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DESIGN OF INTEGRATED PERFORMANCE MEASUREMENT FRAMEWORK FOR MANAGING OBJECTIVE CONFLICT IN THE LOGISTICS SYSTEM

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Abstract

Companies that have multiple roles, such as those who act as profit generator and public service provider, may have two or more conflicting worldviews. If not managed properly, these conflicting worldviews may result in ineffective performance. One area in the organization where such conflicting worldviews may exist is in the logistics system. In this case, companies that have multiple roles require logistics performance management system that is contextual to their characteristics. However, despite the number of researches in the field of performance management is quite a lot, literature suggests that the existing performance measurement system frameworks do not fully answer the issues faced by companies that have dual roles. The purpose for the present study is to build a novel performance measurement system framework to manage logistics performance in companies that have multiple roles. The framework is built by combining literature review and pilot case study approaches. Literature study is conducted to identify concepts, relationship between concepts, and indicators from the existing frameworks that have the potential to be incorporated and synthesized in the new framework. Case study approach is conducted to identify the characteristics of company that have multiple roles that may affect the design of the new framework. After several constructs and their initial relationships have been identified, the research was continued to arrange the constructs into a logical chronological order of performance measurement framework so that it can be used as a guide for companies that have multiple roles in generating their logistics performance measurement system. The result of this research contributes to the performance management theories by proposing a novel performance measurement framework for managing objective conflict in the logistics system. In addition, the new framework will give practical contribution to the stakeholders of companies that have multiple roles by providing insights and guidelines to manage objective conflict in such companies.

Keywords: Performance Management System, Logistics Performance, Objective Conflict.
