

PERFORMANCE OF MICRO SMALL MEDIUM ENTERPRISES (MSMEs) IN SUPPORTING THE TOURISM SECTOR

Erita Rosalina^{a*}, Nanang Wahyudin^b
^{a,b} Universitas Bangka Belitung, Indonesia
itafadely28@gmail.com

Abstract

This research is measuring the performance of MSMEs with a balanced scorecard using four perspectives, financial perspective, customer perspective, internal business perspective, learning, and growth perspective. This study will distribute questionnaires to 100 samples of small and medium industries in Pangkalpinang. The balanced scorecard results are seen from a financial perspective, a customer perspective, an internal business process perspective, learning, growth perspective. From the results, it was found that MSME business actors were in the range of 0-30 million on average, none of which was above 30 million profits. The number of new customers at MSME business stores in Pangkalpinang averaged 50-60 people during 2019. For the number of customers from the beginning to the beginning of 2019, the average was in the range of 100-300 people. From the perspective of internal business processes carried out by each MSME business cluster, they provide good services and facilities to customers. Business actors provide the best for customer convenience to satisfy customers when making transactions at their place. The learning and growth perspective carried out by each MSME business cluster during 2019 has never increased the skills of its employees, so the absence of training provided cannot impact improving employee work attitudes.

Article Info

- **Received** : 23th June 2021
- **Revised** : 30th June 2021
- **Published** : 02th July 2021
- **Pages** : 182-192
- **DOI** : 10.33019/ijbe.v5i2.371
- **JEL** : O17, P27, Z32
- **Keywords** : *Performance, Balance Scorecard, MSMEs, Tourism*



1. Introduction

The Province of the Bangka Belitung Islands is a province that has a lot of potential for natural beauty. They are the form of beaches, cultural and historical potential. The Province of the Bangka Belitung Islands has natural beauty and cultural potential. It is very interesting to visit for tourists. The beauty of nature and culture has been exposed in the national media. There are also two artificial potentials created to increase tourism in Bangka Belitung. They are marine tourism, eco-tourism, adventure tourism (<http://visitbangkabelitung.com/>). Bangka Belitung tourism has been included in Indonesia's 10 Priority Tourism Destinations. It has the Tanjung Kelayang in Belitung. The growth of tourist visits to the Province of the Bangka Belitung Islands has increased every year, in 2016 the number of tourist visits was 347,619 people while in 2017 it reached 367,084 people, meaning an increase of 21.72 percent (BPS, 2018). In theory, it can be interpreted that if there is a tendency to increase the number of tourists. It will further increase tourist demand for demand for goods and services produced by the tourism sector (Pitana, 2009). Tourist demand for goods and services produced by the tourism sector can be in the form of souvenirs, culinary, transportation services, guide services, and others. The increasing demand for goods and services will increase the productivity of business factors. It can support the tourism sector. These business factors can be in the form of small industries or medium industries which are included in Micro, Small, and Medium Enterprises (MSMEs) (Pitana, 2009).

This is a challenge for small and medium industries in meeting the demand for goods and services in the tourism sector. Based on the results of Prasetyo and Suryoko's research (2018), tourism development in the Dieng tourist area is able to increase the income of MSMEs around the Dieng tourist area. It is able to create opportunities for the community to create new businesses with the premise that the more developed tourism will bring in more tourists and more money is spent in these tourist attractions. This proves that tourism is able to increase people's opportunities in entrepreneurship and develop their businesses. The results of this study can also be applied to the Province of the Bangka Belitung Islands. Bangka Belitung has natural beauty in the form of a large number of beaches. The large number of tours found in the Bangka Belitung Islands so that many MSMEs are growing. The existing MSMEs are expected to support the tourism sector. With the existence of representative SMEs, it is hoped that tourist visitors will be interested in spending their money on existing SMEs.

The existing MSMEs are expected to provide good performance so that they can support the tourism sector every year. The performance of the existing MSMEs will continue to grow. There will be the largest results. This largest result can make MSMEs get a better development strategy. According to Mulyadi (2007), the balanced scorecard has advantages, the strategy formulation system, strategic planning system, and program preparation. The balanced scorecard concept can replace the old balance scorecard concept. Where the pursuit of profit in the short term (Widodo, 2013). The balanced scorecard is expected to measure past



financial performance with future drivers (Rahayu, 2009). The balanced scorecard has been researched and implemented in large companies. There are few literature studies about the implementation of the balanced scorecard in MSMEs (Gumbus and Lussier (2006) and Rompho (2011)). Performance measurement will be implemented in MSMEs. That implementation will be different in large companies. In MSMEs, there are several obstacles to implementing the balanced scorecard. Because in MSMEs there are limitations in time and human resources. With the implementation of a balanced scorecard in MSMEs, it is hoped that MSMEs can provide a good response to changes that occur in the business world. The measurement of MSME performance can improve MSME performance and increase sales. MSME Performance Measurement with Balanced scorecard.

This study focuses on MSMEs in Pangkalpinang. It is to measure the performance of MSMEs. That act as supporters in tourism. Measurement using the Balanced Scorecard. The balanced scorecard use four perspectives. There are finance, customers, internal business, and learning and growth. Four perspective is to measure performance from financial and non-financial aspects. The performance of MSMEs can run their business for the better. With good performance of MSMEs, it is expected to increase the tourism sector in the Province of the Bangka Belitung Islands. So this study identifies the performance of MSMEs in Pangkalpinang. The analysis from four perspectives, finance, customers, internal business, and learning and growth.

2. Literature Review

Based on Law Number 20 of 2008, micro-enterprises are productive businesses. The owner is an individual or individual business entity. That meets the criteria for Micro-enterprises. Small Business is a productive economic business that stands alone. It is carried out by individuals or business entities. Those are not subsidiaries or not branches of companies that owned, controlled, or become part either of Medium Enterprises or Large Businesses. That meets the Business criteria. Small Medium Enterprises are productive economic businesses that stand alone. They are carried out by individuals or business entities. Those are not subsidiaries or branches of companies that owned, controlled, or become a part either with Small Businesses or Large Businesses. They have total net assets or annual sales results. A large Business is a productive economic business. It is carried out by a business entity with a net worth or annual sales proceeds. It can greater than that of a Medium Enterprise. Which includes state-owned or private national businesses. Or other joint ventures, and foreign businesses conducting economic activities in Indonesia.

The definition of tourism according to Getz (2008) and Yoeti (1996). It is a collection of businesses. That provides goods and services to ease business activities, have fun, and take advantage of leisure time. That is carried out far from the environment. They live, French et al., (1995) provide Understanding tourism as a link between goods and services combined to produce a tourist experience. Furthermore, Chesworth (2016), that:



“Tourism is the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs.”

The balanced scorecard is a new framework. The balanced scorecard is integrating various measures derived from corporate strategy. It can use in future performance measures. The balanced scorecard also introduces drivers of future financial performance. Which include customer perspectives, internal business processes, and learning and growth (Kaplan and Norton: 1996).

There are four perspectives used in the Balanced Scorecard, financial (financial), customer (customer), internal business process (internal business process), and learning and growth (learning and growth). The four perspectives must strike a balance between short-term and long-term goals, between desired outcomes and the drivers of achieving those results, and between hard goal measures and soft subjective measures. In the following, each of these perspectives will be described:

1. Financial Perspective

The financial perspective in the balanced scorecard for the private sector illustrates what success in financial aspects should be shown to shareholders. Financial performance measures provide an overview of the consequences of economic actions that have been taken in the past. This measure provides an sign of whether the company's strategy can contribute to increasing company profits.

2. Customer Perspective

The customer perspective in the balanced scorecard describes what we must show customers to realize our vision. In this perspective, the identified customers and market segments that the company will enter and measures of performance within these segments. Measures used in this perspective consist of generic and specific measures. The generic measures used to consist of customer satisfaction, customer retention, customer acquisition, customer profitability, and market share in the target segment. The specific measure used depends on the value proposition to be provided to the customer.

3. Internal Business Process Perspective

The internal business process perspective in the balanced scorecard describes what business processes. We must master well to please our shareholders and customers. In this perspective, various important internal processes that must be mastered by the company are identified. The identified business processes must enable the company to deliver a value proposition to customers. It meets shareholder expectations of financial returns. The internal business process perspective reveals a fundamental difference in performance. It measures between the traditional approach and the balanced scorecard approach. The traditional approach seeks to check and improve existing business processes. It used measures that focus on improving existing business processes. While the balanced scorecard approach identifies new processes. The company must master to meet



various customer and financial goals. In the perspective of internal business processes, managers try to identify the processes that are important to the achievement of the company's goals from a customer perspective and a financial perspective. Another difference is that the traditional measurement system focuses on the current product/service delivery process to current customers, while the balanced scorecard approach combines various business innovation processes into an internal business process perspective.

4. Learning and Growth Perspective

The learning and growth perspective in the balanced scorecard describes how we maintain our ability to change and improve ourselves to realize our vision. In this perspective, it is identified the infrastructure that the company must build to create growth and improve long-term performance. The three main sources of corporate learning and growth come from people, systems, and company procedures. According to Kaplan and Norton (1996), there are three main categories for the learning and growth perspective, employee capabilities, information systems capabilities, and motivation, empowerment, and alignment.

3. Research Methods

According to Sugiyono (2017), the population is a generalization area consisting of objects/subjects that have certain qualities and characteristics set by the author to be studied and then drawn conclusions. The population of this study is all small and medium industries in Pangkalpinang with a total of 17,123 businesses consisting of the food, clothing, chemical, and building materials, metal and electronics, and handicraft industries (BPS, 2018). Sampling in this study using the Probability Sampling method. The Probability Sampling method is a sampling technique that provides equal opportunities/opportunities for each element or member of the population to be selected as a sample. Probability Sampling methods include systematic random sampling, cluster sampling, stratified sampling, double sampling (Jogiyanto, 2013). The sampling technique in this study used the cluster sampling method. Cluster sampling according to Jogiyanto (2013) is done by dividing the population into several subgroups called clusters then the data items in the cluster are selected . 100 small and medium-sized industries from the five clusters sampled were restaurants/warungs, specialty food shops, souvenir shops, inns, trade shops. This questionnaire contains four perspectives, finance, customer, internal business, learning, and growth.

4. Results

Financial Perspective

The financial perspective is measured from the level of profit, sales turnover, and production costs. Profits, sales turnover, and production costs are divided into four ranges, 0-10 million, 10-20 million, 20-30 million, above 30 million (Widaningrum, 2014). The data can be seen from the table below:



Table 3. Financial perspective

Business Fields	Sales (Rp/month)	Production cost (Rp/month)	Profit (Rp/month)
Restaurant/stall	10-20 million	10-20 million	0-10 million
Specialty food shop	10-20 million	10-20 million	0-10 million
Souvenir shop	10-20 million	10-20 million	10-20 million
Inn	20-30 million	0-10 million	20-30 million
Trade shop	10-20 million	0-10 million	10-20 million

Source : Researcher (2020)

From the data presented in table 3, it can be seen that the MSME business actors in Pangkalpinang are on average in the range of 0-30 million, none of which is above 30 million profit. Of the five clusters that have been classified, MSMEs in Pangkalpinang for one month in 2019 did not experience too much profit. Clusters that do not experience much profit are the clusters of restaurants/warungs, specialty foods, and souvenir shops. This can be seen from the amount of sales turnover minus selling costs. But, there was an increase in profits for the inn and trading shop clusters. In the lodging cluster, there is an increase in the rental room sales turnover because Bangka Belitung is still a big tourist attraction. Khotimah et al (2015) show the results that companies that are sampled in a row for three years by analyzing the four elements of the balanced scorecard produce SME performance from a performance perspective for the four aspects indicating that performance is good with a score range of 2 and above. Meanwhile, several division units with a value below 2 state that the performance is lacking.

According to BPS data (2020), the number of tourists staying for five months from January to May was 156.772. The number of tourists staying overnight does not have a big impact on MSMEs supporting tourism. Because the high number of visitors does not have a big impact on MSME and IKM business actors. Data from BPS (2019) that the Bangka Belitung archipelago experienced an inflation rate of 2.14 percent with a Consumer Price Index (CPI) of 144.79 percent. This inflation can cause prices for food or souvenirs to rise, thereby reducing the interest of visitors to shopping for souvenirs in large quantities.

Customer Perspective

The customer perspective is to estimate the number of loyal customers, disloyal customers, and new customers of a business. This customer perspective is a dimension of an effort to see the extent of the market potential owned so that in the future it will be known what strategies must be carried out by businesses to enlarge or maintain their market. Questions for this customer perspective are divided into three, :

1. the number of new customers during 2019 with an answer range of 0-30 people, 40-50 people, 50-60 people, above 60 people



2. the number of customers from the beginning until the beginning of 2019 with an answer range of 0-50 people, 50-100 people, 100-300 people, above 300 people.

Table 4. Customer Perspective

Business Fields	Number of new customers in 2019 (persons)	Number of customers from start to 2019 (persons)
Restaurant/stall	50-60	100-300
Specialty food shop	50-60	50-100
Souvenir shop	50-60	100-300
Inn	0-30	0-50
Trade shop	50-60	100-300

Source : Researcher (2020)

From the data presented in table 4, it can be seen that the number of new customers at MSME business stores in Pangkalpinang. It averaged in the range of 50-60 people during 2019. While the number of customers from start to 2019 averaged in the range of 100 -300 people.

From the number of new customers at MSME business stores in Pangkalpinang, the average is in the range of 50-60 people for one month in 2019. While the number of customers from the beginning until the beginning of 2019 is on average in the range of 100-300 people. The number of new customers during 2019 can reach 600 people. So that it can have a positive impact because the number of customers can increase. The addition of this customer can occur due to residents and tourists. This is not proportional to the number of tourists who come to Bangka Island. This happens, there are many tourist objects on Bangka Island. So that tourists shop according to the destination of the tourist attraction. While this research is only for SMEs in Pangkalpinang. Widaningrum (2014) stated that the results of the evaluation of performance appraisals from the four perspectives can be seen as aspects that need to be improved to improve the company's performance, the retention rate from customers and work atmosphere satisfaction with the achievement of less than 85% when compared between the target and realization. With this information, the company needs to review the things that resulted in the performance of these two strategic measures not being able to achieve the agreed targets.

Internal Business Process Perspective

Internal business process perspective to measure the quality of products/services and services. That is provided by a business to meet its customers. Questions for the internal business process perspective are given a range of answers. Such as less good, good, quite good, good, and very good.



Table 5. Internal Business Process Perspective

Business Fields	Services provided	Facilities provided
Restaurant/stall	Good	Very Good
Specialty food shop	Good	Very Good
Souvenir shop	Good	Good
Inn	Very Good	Good
Trade shop	Good	Good

Source : Researcher (2020)

From the data presented in table 5, it can be seen that from the perspective of the internal business processes carried out by each MSME business cluster. They provide good services and facilities to customers. Business actors provide their best for customer convenience. So that customers feel satisfied when making transactions at their place.

From the perspective of internal business processes, business actors have tried to provide excellent service. Because customers are the kings. So they need to be served. Satisfied customers will have a positive impact, being loyal customers. So they can return to the place of business if they visit. Each business actor in each cluster also provides good facilities to customers, especially parking, seating, payment counters. According to Kaplan and Norton (1996), that strategy cannot be executed if it cannot be understood. But the strategy is difficult to understand. It cannot be described. In MSMEs, the strategy is carried out only in the short term because the mission is how to provide facilities to consumers.

Learning and Growth Perspective

The learning and growth perspective has two indicators, an increase in skills for employees and an increase in employee positive attitudes. Questions given from a learning and growth perspective are also given a range of answers.

Table 6. Learning and Growth Perspective

Business Fields	Employee Skills Improvement in 2019	With this training, it will increase the positive attitude of employees' work
Restaurant/stall	no	no
Specialty food shop	no	no
Souvenir shop	no	no
Inn	no	no
Trade shop	no	no

Source : Researcher (2020)

From the data presented in table 6, it can be seen that from the perspective of learning and growth carried out by each MSME business cluster during 2019 there was never an increase in the expertise of its employees so that the absence of



training provided could not have an impact on improving employee work attitudes.

From the existing data, business actors during 2019 have never conducted the training. So that there is no increase in employee performance. From this data, MSME business actors have not given more attention to their employees. Because this MSME business is small-scale so that business actors do not feel it is too much of a priority. In theory, the training needs to be given to employees as a basis for expertise in the field of work. But, because this is a small-scale business, this factor has received less attention from business actors. But, business actors must also pay special attention to employee skills. If they want to increase their business or improve employee performance. According to Augustinah (2018) that resource constraints are related to existing capital (budget). In this study, MSMEs did not pay much attention to human resources because there were limitations in the capital.

5. Conclusion and Suggestion

Conclusion

From the results of the discussion, it can be concluded that MSME business actors in Pangkalpinang are on average in the range of 0-30 million. That is none of which is above 30 million profit. The number of new customers at MSME business stores in Pangkalpinang. It averaged in the range of 50-60 people during 2019. While the number of customers from the beginning until the beginning of 2019 averaged in the range of 100-300 people. From the perspective of the internal business processes carried out by each MSME business cluster. They provide good services and facilities to customers. Business actors provide their best for customer convenience. So that customers feel satisfied when making transactions at their place. The learning and growth perspective was carried out by each MSME business cluster during 2019. It never saw an increase in the expertise of its employees. So that the absence of training provided could not have an impact on improving employee work attitudes. From the analysis of the customer's perspective that MSMEs in Pangkalpinang provide the best facilities for consumers. This illustrates that SMEs in Pangkalpinang has supported existing tourism.

The limitations of this study are the samples taken only in Pangkalpinang and the existing MSME area coverage.

Suggestion

For further researchers to expand the research area and cluster MSMEs based on the number of assets so that the results can describe the actual situation about the existing MSMEs.



6. Acknowledgement

Thanks to LPPM UBB for the funds. This research in in the year 2020.

References

1. Augustinah, Fedianty. 2018. Performance Management Balanced Scorecard for Cooperatives and SMEs
2. BPS, 2018 Central Bureau of Statistics. 2018. Human Development Index of Bangka Belitung Islands Province 2017. Pangkalpinang: BPS of Bangka Belitung Islands Province.
3. BPS (2019) Central Bureau of Statistics. 2019. Human Development Index of the Province of the Bangka Belitung Islands 2018. Pangkalpinang: BPS of the Province of the Bangka Belitung Islands.
4. BPS (2020) Central Bureau of Statistics. 2020. Human Development Index of Bangka Belitung Islands Province 2019. Pangkalpinang: BPS of Bangka Belitung Islands Province.
5. Chesworth, N. (2016). Economic Impacts of Tourism in Rural Nova Scotia. Impact assessment in tourism economics. A. Matias, P. Nijkamp and J. Romao. Switzerland, Springer International Publishing 81-96.
6. French et al., (1995) French, Christine N, Craig-Smith, Stephen J., Collier, Alan, 1995: Principles of Tourism, Longman, Melbourne.
7. Gumbus, A., Lussier, R. N. (2006). Entrepreneurs Use a Balanced scorecard to Translate Strategy into Performance. ProQuest. 11-14
8. Getz, D. (2008). Event tourism: Definition, Evolution, and Research. *Tourism Management*, 29(3), 403–428.
9. Kaplan, R.S. and Norton, D.P. *Balanced Scorecard: Translating Strategy into Action*. Boston: Harvard Business School Press, 1996.
10. Khotimah, Bain Khusnul; Firlirhamni; Moh.Zein Saedi; Andharini Dwi Cahyani (2015). Information System for Measuring Fish Cracker SMEs Performance Based on Strategic Management System Using AHP and Balance Scorecard Methods. *Technology and Engineering Seminar (SENTRA) 2015*. ISBN: 978-979-796-238-6
11. Mulyadi (2007) *Balanced Scorecard: A Contemporary Management Tool for Multiplying Corporate Financial Performance*. Jakarta: Salemba Empat, 2001.
12. Pitana, I Gede. and Surya Diarta, I Ketut. (2009). *Introduction to Tourism Science*. Yogyakarta: Publisher Andi.
13. Prasetyo, Bagus and Sri Suryoko. 2018. The Impact of Tourism Development on the Development of MSMEs in the Dieng Tourism Area. *Diponegoro Journal of Social and Politic*.
14. Grace. 2009. *Balanced Scorecard (Case Study on PT Jansen Indonesia Furniture Company)*. *Journal of Informatics Engineering*. Vol. 3:3-16 Available at: <https://www.shrm.org>.
15. Rompho, N. (2011). Why the Balanced scorecard Fails in SMEs: A Case Study. *International Journal of Business and Management*. 6(11): 39-46
16. Law of the Republic of Indonesia Number 20 of 2008 about Micro, Small and Medium Enterprises
17. Widaningrum, Dyah Lestari, Ivanaldy Kabul. 2014. Implementation of the Balanced Scorecard in Small and Medium Enterprises Unit: A Case Study of a Restaurant in Jakarta. *Comtech* Vol. 5 No.2 December 2014: 1031-1040.



18. Widodo. 2013. Design of the Balanced Scorecard as a Measuring Tool for Company Performance (Case Study: PT MCA). Journal of Economics and Management. Vol. 3: 3-34 Available at: <http://ccfw.wmich.edu>.
19. Yoeti, Oka. 1996 Revision Edition, Introduction to Tourism Science, Angkasa Publisher, Bandung.
20. <http://visitbangkabelitung.com/>

