ERNITA BUKIT. Performance Improvement Analysis and Key Performance Indicator Determination of Employee Performance Assessment in Sungei Putih Research Centre: Balanced Scorecard Approach. Under direction of BONAR M. SINAGA and MOELYADI.

Performance assessment system is an important mechanism for the management to explain the purpose and performance standard to employee. Performance assessment system is also able to motivate and increase employee’s performance. A poor performance assessment system will generate a dissatisfaction. Currently, Sungei Putih Research Center faces such a problem that this research center’s performance assessment system is imperfect. It is expected that there is employee’s dissatisfaction to the company’s performance assessment system. The purpose of this research were analysing the perception of employee to the performance assessment which used by Sungei Putih Research Center and determining Key Performance Indicator (KPI) in order to measure the employee performance of Sungei Putih Research Center. The method used in this research was descriptive method by using case study approach. Primary data and information were gathered through Focus Group Discussion (FGD) and interview with management and sample employee. FGD was conducted with the management to determine Key Success Factor (KSF) and KPI. Interview was conducted by using questionnaire and analyze the perception of respondent regarding performance assessment system. Based on the FGD result, there were six KSFs that must be specifically concerned for the survival of this organization. These six KSFs were income, technology innovation, customer satisfaction, brand image, and efficiency. The research showed that the performance assessment system was not good enough to describe the employee performance. There was no clarity about the measuring standard, so this performance assessment system has not provide satisfaction to the employee. There was no socialization from the management regarding this performance assessment system and tend to be subjective. Employee was judged according to the collective decision during the periodical promotion meeting. Performance assessment system at Sungei Putih Research Center should be objective, transparent, fair, related to the reward and punishment so it satisfy the employee.

Keywords: performance improvement, performance assessment system, key performance indicator, motivation, and employee performance.