RESEARCH ARTICLE

THE EVALUATION OF BALANCED SCORECARDS FOR 'SMALL AND MEDIUM ENTERPRISES' (UKM).

Minto Waluyo[1] and Syamsul HudaHumala L.Napitupulu[2].

1. UPN 'Veteran' East Java.
2. TI – USU.

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Manuscript Info   ### *Abstract*

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Balanced Scorecard (BSC) has the same concept as the tool of Structural Equation Modeling (SEM) that has a concept of causal relation. Meanwhile, when the research model has a concept of SEM, BSC is employed as its variable. In fact, BSC becomes an efficient and effective tool as a performance evaluation and it can provide an integrated view to organizational performance as a whole. Then the researcher developed the intellectual BSC knowledge based system for its operational planning strategy based on its perspective. This research was aimed at knowing the effect of balanced scorecard variable that was adjusted with the tool of SEM. As a means of strategic planning in the future, this kind of modeling was becoming a virtual obligatory in a business if we want it to be in existence. A great sample was required in this research to fulfill maximum likelihood estimation, primary data, and the scoring of seven-point scale. Meanwhile, the research model was the combination between model one and two step to do testing the measurement model, structural equation modeling, and modification model. The result of model test showed that there was some indication of multi co-linearity so that the model can be changed into one step model. Having been modified, the model of goodness of fit indices showed that the score was quite good. Two variables of BSC affected significantly, and the two others did not affect significantly. The implication of goodness simulation model of fit modification resulted DF = 178, Chi-square = 206.850, P = 0,068, CMIN/DF = 1.162, GFI = 0.847, AGFI = 0.802, CFI = 0.972, TLI = 0.967 and RMSEA = 0.04. Based on this analysis it was known that there were only two marginal scores considered to be good.

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Background:-
Introduction to the problems:-
Economic crisis in Indonesia in 1997-1998 made foreign observers predict that Indonesia would be scattered like Balkan countries in Europe. The current issue of the same problem also happens in Greece. As we know that beforethe year 1997-1998 Indonesia became one of the Asian tigers so that the economic crisis made many countries lookit down. However, not long afterwards Indonesia was trying hard to come out the crisis. One of the most successful efforts to emerge from crisis was the establishment of UKM (Small & Medium Enterprise). In fact, this

Corresponding Author:-Minto Waluyo.
Address**:-**UPN 'Veteran' East Java.

establishment could support the Indonesian Economy and gradually make it better. Some of the UKM performances sampled in this research were sandal and furniture industries.

Based on the observation in the field, the economic condition of the low level (including UKM) at present such as in traditional market, mini market and even supermarket is running very well. The Small and medium enterprises (UKM) keep on running because the capital they usedwas not borrowed from the bank. Meanwhile, the direct impact of the crisis was encountered by big companies that obtained the loans as their capitals from the bank.Therefore, the performance process of UKM had to be innovated so that it could catch the bigger opportunity of business. Besides, Indonesian government provided some policy of BLBI (Liquid Bank Indonesia) to the big companies/enterprises to make both (UKM and big companies) keep on existing in efforts to stabilize the national economy. The policy taken was by combining the fourth step perspective of Balanced Scorecard (BSC) focusing on its system and different behavior/step (Lipe and Salterio, 2000 [29], Malina and Selto, 2001 [30], Dess and Shaw, 2001 [9], Ittner et al, 2003 [22] This strategy in fact made the Indonesian economy become better. The advantage of BSC method was due to the balance of finance and non finance[21], the previous problems focusing on financial variable, customer and business process/internal focusing on the next period to the learning variable and growth [6].The framework of BSC enabled the manager to see back what had happened in the past time and what in the future (Banker et al, 2004) [6]. More than two decades after the first publication of BSC (Kaplan and Norton, 1992) [24] in the eighteen[th] year, there were more than 11.000 responses from executives, the survey of management tool showed that BSC was established to be one of the most popular managements as an instrument or tool of performance evaluation. Meanwhile, in the nineteen[th] year, Rigby and Bilodeau (2011) [42] described about the popularity of BSC to practitioners that BSC was still the most popular tool of management. The 20th year, ZahirulHoque (2014) [58], the finding result was shown in 3 (three) parts. The first was the article review classified into topics, research organization, theory, research methodology, and analysis techniques of primary data. The second was dealing with the research contribution in the field and learning. The third was about the scientific gap of research available in BSC. Having been identified, it was considered to make some ideas for the next research in the future.As the analysis period took a long time (about 20 years), this might support some test hypothesis related to the future time. In the third part, that was adjusting the BSC and Partial Least Squares (PLS) by using the limited data. Here the researcher studied about the causal relation of the four categories of BSC. Moreover, some researches employing BSC method for UKM had ever been conducted by [10,11,44]. BSC has been effectively used to evaluate many kinds of different businesses' performance [2,11,20]. BSC was also implemented in the higher level institution which does collaborating/cooperating in efforts to develop the evaluation framework of Food Research Institute (FRI) performance [57], and also to evaluate the system of organizational performance [11]. Furthermore, Withanachchi et al [54] said that BSC could be used by managers to evaluate the program of organizational development (TQM) that could be undertaken in public hospital for tertiary treatment. Jorge Gomes et al [13] and Moreo et al [36] suggested that BSC could be used by managers to evaluate the environmental impact and company's finance in efforts to help the environmental quality to policy makers, including hotels, the owners and stock holders. Smandek et al [47] applied and developed the BSC system for IP management to maximize the increase of license income, cost reduction, and motivation improvement. Moreover, Homburg et al [18] also said that BSC could be applied in the performance of marketing management to show comprehensive relationship between the performance evaluation of marketing system and company's performance as a requirement of marketing conformity and market-based knowledge. Taylor and Baines [49], said that BSC was applied to evaluate the higher management performance dealing with organizing, monitoring, strategic evaluation, and policy as well as motivation problems.

General election conducted in 2004 which could run in peace became the crucial moment. This condition became the psychological encouragement and energy that made the economic cycle run faster. The Indonesian leader in that decade (2004-2014) became the basic founder of stability after economic crisis. He was capable of maintaining the level of economic growth around 4-6%. Among all of the countries in the world, only China and India could reach that level. However, in accordance with its stability of economic growth, Indonesia stayed in the highest position in the world. Therefore, Indonesian people expect that the Indonesian leader in this decade 2014-2019 could keep and even improve some positive and prospective programs, realistic, responsible and credible to make the national economy become better and better.The production process of small industry is usually located in one area that has a certain characteristics. As a more specific area, the economic activity of commodity produced was established naturally supported by some certain facility to develop both goods and service product. The doers of a business were usually a group of micro and medium businessmen. The central area is situated as the unity of physical function, such as land, geography, infrastructure, institution and human resources that are quite potential to develop the

economic activity. Besides, there is also a market effect of one product that has a sale value and high competitive power. Based on SK from State Minister of Cooperation and UKM No: 32/Kep/MKUKM/IV/2002 [59] about growth guidance and central development. Sentra/Centre was defined as the activity centre of a certain area/place that has established some businesses using the same facility and raw material to produce the same or similar product and having a good prospect to develop into one certain cluster. Here are some characteristics of small industry: (1) The management is usually based on traditional skill. (2) The production tool/instrument is usually quite simple. (3) The business style and organization dealing with entrepreneurship still needs some guidance. (4) It still needs some support and help to provide the raw material and to do marketing the product.In general, craft villages are those of the first step of business development trying to be a small craft industry as an excellence product and directed to comprehensive level of business industry of profit oriented. Besides, it can also be capable of providing some contribution as a job field provider and original income of a village. Ratnasingam et al, [41], said that in a small business, the lack of capital and technical skill or managerial are the strategic management system.

A small industrial centre of Wedoro village located in Sidoarjo is an industrial centre producing shoes and sandals that becomes the excellence product. Meanwhile, the other villages, Krapyak and Bukir located in Pasuruan regency are the industrial centers producing furniture as their excellent product.It was suggested in the previous research that customers and finance in causal performance, they are the two aspects that are inter connected each other [38]. Gonzalez-Padron et al [14] said that the customer's performance affected the financial performance. Meanwhile, the learner and growth facilitate the process of internal business. BSC has been applied in many kinds of different contexts. Empirical study on the application of BSC as a specific IT serviceuses primary data as it was stated by Saas [44], Ing-Long Wu et al, [21], Zahirul [58] with limited numbers. However, there is a scarcity of comprehensive performance and applied management system in UKM [1]. Sangjae Lee et al [44] studied about the causal relationship between the four variable evaluation of BSC adjusted with PLSentitled 'Using Balanced Scorecards for the Evaluation of Software-as-a-service'. As every evaluation of performance must be an element of cause and effect relationship. Kaplan & Norton [28] created the BSC method with its concept of cause and effect relationship so that the researcher has a mind set of BSC to be adjusted with SEM. The advantage of this is as an input or suggestion in planning the current score good of fit and that of in the future. This is expected to increase the system of organization performance that affects positively in serving the customers, employees/workers, owner, and stake holder [6,25]. However, before the researcher conducted the research, the similar one had ever been conducted by Sangjae Lee et al, ZahirulHoque [44,58]. After a study of many BSC journals had been applied as a means of strategic perspective, the discussion of hypothesis as a whole was done both primary variable and its formation.This research was aimed at knowing the goodness of fit model and significant effect among variable, the synergic result of two methods in efforts to evaluate the BSC strategy, discussion, model discussion, and implication.This paper synergizes BSC and SEM by using a great many of data (Baggio and Sainaghi, 2011) [5]. The result finding of this researchwas performed in three parts. The first was entitled 'The Evaluation of Balanced Scorecards for 'Small and Medium Enterprises' (UKM), the second was Analysis model performance balancing scorecards and perspective strategy which is synergized by Sem. And the third was Analysis on performance model using balance scorecard, strategic objective and sustainable competitive advantage synergized with sem.

The research was focused on tool SEM started from conducting the dissertation research. After that, writing tens accredited national journals. Besides, the researcher also made some reference books focusing on tool SEM of three titles. They were Model One Step Approach, Two Step Approach, and the third was PanduandanAplikasi SEM (The Guidance and Application of SEM) with discussion model of two step approach became model one step approach. The result of this research was used as a reference book. This book became one of the best sellers in Indonesia.

Meanwhile, the research was conducted in the centers of small industry located in Sidoarjoregency for sandals and shoes product, and Pasuruanregency for furniture industry.

State Hypothesis and their correspondence to Research Design:-
There were 8 (eight) hypothesis employed in this research. However in general, the explanation of hypothesis test and how to hypothesize one variable and another, can be seen in figure 1. Meanwhile, the test and hypothesis discussion would answer the objective of the research, and its strategy was included as simulation model and goodness score of fit.

Matherials and Methods:-

According to Johnson and Kaplan (1987) [23], the need of better performance is in accordance with the evaluation system. BSC is one flexible evaluation method of performance. This means that this evaluation can be used not only for the performance of business corporation as a whole but also an institution that consist of four perspectives, finance, customers, internal business process, learning and growth (Kaplan & Norton, 1996) [26]. Concept of BSC itself develops as fast as the development of implementation concept. The word BSC is derived from two words, balanced and scorecard. Score card is a card used to record the score based on the result of someone's performance. The score card is also used to plan the score that will be performed by a personnel in the future. This score then is compared with the real result of performance. Meanwhile, the word 'balanced' is aimed at stating that the personnel's performance is evaluated equitably from two aspects, financial and non financial, short-term and long-term, internal and external. BSC can be defined as the objective of long-term strategy from each perspective (outcomes) and its mechanism in efforts to achieve that objective/aim (performance driver). To achieve this aim, we have to combine the objective of long-term strategy asan effect of short-term event. This research was conducted as an effect of short-term event, that was the reformation era in 1997. That was the time of the economic crisis in Indonesia. Ittner et al, 2003) [22]. The four processes of BSC interpreted the vision, mission, and company's strategy in efforts to determine the value of performance, organization's vision which was explained in the objective and target (Kaplan and Norton, 1996) [26]. This objective is then explained in a strategic target and its evaluation of achievement. A manager was capable of making better decision by using the four perspectives of BSC (Lipe&Salterio, 2000) [29]. Meanwhile, Sangjae at al [44], synergized his paper with BSC and PLS and data of 101 companies. They studied about the causal relationship among the four categories of BSC. Moreover, Tobia [50] stated that PLS was useful in screening out negligible factors affecting the dependent variable. This research synergized BSC and SEM by studying the causal relationship of the four categories of BSC. This is due to the strategy was the hypothetical representation of cause and effect regarding the capability of an organization to correspond the market changes to achieve a goal, such a strategic causal relationship that can form a set of causes and effects.

Identify Subsections:-

Any experimental manipulations:-

Financial Perspective:-

In BSC, financial perspective consistently becomes one concern because the financial measurement was one economic consequence happened due to the decision and stable economic activity. The evaluation/measurement of financial performance showed if planning, implementation and application as well as strategy provided some basic improvement both in gross operating income and return on investment.The measurement/evaluation employed in financial perspective was by using the 2 (two) indicators of income growth. The lack of fee/cost of the two indicators would affect the growth of Return on Investment (ROI), approach reference [4,7,15,16,35,38]

Customer's Perspective:-

The benchmarks of customer's standard can be classified into two groups, core measurement group, and customer's value proposition. The first group consists of market share, customer acquition, customer retention, customer's satisfaction, and customer's profitability. Meanwhile, the proposition group is classified into 3 (three) sub-groups, production attributes (price, quality, and function), customer's relationship, image and reputation.

Endogen variable of customer's perspective is formed from two formation variables. The first is Increasing customer's Trust. This variable belongs to the core measurement group which is expected to increase the customer's trust with three-time indicators, quality and cost. The second is Speed of Service.This group belongs to the customer's value proposition that includes speed of service with two indicators of product picture model and on-time delivery. The references are [16, 19,38]

Perspective of Internal Business Process:-

Efficiency measurement and company's effectiveness in producing goods and services, perspective is required to do measuring a company to all activities conducted by a manager and his employees in efforts to fulfill the customer's satisfaction, the owner of company, and businessmen. Every company has its own certain series of processes in efforts to create a certain score/point for customers, Kaplan (1996) [26].
Internal business process is established from two formation variables:

1. The first is Increasing the quality of customer's service process with five innovation process indicators: Operational Process, Service process after sales, easiness of payment system, and satisfying segment market through product and service.
2. The second formation variable is State of the Art Technology with two indicators, the high sense art of the employees, quick response of art technology. These two indicators make the company owner have a certain promising score. Reference approach: [5,7,16,21,24,30,31,33,35,37,39,41,43].

Learning Perspective and Growth:-
Measuring the company's capability is useful to develop and make use of human resources. The objective is to achieve the company's strategy today and in the future. Kaplan & Norton (1996) [26] said that that it is important that a company take care of the employees, monitor their welfare, and improve their knowledge. It is expected that the knowledge they obtain then might increase their work performance. This means that they can participate in efforts to achieve the company's target or aim.
This research was dealing with learning and growth perspective that could be classified into two exogen variables: learning perspective and growth perspective.
1. Learning perspective variable has 6 (six) indicators of employee's satisfaction: employee's retention, employee's productivity, capability in information system, motivation, empowering, and conformity/harmony.
2. Growth perspective has 2 (two) indicators: the increase of organizational growth, and the decrease of organizational growth.

The four perspective has relationship and closed effect that cannot be separated one another. In this case, the researcher employed SEM in efforts to make publication have different style of approach reference [7,10,15,16,39]. Moreover, the framework of research could be seen in figure 1 table 1. Then the researcher provided some theoretical background of BSC that referred to the development of hypothesis. Sim&Koh [46] verified the causal relationship between some indicators of individual's performance among the four categories of BSC through relationship and regression analysis. The relationship hypothesis with four perspectives then it was discussed about the main theme, conclusion and managerial implication. These were taken as steps to conduct the research. Meanwhile, the data employed were so great. There were 100 respondents taken from the association of shoes and sandals makers in Wedoro – Sidoarjo and furniture in Pasuruan – Indonesia.Wu [55] used some criteria of analysis tool to determine the causal relationship between the indicator of main performance for each perspective of BSC to make strategic mapping be visualized with logical link to improve performance. Moreover, BSC was capable of representing and providing some strategy through hypothesis of each business not just offering simple combination from financial indicator. Meanwhile, the non-financial one was arranged in accordance with individual category. Organizational Strategy of BST was represented by the connected performance through causal relationship because BSC was capable of seeing the main target in the future (long-term aim). As a strategy is the cause hypothesis representation and the effect of organizational capability to be adjusted with the market change to achieve the target. Then the strategic causal relationship can create one set of cause and effect. The result of lagging indicator was focused on each business strategy, exactly to be connected with the cause performance (leading indicator), which enabled all indicators of each category of BSC related to financial purpose. In line with finance, the improvement strategy such as the quality increase, fulfilling the customer's satisfaction or innovation which was conducted had to affect the income increase of a company.

The measurement result of BSC model would become the information of business existence undertaken today. Meanwhile, the model displayed could be used as a basic model of measurement in the coming year to do evaluating the personnel's performance himself. Some input (suggestion) of a short term activity was meant to achieve the long term strategy in accordance with its vision. MehrdadNazari et al [33], Gomes et al [13] with their organizational change, the objective and its size of BSC was coming from the four perspectives: financial, customers, internal business process and learning & growth. ArijitBhattacharyaatal [7] said that causal relationship involved organizational commitment and traditional financial measurement. Meanwhile, the four perspectives provided the framework of BSC (Kaplan & Norton, 1992) [24]. Moreover, BSC considered that tangible assets (finance) and three intangible ones and intellectual modal (customer, internal business process and learning & growth). BSC emphasized that financial and non financial measurement had to become a part of information system for employees in all levels of organization. The effective decision making requires accountability from all staff. The front line of employees must know the financial consequence, decision and their needs. Meanwhile, the senior executive must know the driver's success of long term finance. They must come from the top-down process supported by the company's mission and strategy or from business unit (Kaplan & Norton, 1996) [26]. In short, the four perspectives

enable one organization to obtain one view as a whole from performance measurement. The perspective action of finance shows whether the company's strategy, implementation and execution contributes to the increase of bottom-line or not. The financial objective is usually related to profitability. The customer's perspective provides some ways for managers to identify the customer's segment and market where one business unit will compete, and the performance measurement of business unit. In internal business perspective, executives identify the critical internal process where one organization must be superior/excellent. This process enables one business to provide the proposition of score and fulfill the expectation of stockholder's financial return. This perspective includes a very good innovation and operation. Finally, learning and growth identify that organization infrastructure must be established to create some improvement in the future. The business era today does not seem to be capable of satisfying their long term target for customers. Meanwhile in internal process, if it only uses the available capability to cover the business gap, one company or organization must invest on some more training for employees, increase the information system and technology and synchronize or adjust the organization procedure and the more qualified routines. The decisive factor of customer's performance is the internal business process and learning and growth [10]. Gonzalez-Padron et al [14] said that the customer's performance affected the financial performance. Meanwhile, learning and growth facilitated the internal business process. The BSC variable was established from excellent target of strategy. This caused the hypothesis be done.

Sampling Procedures, Sample Size and Precision:-
Construct/variable is measured (evaluated) from its indicator, and most of the former researchers used the secondary data. Meanwhile, this research employed the primary data. The indicator measurement was written in statements formulated in questionnaires given to the respondents. They were requested to respond whether they agreed with the seven points (semantic scale) or not. Moreover, the instrument/tool employed to analyze/evaluate amoss 22 [3], was the same measurement/evaluation as what Lee at al [28] had ever done. Latent variable and measurement indicator used in this research could be seen in Table 1 (One). The research model applied the combination of model one and 2 (two) step. The item recapitulation of questionnaires was then run (conducted). When the 'run' was conducted, warning happened due to the indication of multi colinearity. Having been treated, it changed into one-step model.

The variable of this research had 5 (five) steps that included learning & growth, internal business process, customer's performance, and financial performance. These steps were basically adopted from the previous researchers [5,8,11,17,29,31,32,40,57]. The questionnaire was distributed to 110 craftsmen (doers of business) who had their competencies in shoes, sandals association in WedoroSidoarjo and furniture in Pasuruan, East Java – Indonesia. Among the 110 questionnaires only 100 of them returned with complete data. However, this number had already fulfilled the assumption requirement of SEM analysis due to the use of maximum likelihood estimation (Waluyo, 2009) [52]. The next step was selecting input matrix and estimation technique of a model that was established. After estimation had been done, and in fact it could not be estimated or there was some kind of multi colinearity. Therefore, some other steps were required to choose the input matrix by assuming the formation variable. The internal business process was improving the quality of customer's service process. State of the Art Technology in efforts to improve the customer's trust and speed service of the four constructs, there was some kind of multi colinearity. The indicators of the four constructs were employed as indicator of internal business process. This was also conducted for customer's variable and the invalid exile indicator, that was the empowering indicator and conformity, financial perspective and comprehensiveness. Based on this process, a new finding was found from combination of concept one and two step became one step concept. This tep was basically adopted from the previous researcher [52].

Resultsand Discussion:-
Assessment of Measurement Model:-
The first run tool SEM was conducted by employing the measurement model. The result could be concluded that some dimensions employed by the researcher had not reflected the latent variable to be analyzed. However, all score indicators were C.R> 2 SE except indicator (X1.6). Afterindicator (X1.6) was exiled, it could be concluded that these significant indicators were the dimension of formed latent variable, (Waluyo, 2009) [52]. The second treatment was conducting the structural model test, and the result could be concluded that the dimensions employed by the researcher had not reflected the latent variable to be analyzed. This could be seen from the test result of Goodness of Fit Indices. However, the good score had not been realized yet. The next step was conducting modification model to make the model become a good one. This step was used as a reference to reorganize business tactics and strategy. This model was then expected to be a basic capital and comparison to evaluate/measure the

model in the coming year. Moreover, the recapitulation result of model modification could be seen in Table 1 below:

Tabel 1:-

Variable	Formed Variable	Indicator	Intervening Variable
Finance (Y_3)		Revenue Growth($Y_{3.1}$) Reduced Cost ($Y_{3.2}$)	Customer (Y_2)
Customer (Y_2)	Increasing Customer's Trust ($Y_{2.1}$)	*Time* ($Y_{2.1.1}$), *Quality* ($Y_{2.1.2}$) *Cost* ($Y_{2.1.3}$)	Proces Business / Internal (Y_1)
	Speed of Service ($Y_{2.2}$)	Availability of product images ($Y_{2.2.1}$) On time delivery ($Y_{2.2.2}$).	
Proses Bisnis/ Intern (Y_1)	Increasing the quality of customer service process ($Y_{1.1}$)	Inovation Process ($Y_{1.1.1}$) Operational Process ($Y_{1.1.2}$) After Sale Service Process ($Y_{1.1.3}$), Ease of Payment Process($Y_{1.1.4}$) Satisfying maket segment through product or service ($Y_{1.1.5}$).	
	Stateof the art technologi($Y_{1.2}$)	High level taste of art worker ($Y_{1.2.1}$) Fast Response on art technology ($Y_{1.2.2}$)	
Learning (X_1)		*employee satisfaction* ($X_{1.1}$) *employee retention* ($X_{1.2}$), *employee productivity* ($X_{1.3}$) Motivation $X_{1.4}$ Empowerment and Alignment ($X_{1.5}$) Empowerment and Alignment ($X_{1.6}$)	
Growth (X_2)		Organization Grwoth increases ($X_{2.1}$) Organization Grwoth decreases($X_{2.2}$)	

Source: The primary data analyzed

Tabel 2:-*Goodness Of Fit*, Hasil Uji Model dan *Cut Off Value*(modifikasi)

Table 3:- Regression Weights (λ): (Default Model Modification)

Goodness of Fit Indices	Result of Model Testing	*Cut – Off Value*	Remark		Regression			Estimate	S.E.	C.R.	P	(λ)
X^2 Chi Square	206.850	Small *	Good		y1	<--	x1	-.024	.153	-.158	.874	-.021
Probabilitas	0,068	$\geq 0,05$	Good		y1	<--	x2	.576	.248	2.326	.020	.427
CMIN/DF	1.162	$\leq 2,00$	Good		y2	<--	y1	.302	.076	3.963	***	.429
RMSEA	0.04	$\leq 0,08$	Good		y3	<--	y2	.046	.156	.294	.769	.032
GFI	0.847	$\geq 0,90$	Marginal		Source: The primary data analyzed							
AGFI	0.802	$\geq 0,90$	Marginal									
TLI	0,967	$\geq 0,95$	Good									
CFI	0,972	$\geq 0,95$	Good									

Source: The primary data analyzed

Having been modified, the standardized residual covariances score of less than -2,58 or higher than 2,58 could not be found. The reliability calculation of all constructs employed by the researcher had already been reliable because its reliability of each construct had already reached up to ≥0,70.Model evaluation was basically a model estimated by AMOS program 22 [3]. A complete evaluation to model could be undertaken as follows: There were 100 samples to analyze in this research. This meant that the assumption of sample had been fulfilled.Normality assumption and linearity could be undertaken by observing the critical score as a result of assessment testing of normality from AMOS program 22. There was no outer ring score: $-2,58 \leq SR \leq 2,58$. Evaluation of outliers, in accordance with the observation result, score Z-score was still between $-3 \leq$ z-score ≤ 3. So, univariate outliers could not be found.

Evaluation of Multivariate Outliers showed that Multivariate Outliers could not be found. ^{x2}Chiinv (0,001;22) = 48,267. Meanwhile, the highest Mahalonobis d-Squared was 40.401 (<). So it could be concluded that there was no Multivariate Outliers.

Testing of Research Hypothesis:-
Hypothesis Test
The first hypothesis (H-1)
Ho: Learning process did not significantly affect the internal business process
H1: Learning process significantly affected the internal business process
The testing result of hypothesis Ho1 was accepted

Learning process did not significantly affect the internal business process, with its regression coefficient -.021, probability score > 0.05 (0.874) see table 3. This meant that if Learning process rose up 1 unit in the form of activity (employee satisfaction, employee retention, employee productivity, motivation and empowering and conformity) could not improve the internal business process, even it was contradictory. The basic learning process was not required because it could not affect the internal business process significantly. This was due to the people/the craftsmen had already got more experience and enough skills and high arts dealing with their daily works. The business conducted by the two towns, Wedoro (Sidoarjo) and Pasuruan were related to arts. The shoe, sandal and furniture making required a specific art to make it. The testing result supported the finding result conducted by the following researchers: [7-12-28-37-48-49-57].

The Second Hypothesis (H-2):-
Ho: Growth process did not affect the internal business process significantly.
H1: Growth process affected the internal business process significantly.

The testing result of hypothesis H1 was accepted. Growth process affected the internal business process significantly with the regression coefficient 0.427 and its probability score was < 0,05 (0,020) (See Table 3. This table showed, if the growth process increased 1 (one) unit in the form of organization growth enhancer and kept the organization in existence (never decrease), it would increase the internal business process as much as 0.427. The testing result supported the previous researches [7,10, 27,35,44,45,53].

The Third Hypothesis (H-3):-
Ho: Internal business process did not significantly affect the quality increase of customer's service process.
H1: Internal business process affected the quality increase of customer's service process significantly. The testing result of hypothesis could not be proved due to the 'Warning' term: There was an indication of multi colinearity. This was supported by [52].

The Four^th Hypothesis (H-4):-
Ho: Internal business process did not significantly affect State of the Art technology.
H1: Internal business process affected State of the Art technology significantly.
The testing result of hypothesis could not be proved due to the 'Warning' term: There was an indication of multi colinearity. This was supported by [52].

The fif^th Hypothesis (H-5):-
Ho: Internal business process did not significantly affect customers
H1: Internal business process affected the customers significantly.

The testing result of hypothesis H1 was Accepted:-
Internal business process affected the customers significantly with regression coefficient as much as 0.427 (See Table 3). This table showed: If the internal business process increased 1 (one) unit in the form of the activity of coordination increase in all available indicators of internal business process so that it would be synergized to increase the number of customers as many as 0.427. Due to the high quality and art value of the goods produced, this could make the customers increase. The testing result supported supported [10,19,34,44]

The Six^th Hypothesis (H-6):-
Ho: Customers did not significantly affect the increase of customer's trust.
H1: Customers affected the increase of customer's trust significantly.

The testing result of hypothesis could not be proved because of 'warning'. This meant that there was an indication of multi colinearity. This was supported by the previous researcher [52]

The Seven[th] Hypothesis H-7):-
Ho: Customers did not affect the speed service significantly
H1: Customers affected the speed service significantly.
The testing result of hypothesis could not be proved because of 'warning'. This was due to the indication of multi colinearity. [52}

The Eigh[th] Hypothesis (H-8):-
Ho: Customers did not affect the financial significantly.
H1: Customers affected the financial significantly.

The Testing result of hypothesis, Ho was accepted:-
Customers did not affect the financial significantly with the regression coefficient as much as 0.032, with its probability score was >0,05 (.769) (See Table 3). This could be said that 0.032 would be meaningful if the number of customers increase as much as 1 (one) unit in the form of negotiation activity in efforts to increase the customer's trust with the three appropriate indicators in accordance with the orders. Besides, the quality standard corresponded to the order and low cost. All had to be capable of increasing the speed service to the customers although speed service in fact did not affect customers significantly. Meanwhile, money rotation in community was quite low. This made the UKM mind set thought that they had to keep on running their businesses in order not to make their employees be jobless. This could be proved that UKM always existed. At that time, UKM did not think to increase ROI. The existence of UKMs in Indonesia might cause economic crisis did not last long due to the rapid speed of economic activity. The Indonesian leader in the decade of 2003-2014 as a basicfoundation of stability post crisis. However, he could keep the economic growth on growing at a very high level reaching up 4 to 6% in the world. At that time, only China and India that could reach up at that level. But in terms of the stability of economic growth, Indonesia reached up the highest level in the world. The testing result supported [7,10,34,44,51,56].

Discussion:-
Implications for Researchers the implication result of model simulation, Goodness of Fit modification of DF = 178, Chi-square = 206.850, P = 0,068, CMIN/DF = 1.62,GFI = 0.847,AGFI = 0.802,CFI = 0.972, TLI 0.967 and RMSEA = 0.04 cut off value, and the score was good but there were only two marginal ones. Two variables affected significantly and the two others did not affect significantly. The BSC model synergized with SEM was the new finding model, that was the combination model one and two step. As during the process there was multi colinearity and changed into one step concept . This was supported by [52].

This report has two statistics equations. The first is direct equation, and the second is indirect equation.
-Direct Equation:
$Y_1 = -0.021X_1$
$Y_1 = 0.427 X_2$
$Y_2 = 0.429Y_1$
$Y_3 = 0.032Y_2$

Indirect Equation:-

$Y_1 = -0.021 X_1 + 0,427 X_2$ $Y_3 = ff(Y_2)$
$Y_2 = ff(X_1 X_2)$
$Y_2 = 0.429f(Y_1)$ $Y_3 = 0.032(-0,009 X_1 + 0,183 X_2)$
$Y_2 = 0.429(-0.021 X_1 + 0,427 X_2)$
$Y_2 = -0,009 X_1 + 0,183 X_2$ $Y_3 = -0,0003 X_1 + 0,006 X_2$ (Result of
$Y_3 = fff(X_1 .. X_2)$ SimultanEquation)

Implications for Practitioners:-
Management in learning perspective has a worker's initiative to make him satisfied. A good retention of working includes the capability of information system although it is limited. As all start from heart, it makes motivation become high, and this affects some productivity. Management in growth perspective, the organization is expected to increase not to decrease. To support the need of organization change, such as technological change, the more

intensive global competition, the more customers asking for demands, demographical profile change of a country, sustainable business privatization. The internal forward-oriented business process, that is an innovation process, from which its operation process runs very well. Besides, the good after sales service process to make the customers satisfied, there are some more other aspects, such as the payment simplicity, including its DP (down payment) in accordance with the previous agreement, the high sense of art of the employees, and quick response of art technology, all might make the market segment satisfied. Meanwhile, the customer variable and on time service indicator, the good quality of product and competitive price makes the customer's trust increase. It will be more preferable if the product model follows the trend and on time delivery. If the processes above could run very well and consistently, they can increase the company's finance or income and ROI.

The working pattern/style of sandal, shoes, and furniture industry before monetary crisis (1997-1998), not many of the industrialists know banking well. They do their working process of some orders by using their own capital plus the order's down payment of products (sandals, shoes, and furniture. This unique work made the industry keep on its existence. However, to accelerate the growth process of industry, they required to get some loan from the bank. Principally, the more capital might cause some learning and growth process affected significantly to the internal business process, customers and finance.

Based on the primary data, with interview on mind-set and behavior, a small industry of sandals, shoes and furniture during crisis in Indonesia had already done some innovations as what it was suggested from modification model. That's why those of industries kept on their existence. That experience had already become an important an important handle in undertaking an entrepreneurship so that Indonesia had was always ready facing the economic crisis. This could be proved that Indonesian stability of economic growth was acknowledged to be number one in the world within the decade of 2004-2014. In this era, Universities have suggested the lecturers in efforts to undertake the tridharma PT, one of them was how to get the loan from the bank. Besides, they were also requested to make the doer of UKM become develop better and bigger.Meawhile, the basic model of BSC evaluation was as a measuring comparison of BSC model in the coming year. If the measurement result of BSC model becomes better and bigger, then the existence of UKM will become better also. The measurement model of BSC had cause and effect relationships. With this relationship model of cause and effect, one strategy can make it into dynamic and criticized more easily because each relation and causality relation can be examined in detail, Kaplan & Norton (1996) [26].
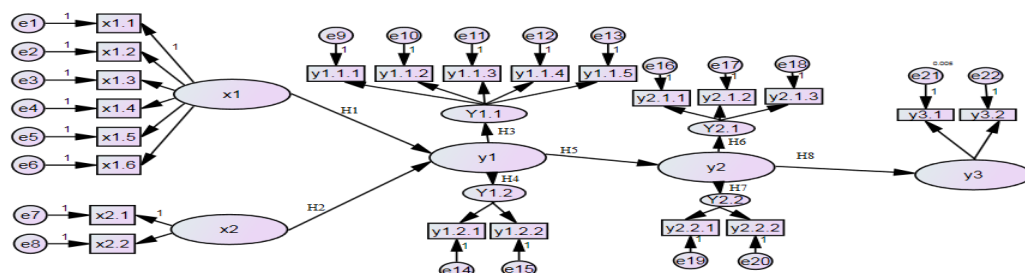
Source: The primary data analyzed   **Fig. 1:-** Research model hypothesis.
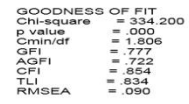
Conclusion:-

The result of model test consisted of indication of multi colinearity so that the two step model was changed into one step model. The test result showed that having been modified, the goodness of fit indices showed that the score was quite good. All variables of BSC affected significantly although there were two scores of test result, their status was marginal.Learning perspective in fact did not significantly affect the internal business process with the regression coefficient -.021. Meanwhile, growth perspective significantly affected the internal business process with the regression coefficient .427. Then the internal business process significantly affected the customers with the regression coefficient .429. The customers did not significantly affect financial with the regression coefficient .032. Furthermore, the implication of goodness simulation model of fit modification resulted in DF = 178, Chi-square =206.850, P = 0,068, CMIN/DF = 1.162, GFI = 0.847, AGFI = 0.802, CFI = 0.972, TLI = 0.967, and RMSEA = 0.04 cut off value the score was quite good, but there were only 2 (two) considered to be marginal.

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Meanwhile, the research model was the combination between model one and two step to do testing the measurement model, structural equation modeling, and modification model.

Model one and two step:-
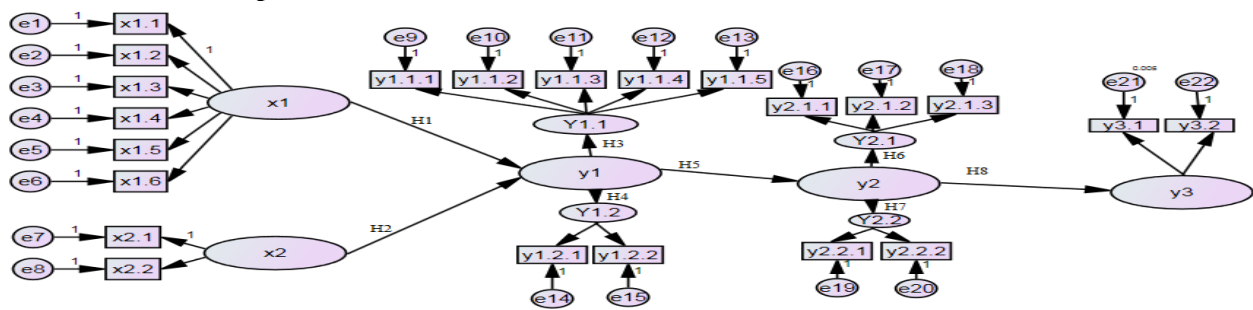
Appendix B:-
Measurement Model:-
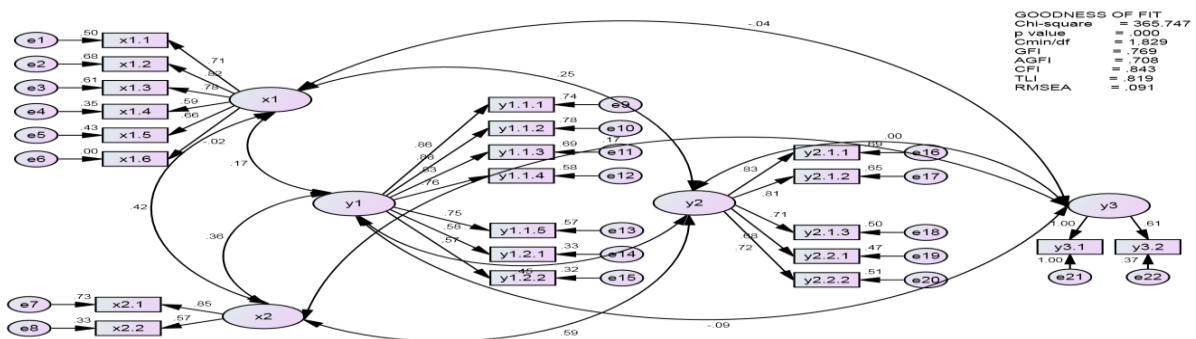
Appendix C:-
Structural Equation Modeling:-

Appendix D:-
Modification Model:-