DETERMINING KEY PERFORMANCE INDICATORS: CASE STUDY AT SCHOOL OF BUSINESS AND MANAGEMENT ITB

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Abstract- Organization is known as the most important and basic function of management. School of Business and Management, Institut Teknologi Bandung (SBM-ITB), is one of the most well known business and management school in the country. Today in Indonesia, the competition between different business schools has become tighter over the years. The research objective is to determine a set of alternatives of Key Performance Indicators (KPIs) for SBM-ITB since SBM-ITB currently does not have a proper system to deliver incentives for the employees, a system to develop their employees, and a system to develop their employee competencies/career. Hence a proper performance appraisal system is required to create the system. In order to create performance appraisal system, certain factors must be determined. The method use to determine the Key Performance Indicator is the steps in improving Key Performance Appraisal System, narrative analysis, and conceptual framework on determining Quantitative KPIs. The sample consists of fourteen professional staff (non-academic staff) of SBM-ITB representing their different units/division. The result of this research shows the Key Performance Appraisal for fourteen professional staffs after merging their Job Profile, ISO, RENSTRA, and conducting an interview. The result of this research is the recommended example or alternative of KPIs that can be used by SBM-ITB in determining their employee KPIs in the future, which is aim to increase the performance of their employees. The recommendation for this research is to improve and update their current job description, ISO, and RENSTRA and to further expand the KPIs for other staff in SBM-ITB.

Keywords: key performance indicator, SBM-ITB, organization

Introduction

Organization acts as a mechanism for management in action, facilitating in management and operation, is an effective delegation, gives growth and diversification, makes optimum use of technological resources, make use of human resource, gives flexibility, and increases productivity, (TryoCity, 2013).

School of Business and Management, Institut Teknologi Bandung (SBM-ITB), is one of the most well known business and management school in the country. Today in Indonesia, the competition between different business schools has become tighter over the years. SBM-ITB aims to bring the brand of its institution to be the best of the best of business school and management in Indonesia in order to compete with the other business and management schools. In addition, the competition creates an impact on how the student and employee perceive the institution in order to select the best place for them to be, i.e. for education and working purposes.

The research objective for this research is to determine a set of examples of the Key Performance Indicators (KPIs) for each unit/division of SBM-ITB as an alternative for SBM-ITB in determining their KPIs. SBM-ITB currently does not have a proper system to deliver incentives for their employees, a

system to develop their employees, and a system to develop their employee's competencies/career. Hence, SBM-ITB needs to create a proper performance appraisal system for its employees.

The absence of a proper performance appraisal system in SBM-ITB results in the inability to develop their employee's competencies and create employee rotation for promotion. This creates an impact to the organization as a whole, such as the absence of a difference in the provision of incentives for the more performing staff and non-performing staff. Staff gets job promotion once in every four years, which is similar to civil servants. Moreover, there is no feedback for the work system, no development in the system; therefore there is a need for basic performance appraisal system.

In order to create a performance appraisal system, certain factors must be determined. One factor is the basic Key Performance Indicator for each unit/division in SBM-ITB.

Literature Review

Definition of Organization

According to Greenwald (2008) "Organization is a Body of individuals working under a defined system of rules, assignments procedures, and relationships designed to achieve identifiable objectives and goals." Organizational structure elaborates on how an organization functions in general and how there are different divisions/position that plays different roles for the organization. Organization is usually formed for a particular purpose. According to Gross, E. (1969), the types goals organization have are output, adaptation, management, motivation, and positional.

Human Resource Management

Human Resource Management (Dessler, 2013) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. HRM can also be performed by line managers. HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives.

Key Performance Indicators

Key Performance Indicators (KPIs) are measurable values that aim to determine how effective a company is in reaching their goals and what or how it can be improved. According to Kaplan and Norton (1996), if you can't measure, you can't manage. Hence, KPIs will measure progress towards its goals by analyzing its mission, identifying all its stakeholders, and defining its goals. According to Wibisono (2011), there are four principles that can be used as a main guidance for an organization to develop their Performance Indicator; Partnership, Empowerment, Integrated Performance Improvement, Independent. Afterwards, there are eight steps to improving the KPIs:

Step 1:
Coordinate Key Performance Indicator improvement with the strategic change in the company/organization

Step 2:
Deliver the aim of improving and the use of Key Performance Indicators to all stakeholders involved in the planning & improvement of Performance Indicator

Step 3:
Stabilizing the deal in the process of improvement and the use of Key Performance Indicator

Step 4:
Conducting an identification for critical success factor of the company/organization

Step 5:
Creating Champion Team which will be in charge of choosing Key Performance Indicators

Step 6:
Developing display framework, report, and review on each level of the organization

Step 7:
Facilitating the use of Key Performance Indicator to guide performance improvement in the organization

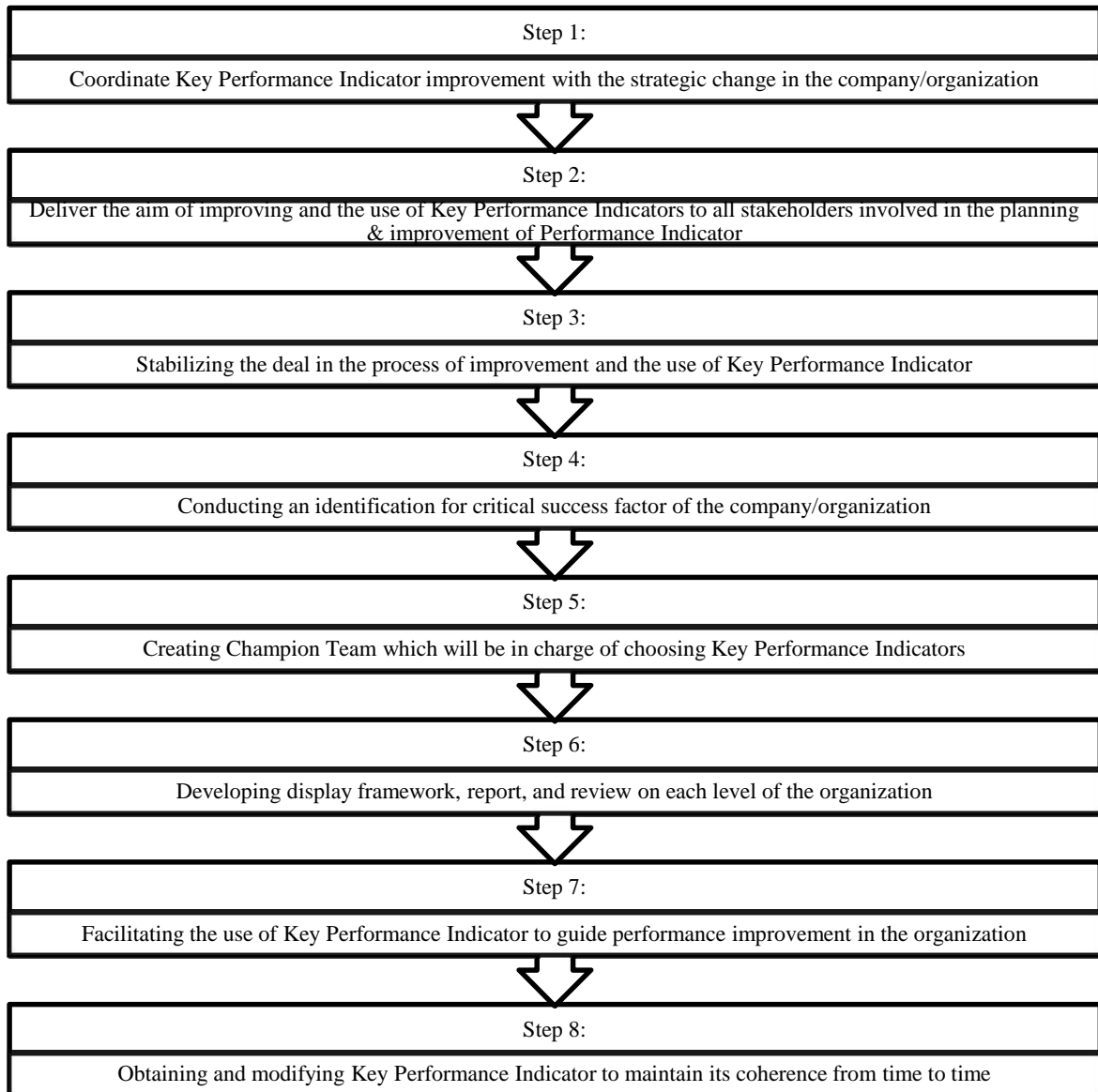| Step 8: |
| --- |
| Obtaining and modifying Key Performance Indicator to maintain its coherence from time to time |

Figure 1. Steps to improving KPIs

Furthermore, after conducting the eight steps to improving KPIs, the next step is to create a conceptual framework, which consists of these steps: Choosing the framework, Choosing the variables, Defining the measurements, Implementation plan.

Performance Appraisal
Performance appraisal (Dessler, 2013) is the method of evaluating an employee's current and/or past performance relative to his or her performance standards. Performance appraisal is created with the intention to evaluate. When evaluating its employees, the assessor and performance appraisal designer will require the target, how they are going to process the appraisal, and competency scale. They will also need to set a standard for the performance appraisal design: what differs the top performers and the low performers. The method that they can use to conduct the appraisal can be in the form of qualitative (conducting interviews), quantitative (using Graphic Rating Scale, BARS, etc.), or both. Moreover, should it be in the form of hard copy (distributed questionnaires) or online.

Narrative Analysis

Narrative analysis is research *on* narratives, where narratives are the object of study, and research *with* narratives, where narratives are the tools to explore something else--typically aspects of human memory or experience, (Bamberg, 2010).
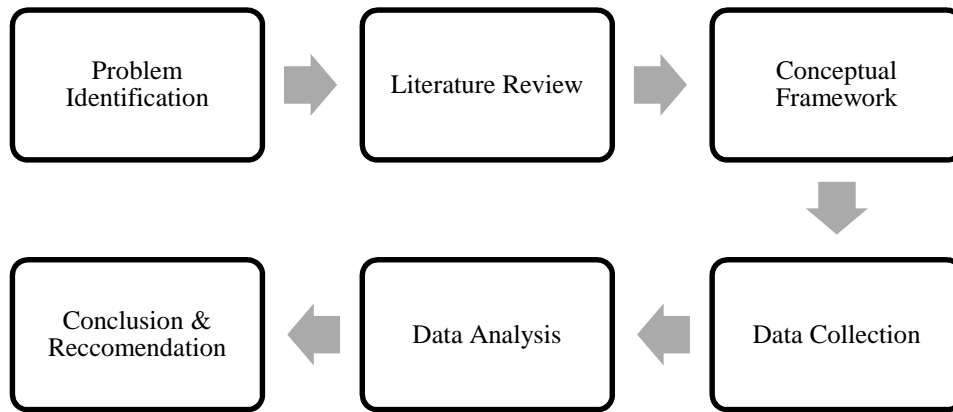
Methodology

Figure 2. Research Methodology

Problem Identification: Identifying the problem that will be research and determine the steps to analyze it.

Literature Review: Elaborate the theories that will be used in this research.
Conceptual Framework: A diagram that elaborates how there are different stages and elements involve in determining the KPIs for SBM-ITB professional staffs.
Data Collection: Process of gathering the data used to achieve the research objectives.
Data Analysis: Process of analyzing the data to find out the result of the research.
Conclusion and Recommendation: Explains the result of this research and what can be done to improve the research in the future.

The sample used for this research is fourteen professional staffs of SBM-ITB. The sample used acts as a representative for each unit/division. The criteria used in this research are based on the judgments of the researcher on the purpose of this research. The method used for data analysis is by merging the data collection to generating programs that will lead to individual unit/division KPIs.
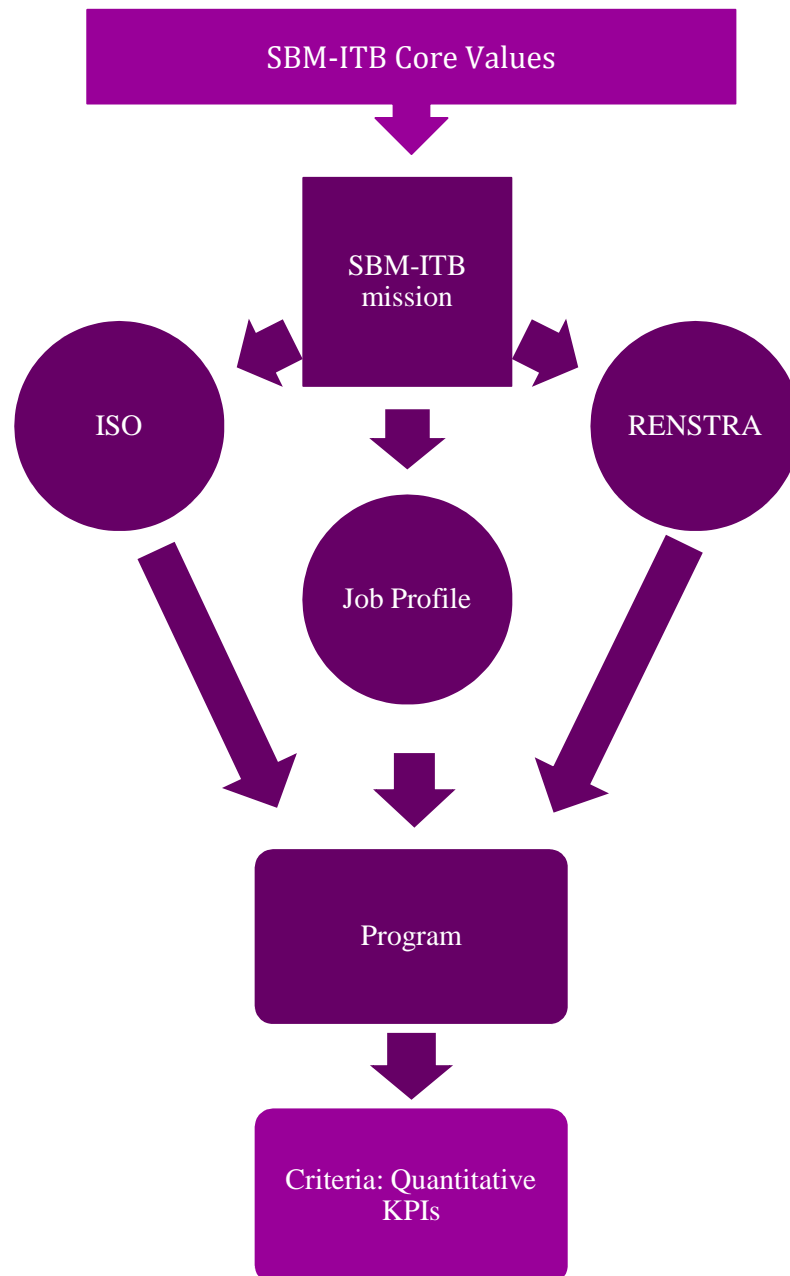
Figure 3: Conceptual Framework to determine Quantitative Key Performance Indicators

Data Analysis

Data Collection
Data collection is divided into four types of data: Interview, Job Profile, RENSTRA, and ISO of professional staff's unit/division.

1. Interview: Conducted interview with five professional staffs of SBM-ITB.
2. Job Profile: Obtained as secondary data which lists all the task and responsibilities for each professional staff and their unit/division.
3. RENSTRA: Strategic plan for SBM-ITB in five years time.
4. ISO: Standard-operating rules of each unit/division and what must be achieved.

Data Analysis

In the conceptual framework, data analysis is from the Program stage until determining the criteria/Quantitative KPI.

1. Program: Program is a collection of activities that a staff must do in their corresponding departments.

Table 1. Programs

Program to determine Criteria/Quantitative KPIs based on Job Profile, ISO, Renstra, and Interview		
SBM-ITB 2015		
No.	**Division/Job Position**	**Programs**
1	Kepala Sub Bagian Sarana dan Prasarana	Memperkaya kualitas lingkungan belajar – mengajar
		Peningkatan kapasitas ITB di G Kampus
		Pemantapan dan pengembangan sarana teknologi informasi dan utilitas
		Pengembangan dan pemeliharaan fasilitas laboratorium
2	Kepala Sub Bagian Kepegawaian - Kantor SBM	Peningkatan sumber daya manusia ITB menuju taraf internasional
		Pengembangan jenjang karir dosen yang berkesinambungan
		Perekrutan Dosen
		Perekrutan Staf
		Pengembangan Staf
3	Kepala Sub Bagian Pelayanan Karir, Industrial dan Alumni	Penerapan Tata Pamong yang baik
		Dukungan International *Relation Office (IRO)*
		Menyelenggarakan pelayanan karir untuk lulusan SBM yang dimulai dari pertama kali masuk SBM (melingkupi persiapan dari awal sampe nanti lulus)
		Industrial relation: hubungan SBM dengan industry lainnya
		Alumni relation
		Career counseling
4	Kepala Sub Bagian Marketing dan Komunikasi	Penerapan Tata Pamong yang baik
		Penerimaan Kunjungan Instansi Lain
		Pengelolaan Berita Media Sosial (Social Media)
		Pameran Pendidikan
		Open House
		Promotional dan branding
5	Manajer Penerimaan dan Penyelenggaraan Kegiatan - MBA (Pejabat Setara Kasubag)	N/A
6	Kepala Sub Bagian Pengembangan Rencana Strategis	N/A
7	Kepala Sub Bagian Perencanaan	N/A
8	Kepala Sub Bagian Keuangan - Kantor SBM	Penggalangan dari masyarakat
		Hibah
		Kerjasama strategis dan sponsorship
		Rencana Penerimaan RKA

		Realisasi Anggaran
		Evaluasi Diri
9	Kepala Sub Bagian Teknologi Informasi - Kantor SBM	Penerapan Tata Pamong yang baik
		Dukungan International *Relation Office (IRO)*
		Memperkaya kualitas lingkungan belajar – mengajar
		Peningkatan kapasitas ITB di G Kampus
		Pemantapan dan pengembangan sarana teknologi informasi dan utilitas
		Pelayanan Pengguna IT
10	Sekretaris Program Studi - MSM/DSM (Pejabat Setara Kasubag)	Meningkatkan kualitas mahasiswa S1, S2, dan S3
		Meningkatkan kapasistas program magister dan pendirian program baru
		Memperkuat posisi keterpandangan di tingkat regional dan global
		Memperoleh posisi dan memperluas wilayah keunggulan dalam proses pendidikan dan pembelajaran
		Membangun pendidikan yang berkarakter kepeloporan, kejuangan, dan pengabdian
		Pengembangan proses pembelajaran menuju universitas riset
		Mendukung pengembangan SBM-ITB sebagai wahana professional development
		Meningkatkan fungsi penjaminan mutu akademik
11	Sekretaris Program Studi - MBA (Pejabat Setara Kasubag)	Meningkatkan kualitas mahasiswa S1, S2, dan S3
		Meningkatkan kapasistas program magister dan pendirian program baru
		Memperkuat posisi keterpandangan di tingkat regional dan global
		Memperoleh posisi dan memperluas wilayah keunggulan dalam proses pendidikan dan pembelajaran
		Membangun pendidikan yang berkarakter kepeloporan, kejuangan, dan pengabdian
		Pengembangan proses pembelajaran menuju universitas riset
		Mendukung pengembangan SBM-ITB sebagai wahana professional development
		Meningkatkan fungsi penjaminan mutu akademik
12	Sekretaris Program Studi - S1 Manajemen (Pejabat Setara Kasubag)	Meningkatkan kualitas mahasiswa S1, S2, dan S3
		Meningkatkan kapasistas program magister dan pendirian program baru
		Memperkuat posisi keterpandangan di tingkat regional dan global
		Memperoleh posisi dan memperluas wilayah keunggulan dalam proses pendidikan dan pembelajaran
		Membangun pendidikan yang berkarakter kepeloporan, kejuangan, dan pengabdian
		Pengembangan proses pembelajaran menuju universitas riset
		Mendukung pengembangan SBM-ITB sebagai wahana professional development
		Meningkatkan fungsi penjaminan mutu akademik
13	Pengadministrasi Akademik Muda - S1 Kewirausahaan	Meningkatkan kualitas mahasiswa S1, S2, dan S3
		Memperoleh posisi dan memperluas wilayah keunggulan dalam proses pendidikan dan pembelajaran
		Membangun pendidikan yang berkarakter kepeloporan, kejuangan, dan pengabdian
		Meningkatkan fungsi penjaminan mutu akademik
14	Kepala Sub Bagian	Meningkatkan kualitas mahasiswa S1, S2, dan S3

	Akademik dan Kemahasiswaan - Kantor SBM	Meningkatkan kapasistas program magister dan pendirian program baru
		Memperkuat posisi keterpandangan di tingkat regional dan global
		Memperoleh posisi dan memperluas wilayah keunggulan dalam proses pendidikan dan pembelajaran
		Membangun pendidikan yang berkarakter kepeloporan, kejuangan, dan pengabdian
		Pengembangan proses pembelajaran menuju universitas riset
		Mendukung pengembangan SBM-ITB sebagai wahana professional development
		Meningkatkan fungsi penjaminan mutu akademik

2. Criteria/Quantitative KPI:

Table 2. Criteria/Quantitative KPI

No.	Division/Job Position	Criteria/Quantitative KPIs
1	Kepala Sub Bagian Sarana dan Prasarana	Tersedianya kontrak kerja untuk setiap staff Sarana dan Prasarana
		Kelengkapan peralatan logistik untuk setiap acara
		Acara berjalan tepat waktu
		Zero complain
		Tersedianya RKA divisi Sarana dan Prasarana untuk setiap semester
2	Kepala Sub Bagian Kepegawaian - Kantor SBM	Tersedianya RKA divisi Kepegawaian untuk setiap semester
		Hadirnya seluruh tenaga kependidikan (dosen dan non-dosen) dalam program pengembangan
		Adanya minimal satu program pengembangan setiap tahun
		Tersedianya SOP rekruitmen dosen dan staf SBM-ITB
		Seleksi dan rekrutmen sumber daya manusia terjalan sesuai kebutuhan
		Gaji pegawai diberikan tepat waktu
		Evaluasi kinerja seluruh sumber daya manusia setiap semester
		Turnover pegawai dibawah 20%
3	Kepala Sub Bagian Pelayanan Karir, Industrial dan Alumni	Adanya minimal satu workshop dunia kerja setiap tahun
		Hadirnya minimal 100 orang disetiap workshop dunia kerja
		Tersedianya database informasi industri
		Hadirnya minimal 50 alumni di acara alumni sharing session
		Adanya minimal satu alumni sharing session setiap tahun
		Adanya minimal 2 acara career fair di setiap tahun
		Hadirnya 1000 peserta career fair
		Jumlah minimal 500 peserta yang mendaftar untuk rekrutmen disetiap career fair
		Jumlah minimal 10 perusahaan yang mendaftar untuk membuka booth disetiap career fair
		Tersedianya minmal satu resume book yang berisi data seluruh mahasiswa SBM untuk setiap angkatan di setiap tahun
		Zero complain

4	Kepala Sub Bagian Marketing dan Komunikasi	Zero complain
		Adanya acara open house MBA setiap semester
		Hadirnya minimal 100 siswa ke SBM-ITB untuk setiap semester
		Minimal mengikuti 3 edufair setiap tahun
		Tersedianya merchandise untuk SBM-ITB
		Adanya minimal satu roadshow ke sekolah setiap tahun
		Adanya minimal satu roadshow ke perusahaan setiap tahun
5	Manajer Penerimaan dan Penyelenggaraan Kegiatan - MBA (Pejabat Setara Kasubag)	Ketepatan waktu penyelenggaraan untuk setiap program/acara
		Tersedianya RKA divisi Penerimaan dan Penyelenggaraan Kegiatan tepat waktu
		Zero complain untuk acara
		Adanya 3 acara wisuda setiap tahun
		Adanya laporan tanggung jawab divisi setiap semester
6	Kepala Sub Bagian Pengembangan Rencana Strategis	Adanya laporan tanggung jawab divisi setiap semester
		Adanya acara networking minimal satu kali setiap tahun
7	Kepala Sub Bagian Perencanaan	Tersedianya RKA SBM untuk setiap triwulan
		Program tidak over budget
		Adanya laporan tanggung jawab divisi setiap semester
		Tervalidasinya semua RKA unit/divisi untuk setiap tahun
8	Kepala Sub Bagian Keuangan - Kantor SBM	Tersedianya surat lunas pembayaran BPP untuk semua mahasiswa
		Menerima dana minimal 50 juta dari sponsorship
		Tersedianya RKA divisi Keuangan untuk setiap semester
		Adanya laporan tanggung jawab divisi setiap semester
9	Kepala Sub Bagian Teknologi Informasi - Kantor SBM	Tersedianya RKA divisi Teknologi Informasi untuk setiap semester
		Zero complain
		Melakukan maintenance sistem setiap semester
		Adanya minimal satu reserch and development untuk IT setiap tahun
10	Sekretaris Program Studi - MSM/DSM (Pejabat Setara Kasubag)	Zero complain
		Kenaikan jumlah aplikasi mahasiswa setiap tahun
		Terlaksanakannya minimal satu acara untuk setiap tahun
		Terupdatenya sistem atau prosedur akademik dan kemahsiswaan yang baru setiap tahun
		Tersedianya RKA program studi MSM/DSM untuk setiap semester
		Adanya laporan tanggung jawab program studi MSM/DSM setiap semester
11	Sekretaris Program Studi - MBA (Pejabat Setara Kasubag)	Zero complain
		Terlaksanakannya minimal satu acara untuk setiap tahun
		Tersedianya RKA program studi MBA untuk setiap semester
		Terupdatenya sistem atau prosedur akademik dan kemahsiswaan yang baru setiap tahun
		Adanya laporan tanggung jawab program studi MBA setiap semester

12	Sekretaris Program Studi - S1 Manajemen (Pejabat Setara Kasubag)	Zero complain
		Adanya laporan tanggung jawab program studi MBA setiap semester
		Tersedianya RKA program studi S1 Manajemen untuk setiap semester
		Terlaksanakannya minimal satu acara untuk setiap tahun
		Terupdatenya sistem atau prosedur akademik dan kemahsiswaan yang baru setiap tahun
13	Pengadministrasi Akademik Muda - S1 Kewirausahaan	Hadirnya seluruh mahasiswa baru untuk kegiatan pra-perkuliahan mahasiswa baru
		Zero complain
		Distribusi informasi untuk mahasiswa dan dosen setiap awal semester baru dilaksanakan tepat waktu
		Adanya laporan tanggung jawab program studi S1 Kewirusahaan setiap semester
		Tersedianya RKA program studi S1 Kewirausahaan untuk setiap semester
		Melaksanakan minimal satu kegiatan seminar Friday Entrepreneurship setiap bulan
14	Kepala Sub Bagian Akademik dan Kemahasiswaan - Kantor SBM	Zero complain
		Minimal satu kelas baru yang dibuka setiap semester
		Terupdatenya data alumni setiap semester
		Terupdatenya data mahasiswa setiap semester

Conclusion

The result of this research is when Key Performance Indicators (KPIs) for fourteen unit/division has been determined and can be used as an alternative for SBM-ITB to set as their respective KPIs. The results of the KPIs are shown in Table 4.6 for all fourteen unit/division. However, programs are not available for all professional staff since some unit/division does not have a specific RENSTRA/ISO nor an interview was conducted to determine what programs their unit/division would have to help determine the KPIs. KPIs is a step for helping the main problem in SBM-ITB, that is the absence of a proper performance appraisal system. By determining the KPIs, the existing performance appraisal can then be assessed and redesigned.

Recommendation
The recommendation for future study on this research is to strengthen and update the basic data required of making KPIs, such as updating each staff Job Profile, RENSTRA, and ISO. These KPIs can act as an example or alternatives for SBM-ITB in fixing their KPIs.

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