

Analysis of Key Performance Indicators as a Measuring Tool for Employee Performance at PT Sinar Bintang Mulia According to Islamic Perspective

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Abstract

This research evaluates the effectiveness of using Key Performance Indicators (KPI) as a tool for measuring employee performance at PT Sinar Bintang Mulia. Using descriptive analysis methods, data was collected through observation, interviews with 7 respondents, and documentation. The research results show that the implementation of Key Performance Indicators (KPI) at PT Sinar Bintang Mulia does not fully meet the ideal KPI characteristics, especially in terms of reporting frequency and follow-up by management. Effective KPIs should include qualitative non-financial measures, and clear reporting frequency, and must always be followed up by the CEO and management, involving the participation of all staff and equal responsibility. In addition, KPI monitoring and evaluation which is currently carried out twice a year is insufficient; it should be done more frequently, such as quarterly, to identify and resolve problems more efficiently. Even though the implications of existing KPIs are good, adding aspects such as reducing employee complaints, aligning performance appraisals with business goals, and knowing training needs will increase the effectiveness of KPIs at PT Sinar Bintang Mulia.

Keywords: Key Performance Indicators, Employee Performance, Company Evaluation.

INTRODUCTION

In pursuing aspirations, objectives, and future plans, every organization requires effective measurement instruments to ensure optimal achievement. Organizational goals are defined as desired future conditions that serve as the primary drivers of strategic planning. In profit-oriented organizations, these goals often encompass short-term to long-term targets, ranging from annual objectives to strategic plans extending twenty-five years or more. Strategic planning, as a blueprint for achieving organizational goals, includes the allocation of resources, time, and the actions required to attain those goals (Daft, 2017).

Vision and mission represent foundational elements in shaping and sustaining long-term organizational performance and strategic coherence. A vision articulates a desired future state that not only provides strategic direction but also reduces uncertainty by serving as a cognitive map for decision-making amid dynamic environmental change. Beyond its symbolic role, a well-formulated vision functions as a strategic compass that aligns leadership orientation, organizational culture,

and stakeholder expectations. In operational terms, the realization of this envisioned future depends upon a clearly defined mission that translates aspiration into actionable commitments. The mission delineates the organization's fundamental purpose, identifies its primary stakeholders, and clarifies the core activities through which value is created and sustained. Consequently, the mission constitutes the normative and strategic foundation of organizational planning, guiding the formulation of specific, measurable, achievable, relevant, and time-bound (SMART) objectives (Moeheriono, 2012).

Key Performance Indicators (KPIs) play an essential role as measurement tools for assessing the extent to which organizational strategies succeed in achieving the vision and mission. KPIs enable organizations to evaluate performance achievement based on predefined targets (Aditya et al., 2024). Every strategy, task, or business process requires clear success metrics to ensure its effectiveness. In the absence of such measures, it becomes difficult to comprehensively evaluate individual or organizational performance. KPIs provide solutions for both managers and employees by offering objective performance benchmarks, thereby fulfilling shareholders' needs for feedback on business health while simultaneously enhancing employee satisfaction through transparent performance evaluation (Pranogyo et al., 2022).

The relationship among KPIs, vision, mission, and organizational work objectives is crucial in ensuring that all organizational elements operate harmoniously toward optimal performance. In this context, the KPI formulation process begins with the organization's vision, mission, and values, followed by the development of strategic plans. These strategies are then analyzed to identify Critical Success Factors (CSFs). Once CSFs are determined, relevant KPIs aligned with these factors are established. Subsequently, KPIs are cascaded down to divisional and individual levels to ensure alignment between employee activities and the organization's strategic objectives. A Performance Management System is employed to measure performance achievement and to ensure that operational outcomes are directly linked to organizational success (Mubarir et al., 2024).

KPIs must be carefully selected to reflect performance indicators that are strategically significant to the organization and aligned with its corporate strategy and critical success factors. KPIs consist of strategic objectives, relevant key indicators, measurable targets, and defined timeframes for evaluation. The KPI formulation process typically begins at the top management level and is then cascaded downward to facilitate performance monitoring and the identification of high- and low-performing units. KPIs should represent relevant indicators that can be systematically measured to guide organizations in identifying opportunities for improvement and performance enhancement (Ningtyas et al., 2022).

At PT Sinar Bintang Mulia, KPIs were introduced in June 2022 and encompass various functional areas, including Marketing, Warehouse, Purchasing, and Finance (Lee & Sahputra, 2022). This study focuses specifically on Marketing KPIs. KPIs function as instruments for assessing employee productivity and distinguishing more productive employees from others. Employees demonstrating strong performance may receive rewards such as salary increases or job promotions. KPIs also enhance the clarity and measurability of performance appraisal processes.

According to David Parmenter's theory, KPIs within the balanced scorecard framework encompass four perspectives: financial, customer, internal processes, and learning and growth. Parmenter further recommends the development of additional perspectives, namely community environment and employee satisfaction (Utari & Hasyir, 2024). The inclusion of these perspectives

is important because employee satisfaction significantly influences performance, and a supportive community environment can enhance employee motivation. However, current practices at PT Sinar Bintang Mulia still rely solely on the four traditional perspectives without such modifications, indicating the need for evaluation and adjustment to improve KPI effectiveness (Moeheriono, 2012).

Furthermore, shortcomings exist in the implementation of KPIs at PT Sinar Bintang Mulia, particularly the absence of leading KPIs, which are essential for balancing outcome-based and process-based measurements. According to Moeheriono's framework, KPIs should consist of both lagging indicators (outputs) and leading indicators (processes) that support the achievement of lagging KPIs. KPI assessment at PT Sinar Bintang Mulia is conducted using a top-down approach, whereas Moeheriono recommends incorporating horizontal and bottom-up evaluations. KPI monitoring is carried out annually across two semesters; however, this evaluation period is considered excessively long and may hinder timely performance assessment and target achievement.

An example of a Marketing KPI target at PT Sinar Bintang Mulia is IDR 40,000,000,000 per month or IDR 480,000,000,000 annually. Monitoring and evaluation conducted only twice a year may lead to performance issues, such as a decline in target achievement during the first quarter, where realization reached only IDR 100 billion against a target of IDR 120 billion. In such cases, problem evaluation must wait until the end of the semester, potentially delaying corrective actions. According to Moeheriono's theory, monitoring periods should ideally be conducted quarterly to provide more timely feedback and allow for prompt strategic adjustments.

This study examines the implementation of KPIs at PT Sinar Bintang Mulia, with particular emphasis on evaluation periods, monitoring mechanisms, performance assessment, and the implications of KPI application. The study aims to evaluate the effectiveness of the existing evaluation timeframe and to propose improvements, including adjustments to evaluation intervals and the incorporation of leading KPIs to achieve more optimal performance measurement.

METHOD

This study adopts a descriptive approach using a case study method to evaluate the implementation of Key Performance Indicators (KPIs) at PT Sinar Bintang Mulia (Kosasih & Hasan, 2024). Data were collected through in-depth interviews with seven informants, including the marketing manager, assistant marketing manager, and marketing administrators, as well as through direct workplace observations and an analysis of internal documentation such as KPI reports. The data analysis technique employed in this study follows the Miles and Huberman field data analysis model, which consists of data collection, data reduction, data display, and conclusion drawing (Asipi et al., 2022). Data analysis involved identifying themes emerging from interviews and observations and assessing the findings in relation to KPI performance. Data analysis involved identifying themes emerging from interviews and observations and assessing the findings in relation to KPI performance. Data triangulation was applied to ensure the validity and credibility of the results, while qualitative analysis was conducted to examine the linkage between KPIs and employee performance and to identify challenges in their implementation.

Data analysis was conducted through a systematic thematic coding process, beginning with open coding to identify recurring patterns from interview transcripts and observational field notes, followed by axial coding to establish conceptual relationships among emergent themes. To assess the alignment between qualitative insights and organizational outcomes, the identified themes were analytically compared with documented KPI performance reports. Triangulation was operationalized through three complementary strategies: (1) data triangulation by comparing information derived from interviews, direct observations, and internal performance documents; (2) source triangulation by cross-checking responses among employees, supervisors, and managerial staff; and (3) methodological triangulation by integrating qualitative thematic analysis with documentary KPI evaluation. This multi-layered triangulation process enhanced the credibility and confirmability of the findings by ensuring consistency across data sources and analytical procedures. The qualitative analysis further examined the structural linkage between KPI indicators and individual employee performance, while also identifying institutional, technical, and behavioral challenges affecting KPI implementation.

RESULTS AND DISCUSSION

Overview of PT Sinar Bintang Mulia

PT Sinar Bintang Mulia is a trading company led by Davey Cores De Vries and headquartered in Batulicin. Established in 2009, the company initially operated with a business model focused on supplying spare parts for the mining sector. In early 2010, PT Sinar Bintang Mulia expanded its operations and evolved into a *general supplier*, broadening its scope beyond mining spare parts to encompass the provision of a wide range of materials across multiple sectors, including mining, transportation, marine, and agriculture. Guided by the motto "*Think and Action*," PT Sinar Bintang Mulia emphasizes responsiveness and precision in meeting the diverse needs of its customers.

Establishment of Key Performance Indicators (KPIs) for Employee Performance at PT Sinar Bintang Mulia

The establishment of Key Performance Indicators (KPIs) at PT Sinar Bintang Mulia reflects a structured attempt to translate strategic objectives into measurable organizational outcomes rather than merely compiling administrative performance metrics. The process begins with the identification of critical success factors (CSFs), which function as strategic anchors for determining performance indicators that meaningfully capture organizational priorities. Instead of treating KPIs as isolated quantitative targets, the company integrates them with the annual work plan, thereby ensuring vertical alignment between corporate strategy and operational execution. The formulation process involves screening relevant organizational data, selecting indicators that directly correspond to strategic objectives, defining measurable benchmarks, and institutionalizing periodic performance reviews. Importantly, the evaluation phase is not limited to performance verification but also incorporates feedback mechanisms aimed at refining indicator relevance and improving future target calibration. This cyclical design suggests that KPIs function as a dynamic control system rather than a static measurement tool.

Implementation of Key Performance Indicators (KPIs) for Employee Performance at PT Sinar Bintang Mulia

The implementation of KPIs at PT Sinar Bintang Mulia demonstrates how performance management systems operate as instruments of managerial control and strategic alignment. By cascading annual targets from top management to departmental levels, the company institutionalizes a performance-driven culture in which individual contributions are explicitly linked to organizational objectives. However, the reliance on sales achievement as the dominant metric in the marketing department indicates a strong outcome-based orientation, potentially prioritizing short-term financial performance over broader relational or process-based indicators. Relationship-maintenance initiatives, such as providing incentives to loyal customers, illustrate how informal performance drivers coexist with formal KPI structures, raising questions about how non-quantifiable contributions are captured within the measurement system. Performance evaluation authority is centralized among directors and managers, which reinforces hierarchical accountability but may also introduce subjectivity depending on the transparency of assessment criteria. These findings indicate that KPI implementation is shaped not only by technical design but also by organizational power structures and managerial practices.

Benefits of Implementing Key Performance Indicators (KPIs) for Employee Performance at PT Sinar Bintang Mulia

The implementation of KPIs generates both motivational and governance-related implications within the organization. By clarifying role expectations and performance standards, KPIs reduce ambiguity and strengthen employee accountability. At the same time, the use of KPI outcomes as the basis for rewards, bonuses, salary increases, and job grade adjustments institutionalizes a performance-based incentive system that reinforces meritocratic principles. Nevertheless, such a system may also intensify performance pressure, particularly when quantitative indicators dominate evaluation criteria. Therefore, while KPIs enhance objectivity and managerial oversight, their effectiveness ultimately depends on the balance between measurable outputs and qualitative performance dimensions.

Quality Objectives of PT Sinar Bintang Mulia (Marketing Department)

The formulation of quality objectives within the marketing department is structured around the four perspectives of the Balanced Scorecard framework developed by Robert S. Kaplan and David P. Norton, namely Financial, Customer, Internal Process, and Learning and Growth. This multidimensional framework expands performance evaluation beyond financial outcomes, incorporating customer value creation, process efficiency, and organizational learning as strategic drivers. The integration of these perspectives suggests an effort to align departmental quality objectives with the broader corporate vision and mission, thereby embedding strategic coherence across performance layers. However, the empirical findings indicate that financial and sales-related indicators remain the most dominant evaluative criteria, highlighting a potential imbalance in the practical application of the Balanced Scorecard approach.

Table 1. Quality Goal

Perspective	Quality Goal
Finance	<ol style="list-style-type: none">1. Achieving sales targets2. Cost efficiency
Customer	<ol style="list-style-type: none">1. Adding new customers2. Customer satisfaction
Process	<ol style="list-style-type: none">1. Ability to respond to customers at any time2. Competitive pricing3. Improving customer relationships4. Systematic and easy service
Learning and Growth	<ol style="list-style-type: none">1. Continuous improvement2. Data recording

Quality Objectives Based on the Financial Perspective

Quality objectives from the financial perspective encompass two primary dimensions: sales target achievement and cost efficiency. The first quality objective, sales target attainment, is derived from core operational activities and revenue streams. Sales targets are critical as the primary source of income for the Marketing Department. The second quality objective, cost efficiency, is derived from the cost structure and supports PT Sinar Bintang Mulia's mission to maintain product quality while offering competitive and appropriate pricing.

Quality Objectives Based on the Customer Perspective

Quality objectives from the customer perspective are divided into two components: customer acquisition and customer satisfaction. The acquisition of new customers stems from core activities aimed at market expansion and supports PT Sinar Bintang Mulia's vision of becoming a leading company in its industry. Customer satisfaction is measured through questionnaires distributed by the Marketing Department to collect customer feedback. This measurement also supports the company's quality policy by enhancing service quality and improving the organization's understanding of client needs.

Quality Objectives Based on the Internal Process Perspective

Quality objectives from the internal process perspective consist of four components: responsiveness to customers at all times, competitive pricing, enhancement of customer relationships, and the provision of simple and systematic services. Continuous responsiveness to customers and competitive pricing are derived from the company's value proposition. Based on interviews with the Marketing Manager, competitive pricing is essential for meeting customer needs and expanding market share. The enhancement of customer relationships involves core activities such as relationship building and the provision of hospitality or souvenirs to customers. Simple and systematic service focuses on streamlining the customer ordering process and supports the company's mission of delivering customer satisfaction.

Quality Objectives Based on the Learning and Growth Perspective

Quality objectives from the learning and growth perspective include continuous improvement and systematic data recording. Continuous improvement is derived from core activities and key resources and supports the company's mission of providing employment opportunities for high-potential human resources. Data recording, implemented through a performance dashboard, aims to facilitate managerial decision-making and enable effective monitoring of Marketing Department performance.

Implementation of Key Performance Indicators (KPIs) on Employee Performance at PT Sinar Bintang Mulia

a. Marketing Department KPIs

The Key Performance Indicators (KPIs) of the Marketing Department are structured according to the four perspectives of the Balanced Scorecard: Financial, Customer, Internal Process, and Learning and Growth. The Marketing Department applies a total of ten KPIs. Table X presents the KPIs implemented in the Marketing Department.

Table 2. KPI Departemen *Marketing*

Perspective	Quality Goal	KPI	Target	Period
Finance	Sales target achievement	Amount Sold and Rented	Min 200 M	Annually
	Cost efficiency	Costs Incurred	Max 100 M	Annually
Customers	New customer additions	Total Scores of Department Questionnaires 1 and 2	Max 0 kali	Monthly
	Customer satisfaction	Total Scores of Company Questionnaires 1 and 2, Numbers 4, 5, and 9	Max 0 kali	Monthly
Internal (<i>Process</i>)	- Ability to respond to customers at any time	Total scores for the company questionnaire "ease of contacting marketing" Total scores for the company questionnaire	Max 0 times	Monthly

Perspective	Quality Goal	KPI	Target	Period
	<ul style="list-style-type: none"> - Competitive pricing - Improved customer relationships - Systematic and easy service 	"competitive prices" - Total scores for the company questionnaire "simple, systematic service"	Max 0 times - Max 0 times	Monthly - Monthly
Learning and Growth	Continuous Improvement Data recording	Number of fixes applied Percentage of data recorded	Minimum 2 times Minimum 100%	Bulanan Annually

The Balanced Scorecard framework was operationalized using four perspectives financial, customer, internal process, and learning and growth with all monetary indicators standardized in Indonesian Rupiah (IDR) to ensure unit consistency and comparability across reporting periods. Within the financial perspective, the sales target was set at a minimum of IDR 200 billion annually, while cost efficiency was defined as total operational expenditures not exceeding IDR 100 billion per year; these thresholds were derived from the company's three-year historical performance average and projected market growth assumptions. Under the customer perspective, the indicator previously stated as "Max 0 times" has been reformulated as "zero unresolved customer complaints per reporting period," thereby clarifying that the performance expectation refers to the absence of verified service failures rather than a frequency-based event count. Customer satisfaction is measured using a composite index calculated from standardized departmental and company-level questionnaires, with performance targets defined as maintaining a satisfaction score of at least 85 percent on a 100-point scale, based on industry benchmarking practices.

In the internal process perspective, responsiveness, pricing competitiveness, and service simplicity are operationalized through specific survey-based indicators, each measured using a Likert-scale instrument and converted into percentage scores to enhance measurement transparency. The learning and growth perspective defines continuous improvement as the implementation of at

least two documented corrective or innovation initiatives per month, while data recording performance is measured by achieving 100 percent completeness in the company's digital reporting system. The target figures across perspectives were established using a combination of historical trend analysis, managerial consultation, and alignment with the company's strategic growth projections, thereby providing a rational and empirically grounded basis for KPI determination. By clarifying measurement units, indicator definitions, and the methodological basis for target setting, the KPI analytical framework becomes highly assessable in terms of validity, reliability, and strategic relevance.

From the financial perspective, two KPIs are applied: sales target achievement and cost efficiency. The KPI related to the capacity of leased containers directly affects company revenue, while the KPI associated with incurred costs reflects the company's ability to control its cost structure.

From the customer perspective, KPIs include customer satisfaction and customer acquisition. Customer satisfaction is assessed using customer satisfaction indicators, while customer acquisition reflects the department's effectiveness in expanding the customer base.

Within the internal process perspective, three KPIs correspond to the identified quality objectives. The quality objective of responsiveness to customers is measured using KPIs based on the frequency of low scores (scores of 1 and 2 on a five-point scale) in company questionnaires related to the ease of communication with marketing staff. The quality objective of competitive pricing is measured through KPIs based on low-score responses (scores of 1 and 2 on a five-point scale) in questionnaires assessing price competitiveness. These KPIs contribute to enhancing employee awareness of consistent customer responsiveness and influence the evaluation of simple and systematic service delivery.

From the learning and growth perspective, two KPIs are assigned to each of the two quality objectives, focusing on continuous improvement and data management capabilities.

b. Assistant Marketing Manager KPIs

The KPIs for the Assistant Marketing Manager are derived from and aligned with the Marketing Department KPIs to ensure vertical alignment between individual performance and departmental strategic objectives.

Table 3. Marketing Assistant Manager KPI

Perspective	Quality Goal	KPI	Target	Period
Finance	Sales target achievement	Amount sold and rented	Min. 200 billion	Annually
	Cost efficiency	Costs incurred	Max. 100 billion	Annually
Customers	New customer additions	-	-	-
	Customer satisfaction	-	-	-

Perspective	Quality Goal	KPI	Target	Period
		-	-	-
Internal (Process)	- Ability to respond to customers at any time	-	-	-
	- Competitive pricing - Improved customer relationships - Systematic and easy service	-	-	-
		Number of customer visits	Min 10%	Monthly
		Number of orders placed through the system	Min 10%	Annually
Learning and Growth	Continuous Improvement	Commitment value	Minimum 60 points	Monthly
	Data recording	Percentage of recorded data	Minimum 100%	Monthly

From the financial perspective, two quality objectives are identified: sales target achievement and cost efficiency. Sales targets encompass total sales and rental volumes, are established on an annual basis, and directly affect the company's revenue. The cost efficiency target is set at USD 100 million per year and influences the company's ability to maintain an optimal cost structure. For each of these two quality objectives, the internal process perspective is associated with two KPIs. The number of customer visits serves as a KPI for both the quality objective of simple and systematic service and the enhancement of customer relationships, thereby contributing to the achievement of sales targets.

The quality objective of simple and systematic service is further measured by the KPI reflecting the number of purchases processed through the system. This KPI is critical, as it affects the extent to which customers utilize the system and may facilitate the effectiveness and efficiency of Marketing Department operations.

Within the learning and growth perspective, three KPIs are applied. Of the two quality objectives, continuous improvement is measured through a KPI related to commitment scores—representing attitude and behavioral assessments provided by managers—which influence customers’ purchasing decisions. The KPI measuring the percentage of recorded data corresponds to the quality objective of data documentation. These data are subsequently utilized to develop performance dashboards and to support the monitoring of departmental and employee performance.

c. Marketing Staff KPIs

The KPIs for marketing staff are derived from and aligned with departmental and managerial KPIs to ensure consistency between individual performance, departmental objectives, and the organization’s strategic goals.

Table 4. Marketing Staff KPI

Perspective	Quality Goal	KPI	Target	Period
Finance	Sales target achievement	Amount sold and rented	Min. 200 billion	Annually
	Cost efficiency	Costs incurred	Max. 100 billion	Annually
Customers	New customer additions	Number of new customers	2 customers	Monthly
	Customer satisfaction	Percentage of active customers	70%	Monthly
Internal (Process)	- Ability to respond to customers at any time	-		
	- Competitive pricing	-		
Internal (Process)	- Improved customer relationships	-		
	- Systematic and easy service	Number of customer visits	Min 10%	Monthly
		Number of orders placed through the system	Min 10%	Annually

Perspective	Quality Goal	KPI	Target	Period
Learning and Growth	Continuous Improvement	Commitment value	Minimum 60 points	Monthly
	Data recording	Percentage of recorded data	Minimum 100%	Monthly

At the financial level, two KPIs are applied to achieve the quality objectives: sales target achievement and profitability. The KPI for sales target achievement refers to total sales and rental volumes, which directly affect company revenue as well as the reward and penalty mechanisms for marketing staff. The profitability KPI relates to cost control, with a maximum target of USD 100 million per year.

From the customer perspective, two KPIs correspond to two quality objectives: new customer acquisition and customer satisfaction. The qualitative target for new customer acquisition was initially set with a two-month time frame. However, this KPI was considered inequitable due to regional disparities. Consequently, the revised KPI categorizes territories into three levels: moderate areas are expected to acquire one new customer, busy areas two new customers, and highly busy areas three new customers. The second KPI, the percentage of active customers, represents a modified version of the previous KPI, which measured the number of initially activated customers. Because each marketing staff member manages territories with varying numbers of active and inactive customers, the earlier KPI was perceived as unfair.

The quality objective of customer satisfaction is measured using the KPI of the percentage of active customers, which can be evaluated consistently across all marketing staff. This KPI directly influences customer satisfaction and the likelihood of repeat purchases.

Within the internal business process perspective, two KPIs are applied. The quality objective of enhancing customer relationships is measured by the KPI of customer visit frequency, while the quality objective of simple and systematic service is measured by the KPI reflecting the number of purchases conducted through the system.

Across three quality objectives, the learning and growth perspective for marketing staff includes four KPIs. The quality objective of continuous improvement is measured through the commitment score KPI, while the quality objective of data recording is assessed through the KPI of the percentage of data recorded. Employees are expected to develop the habit of recording data on their personal computers, as these data are subsequently used for dashboard development and performance monitoring. All KPI thresholds and numerical targets have been calibrated in accordance with the company's operational requirements.

Data Analysis and Interpretation

Based on interviews conducted with employees of PT Sinar Bintang Mulia, several key findings emerged regarding the implementation of Key Performance Indicators (KPIs). As stated by the informants:

“PT Sinar Bintang Mulia began implementing KPIs in mid-2022, specifically in June 2022.”
(Lukman)

“Each KPI indicator carries a different weight according to its respective performance workload.” (Lukman)

“The purpose of KPIs is to measure the performance of each marketing staff member in carrying out their duties in accordance with established Standard Operating Procedures (SOPs).”
(Tyas)

“The calculation method uses a percentage-based achievement system with weights approved by the Board of Directors of PT Sinar Bintang Mulia.” (Tyas)

“Failure to achieve targets results in a reduction of incentives received by marketing staff.”
(Lutfi)

“PT Sinar Bintang Mulia integrates all KPI measurements into a single system, namely MyERP.” (Yeni)

“The KPI calculation method is the same for all marketing staff; however, what differs is the percentage assigned according to job level.” (Erdy)

“Several factors contributed to unmet targets, including a monthly sales target of IDR 40 billion that was not achieved due to a high number of unanswered quotations, frequent delays in product delivery, and incomplete or pending invoicing processes within the same month.” (Erdy)

The implementation of KPIs at PT Sinar Bintang Mulia functions not only as a technical performance measurement tool but also as a governance mechanism that structures accountability and links individual productivity to organizational outcomes. By tying KPI results to tangible consequences such as salary adjustments and promotion decisions, the company operationalizes a performance-based reward system consistent with meritocratic principles emphasized in contemporary performance management literature.

Compared with ideal performance management models, which advocate multidimensional evaluation integrating financial, behavioral, and developmental indicators, the company’s current KPI framework appears predominantly outcome-oriented, particularly in emphasizing quantitative achievement metrics. While this approach enhances objectivity and reduces discretionary bias in appraisal decisions, the literature suggests that excessive reliance on numerical indicators may overlook contextual performance factors, collaborative contributions, and long-term capability building (Putri & Hermawan, 2025).

From the perspective of performance management theory advanced by Rivai (2009), an expanded KPI structure should not merely measure outputs but also address employee engagement, grievance reduction, and competency development. In this regard, the company’s current system aligns with the principle of linking appraisal to strategic objectives; however, it could be strengthened by incorporating developmental KPIs, such as training participation rates, competency

improvement indices, and employee satisfaction metrics (Ali et al., 2026; Bentes et al., 2012; Knels et al., 2026; Zhang et al., 2026).

Integrating such indicators would move the KPI framework closer to the ideal continuous performance management model, in which evaluation, feedback, and capability development form an interconnected cycle rather than a solely reward-driven mechanism. Therefore, although KPI implementation at PT Sinar Bintang Mulia has demonstrably enhanced transparency and performance accountability, its long-term strategic effectiveness depends on balancing measurable outcomes with human capital development dimensions.

Clarification and Theoretical Confirmation

1. Analysis of KPI Implementation on Employee Performance at PT Sinar Bintang Mulia

At PT Sinar Bintang Mulia, KPI outcomes are consistently followed up by management whenever feedback or corrections arise. For instance, Marketing Staff KPIs are reviewed by the Assistant Marketing Manager; Assistant Marketing Manager KPIs are subsequently reviewed by the Marketing Manager; and Marketing Manager KPIs are evaluated and corrected by the Director, with this hierarchical review process continuing accordingly.

All employees participate in, understand, and are accountable for KPI measurements and the actions derived from them. In this context, KPIs significantly influence employee performance as key success factors.

However, the analysis indicates that the current KPI implementation at PT Sinar Bintang Mulia does not fully meet the essential characteristics of effective KPIs. Specifically, there is no clear specification of reporting frequency, whether daily, every 24 hours, weekly, or otherwise. According to David Parmenter's KPI framework (as cited in Moehariono, 2012), integrated KPIs should possess the following attributes:

- a. Non-financial measures, expressed in qualitative terms rather than monetary units such as rupiah, dollars, yen, or euros;
- b. Clearly defined reporting frequency, indicating whether measurement occurs daily, every 24 hours, or weekly;
- c. Mandatory follow-up actions by top management, including the CEO and executive leadership;
- d. Comprehensive staff involvement, ensuring all employees understand measurement processes and follow-up actions;
- e. Collective accountability across employees and teams;
- f. Significant impact on organizational performance, influencing most Critical Success Factors (CSFs); and
- g. Positive influence on other performance measures, enhancing overall organizational performance.

2. Analysis of KPI Monitoring and Evaluation on Employee Performance at PT Sinar Bintang Mulia

KPI monitoring and evaluation at PT Sinar Bintang Mulia are conducted semiannually. The first evaluation period (Semester I) covers January to July and must be completed no later than August. The second evaluation period (Semester II) spans January to December, representing the full fiscal year.

In practice, for example, Marketing Staff KPIs include a sales performance target of IDR 40,000,000,000 per month or IDR 480,000,000,000 (IDR 480 billion) annually. However, with evaluations conducted only twice per year, performance deviations may not be identified and addressed promptly, potentially delaying corrective actions and affecting overall target achievement.

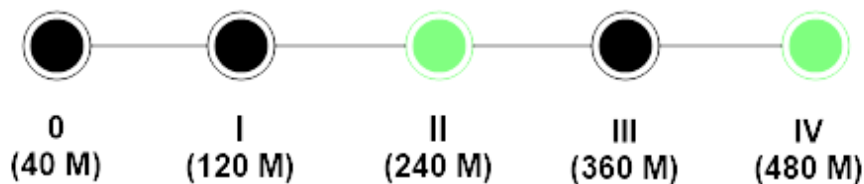


Figure 1. Example of Marketing Staff job target

If KPI monitoring and evaluation are conducted only twice a year, for instance in a situation where first-quarter performance reaches only USD 100 million against a target of USD 120 million, a critical question arises regarding how such performance gaps should be evaluated. Should the organization wait until the end of the first semester to identify and address the problem, even though such delays may hinder the achievement of subsequent targets?

According to Moehariono's framework, KPIs should be monitored progressively on a quarterly basis. Regular monitoring enables organizations to assess the extent to which planned activities are being implemented and whether performance remains aligned with established targets (Moehariono, 2012).

Prolonged KPI monitoring intervals at PT Sinar Bintang Mulia are therefore considered ineffective for accurate performance assessment and may impede the attainment of future targets. As emphasized by Moehariono, this issue can be addressed by conducting routine monitoring—at a minimum on a quarterly basis—to promptly detect emerging problems. Ineffective monitoring constitutes an undesirable condition, as continuous oversight is essential to ensure alignment between planning and implementation.

Furthermore, the outcomes of monitoring activities serve as a basis for evaluation. Evaluation, in turn, supports managerial decision-making by determining whether specific activities should be discontinued, improved, modified, expanded, or further enhanced (Moehariono, 2012).

3. Analysis of KPI Implementation on Employee Performance at PT Sinar Bintang Mulia from an Islamic Perspective

a. Financial Perspective

Financial performance constitutes a critical dimension for manufacturing and trading industries, as these sectors inherently pursue profitability to ensure business sustainability. For organizations, however, the pursuit of profit must be accompanied by adherence to appropriate

principles and ethical standards. In Islamic jurisprudence, the foundational rule of *muamalah* states that all economic activities are permissible unless explicitly prohibited by the Qur'an and the Sunnah (Sundjaya, 2022). Moreover, Islamic business ethics are grounded in four fundamental principles, beginning with *tawhīd*, which emphasizes the unity of purpose in all economic activities and the ultimate accountability of business conduct before God (Qur'an, Al-An'ām: 162).

قُلْ إِنَّ صَلَاتِي وَنُسُكِي وَمَحْيَايَ وَمَمَاتِي لِلَّهِ رَبِّ الْعَالَمِينَ ﴿١٦٢﴾

Meaning: "Say: verily my prayer, my worship, my life and my death are only for Allah, the Lord of the worlds."

Balance (QS. Al-Hadid: 25),

لَقَدْ أَرْسَلْنَا رُسُلَنَا بِالْبَيِّنَاتِ وَأَنْزَلْنَا مَعَهُمُ الْكِتَابَ وَالْمِيزَانَ لِيَقُومَ النَّاسُ بِالْقِسْطِ وَأَنْزَلْنَا الْحَدِيدَ فِيهِ بَأْسٌ شَدِيدٌ وَمَنَافِعُ لِلنَّاسِ وَلِيَعْلَمَ اللَّهُ مَن يَنْصُرُهُ وَرُسُلَهُ بِالْغَيْبِ إِنَّ اللَّهَ قَوِيٌّ عَزِيزٌ ﴿٢٥﴾

Meaning: "Indeed, We have indeed sent Our messengers with clear proofs and We have sent down with them the book and balances (of justice) so that humans can act justly. We have sent down iron which has great strength and various benefits for humans so that Allah knows who helps His (religion) and His messengers even though (Allah) cannot be seen. Indeed, Allah is All-Powerful, All-Mighty."

Free will (QS. Al-Mudāsir: 38),

كُلُّ نَفْسٍ بِمَا كَسَبَتْ رَهِيْنَةٌ ﴿٣٨﴾

The statement means: "Every individual is accountable for what they have done." This principle emphasizes responsibility and accountability. Accordingly, companies should not merely pursue profit maximization; rather, they must also consider *mardhatillah* (seeking the pleasure of Allah) and the broader objective of *maslahah* (the welfare of the ummah).

Within the Balanced Scorecard framework, the achievement of financial performance depends on support from customers, internal business processes, and learning and growth dimensions. These factors must be managed in a balanced manner to ensure that all stakeholders are satisfied with the firm's performance (Silaen et al., 2019). The principle of balance is also inherent in Islamic business practices; however, the ultimate orientation extends beyond worldly outcomes toward the hereafter. PT Sinar Bintang Mulia, a company engaged in providing spare parts for the mining industry, is expected to consistently implement business values and ethical principles across all organizational activities and in the daily conduct of its members. Consequently, the pursuit of financial targets should not solely focus on profit generation but also on contributing to the collective welfare of society (*maslahah al-ummah*) (Rizqiyah & Yuliani, 2022).

a. Customer Perspective

Customers constitute the primary stakeholders in business operations. Without customers who utilize the offered products or services, a business cannot sustain its operations. To ensure business continuity, it is essential that customers continue to use and benefit from these products or services. Customers play a decisive role in determining corporate profitability; therefore, companies must be capable of attracting, retaining, and maintaining customer trust (Mokoagouw, 2018).

In the Balanced Scorecard theory, acquiring, retaining, and sustaining customers requires firms to enhance market share, improve product or service quality, build strong relationships, and maintain a positive reputation. From an Islamic perspective, all such efforts must be grounded in moral values upheld by business actors. The implementation of these moral values reflects the responsibility of entrepreneurs as a manifestation of their faith in Allah SWT. Ethical principles such as honesty, justice, goodwill, and the fulfillment of promises must be consistently practiced. When business actors adhere to these principles, they are more likely to achieve their objectives despite facing various challenges and obstacles (Dharma Nurhalim, 2023).

b. Internal Process Perspective

The internal process perspective relates to how a company's internal activities are effectively managed. Sound planning and organizational structures significantly influence the achievement of organizational quality and performance.

In Islamic organizational thought, leadership structures consist of multiple hierarchical levels with defined relationships between superiors and subordinates. The existence of leadership stratification does not imply separation among leaders; rather, all positions operate within a unified management framework based on the concept of *shura* (consultative decision-making). Therefore, all members are expected to contribute collaboratively toward achieving organizational goals. Differences in roles and leadership levels in Islam are grounded in knowledge, intellectual capacity, and technical experience. The organizational structure of PT Sinar Bintang Mulia comprises several divisions led by managers, with the expectation of fostering constructive and harmonious relationships between superiors and subordinates (Safri, 2017).

c. Learning and Growth Perspective

The learning and growth perspective is fundamentally rooted in human resources. Within any organization, human capital represents the most critical resource. This perspective serves as the primary foundation for organizational success and encompasses aspects such as employee competencies, satisfaction, motivation, technological systems, leadership quality, and teamwork.

Effective leadership plays a crucial role in determining corporate performance and goal attainment. In Islam, leadership is guided by principles of moderation and balance in addressing various challenges, as well as by providing exemplary conduct to subordinates. Ideally, a leader should possess several key qualifications, including high intellectual capacity, strong analytical skills, self-confidence, magnanimity, empathy, pioneering ability, innovativeness, visionary thinking, and a strong commitment to organizational objectives (Arnus, 2018). Moreover, the Prophet Muhammad (peace be upon him) serves as the ultimate role model for Muslims, as affirmed by Allah SWT in Surah Al-Ahzab (33:21).

لَقَدْ كَانَ لَكُمْ فِي رَسُولِ اللَّهِ أُسْوَةٌ حَسَنَةٌ لِّمَن كَانَ يَرْجُوا اللَّهَ وَالْيَوْمَ الْآخِرَ وَذَكَرَ اللَّهَ كَثِيرًا ۗ



Meaning: “Indeed, in the Messenger of Allah you have an excellent example for whoever hopes in Allah and the Last Day and remembers Allah often.”

The leadership model demonstrated by the Marketing Manager aligns clearly with the company’s vision and mission. However, with regard to decision-making processes, greater emphasis should be placed on the concept of *shura* or deliberative consultation. Continuous evaluation of the learning and growth perspective is necessary to ensure that the company’s vision and mission are effectively realized (Fahrudin, 2021).

CONCLUSION

Based on the analysis conducted, it is found that the implementation of Key Performance Indicators (KPIs) at PT Sinar Bintang Mulia has not yet fully met the characteristics of an ideal KPI system, particularly with regard to reporting frequency and managerial follow-up. Effective KPIs should incorporate qualitative non-financial measures, clearly defined reporting intervals, and consistent follow-up by the Chief Executive Officer (CEO) and top management, while ensuring the active participation of all staff members and equitable accountability across the organization.

Furthermore, the current monitoring and evaluation of KPIs, which are conducted only twice a year, are considered insufficient. More frequent assessments such as quarterly evaluations are recommended to enable timely identification of issues and more efficient corrective actions. Although the existing KPI framework has demonstrated positive implications, the inclusion of additional dimensions, such as reducing employee grievances, aligning performance appraisal with organizational objectives, and identifying employee training needs, would further enhance the overall effectiveness of the KPI system at PT Sinar Bintang Mulia.

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