ANALYSING IMPLEMENTATION OF BALANCE SCORE CARD TO FRONT OFFICE DEPARTMENT AT ADIWANA UNAGI SUITES 2022

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Abstract

The success of a company is influenced by the performance of the departments in its organization. For this reason, the company must be able to measure and evaluate the staff performance. One of the famous tools to measure and manage the performance of the department and staff is KPI based on the Balance Score Card. Adiwana Unagi Suites, a boutique resort in Ubud has implemented a Balance Score Card in its 2022 business process. The research method is executed by using descriptive analysis study. The result of the performance shows some clues that the management and the department itself must discuss the measurement again, especially in customer related. The result also showed us that there was a lack of consistency from the front office team in doing the duty especially in attending training.

Keywords: *Balance Scorecard, BSC, Adiwana Unagi Suites.*

INTRODUCTION

The success of a company cannot be separated from the success of each department within the company in carrying out the functions of these departments, for example sales and marketing departments, accounting, front office, and others (Bardi, 2021). In a hotel business, departments are generally divided into several sections, namely, back of the house which includes sales and marketing, accounting, human resources and engineering. On the other hand, there is the front of the house which includes the front office, housekeeping, food and beverages, spa and recreation (Bardi, 2021). The measurement of the success of these departments is seen from the aspects contained in the given key performance indicators.

Key performance indicators (KPI) are measuring indicators that show the performance of a person or a department or company in running their business (Munandar, 2022). states that a Key Performance Indicator (KPI) is a management tool or instrument so that an activity or process can be followed, controlled (if it deviates, it can be recognized for correction), and ensured that performance is realized. KPI in a business hospitality is divided into four major sections, namely financial, customer related, internal business processes, and learning and growth. All of these aspects will refer to the business plan that has been designed which is the direction for the wheels of the business process.

The description and measurement of a company's KPI is carried out in various ways, and one of the most well-known is by using a balanced score card. Balance score card (BSC) is a description of KPI points that refer to the measurement parameters that have been set up. Every business action can be said to be successful or not if these actions can be measured. For this reason, each business action must determine its success parameters. (Kaplan & Norton, 1996) formulated firstly BSC as below:

"The balanced scorecard retains traditional financial measures. But financial measures tell the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information age companies must make to create future value through investment in customers, suppliers, employees, processes, technology, and innovation."

Picture 1. BSC Pillars

Many of companies in the world and in Indonesia have implemented Balance Scorecard as the strategy to be able to achieve the goal of the company (Trisyulianti, Suryadi, & Prihantoro, 2020). on their research stated that a big company which is MSIG insurance Indonesia is also using balance scorecard in order to measure the performance, and the result was based on management's expectation (Zhou, Rahman Siddiquee, Tajbakhsh, & Liang, 2018). also stated that Balance Scorecard is a performance measurement method which is applied to private organization to balance financial and non-financial aspects, which means focus on all parts of the business process.

Adiwana Unagi Suites is a 4-star resort located at Jalan Suweta no 88, Ubud - Bali. This resort has 22 suites and 6 private pool villas, and it is equipped with restaurant, spa, yoga facilities, and has forest views. This hotel is still relatively new where it opened for the first time on December 25 2019, or 2 months before Covid 19. However, Covid 19 in 2020 has resulted in a huge downturn in Bali tourism, thus bringing a situation where hotel occupancy throughout the year 2020 was only 2.45% (Kusuma, Wijaya, & Mariani, 2021). However, Adiwana Unagi Suites does not want to be complacent with adversity, and shows its consistency by always operating, and improving management performance so that it has mature readiness when tourism reopens. When tourism has begun to indicate better conditions in early 2022, the management of the hotel have prepared strategic steps in their business, namely by implementing KPIs based on the Balance Score Card. The BSC will later be used as a reference for the success and salary increment of their team. BSC is applied to all departments, and one of the objects in this study is the implementation of BSC in one of the departments, which is Front Office Department. The main purpose of the program was ensuring the front office department could maintain the consistency in its performance, as the competition would be quite hard, and the way to win it is by consistently delivering the best performance (Harefa et al., 2022).

summarizes that the front office department is one of the most vital departments in a hotel operation, which has the function as; management representative, sales person,

information giver, record keeper, diplomatic agent, problem solver, public relations agent, and service coordinator(Maiziva & Sulistyani, 2017). Based on the vital functions of this department, the quality of this department must always be of a high standard, both in administration, processes and relationships with customers (Lesmana & Iskandar, 2022). stated on her result of study that the internal quality especially front office must be always maintained, and evaluate in order to get the maximum result in each department

RESEARCH METHODS

The qualitative descriptive method was used in this study with the following stages:
 a. Preparation:
    The location of the study was conducted at Adiwana Unagi Suites resort which is located at Jalan Suweta 88 Ubud Bali.
 b. Population and Sample.
    The population of the study was the Front Office Department of Adiwana Unagi Suites on their performance during year period 2022.
 c. The duration of the research was adjusted accordingly to each stage of the research activity to be carried out.
 d. Data collection was taken from the KPI of Front Office Department which has been compiled in full one year.
 e. Furthermore, the data collected was analyzed through descriptive analysis

Data Collection

Data collection was taken from the performance file of Front Office which was categorized based on the four pillars of Balance Score Card which are: financial, customer related, internal business process, and learning and growth. Here are the component of the measurement pillars.

Table 1. Front Office BSC's Measurament

Description	UP	P	SP	KP
Other revenue	< budget	Budget	+5%	+10%
Positive Review on TripAdvisor	< 25	25	35	45
Booking.com Score	< 9.6	9.6	9.6 + 10 rev a month	9.7
Google Review Score	< 4.8	4.8	4.8 + 20 rev a month	4.9
FB Upselling from FB Revenue	< 3.5%	3.5%	4%	5%
SPA Upselling from SPA Revenue	< 30%	30%	35%	40%
Total hours delivering training	< 4	4	4.5	5
Total hours attended training	< 6	6	6.5	7

The Table is classified by Financial Pillar (Other Revenue), Customer Related (positive review on TripAdvisor, Booking.com score, and Google review score), Internal Business Process (Upselling for Food and Beverage and SPA), and Learning and Growth (Hours in delivering and attending training). The measurements on those critical points was classified as for class as below detail:
   1. UP (red color) = Under Performer, or who could not achieve the budget.
   2. P (yellow) = Perform, or who just achieve the budget.
   3. SP (green) = Strong Performance, or who is very strong on its critical point.
   4. KP (blue) = Key Performance, who have done the best and exceptional.

Data Processing

The data collected was processed by accumulating the score through adding and averaging the result in order to get the final average score for the department. The classification based on the performance classification, which are: UP = 70 points, P = 80 points, SP = 90 points, and KP = 100 points. Then the data is presented on the discussion of the research and its analysis view.

Data Analysis

Data analysis was conducted using descriptive qualitative method by describing the findings in the field and giving conclusions the performance and the critical points score of the KPI of Front Office Department of Adiwana Unagi Suites in order to create a better BSC set up for 2023

RESULTS AND DISCUSSION

Research Finding

The research finding for the KPI based on Balance Score Card during 2022 for Front Office Department of Adiwana Unagi Suites could be seen on the Tabel 1 below:

Tabel 1: Balance Score Card at Front Office Department

Front Office Balance Score Card

Description	UP	P	SP	KP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Other revenue	< budget	Budget	+5%	+10%	4,990,117.00	2,267,060	12,460,744	15,841,435	35,966,053	58,965,809	70,403,638	70,973,566	71,933,156	67,113,380	53,623,967	61,237,722
Positive Review on TripAdvisor	< 25	25	35	45	43	32	42	35	53	40	47	43	63	72	50	44
Booking.com Score	< 9.6	9.6	9.6	9.7	9.5	9.5	9.5	95	94	9.4	9.3	9.4	9.4	9.3	9.4	9.4
Google Review Score	< 4.8	4.8	4.8	4.9	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
FB Upselling from FB Revenue	< 3.5%	3.5%	4%	5%	5%	3%	4%	5,9%	3,9%	3,58	7%	7%	10%	12%	7%	6%
SPA Upselling from SPA Revenue	< 30%	30%	35%	40%	55%	57%	62%	32%	34%	50%	44%	35%	36%	43%	41%	48%
Total hours delivering training	< 4	4	4.5	5	4	6	5	9.8	7.2	8	7	6	5	7	4.3	5
Total hours attended training	< 6	6	6.5	7	3.5	9.5	10	9	6	9.6	6.7	6.2	7.2	9.8	6	6

UP	Under Performer
P	Performer
SP	Strong Performer
KP	Key Performer

The Table above has shown the full year result of BSC for Front Office Department at Adiwana Unagi Suites. The colour chosen for every achievement was used to simplify and easy to understand every point, which is able to create an encouraging thinking to make a better result. The whole year result of the performance of Front Office Department at Adiwana Unagi Suites could be seen on the below Table.

Tabel 2. BCS Result of Front Office Department

Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Other revenue	90	70	100	100	100	100	100	100	100	100	100	100	97
Positive Review on TripAdvisor	90	80	90	90	100	90	90	90	100	100	100	90	93
Booking.com Score	70	70	70	70	70	70	70	70	70	70	70	70	70
Google Review Score	80	80	80	80	80	80	80	80	80	80	80	80	80
FB Upselling from FB Revenue	100	70	90	100	80	80	100	100	100	100	100	100	93
SPA Upselling from SPA Revenue	100	100	100	80	80	100	100	90	90	100	100	100	95
Total hours delivering training	80	100	100	100	100	100	100	100	100	100	80	100	97
Total hours attended training	70	100	100	100	90	100	90	90	100	100	80	80	92
Total monthly score	85	83.75	91.25	90	87.5	90	91.25	90	92.5	93.75	88.75	90	
Final Score	89												

The result of the score was by converting the achievement in every parameter in every month during 2022 which was classified by converting Under Performer = 70, Performer = 80, Strong Performer = 90, and Key Performer = 100. The description as the parameter was divided based on the pillar on BSC, for financial pillar is presented by other revenue, for customer related is presented by TripAdvisor, Booking.com, and Google review. The business process is presented by upselling, and talent and development are presented by training hours.

The data showed us that the stronger success of the KPI's item came from financial side which was from the achievement of other revenue which achieved average 97. Based on this KPI result, the strongest ability at Front Office Department was in getting revenue. Revenue is actually the key or bottom line of a business. In most of the company, revenue is the hardest one, such as the study in Astra Honda Motor by (Hanuma Endang Kiswara, 2022) showed that the weakness one come from financial pillar. In the order side, seeing the process in creating the budget for 2022, it was when the pandemic Covid 19 affected the tourism industry, and expectations for 2022 were not too high, or mostly to be conservative. Adiwana Unagi Suites is a resort that always keeps its consistency in delivering its best product and service, which is positively affected when the border is opened. The sounding for opening the border was started from February 2022, and started partially in March 2022, and April onward became better, and the recovery was quite fast comparing the people's opinion. The indicator could be seen from the result of January and February which was quite hard to achieve the budget.

The second strength of the department came from the result for learning and growth, which came from two parameters which are delivering training and attending training (Ma et al., 2022). Delivering training was measured from the activity of the front office leader to deliver trainings to their team member, while attending training came from the total training hours attended by the department. The result shows us that from both of this sides are not balance, which is the delivering training was much higher than the attending training. The assumption that could be seen that the activity of the front office leader has been very great, but the attending of the team member still needs to be improved, which caused the decrease of the average of the whole training hour attended.

Internal business process shows us that the front office department has done a great job with the accumulation score for upselling activities for both spa and restaurant is 94, or equal with the learning and growth pillar. It is also in align with the result of the financial side, as both of this internal process purposes to gain more revenue. This assumption is a very logic relationship between both of this pillars. The result also shows us that the front office department aggressively doing upselling in order to get more revenue as the effect of the trainings that have been delivered to all the front office team. The skills of upselling could not be separated with drilling and trainings to the team that could make them confident in selling their products. In the other hand, consistency that is very important in a business process also could be maintained well.

The lowest score of the result is the customer related pillar, which is only 81, which come from three parameters, they are positive review on TripAdvisor, Booking.com, and Google review. TripAdvisor result shows a great move from Strong Performer to Key Performer, even though only one month in February which was only Perform. Google seems stuck in its position without any movement along the year, which should not happen. On the other hand, booking.com results show a lot the year. The two parameters for Google and Booking.com must be the main concern for the management for the next business year, as the customer related is a very important part in business activities.

Discussion

The result of the study has shown some key points that need to be considered for the future implementation which could be classified as below:

1. Management

Management has a very important role in determining the goal of every part of the business that needs to be achieved (Saputra, 2022). The appropriate and objective parameters will create an objective assessment to the manager or department of its business(Alshurideh et al., 2022). However the inappropriate goal would create unbalance in assessing them. In this assessment program, we could see that there are some points that need to be reviewed, especially with the Customer Related pillars (Luthin, Traverso, & Crawford, 2023).

Booking.com review assessment showed that the result was fail along the year, which became unbalanced with other assessment (Rita, Ramos, Borges-Tiago, & Rodrigues, 2022). In fact, the booking.com score is a result of 3 years customer's perception and reviews to the property, which mean that the result could be strongly affected by the past two or three years ago. In this matter, it could be suggested that the quality of the review, not based on the final point of booking.com platform, but based on the average quality score that is collected by the property in one month. For example, the quality score of the month of December after having 20 reviews is 9.7, so means that the department has successfully delivered a great and memorable service in that month. By having this kind of scoring system, it will create a great motivation for the Front Office team members to achieve their great result every month. The accumulation of the score in every month would affect the total score of the property on the platform of booking.com.

The recommendation is also the same with Google review goal, which shows that there was not any movement along the year of 2022 (Tapia-Serrano et al., 2022). It has become a question mark to the parameter that was given to measure the succession of the program. In this case, the researcher could also suggest the same system as booking.com by measuring the performance of the quality reviews on monthly basis, which would be able to encourage the motivation of the team members of Front Office Department to work more efficiently.

2. Front Office Department

Department as the subject for the KPIs is the main key for the success of the KPI (Ahmed & Garvin, 2022). One of the challenge that mostly face with people is the consistency of them in doing their task.

The result from the BSC measurement in 2022 for the Front Office Department shows us that there was still some inconsistency of the Front Office team to do the task that should be achievable by keeping their consistency. One of the inconsistencies could be seen in Learning and growth especially total hour attended training which should be able to fulfil with the highest level of measurement by keeping the inconsistency. It is because the task would be easily implemented by keeping the consistency of the training to all the team, and the correlation would be the quality of the service to the hotel guest. The more training would be able to lift up the knowledge of the Front Office Department, which is closely related to the first and last impression. The significant effects could be seen from the score of customer related especially booking.com and google which did not move better. The lesson learn from this case, the management should review both the parameter assessment and the quality of service from the team member.

The other assumption that could be seen from the final result is the high score of delivering training which was done by the front office manager could not be followed by the attended training which was as the average of all front office staffs who attend training. The key assumption is that we could see that it might be a homework for the manager of the front office department to ensure that all the staff

get the same training, not only a particular person. The key success of the department in its business process is ensuring all the staff members are able to do the same standard that they have learned from the standard operational procedures

CONCLUSION

The result of this study can be concluded as below Both Management and Department should do review, in term of the target and the implementation of Balance Score Card in order to create a logic and achievable measurement, by reviewing the past performance in 2022. Consistency of the front office team must be increased in order to achieve a better result in 2023 business year.

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