SUMMARY

RADEN ISMA ANGGRAINI. Performance Evaluation of Asphalt Mixing Plant Business Unit at PT Prayoga Pertambangan and Energi. Supervised by AIDA VITAYALA HUBEIS and RADJAB TAMPUBOLON.

Nowadays, the mining sector is still one of the main sectors that drive the economy of Indonesia also attractive for the local and foreign investors. Data from Investment Coordinating Board (BKPM) showed that the mining sector ranked first in investment realization in Quarter 1 Year 2015. Actual domestic investment (PMDN) and foreign direct investment (PMA) in the mining sector contributed 15 trillion or 12% of total realization. PT Prayoga Pertambangan dan Energi (PT Prayoga) is a locally-owned enterprise of Bogor Government conducting business in mining and energy. Asphalt mixing plant business unit (UB AMP) is currently the main priority scale of PT Prayoga. Since the beginning of its operation, there has never been performed a thorough evaluation of the performance of the business unit. The performance measurement so far is only based on the achievement of the financial aspect. To be more comprehensive, UB AMP PT Prayoga performance measurement should not only reviewed by the financial aspect but also should involve non-financial aspects. An excellent performance of UB AMP PT Prayoga will contribute more revenue for the company and accelerate development of infrastructure in Bogor.

This study aimed to identify key performance indicator (KPI) that are applied in the perspective of financial and non-financial in UB AMP PT Prayoga, to evaluate the performance of UB AMP PT Prayoga in terms of financial and non-financial aspects according to the vision, mission and strategy of the company, and prepare business strategy maps of UB AMP PT Prayoga. The study was conducted with descriptive analysis approach. The method used in this study was the balanced scorecard as a management tool to maintain a balance between financial indicators (financial perspective) and non-financial (customer perspective, business processes, learning and growth). The research was conducted from March to August 2015. The type of data used was both qualitative and quantitative. Qualitative data were in the form of statements obtained through respondent interview which includes the description of vision, mission, strategy, strategic goals, key performance indicators (KPI), a strategic initiative as well as the formulation of the strategy map. Quantitative data was expressed in the figures, the weighting of the respondents to the strategic objectives and KPI, target setting and realization of KPI performance.

The data processing and analysis techniques in this study are as follows weighting the level of interest of the four perspectives of the balanced scorecard, weighting the importance level of key performance indicators (KPIs) that were performed using paired comparison or ratio pairs, (3) multiplying the weight of each of KPI with a weight perspective, (4) determines the range of values of performance and measures the performance of KPIs to analyze the performance of each key performance in the KPI performance index.

The KPIs identified and applied in the evaluation of the performance of UB AMP PT Prayoga consists of 19 KPIs. There are 5 KPIs of financial perspective which are cost of sales, sales volume, net profit margin, accounts receivable and
the results of financial audit. Customer perspective has 5 KPIs of customer satisfaction, the number of new customers, the number of lost customers, customer retention and on time delivery. Business process perspective has 5 KPIs that include the productivity of raw materials and supporting materials, hot mix asphalt production productivity, product quality control, UKL-UPL reporting and the rate of workplace accidents. Learning and growth perspective has 4 KPIs which are labor productivity, the cost of training, performance appraisal and employee satisfaction. The linkage between KPI in the perspective of financial and non-financial is shown in the strategy map of performance evaluation results. The business strategy map of UB AMP PT Prayoga is a map of linkages and relationships between performance measures that have been formulated. The strategy map is able to explain the link between performance measures and cause-effect relationships so that strategic goals can be achieved in a measured and systematic manner.

The results showed that the performance of UB AMP PT Prayoga obtained performance index of 78.42% which is classified as very good criteria. Each strategic objective through each indicator has a good performance. But the performance of strategic target of sales volume increase and good customer relationship need to be improved because it is classified as reassign criteria. The sales volume performance is around minus 1.66% while the net profit growth performance only reached 0.87%. The performance of increased net income strategic goal is poor. The performance level of lost customers is 18.54%. Based on these descriptions, it can be concluded that the PT Prayoga UB AMP has shown good performance according to the vision, mission and strategy of the company although some KPIs performance are not yet optimal.

The balanced scorecard plan with strategic goal setting in this study is limited to the asphalt mixing plant business unit only. Further research should be conducted to evaluate the performance of the overall corporate level, business unit performance evaluation or other work units and the evaluation of the performance of each division at PT Prayoga. The company can involve the personnel across divisions and business units in their targeting. Evaluation of performance with a balanced scorecard approach can help the management of PT Prayoga in formulating a strategic initiative in the form of corporate action plan for each division or business unit to improve KPI performances that are still below the target, which are reassign and very poor.

Keywords: balanced scorecard, KPI, mining, performance evaluation, performance index