

ABSTRACT

Performance management system is a systematic approach to improve performance through sustainable and long-term process. Performance measurement used by the company to evaluate the project and the conditions of its use of financial and non financial measurements that compare the performance of companies with other companies. An organization needs to be monitored and assessed to measure the performance of companies with performance indicators. With the performance indicators, the company can evaluate, control and measure the level of success in achieving corporate goals.

XYZ (Persero) as the state-owned company that is trying to rise from the company's financial performance degradation, requiring design of a comprehensive performance management system. The performance management system that is yet to show a balance between financial outputs and stakeholder needs. The absence of performance measurement tools that measure the performance at the level of directors made the company's performance management system be crippled in operationalising performance indicators corporate level down to the individual level.

The main objectives of this study propose the performance management system for XYZ Company (Persero) based on a Integrated Performance Management System framework approach. In addition, the methodology used for this study was based on a review of existing literature on the performance management system, a literature review of performance indicators, a review of the strategic plan XYZ (Persero), Annual report XYZ (Persero), an interview with the section Corporate Planning, and questionnaires conducted to explore and identify the indicators that affect the company's performance this time.

Performance management system design is based on a framework of Integrated Performance management System with three perspectives, namely Organizational Result, Internal Process and Resources Capability. Organizational Result concerned with the financial aspects of the variable increase in income and assets, liquidity, and profitability, for aspects nonfinancial defined variables associated with the growth of

the market, a close working relationship with the government, the stability of the relationship with the supplier, the company's health, as well as the growth in KPKU Score(Superior Performance Assessment Kriteria) for SOEs.

In the perspective of Internal Process, set of performance variables that are associated with increased operational productivity of the company, such as product development and process innovation, reliability of information systems, operating costs, quality standards, inventory management, project success, forecasting target market accuracy, and the level of service. In the perspective of Resources Capabilities set variables related to employee productivity, training, and employee satisfaction, efficiency of hardware, software usability, and effectiveness of the organization's culture. Furthermore, using a weighting process indicators Hierarchy Analytical Process (AHP) to reaffirm the important relationship between KPI selected with the goals and strategy of the organization to be achieved.

Keywords : Performance management, IPMS, KPI, KPKU, BUMN.