

ABSTRACT

PT PINDAD (Persero) is a company engaged in the manufacturing sector which includes the provision of commercial products and the provision of weaponry and equipment products for heavy equipment for military and non-military. Performance measurement system that is currently applied in PT PINDAD (Persero) is a form of bullet points Key Performance Indicator (KPI) for each business unit will be evaluated for each period and then get an idea of the overall company performance. KPIs are applied today include financial measures and non-financial which are grouped into four aspects, including financial aspects, customer aspects, operational aspects, and aspects of learning and growth. But KPI-KPI that are grouped into four aspects were not entirely derived from corporate strategy so that there are still indicators that are not a driving factor for the achievement of corporate strategy. Yet Kaplan and Norton (1996:19) suggests that to succeed and grow in the competitive information age, companies must use measurement and management systems derived from the strategies and capabilities.

The Balanced Scorecard is seen as a solution for performance measurement system in PT PINDAD (Persero) for the Balanced Scorecard translates mission and strategy into objectives and measures, which organized into four perspectives: financial, customer, internal business processes, and learning and growth. Objectives and measures in the Balanced Scorecard is more than just a collection of financial performance and financial non-specific; all these objectives and measures of a process derived from the top-down which is driven by the mission and strategic business units (Kaplan and Norton, 1996). Casting and Forging Division consists of eight departments which carry out the full activity of the entire value chain. According to Kaplan and Norton (1996:262) business unit that has products & customers, marketing & distribution channels, production facilities themselves, as well as strategies for achieving its mission is a legitimate candidate for a Balanced Scorecard.

The design of the Balanced Scorecard in Casting and Forging Division produced 26 performance indicators. The weight of the financial perspective has the highest weight of 44.787%. The second highest weighting is the customer's perspective is 23.547%. Internal business process perspective has a weight of 21.135%, while learning and growth perspective has a weight of 10.531%. Weighting process conducted by AHP method (Hierarchi Analytical Process). Value performance Casting and Forging Division based on the application of Balanced Scorecard design is 3.93061 with the achievement of performance criteria enough.

Keywords: Balanced Scorecard, Analytical Hierarchy Process (AHP), Key Performance Indicator (KPI)