ABSTRACT

THE EFFECT OF PERFORMANCE MEASUREMENT SYSTEM ON PSYCHOLOGICAL EMPOWERMENT AND MANAGERIAL PERFORMANCE

By

Eka Travilta Oktaria

This research aims to examine how the effects of the performance measurement system on psychological empowerment and managerial performance. In order to attain the aim of the study, this research is conducted in the banking sector, especially in the southern part of Sumatera including the province of Lampung, Palembang, Jambi and Bengkulu. According to 74 respondents, we analyzed data using the Structural Equation Modelling (SEM) in particularly smart PLS.

The result of the study shows that all hypothesis are supported. However, hypothesis 2 seems that only partial part is supported. This study implies that performance measurement system enables to improve managerial performance both direct and indirectly through psychological empowerment.

Keywords: Performance measurement system, psychological empowerment and managerial performance.