaluation due to the pandemic caused by the spread of the Covid-19 virus. This study analyzes primary data obtained from questionnaires distributed to customers and the results of interviews with hotel employees. While secondary data is obtained from the analysis of customer reviews on accommodation sales sites and analysis of the company's financial statements. Data analysis used descriptive qualitative data analysis techniques and quantitative data analysis techniques. Financial performance shows poor results, customer performance shows good results, internal process performance shows good results, and business growth and learning performance shows quite good results. Overall, the Four Points by Sheraton Bali Hotel, Kuta in 2021 can be said to be good.

Keywords: performance assessment, balanced scorecard, hotel, Covid-19, pandemic.

Introduction

The pandemic caused by Coronavirus Disease 2019 (Covid-19) has swept the world for more than two years. This not only affects the health sector, but also greatly affects the economic sector, one of them is the tourism sector. Tourist visits from abroad and within the country are also restricted. This regulation, of course, affects the number of tourists visiting Indonesia. Bali as a tourism area where most of the people depend on their lives in the tourism sector, is one of the most affected areas. The reduced number of domestic and foreign tourists affects the activities of the hospitality business.

In addition, the development of business and the hospitality industry has led to an increasing number of hotels in Bali, which is a tourism area (Mayasita, 2019). This development will certainly be a challenge for a hotel to be able to compete with similar industries. With this competition, it triggers companies to carry out the right strategy in order to increase competitiveness (Suta & Dwiastuti, 2016). The company's ability to create a competitive advantage will certainly affect strong business competition in the long run (Parta & Mahardika, 2020). Management has a very important role in developing the right strategy so that it is able to compete in its business environment. In its implementation, performance assessment from all aspects in a company can be used as a criterion in assessing company performance. Performance is an illustration of the level of achievement of the vision, mission, goals, and objectives in the implementation of the activities of an organization (Rai, 2015). Performance is the level of achievement of an activity in order to achieve the vision and mission set out in the organization's strategic plan (Mahsun et al., 2013). Meanwhile, performance assessment is a way to assess how well an organization is in meeting its organizational strategy objectives (Ardiansyah, 2019). The performance assessment of employees and managers is an assessment that is important to carry out to ensure that they have done their job well (Pradnya, 2021). Performance assessment is a way to assess work effectiveness and provide feedback to team members (Pradnyani, 2018).

Performance assessment plays an important role for a company, because the company can find out the effectiveness and efficiency of determining strategies and their implementation within a certain time (Saputra & Wiagustini, 2021). In making a strategy design and to be able to map various perspectives that exist in a company, a comprehensive tool is needed. One of the tools that can be used to measure the performance of a company is the Balanced scorecard. Where the balanced scorecard is able to unite various existing perspectives in order to achieve company goals (Pramaesti, 2019).

The balanced scorecard is the result of the thoughts of Kaplan and Norton which complements the limitations of traditional methods by developing a performance assessment system that not only pays attention to financial aspects but also non-financial aspects (Mulyadi, 2014). Balanced Scorecard is a planning and performance assessment method consisting of four perspectives including financial perspective, customer perspective, internal business process perspective, and learning and growth perspective (Hery, 2017). Balanced scorecard is a concept used to implement the company's vision, mission, goals, and strategy from four perspectives, namely financial aspects, customer aspects, aspects of internal business processes and aspects of learning and growth.

Hotel is a business that provides accommodation in the form of rooms contained in a building. The accommodation can be equipped with other services such as food services, beverages, entertainment activities and other facilities on a daily basis that aims to obtain profits (Regulation of the Minister of Tourism and Creative Economy of the Republic of Indonesia No. PM.53/HM.001/MPEK/2013). Star-rated hotels in Indonesia are classified into five levels and will be supervised and reviewed every three years by the Indonesian hotel and restaurant association. The location of this study was conducted at Four Points by Sheraton Bali, Kuta which is located at Benesari Street, Banjar Pengabetan, Kuta, Badung Regency. Four Points by Sheraton Bali, Kuta is one of the four-star hotels located in the heart of Legian. Being one of the hotels in the tourism area makes the Four Points by Sheraton Bali, Kuta is also inseparable from the impact of the pandemic which has caused a decrease in hotel revenue. In addition, the increasingly fierce development and competition in the hospitality industry, requires every hotel to have the right strategy to be able to achieve excellence in competition.

Four Points by Sheraton Bali, Kuta itself has carried out a performance assessment based on the balanced scorecard method since the merger of Starwood, Marriott, and The Ritz Carlton Reward into Marriott International in 2019. However, the application of the balanced scorecard at the Four Points by Sheraton Bali, Kuta is less effective because it focuses more on the customer perspective and the growth and learning perspective. In addition, due to the Covid-19 pandemic, management decided not to carry out performance assessments in 2021 because it was considered ineffective. This raises concerns about the company's declining performance during the period. Based on the description above, it is considered necessary to conduct further research on performance assessment based on the balanced scorecard method in 2021 to be able to find out how the company performed during that period, so that it can be used as an evaluation tool for the next period. This study aims to assess the performance of Four Points by Sheraton Bali, Kuta in 2021, where in that year the Four Points by Sheraton Bali, Kuta did not carry out a performance assessment due to the pandemic caused by the spread of the Covid-19 virus.

Method

This research is a descriptive with a qualitative study that intends to understand the phenomenon of what the research subject experiences by describing it in the form of words. The location of this study was conducted at Four Points by Sheraton Bali, Kuta which is located at Jalan Benesari, Banjar Pengabetan, Kuta, Badung Regency for approximately six months from December 13, 2021 to June 30, 2022.

This study analyzed primary data obtained from questionnaires distributed to customers and the results of interviews with hotel employees. Meanwhile, secondary data is obtained from the results of the analysis of customer reviews on accommodation sales sites and analysis of the company's financial statements. In this study, data were collected using questionnaires, observations, interviews, and documentation. Sampling in this study used random sampling method. The respondents of this study were 59 hotel employees and guest comments from various media as many as 372 comments. In this study to test the validity of the instrument, researchers used the IBM SPSS Statistics application version 28. If the calculation result shows a number greater than the critical r value of 0.3, then a research instrument can be said to be valid. In the reliability test, if the Alpha value greater than 0.6 then the research instrument is considered reliable. In this reliability test, the author uses the Cronbach Alpha equation. The data analysis used is quantitative descriptive analysis and qualitative descriptive analysis by identifying each indicator in each perspective. From a financial perspective, the indicators used are financial ratio calculations which include current ratio, debt to asset ratio, det to equity ratio, net profit margin, return on assets, and return on equity. From a customer perspective, the indicators used are by calculating customer acquisition, customer retention, and customer satisfaction levels for Four Points by Sheraton Bali, Kuta. From the perspective of internal business processes, the indicators used are to assess the innovation process, operating process, and after-sales service. From a learning and growth perspective, the indicators used are calculating employee retention and employee satisfaction levels. After doing the calculation, the next step is to explain the results of the calculation.

Result and Discussion

This study used the balanced scorecard method as a performance measurement tool at Four Points by Sheraton Bali, Kuta. In measuring performance, it uses four perspectives contained in the balanced scorecard method, the research results obtained are:

1. Financial Perspective

In measuring the financial perspective performance of Four Points by Sheraton Bali, Kuta, financial ratio calculations are used which include current ratio, debt to asset ratio, debt to equity ratio, total asset turn over, net profit margin, return on assets, and return on equity.

a. Current Ratio

The current ratio value shows a result 32%, this means that in 2021 as much as Rp1.00 of current debt is guaranteed by Rp0.32 current assets owned by the Four Points by Sheraton Bali, Kuta. This shows that the current ratio shows results that have not been maximized. The results of the current ratio research at the Four Points by Sheraton Bali Hotel, Kuta in 2021 indicate that management is not able to reduce the number of current assets owned by the company, so that all assets owned by the company cannot be used effectively and efficiently.

b. Debt to Asset Ratio

The debt to asset ratio value shows a result 316%, this means that every Rp1.00 assets become collateral for Rp3.16 debt owned by the Four Points by Sheraton Bali, Kuta. The amount of debt owned by the Four Points by Sheraton Bali, Kuta is higher than the number of assets owned by the company, so in this case the company's financial condition is classified as poor.

c. Debt to Equity Ratio

The debt to equity ratio value shows a result 32%, this means that every Rp1.00 capital owned by the Four Points by Sheraton Bali, Kuta becomes collateral for every Rp0.32 debt owned by the company. The amount of equity owned by Four Points by Sheraton Bali, Kuta is greater than the total debt owned by the company, so the hotel is still able to survive for the long term because of the equity value that can pay the entire company's debt. Therefore, financial performance based on the debt to equity ratio is classified as good.

d. Total Asset Turn Over

The total asset turn over ratio value shows a result 1.17 times, this means that funds embedded in the company's overall assets rotate an average of 1.17 times a year to generate revenue. The results of the calculation of total assets turn over show a fairly good ratio value because management is able to use its inventory and assets effectively and efficiently. The results of the calculation of total assets turn over show a fairly good ratio value because management is able to use its inventory and assets effectively and efficiently.

e. Net Profit Margin

The net profit margin ratio value shows a result -56%, this means that every Rp1.00 sale made by Four Points by Sheraton Bali, Kuta generates a loss of Rp0.56. This is reasonable considering that in 2020 and 2021, there was a global pandemic which resulted in a decrease in the number of guests staying, while hotel operational activities had to continue to run, so that the operating expenses were greater than the income received and resulted in the company experiencing losses. The results of the calculation of the net profit margin of Four Points by Sheraton Bali, Kuta in 2021 showed poor results.

f. Return on Asset

The return on asset ratio value shows a result -66%, this means that every Rp1.00 assets owned by Four Points by Sheraton Bali, Kuta generates a loss of Rp0.66. This result shows something bad, because the Four Points by Sheraton Bali, Kuta has not been able to manage its assets properly, so it is not able to generate profits in 2021.

g. Return on Equity

The return on equity value shows a result -7%, this means that every Rp1.00 equity owned by Four Points by Sheraton Bali, Kuta generates a loss of Rp0.07. This result shows something bad, because the Four Points by Sheraton Bali, Kuta has not been able to manage every rupiah of its equity properly, so it has not been able to generate a profit.

2. Customer Perspective

In measuring the customer perspective performance of Four Points by Sheraton Bali, Kuta, this study use customer acquisition, customer retention, and customer satisfaction.

a. Customer Acquisition

The calculation of the customer acquisition rate is used to find out the number of new customers that the company has acquired and is compared with the number of existing customers. In this study, the author used the number of customers who had been successfully registered as Marriott Bonvoy members by the staff of the Four Points by Sheraton Bali, Kuta.

Customer acquisition showed a result of 132%. Where this means that the Four Points by Sheraton Bali, Kuta has succeeded in increasing the number of guests who have been successfully registered as Marriott Bonvoy members in 2021. This is a good result because it indicates an increase in the number of guests staying and will have an impact on the hotel's revenue.

b. Customer Retention

Customer retention is the ability of Four Points by Sheraton Bali, Kuta to maintain relationships with its customers, in this case are hotel guests. In this study, the author used the number of customers who had been successfully registered as Marriott Bonvoy members by the staff of the Four Points by Sheraton Bali, Kuta.

The results of the customer retention assessment show the customer retention value in 2021 was 57%. Based on the calculation results, it can be seen that the ability of the Four Points by Sheraton Bali, Kuta to maintain relationships with its customers is quite good.

c. Customer Satisfaction

This assessment is measured using the customer satisfaction index. This assessment was carried out by taking a sample of 372 guests review during 2021 in various media containing reviews of Four Points by Sheraton Bali, Kuta, such as Google Reviews, Traveloka, Trivago, Tripadvisor, Booking.com, Tiket.com, Agoda, and Marriot.com websites, then the reviews were analyzed using predetermined indicators to obtain the value of each indicator.

The validity test of the eight indicators used to analyze customer reviews showed that all indicators were valid, where the pearson correlation value was greater than the r-critical of 0.3. Reliability tests using the Cronbach Alpha also showed that all the indicator results were greater than 0.6 which means that all eight indicators are reliable.

Customer satisfaction assessment is measured using eight indicators, namely price, facilities, employee appearance, comfort, service accuracy, service speed, security, and location. The value of the Real Customer Satisfaction Index generated by the price indicator is in the range of $-0.10 \leq \text{IKP} \leq 0.00$ which is -0.06 which means very satisfied. The facility indicator is in the range of $-0.10 \leq \text{IKP} \leq 0.00$ which is -0.07 which means it is very satisfied. Employee appearance indicators are in the range of $-0.10 \leq \text{IKP} \leq 0.00$ which is -0.06 which means very satisfied. The comfort indicator is in the range of $-0.10 \leq \text{IKP} \leq 0.00$ which is -0.05 which means very satisfied. The service accuracy indicator is in the range of $-0.10 \leq \text{IKP} \leq 0.00$ which is -0.04 which means very satisfied. The service speed indicator is in the range of $-0.10 \leq \text{IKP} \leq 0.00$ which is -0.05 which means it is very satisfied. The security indicator is in the range of $-0.10 \leq \text{IKP} \leq 0.00$ which is -0.04 which means it is very satisfied. As well as the location indicator is in the range of $-0.10 \leq \text{IKP} \leq 0.00$ which is -0.10 which means very satisfied. Summarizing the Real Customer Satisfaction Index values of the eight indicators yields an average of -0.06 which means very satisfied. It can be stated that customers are very satisfied with the service provided by Four Points by Sheraton Bali, Kuta. Through the results of the analysis obtained, it indicates that the Four Points by Sheraton Bali Hotel, Kuta pays great attention to all customer satisfaction indicators, so the results obtained show excellent results that have a positive impact on the hotel.

3. Internal Business Process Perspective

In measuring the internal business process perspective performance of Four Points by Sheraton Bali, Kuta, this study use innovation process, operation process, and after-sales service.

a. Innovation Process

Four Points by Sheraton Bali, Kuta has made various innovations to increase room sales in 2021, where at the same time, the Covid-19 pandemic is still ongoing around the world. The innovation carried out is more focused on various interesting promotions, where guests can enjoy various activities and food and drinks at the Four Points by Sheraton Bali, Kuta. In disseminating information about ongoing promotions, Four Points by Sheraton Bali, Kuta actively utilizes the social media Instagram that has been owned by making content as attractive as possible and including some information about several tourist attractions around the hotel. In addition, Four Points by Sheraton Bali, Kuta also collaborates with several influencers to promote hotel accommodation, as well as collaborating with travel agents for the use of promotional codes. Four Points by Sheraton Bali, Kuta also takes advantage of religious holidays to attract guests to stay at the hotel by making various attractive promotions.

Four Points by Sheraton Bali, Kuta also provides its ballroom as a place for vaccinations, in addition to the Four Points by Sheraton Bali, Kuta also contributes to the distribution of nearly 1,200 boxes of free lunch for six days for health workers at Wisma Atletico Pademangan. When the pandemic began to subside, the Four Points by Sheraton Bali, Kuta collaborated with sports and health activists who aimed to increase endurance during the pandemic, which of course was carried out with strict health protocols.

b. Operation Process

The operation process is measured through the process time of guest check-in and check-out services at the Four Points by Sheraton Bali, Kuta using Service Cycle Efficiency (SCE). The check-in process starts at 15.00 WITA and the check-out process starts at 12.00 WITA.

The calculation of Service Cycle Efficiency shows that the standard time to carry out the check-in process is 3 minutes, while the average realization time is 3.24 minutes, resulting in a 93% SCE for the check-in process. The standard time for the check-out process is 5 minutes, while the average realization time is 5.07 minutes, so the SCE for the check-out process is 99%.

c. After-sales Service

The after-sales service provided by Four Points by Sheraton Bali, Kuta to guests staying is in the form of free compliments or replacement for food and drinks served by the restaurant if there are orders and services that are not in accordance with the provisions or improper taste of food and drinks which is the fault of the employee.

In addition, another after-sales service implemented by Four Points by Sheraton Bali, Kuta is an email reply to guests who have given an assessment on hotel accommodation sales sites and Marriott.com websites. Guests who are registered as Marriott Bonvoy members will earn additional points everytime they finish their stay at all properties included in Marriot International.

4. Growth and Learning Perspective

In measuring the growth and learning perspective performance of Four Points by Sheraton Bali, Kuta, this study use employee retention and employee satisfaction.

a. Employee Retention

Employee retention is calculated by comparing the number of employees who leave each month with the total number of employees in the period in question. The calculated number of employees is the number of permanent and contract employees.

The results of calculating the employee retention of Four Points by Sheraton Bali, Kuta in 2021 showed a result of 39%. This is because the number of employees who resigned in 2021 amounted to 27 people, of which this number is a fairly large number. This result includes a fairly large number, but it still shows quite good results, because the percentage of customer retention is still below 50%.

b. Employee Satisfaction

This assessment is measured using an employee satisfaction index. This assessment was carried out by taking a sample of 59 employees from 11 departments at Four Points by Sheraton Bali, Kuta. There are five categories with five statements each per category, so there are 25 answers from each respondent.

The validity test of the five indicators used in the questionnaire distributed to respondents showed that all indicators were valid, where the pearson correlation value was greater than the r-critical value of 0.3. Reliability tests using Cronbach Alpha also showed that all indicators were valued greater than 0.6 which means all five indicators are reliable.

This employee satisfaction assessment is measured using five indicators, namely satisfaction with work, satisfaction with salary, satisfaction with superiors, satisfaction with colleagues, and promotion opportunities. The value of the Employee Satisfaction Index generated by the job satisfaction indicator is in the range of $-0.16 \leq \text{CCI} \leq 0.00$ which is -0.14 which means very satisfied. The indicator of satisfaction with salary is in the range of $-0.16 \leq \text{IKK} \leq 0.00$ which is -0.12 which means very satisfied. The indicator of satisfaction with superiors is in the range of $-0.16 \leq \text{CCI} \leq 0.00$ which is -0.10 which means very satisfied. The indicator of satisfaction with colleagues is in the range of $-0.16 \leq \text{CCI} \leq 0.00$ which is -0.10 which means very satisfied. And the indicator of promotional opportunity is in the range of $-0.16 \leq \text{CCI} \leq 0.00$ which is -0.09 which means very satisfied. Summarizing the Real Employee Satisfaction Index value of the five indicators yields an average of -0.11 which means very satisfied. It can be said that employees feel satisfied while working at Four Points by Sheraton Bali, Kuta. Performance measurement of employee satisfaction levels yields good value. If employees are satisfied with their work, internal business processes will automatically increase which will then bring in customers and increase hotel revenue.

Conclusion

The performance assessment results of Four Points by Sheraton Bali, Kuta in 2021 using balanced scorecard approach that has been implemented can be concluded as follows

Financial perspective performance measured using current ratio, debt to asset ratio, debt to equity ratio, total asset turn over, net profit margin, return on assets, and return on equity shows poor performance results.

Customer perspective performance measured using customer acquisition shows excellent results, customer satisfaction shows customer results who are very satisfied with the service provided by Four Points by Sheraton Bali, Kuta, and customer retention shows quite good results.

Internal business process perspective measured using innovation processes, operation processes, and after-sales service shows good results.

Performance of growth and learning perspectives measured using employee retention showed quite good results and employee satisfaction showed the results of employees who were very satisfied with working conditions at the Four Points by Sheraton Bali, Kuta.

The implications that arise are to help find out the company's performance in that period and become a consideration in improving the company's overall performance so that the company's performance can be assessed and evaluated from the financial and non-financial side.

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