

# BALANCED SCORECARD AS INFORMATION BASIS OF LEAN MANAGERS IN HOSPITALITY SECTOR

Bojana Novičević Čečević, Assistant Professor <sup>1</sup>  
Tatjana Stevanović, Associate Professor <sup>2</sup>

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**Abstract:** *Providing high-quality services at lower prices than competitors is one of business goals in the hospitality sector. In that sense, in order to preserve and improve their competitive position on the global market, hospitality managers must first harmonize their operations with the lean business concept, and then adopt modern performance measurement systems. This is because customers constantly question the quality of the service received and the way in which it is provided. The purpose of the paper is to point out the possibility of applying a modern performance measurement system, such as Balanced Scorecard, for the needs of hospitality managers in order to improve the services provided.*

**Keywords:** *Balanced Scorecard, lean managers, hospitality sector*

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## 1. INTRODUCTION

Modern business environment is characterized by globalization, application of high production technology, constant changes in information and communication technology, financial crisis, picky customers, shorter product life cycle, changed structure and character of costs, etc. Under such conditions, both production and service companies focus on timely provision of high-quality services to customers at a competitive price. Satisfying needs in a particular market segment in the long run implies the possession of reliable and relevant information about the cost and quality of a product or service.

In an effort to adapt to changes in the business environment and to successfully respond to various stakeholder demands, lean managers change their production systems, costing methods, performance measurement systems, and management methods. One of the performance measurement systems that can be applied in continuous improvement process is *Balanced Scorecard (BSC)*. Changed market conditions have led to the fact that the service sector must pay particular attention to the costs and quality of the services provided. This is because clients are looking for a unique experience that they can have from the services offered in tourism, leisure, and entertainment companies. In this regard, high quality of services delivered today is not sufficient for clients to opt for a service provider.

*Balanced Scorecard* is a modern performance measurement and management system of a company that creates a balance between financial and non-financial indicators, internal and external environment, short-term activities and defined strategies. The achievement of this balance is viewed through four perspectives that have their objectives and measures and are linked to the overall company strategy. *Balanced Scorecard* brings company operations in line with the defined strategy and monitors the efficiency of achieving strategic goals. Some companies identify key performance indicators that directly derive from their strategic goals and measure progress

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<sup>1</sup> Faculty of Economics, University of Niš, trg kralja Aleksandra Ujedinitelja 11, Niš, Serbia

<sup>2</sup> Faculty of Economics, University of Niš, trg kralja Aleksandra Ujedinitelja 11, Niš, Serbia

in achieving them. Tracking the movement of key performance indicators is the basis for performance management in a company. Performance management is used to assess the company performance in achieving the goals defined. Although *Balanced Scorecard* is accepted by a large number of profit organizations, in modern business conditions non-profit organizations can also apply it.

Given the above, the paper is divided into three parts. The first part shows the qualitative characteristics of lean managers. The second part points to the perspectives of the traditionally accepted *Balanced Scorecard*. The final part points to goals and performance measures to be used in hospitality companies.

## 2. QUALITATIVE CHARACTERISTICS OF LEAN MANAGERS

Improving the competitive position on a highly competitive and dynamic market involves accepting new business concepts and changes in companies' work organization. A business concept that fits into the demands of a modern business environment is the *lean* concept. The *lean* concept implies the application of five basic business principles [1]. The first business principle is value definition. The value is defined by end customers who require a product or service that will best meet their needs. The second principle of the *lean* business concept refers to the establishment of "value streams" in a company. "Value stream" implies all the activities and jobs carried out in a company in order to create value for customers [2]. "Value streams" established in a company relate to the entire business process, not just production. Correctly established "value streams" in the company allow the elimination of non-value-added activities, reduce defects, lags, eliminate waste, and so on. The established "value streams" will ensure the removal of all obstacles and enable the smooth flow of products to customers, which is the third principle of the lean business concept. Introducing the customer requirement system is the fourth principle of the lean business concept. The end customer sends a signal for the production of a product, and the companies should try to maintain the appropriate level of inventory in order to deliver the required value. The pursuit of perfection is the last principle of the lean business concept. With "value streams" established and their smooth functioning ensured, the aim is to make the company as a whole function in the best possible way and constantly search for opportunities for business improvement.

*Lean* concept was originally applied in the production process, and it involved organizing the production process around "value streams". After a number of improvements, both operational and strategic, achieved through the implementation of this concept, it began to be applied in the public sector, hospitality sector, service sector, health care, etc. The goal of the lean concept is to minimize waste in the production and service provision process, delivering the required quality when needed [3]. This is achieved by eliminating waste that occurs not only in the main process but also in all supporting processes. Waste additionally increases costs, and, therefore, the cost of the product or the service provided. Waste refers to all those activities and jobs carried out in a company, which do not create value for customers. Eliminating waste is possible by applying a wide range of lean techniques. In that sense it is necessary to choose lean techniques that will best meet the requirement of the manager in a hospitality unit [4].

In order to successfully manage a company, the manager must adapt their activities to the lean concept requirements, which is to understand, act, and think in accordance with the lean business principles. The manager must possess certain knowledge and skills, to be committed to

the company, to understand and establish a relationship between their own goals and goals of employees, on the one hand, and the strategic goals of the company, on the other [5]. Managers must do their job in line with the established corporate culture, which implies respect for an operational strategy. This is because the operational strategy defines measures that determine the performance of managers in a lean business environment. Managers' performance measures are not universal for each type of company, precisely because of the specific nature of jobs that are performed in the company. In recent years, a difference between the qualitative characteristics that the production manager and manager in the service sector should have has emerged. A special place within the service sector belongs to qualitative characteristics of hospitality managers.

In the hospitality sector, there are many activities and operations that need to be done in many different ways, which is why this sector is interesting for research. Hospitality managers meet clients with different requirements and criteria for assessing the quality of the service provided, and they are inclined to give a final rating based on only one segment of the services provided. Also, the job of managers in the hospitality industry is very demanding and stressful, although at first glance it looks very glamorous. Long working hours and a large number of demanding clients are often not on the priority list when choosing jobs. Compared to other managers, hospitality managers should be [6]:

- Calmer, more realistic, and more stable,
- More competitive,
- Greater enthusiasts, and
- Focused on practical problems and details.

Due to the unique needs of the hospitality sector, managers' personal values and behavior are different from managers in other sectors. The qualities that hospitality managers should have are the following: technical competence, social and human skills, and conceptual abilities [7, p. 23].

Technical competence relates to the specific knowledge, skills, and abilities that the manager has about the tasks and jobs performed within a hospitality unit. The manager's job is easier if the hospitality unit applies standard methods and work processes. However, if the situation is different, the manager must be ready for further research and get to know the process of providing services through additional education, training, and improvement. Possession of specific knowledge and skills is necessary, but certainly not the only quality of managers.

The following quality applies to social and human skills. They involve the skill of establishing coherent, partnership, and friendships relations in working with other people, as well as between other people, fairness and respect for certain behavioral rules, leadership ability and establishing authority in order to perform the tasks appropriately and achieve high performance. The ability to use their knowledge and skills to make employees give their maximum and achieve the given performance is the most important quality of a successful manager. This quality is especially important because employees are the main resource of each company, especially in hospitality industry. Some employees are in direct contact with the users of services on a daily basis, so that users tend to provide the ultimate judgment about the quality of services provided based on their contacts with staff, their kindness, and attentiveness. Therefore, contact with staff has more impact on customer satisfaction with the services provided than the quality of accommodation, food, and other services [7, p.24]. This in no way means that hotel appearance, diversity of content, and quality of food does not affect the quality of services, but points to the importance of training, education, motivation, and care for employees.

The last quality refers to conceptual abilities. A manager in a lean business environment must look into the process of providing services in hospitality units as a whole, understand its complexity, and what impact the change in the environment will have on the performance of the hospitality unit. In that sense, the manager in a hospitality unit must be an entrepreneur, control costs, take care of promotional activities, and take care of the quality of the service delivered [8].

### 3. BALANCED SCORECARD AS A PERFORMANCE MEASUREMENT SYSTEM

Robert Kaplan and David Norton were the first to introduce the *Balanced Scorecard* concept as an effective performance measurement system in a company. *Balanced Scorecard* is a special performance measurement system that enables the company strategy to be transformed into a comprehensive and efficient corporate governance system. In this way, a complete system of performance measures is defined, which will help achieve strategic goals. Bearing in mind that managers need a comprehensive overview and a balance between financial and operational performance, *Balanced Scorecard* offers four perspectives [9]:

- Financial perspective – How do we look to customers?
- Customer perspective – How do customers see us?
- Internal process perspective – What should we resist? and
- Learning and growth perspective – can we continually increase and create value?

The financial and customer perspectives relate to the desired result that the company should achieve. The financial perspective reflects growth and profitability from the stakeholder perspective, without neglecting the traditional need for financial indicators. Timely and true data on the financial aspect of business operations have always been a priority for managers, as well as business owners and the wider community. However, in addition to focusing on financial indicators, modern companies have recognized the importance and the need to create value for the customers themselves. If performance within this perspective is bad, this will also affect performance within the financial perspective. In this sense, it is necessary to analyze value users from different aspects in order to determine which value aspects are important for individual user groups.

The internal process and learning and growth perspectives show how businesses create the desired result. In this sense, the internal process perspective relates to the business processes that are carried out in the company, aiming to create satisfaction both for customers and stakeholders. By monitoring the performance of internal processes, managers can see whether business moves in the desired direction and whether products and services are in line with user requirements. The priority of the last, learning and growth perspective, is creating a business climate that will support organizational change, innovation, and growth. This perspective focuses on employees and organizational culture that encourages continuous improvement and development. Under the conditions of rapid technological progress, it is essential that employees focus on continuous learning and improvement. This is because learning and growth are the basis for every company success.

To create a *Balanced Scorecard* structure that links cause and effects between strategic objectives, companies need to create a strategic map. The strategic map is visually an organizational strategy that outlines the goals of internal processes that are the basis of value creation and organizational learning and growth that supports internal processes. Targets in the strategic map are later translated into specific goals and measures within *Balanced Scorecard*.

This approach to performance measurement proceeds from the vision and mission of the company on the basis of which the strategy is formulated, goals, and criteria for certain business aspects set. In this way, *Balanced Scorecard* is the basic tool for implementing strategy in companies where the strategy is clearly defined. For companies whose strategy is not clearly defined, *Balanced Scorecard* will serve as a mechanism for developing a strategy at the business unit level. In addition to reviewing the financial results, *Balanced Scorecard* allows managers to have an insight into the acquisition of intangible assets, which can be crucial to achieving and maintaining competitive advantage. The *Balanced Scorecard* model combines financial performance criteria from the past with non-financial performance measures that will be applied in the future, so that management can monitor and control how to create value in the company. In addition to the performance measure of the company as a whole, it is also important to establish individual criteria of different business units, functions, departments, and similar elements of the organizational structure, in order to monitor their contribution to the achievement of goals at higher levels [10].

#### 4. STRATEGIC AND OPERATIONAL CONTROLS IN TOURISM COMPANIES

The primary goal of the study to be described on the following pages is to gain insight into the performance measurement processes in small and medium-sized enterprises (SME) in the field of tourism, leisure, and entertainment. For the purpose of this study, the definition of the UK Department of Trade and Industry is used, which under small and medium-sized enterprises implies companies with less than 250 employees. The areas of detailed research relate to the preliminary investigation of critical success factors in the tourism, hospitality, and entertainment sector, with questions on performance levels based on the European Foundation for Quality Management questionnaire. The best practitioners are selected according to the recommendations of tourism boards, national chambers, and ministries of trade and industry, supplemented by recommendations coming from individuals and professionals. Within the given set of companies, for further analysis, companies that received regional or national awards, such as Excellence through England Award, Leisure Property Forum Award, Automobile Association (AA), Investors in People awards, and Vision 100 awards, are selected. For this study, consultants, owners, and managers of 10 small and medium-sized enterprises are interviewed (The Angel Inn, EcoTech Swaffham, Flamingo Park Wildlife Encounter, The George of Stamford, K-West, Matfen Hall Country House Hotel, The New Mill Restaurant, The Old Bell, Patshull Park Hotel and Country Club, and Pennyhill Park Hotel). The conclusion is that effective performance management processes are the critical success factors in small and medium-sized enterprises, with the notion that the analysis of business practice in tourism is not sufficiently developed, so the results should be seen in this context. [11]

In accordance with the formulated and developed *strategies*, oriented towards *differentiation* in the field of hotel management, and *cost leadership* in the domain of entertainment, data analysis has registered four *critical success factors* that currently affect performance in the branch: 1) *implementation of budget control to increase total revenues*, 2) *implementation of customer relationship management as a means of improving the quality of services and retention of customers*, 3) *the necessity of strategic management in the management of internal business processes*, and 4) *collaboration with the aim of innovation and learning*. With the addition of *profitability*, *quality of services*, *user profiling*, *productivity*, *benchmarking*, and *team work*, a complete list of critical success factors in the tourism, leisure, and entertainment sector is formed.

In the tourism, leisure, and entertainment sector, a system of **value drivers** has been identified, which refers to: *digitization of the financial reporting system and linking it to management information systems, communicating with guests and employees as drivers of innovation.*

Relevant information and modern IT equipment are a very important driver that directs the company towards the successful realization of the chosen strategy. In this regard, the owner of the New Mill restaurant, for example, has created financial management software that integrates information on average expenditure per department into a database. In his words, “the average cost for each of the two restaurants is determined. We know the average gross margin. In addition, we monitor the sales of beverages on a monthly basis”. The integrated management information system allows the owner to find out which business unit generates revenues and, accordingly, adjust their operations. Digitization in this area helps in the collection, processing, and distribution of financial information. A shorter digitalization check will be useful for measuring financial performance and monitoring the implementation of a business strategy. The George of Stamford, a complex of hotels and restaurants, has fully integrated financial and management information systems with the software for registering guests, booking, electronic payment, etc. One of the answers from the interview reads: “Our reporting system produces tables with data on cash flow, profits, employee turnover, and organizational charts”. The organization is able to measure daily performance and how it fits into the weekly budget. Procurement of food is monitored daily and compared to sales. Weekly overview provides a detailed insight into turnover and gross profit margins in the area of employee food and salaries. “Although we pay monthly, we know what our expenses are each day. We monitor capacity every day until the end of the month and we are doing statistical analysis of the number of overnight stays and the average number of rooms taken”. The financial director is striving to expand the use of software to table occupancy to identify visitor trends in the direction of “pasta selling growth, reorientation to steaks, notice of new dishes...” Connecting digital and management information systems enables a more coherent interaction between everyday management and forecast performance. The K-West hotel and entertainment complex has a fully integrated financial and management information system. The CEO can monitor current performance and plan the future. According to him, “we have weekly meetings. At one of them, we discussed what to do next to achieve the financial goals. Following this idea, we had a meeting to predict the financial situation, where we transferred the results of previous meetings into tables to see the effects on the budget. Then we forecast where we can make savings”.

Communicating with guests helps in building closer relationships and encouraging loyalty, as well as determining appropriate performance indicators. Informal conversations with customers can reveal their mood, which indicates a sense of appreciation and respect. Interpretation and collection of guest satisfaction information must be systematic and rigorous, while the digitization of management information systems can facilitate the performance measurement process. George of Stamford uses a mix of formal and informal techniques in order to collect customer data. All rooms have comment cards that are analyzed at board meetings. The staff is encouraged to communicate with guests. The information is then entered into the guest history program as part of the booking package.

In order to foster innovation and facilitate learning, small and medium-sized enterprises in the tourism sector must enable a dialogue between senior management and employees, and create conditions for a strong organizational culture. George of Stamford organizes daily staff-management meetings, all employees attend a 14-day education program run by a qualified trainer, after which they start working. There is also a training manual for departments with the latest

lessons. An employee leaving the company fills in the questionnaire used to find out the reasons for such a decision. “We need to look at the way we recruit, introduce, train, retain, and motivate people to stay with us. The financial director, general manager, service and catering manager complete the course, which can be transferred to the lower levels, with the aim of encouraging learning and training throughout the company through internal measurement and auditing. The staff is encouraged to suggest new ideas and ways to improve existing business”.

In order to determine performance measurement activities within each company, a semi-structured interviewing instrument is used, based on BSC as a descriptive framework, using open and closed questions. The questionnaire consists of the following sections:

- Information on the organization,
- A system of financial information in use,
- Sources of information,
- Current performance measurement activities,
- Setting performance objectives,
- Revenue management, and
- The future of performance measurement.

As there have been 10 case studies available for analysis, a secondary case analysis is also performed. The interviews cover a number of performance management issues, and the analysis reveals some disparities in the processes. For example, in some companies, performance measurement is manual, documentation-based, while some companies are highly computerized, with a high potential for the implementation and application of the BSC. None of the companies explicitly use the BSC, which is not surprising due to the lack of empirical research, but they nevertheless use non-financial measures in their performance management systems.

The survey has found that companies in the field of tourism, leisure, and entertainment create their *performance measurement system* based on critical success factors and taking into account the system of value drivers. Overview 1 illustrates the hotel BSC based on the aggregation of measures used by two hotels in the study.

The real and predicted profitability is a critical success factor in the field of financial management, associated with performance measures, such as *operating profit*, *net profit*, and *sales volume*. With budget control, another set of key success factors in this field, there is a set of performance measures, including *percentage of realized financial goals*, *cash flow*, *achievement of predicted bed occupancy rates*, *revenue per available room*, etc.

Critical success factors in customer management are the quality of services, customer relationship management, and user profiling. *Quality of service* is the most important factor of user satisfaction and retention. It can also be used as a performance measure determined by surveys or ranking schemes offered by various organizations. All analyzed cases apply some ranking schemes. In addition, Patshull Park Hotel and Country Club has an initiative of a mysterious guest, EcoTech Swaffham, an energy center, strives to work with focus groups in its user base, and Angel Inn restaurant, Pennyhill Park Hotel and Flamingo Park Wildlife Encounter, a complex of parks, gift shops, and catering clubs, compare with competitors, both nationally and internationally. Customer relationship management is generally linked with the *customer satisfaction level*, as the most important performance measure. Without a good understanding of the customer base, companies are unable to determine effective indicators and user-related goals. Companies must be aware of their customers, who they are, where they come from, what they

expect from the visit, and whether they will return. Accordingly, the most important measure related to defining the user profile is the *user loyalty rate*. The owner of Old Bell, a group of restaurants for entertainment, has two buildings in the surrounding area and has a good insight into the customer base by analyzing the average price of the facility, income, and local unemployment. He is able to put his knowledge of the local market in the context of performance measures.

The need for strategic management in managing internal business processes involves defining clear goals, making decisions related to tasks, investing in employees, and controlling productivity. Most of the companies surveyed see staff as the key to measuring and evaluating internal business processes. They stress the importance of training and giving powers to employees while optimizing internal operations and highlighting possible problems. Schemes like Excellence through People can encourage companies to consider internal processes and formulate and develop more effective and efficient strategies in terms of customer relationships, fostering innovation and learning, and improving internal operations. Thus, Pennyhill Park Hotel combines employee training with business goals in its training and development plan, K-West uses the compensation system to connect salaries with achieved performance, George of Stamford has financial incentives for staff in the form of a bonus, Matfen Hall Country House Hotel organizes the Higher National Diploma course, which fosters staff training and retention, Flamingo Park Wildlife Encounter emphasizes the creation of a positive working environment as key business goals in the next three years, highlighting the link between formal recognition of staff values and strong organizational culture, EcoTech Swaffham's staff acquires new skills through project-based work, which fosters innovation culture, while Old Bell hotels foster employee empowerment and strive to improve the organization's growth by involving employees in all business aspects, including finance, with interesting statements from the director, such as: "I think it gives them a sense of importance and I think they feel like part of the whole. They do not work for me but with me. We have a partnership relationship, and if I feel good, they feel good too. Thus, everyone has a greater sense of responsibility". Productivity is a factor that takes a significant place in all surveyed firms. It is considered the key to measuring internal business processes. George of Stamford defines productivity as a percentage of the paid wages needed to achieve a satisfactory turnover, highlighting in the same context the link between staff motivation and productivity, matching earnings and achieved performance. A comprehensive review of K-West's performance also focuses on staff, annual salary growth is linked to inflation growth, with a three-year evaluation system and final performance review at the end of the year before awarding cash prizes. The management team conducts a series of training programs with ratings to enhance performance at senior management level. "Staff is absolutely our key performance indicator. We use it to get data and answers from visitors, but we plan a more formal process for the next year. We will send messages with a request to respond to a small questionnaire to get information about our staff performance and our services". Based on the above, in relation to such formulated success factors, a system of the following performance measures is created: *fulfillment of financial goals, percentage of task execution, degree of completion of capital projects, employee satisfaction, staff development, percentage of employee loyalty, degree of employee motivation, etc.*

Regardless of whether through an exchange of experience or benchmarking, small and medium-sized enterprises must be encouraged to compare with companies from other branches in defining indicators and goals in the field of learning and innovation. Perhaps due to the nature of the product, the most specific indicators and goals are articulated. In companies like EcoTech Swaffham, innovation is the foundation for approving funding. Owners of Flamingo Park Wildlife Encounter are invited to share the best experience with zoos from around the world like



Milwaukee and San Diego. Flamingo uses experience sharing and benchmarking to implement learning and innovation strategies and review performance measurement systems as a whole. The company strives to successfully organize at least one innovation event annually, improve menus according to guest habits, and develop a recruitment strategy that would encourage the employment of mature, skilled, and experienced staff. The owner of the New Mill restaurant is also involved in the UK restaurant community and the Academy of Food and Wine Service, with the aim of raising the level and measuring the success of innovation within their company. *The number of new products or services, process improvement initiatives, chamber and professional association membership, courses attended by staff, multi-tasking, and productivity* are the most significant performance measures related to benchmarking and teamwork performance as critical success factors in the field of learning and innovation.

Category	Critical success factors	Key performance indicators
Finance	Profitability	Gross operating profit Net operating profit Volume of sales
	Budget control	Budget compliance Realizing financial goals Realization of the predicted bed occupancy rates Revenue per available room Cash flow
Users	Quality of service	Guest surveys A mysterious guest Participation in ranking schemes
	Customer relationship management	User satisfaction levels Average spending
	Guest profiling	User loyalty rate
Internal business	Have clear goals	Fulfillment of financial goals
	Follow the tasks	Internal audit Completion of capital projects
	Invest in employees	Staff satisfaction surveys Personnel development reviews % of employee loyalty
	Productivity	Earnings per turnover (in %) Employee motivation schemes
Innovation/Learning	Comparison between sectors	Number of new products/services Initiatives for process improvement
	Encouraging teamwork	Membership in chambers and professional associations Participation in ranking schemes Courses attended by staff Multitasking level (simultaneous multi-tasking) Productivity

Overview 1. BSC in the hotel management sector

Source: Philips, P. and Louvieris, P., 2005., "Performance Measurement Systems in Tourism, Hospitality, and Leisure Small Medium-Sized Enterprises: A Balanced Scorecard Perspective" *Journal of Travel Research*, Vol. 44, November 2005, p. 209.

The literature findings in the context of the study results show that the observed companies have yet to experience the benefits of using the BSC and other performance measurement systems. This suggests that SMEs in the area of tourism, entertainment, and leisure still have gaps in the area of control at strategic and operational levels, change management, the link between strategy and performance measurement and improvement.

However, in the case of small and medium-sized enterprises, which are the best practitioners, there are large barriers to implement efficient activities in the field of performance measurement. Managers have problems in defining strategic goals, critical success factors, and relevant indicators. To overcome this, small and medium-sized enterprises must have the right information – in terms of financial information, guest profiles and feedback, business goals and training and development needs. Basically, understanding business in the context of vision and strategic direction is a prerequisite for efficient performance measurement.

Over-reliance on “hard” financial information is observed when monitoring the implementation of business strategies. Retrospective financial indicators are present in many cases and the respondents rank them as the most important. Pubs and restaurants consider them the most important, although there is a growing awareness of the need for a more balanced approach. The so-called “soft” indicators, which are not affected by the effect of the time gap, are becoming more and more important.

When measuring performance, there is an unconscious dimension, especially with internal processes and learning and innovation, which leads managers to not review the strategy rigorously enough and often. The measurement effectiveness implies audit on a regular basis and in a systematic way, which is not the case here. By digitizing the performance measurement system, its full integration and compatibility with the developed strategy can be ensured, and, therefore, the efficiency of implementing strategic and operational control.

## 5. CONCLUSION

Managers in the hospitality sector previously focused solely on achieving as much gross and net profits as the only measures of business success. Both gross and net profit measured the company performance and the performance of managers. Managers in the hospitality sector today have a completely different role. They must be an entrepreneur, control costs, take care of promotional activities, and take care of the quality of the service delivered.

Hospitality managers, among other things, have to pay special attention to the costs and quality of the services provided. In order to obtain information about the costs and quality of services provided, modern performance measurement systems such as the Balanced Scorecard are used in the service sector. In this regard, some of the advantages of the Balanced Scorecard in hotels can be distinguished:

- Allowing managers to understand activities and processes that are done by digitizing the system;
- Allowing managers to provide greater value to customers than competitors, by understanding and communicating with guests and employees;
- Allowing to see how available capacities are used and their employment in order to achieve greater productivity;

- Allowing managers to reduce operating costs in accordance with the estimated achievement of financial goals without compromising the quality of services provided;
- Allowing an assessment of employee development level, as well as their loyalty and motivation;
- Allowing establishing a connection between control and achieving operational performance.

Also, with the application of Balanced Scorecard, lean managers will be able to better understand how non-financial performance influences better financial performance and to make better business decisions in order to preserve a competitive position.

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