

**LEAN MANAGEMENT-BASED PERFORMANCE MANAGEMENT SYSTEM
TO IMPROVE EMPLOYEE PERCEPTION TOWARDS ORGANIZATIONAL
CULTURE: A CASE STUDY AT COMPANY HPG**

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.



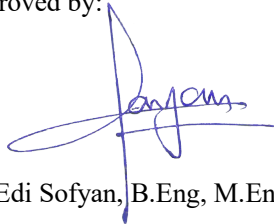
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ABSTRACT

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It has been known that culture plays a key role in achieving top performances. There was minimum practical example on how performance management system (PMS) implementation helps to strengthen the organizational culture. This thesis aimed to show an empirical study whether introducing Lean Management concept into a company's PMS can influence the mutual belief towards the company's envisioned culture.

This research used a before-and-after study methodology, where quantitative survey based on Denison Organizational Culture Survey was conducted on an energy company in Indonesia. Lean management practices are adopted to the PMS design and governance, and changes were examined by a second survey on the same sample group.

Results showed that the majority employee perceptions were improved from negative/neutral to positive. It was also found that after the intervention, the level of variation in perception was significantly reduced.

Additionally, tangible benefits such as improvement projects and cost reduction opportunities were made thanks to better engagement and collaboration. Overall, the research yielded a satisfactory result and can be considered as a practical example on

how organization's values should be aligned with its management practices to foster strong engagement and drive the people to achieve strategic goals. It is recommended that similar practical studies are conducted by adopting different management techniques.

Keywords: change management, performance management system, organizational culture, lean management, operational excellence

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DEDICATION

This study is dedicated to academia and practitioners of management studies.

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Second, the idea generation for this study was only available thanks to both my colleagues and lecturers at Swiss German University. The constant exchange of knowledge, experience, and ideas were invaluable.

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