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THE STUDY OF EFFECTIVENESS OF KPI IN THE PUBLIC SECTOR

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December 2010 - April 2011

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Acknowledgement

In completing this research, "Key Performance Indicators (KPIs): The Study of Effectiveness of KPI in the Public Sector", a number of people has taken full responsibility to complete this research.

First of all, we would like to express our gratitude to Miss Noni Harianti, as our Supervisor for this research, for her guidance and contributions in preparing this research. Most of all we would like to give special thanks to Associate Professor Dr. Kuldip Singh, as our lecturer for this course ADS501 his for their support and teaches us how to do a better research.

Not to be forgotten our friends, either directly or indirectly contribute their opinions for improvement of our research each passing days. Many long hours of hard work, sleepless night, and personal sacrifices contributed to this research.

INTRODUCTION

THE EFFECTIVENESS OF KPI IN THE PUBLIC SECTOR

1.0 Introduction

Most organizations today have their own approaches or methods for measurements. Performance measurement in general is not a new practice at the present time. The term, "performance measures" might sound novel in research literature but the idea itself of measuring all aspects of performance has been there for a long time. Since the early 1990s when Robert Kaplan and David Norton introduced the balanced scorecard methodology for performance management, the conceptual framework has been enthusiastically embraced by corporate America. However, performance measurement can take the organizations months and maybe years to come up with the final results. Therefore, with the use of Key Performance Indicators (KPIs), the existing sets of indicators could always be quantified as relevant to the organization's need. KPIs are also known as Key Performance Index, Key Process Indicators, Balanced Scorecards, and Business Dashboards, Scoreboard, Key Result Areas, Key Success Indicators or a number of other identifications depending on the consultant and management experts we are talking about.

(Neely, A. Designing Performance Measures. Page 131)

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

The emergence of growth and new challenges in the global economy has led educators and policymakers to seek effective measures to assess their organizational goals. Today, KPIs is viewed as an effective measurement that provides key information ranging from access to private and public organization. The identification of performance indicators is the most important task facing any project that hopes to assess comparative institutional performance (Brennan, 1999). In order to determine the indicators, one has to benchmark for the search of the best practices in the public sector. Ongoing evaluation is important to the public organization in Malaysia, so that they can improve their performance and grow as a top class organization. It should require observing what the best practices are and projecting what performance should be in the future especially for the employees.