BALANCED SCORECARD ANALYSIS AS A PERFORMANCE MEASUREMENT AT UB HOTEL

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ABSTRACT
The increasing tourism growth rate accompanied with development of hospitality industry led to the increase of competition between entrepreneurs. This encourages entrepreneur to prepare the best strategies in order to compete and be the best among its competitors. To achieve its goals, manager needs to prepare the right strategy. The Balanced Scorecard helps the manager to translate the organization’s mission and strategy into a comprehensive set of performance measures. Therefore, as a business unit that operates in the field of services, UB Hotel must be able to provide the best service to guests. Providing the best service for customers, UB Hotel needs to do a performance evaluation to determine the extent to which performance poses impact on guests visit. Using qualitative approach, this research is expected to produce an in-depth description of the phenomena using interview, writing, and the observable behavior of an individual, group, and organizations in the context and may reveal a complete, comprehensive and holistic/ comprehensive understanding. After analyzing the performance at UB Hotel using the Balanced Scorecard, the researcher found that the financial performance of UB Hotel is considered satisfying, the customer perspective on UB Hotel is bad, the operational service efficiency, and, in post-sales service benchmark, customer relationship is also bad, and the learning and growth perspective at UB Hotel is good. From the analysis results, the company needs improve these aspects such as considering marketing strategy, increasing employee and customer retention, customer acquisition, customer satisfaction and staying experience at the hotel, improving both ROA and Operational profit margin, and reviewing the room rates offered to the customer.

Keywords: Balanced Scorecard, Financial, Customer, Internal Business Process, and Learning & Growth

INTRODUCTION
The growth of the hospitality industry cannot be separated from the development of tourism sector. Conversely, tourism cannot develop properly without the support of the hospitality industry. According to Atkinson (2006), the hospitality industry is a complex and multifaceted sector of the global economy being in continuous expansion. Increasing tourism growth rate accompanied with development of hospitality industry led to the increased of competition between entrepreneurs. This encourages entrepreneur to prepare the best strategies in order to compete and be the best among its competitors.

Companies need to measure the performance of their business to know how far the effectiveness of the implementation of the strategy. Strategic planning includes goals setting, determining actions to achieve the goals, and mobilizing resources to execute the actions.
Performance measurement is an attempt to map out a strategy in achieving the specific goals, not only the final goal that needs to be measured and the benchmark performance of the company but rather related to the competition and the process undertaken.

Traditional performance measures only focuses on the financial sector. Performance assessment used financial statement is the easiest way to assess management performance. Performance measurement, which focuses on the financial sector has been less able to tell a lot about the company’s past, less attention to the external sector, and not able to fully lead the company for a better future (Kaplan and Norton, 1996).

Than Robert S. Kaplan & David P. Norton created a performance measurement model includes not only financial but also non-financial courses which is known as the concept of Balanced Scorecard. This strategic management system measures organizational performance in four ‘balanced’ perspectives, there are Financial, Customer, Internal Business Process, and Learning & Growth. Balanced Scorecard translates an organization’s mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system (Kaplan & Norton, 1996). The scorecard contain both outcome measures that indicate excellent prior performance, along with the performance-drivers that create successful future performance. The result of Balanced Scorecard that has been done can be used to improve and change the company strategic in order to enhance the performance achievement of the company’s business units.

According to The World Travel and Tourism Council (WTTC) (2014), Asia Pacific is the world region that is expected to have the highest growth in tourism job. By having richness in cultural aspect, Indonesia is one of the country that gains national income from tourism sector. International arrivals surpassed targeted growth in 2014 and domestic tourism continues to grow robustly, supported by the growing number of flights and routes to domestic destinations and improving and more affordable tourist facilities.

Seeing the positive trend of Indonesian tourism, hospitality industry seems to be fertile ground for investment. As a business unit that operates in the field of services, of course Hotel UB must be able to provide the best service to guests. The key to success for the long-term success is service quality on customer satisfaction. In order to be able to provide the best service for customers, Hotel UB needs to do a performance evaluation to determine the extent to which performance poses impact on guests visit. Internal business process perspective is the process of working and service to the customer. The better or quick process, then the customer will be satisfied and it means good performance of the company. Learning and growth perspective focuses on the ability of human resources, in case the employee.

The aim of this research is in order to know the performance of UB Hotel using Balanced Scorecard method.
LITERATURE REVIEW

Performance Measurement

According to Yuwono (2007), performance measurement is an act measurements carried out on various activities in the value chain of existing on the company. Mulyadi (2001) defines performance measurement as a determinant in periodic operational effectiveness of an organization, part of the organization, and workers by objectives, standards and criteria established in advance. Performance measurement in a company indispensable in order to determine the level of performance of the company, whether the company is already running well or not. Performance measurement results obtained are used as guidelines for companies to pay attention to indicators of performance and make improvements to improve company performance.

Performance Measurement System

Performance measurement system can be used as a means of controlling the company and also can be strengthened by establishing a system of reward and punishment. Aktifardianto (2009) stated that the performance measurement is intended to fulfill three things. First, performance measurement is to help improve the performance of companies in which will be used to help companies focus on goals and objectives of the program unit. Second, the size of the performance of a company is used for resource allocation and decision makers. Third, the size of the performance of an enterprise is intended to achieve accountability to superiors and improve institutional communication.

According to Cascio (2003), the performance measurement system criteria are as follows:

1. Relevant, Relevant have meaning (1) there is a strong correlation between standards for certain work with organizational objectives, and (2) there is a clear link between the critical elements of a work that have been identified through analysis of office with dimensions that will be assessed in the assessment form.
2. Sensitivity, Sensitivity means the ability of the performance appraisal system that is effective in distinguishing employees and employees who are not effective.
3. Reliability, Reliability in this context means the consistency of assessment. In other words, even if the instrument is used by two different people in assessing an employee, the results of the assessment will tend to be the same.
4. Acceptability, Acceptability means that the measurement of performance which is designed to be accepted by those who use it.
5. Practically, Practically means that the instrument is easy to understand assessment agreed by the parties involved in the assessment process.
Traditional Performance Measurement Concept

Traditional concept is the concept of performance measurement once often used by the company in their judgment. According to Munawir (2003) the purpose of the measurement system of a company’s financial performance are:

1. To determine the level of liquidity of a company, the company’s ability to meet obligations when billed.
2. To determine the level of leverage of a company, it is the ability to meet financial obligations when companies are affected by the liquidation of both long term and short term.
3. To determine the level of profitability of the company, it is the ability of the company for gaining profit for a certain period.
4. To determine the stability of the company’s business, it is the ability to do business with a stable measured with consideration of ability companies and pay interest on its debt, including the company’s ability to pay a regular dividend to its’shareholders without experiencing barriers.

Measurement of financial performance will encourage more managers improve short-term performance and often sacrificed term goals length. Good financial performance may be sacrificed at this time long-term interests of the company. But financial measures are not sufficient to guide and evaluate travel companies through a competitive environment. The size is “Lagging indicators” that will not be able to capture the value that has been created or destroyed by various actions of managers in the last accounting period. Financial measures tell some, not all, and not past actions able to provide appropriate guidance for the effort to create financial value a future which is currently implemented and then (Kaplan and Norton, 2000). According to Mulyadi and Setiawan (1999), financial measures cannot be describe the real condition of the company in the past and unable to lead the company fully towards better, and the only term oriented short.

Balanced Scorecard

In early 1990 Kaplan and Norton developed a performance measurement system which consider four perspectives: financial perspective, customer perspective, internal business process perspective, and learning and growth perspective. This approach is commonly known as Balanced Scorecard concept. Balanced Scorecard applied based on the vision and mission which has been owned by the organization which further the vision and mission pouredin the form of strategies to achieve organizational goals.

Mulyadi (2001) defined the balanced scorecard into two terms words, the score card and balanced. Score card is a card that is used to record the results of the performance of one’s score, while impartial is intended to demonstrate that personnel performance measured the balance of aspects of financial and non-financial, short-term and long-term, internal and external.

Supriyono (2000) stated that Balanced Scorecard is one of the performance measurement tools that emphasizes a balance between strategic measures are different from one another in an effort to achieve that goal congruence encourage employees to act in the best interests of the company. Kaplan and Norton (1996) stated that according to proponents of this approach, business units should be assigned goals and then measured from the
following four perfective: Financial, Customer, Internal Business, and Learning and growth. Furthermore, Figge (2002) elaborated that:

- The financial perspective indicates whether the transformation of a strategy leads to improved economic success. Thus, the financial measures assume a double role.
- The customer perspective defines the customer/market segments in which the business competes. By means of appropriate strategic objectives, measure, targets and initiatives the customer value proposition is represented in the customer perspective through which the firm/business unit wants to achieve a competitive advantage in the envisaged market segments.
- The internal process perspective identifies those internal business processes that enable the firm to meet the expectations of customers in the target markets and those of the shareholders.
- The learning and growth perspective describes the infrastructure necessary for the achievement of the objectives of the other three perspectives. In this case, the most important areas are qualification, motivation and goal orientation of employees, and information systems.

Balanced Scorecard has advantages that make system management strategies are now significantly different from traditional management systems. According to Mulyadi (2005), the advantages of Balanced Scorecard are:

1. Comprehensive
   Balanced Scorecard broadens perspectives covered in the strategic planning that previously limited to the financial perspective, expanded into three different perspectives: customer, internal business process, and learning and growth. To produce success in financial performance, the Balanced Scorecard will motivate personnel in directing his effort to the strategy target point; this will be a trigger of a major cause of financial performance success. Companies must be able to give the best products and services to their customer that is resulted from the productive and committed personnel. Performance as above will provide a real financial performance, which comes from real businesses, as well as provides multiple and long-term financial performance.

2. Coherent
   Balanced Scorecard will establish a causal link between strategic objectives in resulting in any strategic plan. Each goal should have a causal relationship strategy with financial targets, either directly or indirectly. For example, by targeting the cause of the customer perspective strategic objectives will become the direct cause of the strategic goals accomplishment of the company’s financial perspective, either directly or indirectly.

3. Balanced
   Balanced Scorecard will provide an overview of the purpose and how the achievement of these objectives in a balanced way, especially, if it is linked between each other perspectives.

4. Measurable
   Measurement of strategy planning target ignores the achievement of various targets which promise the strategy that is generated by the system. Balanced Scorecard strategies have function to measure the targets that are financial and non-financial. So, by using the Balanced Scorecard approach, the target of all three non-financial perspectives can be managed and realized well.
Financial Perspective

Financial performance measurement indicates whether the strategy, strategic objectives, strategic initiatives and implementation are able to contribute in generating profits for the company. Kaplan & Norton (1996) identified three stages of the business life cycle, namely:

a. Growth, At this stage the company has a product or service that significantly has an excellent level of growth or at least has the potential to breed. Company in this stage may actually be operated in a negative cash flow from a low return on capital investment.

b. Sustain, at this stage the companies no longer accumulate on long-term strategies. Profit target at this stage is directed at the level of return on the investment made.

c. Harvest, a stage where the company harvest the investment made in the two previous stages. Companies no longer make any further investments except for equipment maintenance and repair facilities, not to expand / build a new major.

Measurement of financial performance indicates whether the planning and implementation of the strategy gives fundamental improvement, improvement on that specifically target associated with measurable benefits.

Customer Perspective

Products or services will have the value increased when the benefits are approaching or exceeding the consumer expectation. According to Kaplan and Norton (1996) the company was expected to make determined market segmentation or targeted market which is most likely to be targeted in accordance with resources ability and long-term plans of the company. In a consumer perspective, there are two groups of companies, namely:

1. Customer Core Measurement has several components:

a. Market share (market share) – It illustrates how much sale held by the company in a particular segment.

b. Ability to retain customers (customer retention) - Customer retention is the level of company’s ability to maintain relationships with customers, or how well the company is able to retain old customers.

c. Ability to reach new customers (customer acquisition) – Customer acquisition is the company ability to acquire and attract new customers in the market.

d. The level of customer satisfaction (customer satisfaction) - The level of customer satisfaction and the performance criteria/certain value that are given by the company.

e. The probabilities consumer (customer profitability) – it measures how much profit the company had acquired from the sale to the consumer / market segments.

2. Customer Value Proposition stating the attributes given to the organization’s other products and services to create customer loyalty and customer satisfaction in targeted market segments on the basis of some attributes following: product and service attributes, customer attributes, and image / reputation.

a. Product and Services Attributes

Attributes of products and services includes the functionality of the product or service, price, and quality. Each customer has different preferences for products and services
offered by the organization. There are prioritizing the function, quality, and low price of a product. Therefore, the organization must be able to identify the preferences of customers who further performance measurement can be measured from it.

b. Customer Attributes

Customer relationship dimension includes the delivery of products and services covering the revelation of customer response and delivery time dimension, as well as how customers feel after they buy the products and services of the organization. Customers typically assume rapid order completion and timely as an important factor for their satisfaction.

c. Image and Reputation

Dimensional image and reputation describe the intangible factors that make customers attracted to an organization. Some organizations, through advertising and the quality of the products and services provided, capable of generating customer loyalty far beyond the various aspects of the products and services that are intangible.

**Internal Business Perspective**

The internal business perspective means that the companies need to identify the critical internal processes which the company must do its best. Because the internal process has the desired values and customers will be able to provide the return expected by shareholders (Hermawan, 1996). Each company has a set of unique process of creating value for its customers. In general, Kaplan and Norton (1996) divided it into three basic principles, namely:

a. Innovation

Performance measurement in the process of innovation obtains less attention. At this stage the company identifies its customer needs and requirements in the future and formulates ways to meet the wants and needs.

b. Operation

This stage is the final stage where the company actually seeks to provide solutions to its customers in meeting customer wants and their needs. Operations are started from receipt of orders from the customers and ended with the delivery of products or services to customers. This activity is much easily measured in a routine occurrence and recurrence.

c. Post-sale service

In this stage the company seeks to provide additional benefits to customers who have purchased products in the form of post transaction services.

**Learning and Growth Perspective**

The measurement results previous three perspectives will usually show the gap between the ability of people, systems, and procedures today with that required to achieve
performance excellence. Therefore, the aim of this latter perspective is a driving factor produces excellent performance in three previous Balanced Scorecard perspectives.

According to Kaplan and Norton (2000), suggested that there are three main categories for learning and growth perspective, namely: employee capabilities, information system capabilities, and motivation, empowerment and alignment.

1. Employee Capabilities

Involvement of employees is limited to tasks that have been drawn up by the managers of the company. Employees hired to do the physical work, not thinking. The development of technology jobs previously done by humans began to slide slowly by machines with a variety of technological improvements. Even in the business services company already has a system for customers who can directly use the company’s services through information and communication systems are increasingly sophisticated. Kaplan and Norton (1996), suggested that there are three main measurement of employees, namely: employee satisfaction, employee retention, and employee productivity.

a. Employee Satisfaction

The purpose of employee satisfaction stated that employee morale and overall job satisfaction is now considered very important by most companies. Employees who are satisfied is a pre-condition for increased productivity, responsiveness, quality and customer service. Therefore, companies that want to achieve a high level of customer satisfaction needs to have customers who are served by employees who are satisfied by the company.

b. Employee retention

The purpose is to maintain employee retention as long as the employees are enthused companies. The employees who work in the long term and loyal carrying value of the company, knowledge of various organizational processes, and the expected sensitivity to the needs of the customer. Employee retention is generally measured by the percentage of employees who hold the key to exit positions.

c. Employee productivity

Employee productivity is a measure of results, the overall impact of efforts to increase employee morale and expertise, innovation, internal processes, and customer satisfaction. The goal is to compare the output generated by the employee with the number of employees who are deployed to generate these outputs.

2. Information System Capabilities

Although the motivation and skills of employees have supported the successful achievement of the objectives of the company, it still requires the best information system to work more effectively in today’s business world. The front-line employees should be given information about the segment where the customer is located so that it can be determined how much effort should be run not only to satisfy customers in a relationship or transactions with the company today, but also to learn and trying to satisfy emerging customer needs.

Although skilled employees are equipped with comprehensive access to information will not contribute to the success of the company if they are not motivated to act for the best interests of the company or if they are not given the freedom to make decisions and take action.

RESEARCH METHODOLOGY

In this study, the author used case study in qualitative methodology. Case study in qualitative methodology provides tools for researchers to study complex phenomena within their contexts. This research used qualitative descriptive study in data processing research. According to Sekaran (2006), descriptive study is conducted to determine and able to explain the characteristics of the variables examined in a situation.

Types of data used in this research are primary and secondary data. Primary data is data obtained directly from the source (Hadi, 1997). Primary data was the data that collected from discussion and interview with management in order to know the strategy of UB Hotel and also employees and customers in order to know their satisfaction. Secondary data is data obtained indirectly, in the form of information that were related with the research that were complementary or supporting primary data (Hadi, 1997). In this study, secondary data was the data that collected from documentation.

Processing and analysis of data in this study adapted to the purpose, problems, and, methods used. Evaluative descriptive used for qualitative data from interviews and documentation. According to Syaodih (2007) evaluative descriptive is a study design and evaluation procedures in collecting and analyzing the data systematically to determine the value/benefit of the practice. The results of the data analysis are presented in narrative form based on the concept of the Balanced Scorecard.

RESULTS AND DISCUSSIONS

After conducted the measurement on four perspectives of Balanced Scorecard, the results of performance measurement as follows:
<table>
<thead>
<tr>
<th>No</th>
<th>Benchmark/Perspectives</th>
<th>Achievement 2012</th>
<th>Achievement 2013</th>
<th>Achievement 2014</th>
<th>Average</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td><strong>Financial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Current ratio</td>
<td>7.78</td>
<td>5.84</td>
<td>64.22</td>
<td>25.95</td>
<td>Good</td>
</tr>
<tr>
<td>2.</td>
<td>Quick Ratio</td>
<td>6.24</td>
<td>4.73</td>
<td>50.21</td>
<td>20.39</td>
<td>Good</td>
</tr>
<tr>
<td>3.</td>
<td>Total Debt to Assets Ratio</td>
<td>0.10</td>
<td>0.10</td>
<td>0.01</td>
<td>0.07</td>
<td>Good</td>
</tr>
<tr>
<td>4.</td>
<td>Return on Assets</td>
<td>0.01</td>
<td>-0.14</td>
<td>-0.13</td>
<td>-0.09</td>
<td>Bad</td>
</tr>
<tr>
<td>5.</td>
<td>Operating Profit Margin Ratio</td>
<td>0.18</td>
<td>0.04</td>
<td>-0.04</td>
<td>0.06</td>
<td>Bad</td>
</tr>
<tr>
<td>6.</td>
<td>Assets Turnover Ratio</td>
<td>2.55</td>
<td>2.55</td>
<td>2.53</td>
<td>2.54</td>
<td>Good</td>
</tr>
<tr>
<td></td>
<td><strong>Customer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Customer Satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Bad</td>
</tr>
<tr>
<td>2.</td>
<td>Customer Retention</td>
<td>86.4%</td>
<td>83.7%</td>
<td>87%</td>
<td>86%</td>
<td>Bad</td>
</tr>
<tr>
<td>3.</td>
<td>Customer Acquisition</td>
<td>13.6%</td>
<td>16.3%</td>
<td>13%</td>
<td>14%</td>
<td>Bad</td>
</tr>
<tr>
<td></td>
<td><strong>Internal Business Process</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Product Excellence and Company Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Bad</td>
</tr>
<tr>
<td>2.</td>
<td>Operational Process Efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Bad</td>
</tr>
<tr>
<td>3.</td>
<td>Customer Relationship</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Bad</td>
</tr>
<tr>
<td></td>
<td><strong>Learning and Growth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Employees Job Satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Good</td>
</tr>
<tr>
<td>2.</td>
<td>Employee Retention</td>
<td>6.78%</td>
<td>7.41%</td>
<td>22.73%</td>
<td>12.31%</td>
<td>Bad</td>
</tr>
<tr>
<td>3.</td>
<td>Employee Training Program</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Good</td>
</tr>
</tbody>
</table>

The analysis for each perspective based on the result of the table above are:

1. **Financial Perspective**
   For a financial perspective, the current ratio, quick ratio, and total dept to assets ratio has a very good result. For the future planning, the company could reasonably maintain that number. But regarding the benchmark return on assets and the company's operating profit margin ratio value is red or very bad. The company is not able to make a profit in 2013 and 2014. For the assets turnover ratio, the company has a value is very low. For the next period, the company must improve. In accordance with a financial theme proposed by Kaplan and Norton (2000) that growth refers to efforts to increase new products, build production facilities, improve operations, capture market share, and create a distribution network. Therefore, as a first step, the company can add promotional budget so that the marketing department can maximize promotional activities and building maintenance costs for the company to compete with competitors.

2. **Customer Perspective**
   One of the customer's perspective benchmark is to measure the customer retention. The result indicates that the company’s ability is bad. The company is unsuccessful in maintaining his regular customers. Customers are less satisfied with the facilities offered by the company. Therefore, the company must add the facilities and recalibrate the room rates. UB Hotel must provide positive feedback.
because it is the reality. The benchmark customer acquisition, to increase the number of new subscribers, the company should add personnel in the marketing department. This way, the company can expand the area of promotion and visiting agenda so as to conduct sales and marketing promotion strategy that is more effective and increases brand awareness of customers towards UB Hotel.

3. Internal Business Process Perspective
The performance of internal business process perspective of UB Hotel is categorized bad. UB Hotel needs more attention primarily related to product excellence and company assets. Researcher believed that, in regard to this benchmark, the company should give priority to the rooms being the main product of a corporate hotel. Company should not only favor the meeting room and restaurant. For the customer relationship, the company is considered to be more frequent visiting agenda and gives impressive merchandise to keep the number of customers. Furthermore, the operational process efficiency is good.

4. Learning and Growth Perspective
Employee satisfaction is good but it should be an improvement. Not only the facilities provided for the employees, but also the reward system still need to be formulated. The company must increase non-material incentives for employees, because, by doing so, the employee will form a sense of belonging to the company. It is also to improve the motivation of employees in working. This strategy will impact the services provided to the customers of UB Hotel. In addition to English language training and leadership programs, the company needs to start disseminating the use of information systems based hospitality to employees as it can improve the efficiency of work time and productivity. Benchmarks for employee retention firm results is a very high in 2014. This is the result of the transition UB Hotel to Guest House again. The researcher believed that the less number of employees will results heavier workload for them.

CONCLUSIONS AND SUGGESTIONS

After analyzing the performance at UB Hotel using the Balanced Scorecard, the researcher make the conclusion from each of the existing perspectives on the Balanced Scorecard: Financial Perspective, Customer Perspective, Internal Business Process Perspective, and Learning and Growth Perspective.

1. Financial Perspective

Financial Perspective is measured using existing benchmarks in the financial ratios items, namely liquidity, leverage, efficiency, and profitability ratios. In liquidity ratio, researcher uses current ratio and quick ratio. The rate of current ratio and quick ratio is good because the achievement of the hotel is more than 150 percent annually. While the leverage ratio used as a benchmark is total debt to assets ratio. This ratio result is good, because the company uses 1 percent debt to assets. In profitability ratios, the benchmarks used are Return on Assets (RoA) and Operating Profit Margin Ratio. This ratio is considered bad because the percentage is far below the standard. To ROA, in 2013 and 2014 the company is fail to generate profits from assets owned. Margin Ratio Operating profit for the company is unable to generate operating profit
from sales in 2014. In activity ratio, researcher used Assets Turnover Ratio. For this ratio can be considered quite good. An average company is able to generate sales 2:54 times of total assets owned. It can be concluded that the financial performance of UB Hotel is considered bad. The results of the financial perspective indicates UB Hotel not achieve their goals, namely generating benefits for university in the form of profit and efficiency.

2. Customer Perspective

In the customer perspective, the measurement includes the ability to retain customers, the ability to reach new customers, and the level of customer satisfaction. Results of the analysis on the customer perspective, suggest that the ability to retain customers of UB Hotel is bad. The company ability to retain customers in average is 85.7 percent over the last three years. UB Hotel has a bad value in getting new customers. The company only able to attract customers by 14.3 percent over the last 3 years. In the level of customer satisfaction, researcher uses interviews as the instrument to determine the level of customer satisfaction. The result obtained from interviews with customers of UB Hotel is considered bad. Overall, the customer perspective on UB Hotel is bad. From customer perspective, UB Hotel cannot achieve their goal, which provide satisfaction at the level of excellence through service and the best accommodation. Based on interview, customers are not satisfied with the facilities presented by UB Hotel. Room rate were too expensive for the size of the facilities offered. That caused the number of customer decrease year-by-year. Addition, low marketing budget makes UB Hotel cannot get high rates of new customers. Overall, the customer perspective on UB Hotel is bad.

3. Internal Business Process Perspective

Internal business perspective is measured using existing benchmarks items, namely Innovation, Operation, and Post-sales Service (Kaplan and Norton, 1996). The innovation benchmarks used are the Product Excellence and Company Assets. In operation benchmark, researcher uses Operational Service Efficiency, and, in post-sales service benchmark, Customer Relationship. In this perspective, UB Hotel is still not able to achieve goal, which is able to respond to the needs and requirements of service users or customers. In the perspective of customer, the customer is not satisfied with the facilities offered UB Hotel. This means UB Hotel cannot meet the needs of customers. UB Hotel has not been good in maintaining relationship with customers. Can be seen in Table 4.19 decrease repeat customers each year. The overall perspective is bad.

4. Learning and Growth Perspective

In learning and growth perspective, as a benchmark, researcher uses the turnover rate of the employee, the level of employee satisfaction, and rate of employee trained. UB Hotel considered to have reached its target, namely improve quality employee team. Based on interview with General Manager of UB Hotel, training on English language training and leadership twice a year. This can improve the quality of
employees and teamwork. The rate of employee turnover existed at UB Hotel is considered bad. Each year, there is more than 5% of employees out of the company. This can makes the operational performance became down, on the other hand UB Hotel should fired employees to reduce the amount of salary expense. The level of employee satisfaction shows that employee satisfaction is good. Based on interview, the employees enjoy works at UB Hotel, situation at work is also harmonious supported with a comfortable workplace. Based on this results, the overall perspective suggested from the learning and growth perspective existed at UB Hotel is good.

**Suggestion**

First, UB Hotel should begin to consider the possibility of using the Balanced Scorecard as a source of information for management. Second, the company needs to increase the satisfaction of its employees. Third, UB Hotel must start planning the best possible given the proliferation of hotels in Malang. Fourth, UB Hotel must keep the quality of the service to achieve to create a high level of customer satisfaction. Fifth, The coffee shop can be an alternative to the company to improve both ROA and Operational profit margin for the company's financial which is unhealthy.