DESIGNING KNOWLEDGE-BASED PERFORMANCE MANAGEMENT SYSTEMS (KBPMS) IN INDONESIAN LOCAL BANK

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Abstract

PT Bank Negara Indonesia (Persero) Tbk (known as "BNI"), is a state-owned commercial bank in Indonesia. Since the beginning of Covid-19 pandemic BNI has experienced negative impact of global economic slowdown that affected company's performance. BNI assessed the need to make adjustment to business strategic to the rapid changing in economic situation. The process of developing new corporate strategy also relates to the improvement of existing corporate performance management system. BNI has implemented Performance Management System (PMS) based on Balance Scorecard framework with four perspectives: financial, customer, internal business process, and learning and growth. The new developed strategic needs adjustment and modification of the existing PMS, that could be fulfilled by an alternative of PMS framework. Knowledge-Based Performance Management System (KBPMS) provides flexibility and more convenient in Indonesian business environment. BNI as state-owned enterprises has responsibilities for not only making profit but also contributing to the development of social welfare. KBPMS framework consists of three perspectives: business result (financial and non-financial), internal business process (innovation, operational process, marketing, after sales) and resources availability (human resources, technological resources, and organizational resources). Applying KBPMS in adjustment of existing PMS result in seamless integration of non-financial aspect to corporate Key Performance Indicators (KPIs) that align in all level of corporate business units.

Keywords: Commercial Bank, Key Performance Indicator, Performance Management System.