

## DESIGN OF CORPORATE PERFORMANCE MANAGEMENT SYSTEM: A CASE STUDY OF AN INDONESIAN CONSTRUCTION SOE

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### Abstract

As a barometer of national economic growth, the Indonesian construction sector plays an important role in national development. The importance of this sector must be supported by a conducive business environment and opportunities for growth. In conditions of increasingly fierce business competition, construction companies are required to be able to be more competitive. Previous studies have emphasized that performance measurement is important as part of the evaluation process and as a performance improvement company. However, studies on measuring the performance of companies in the construction industry, particularly in Indonesia, is still limited at the project level. While the need for evaluation of performance at the corporate level is realized to be more important.

Responding to the importance of this, a study has been conducted as a first step towards the development of a system of measuring and managing the performance of companies in the construction industry in Indonesia. This study is carried out with specific reference to the KBPMS (Knowledge Based Performance Management Systems). A case study is conducted in developing a conceptual proposed performance management model. Key indicators compiled from the study of literature which is then validated through a survey questionnaire to a large state-owned construction company in Indonesia. A brief review of the drive for performance improvement and the strategic considerations for the designing of an appropriate performance management model is carried out as well.

This paper presents the results of the identification of key indicators that can be used in measuring the performance of a construction company in Indonesia. Research findings are a set of important indicators that influence the success of the company. The results of this study indicate that measurement of financial performance alone is not sufficient in determining the performance of the company, other nonfinancial indicators, both at the internal and capabilities of the process, it is no less important.

**Keywords:** Construction Companies, Performance Management System, KBPMS

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