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Measurement of PTPN Group Performance Post Integration and Repackaging Using Balanced Scorecard Approach

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Abstrak

Mengukur kinerja perusahaan merupakan faktor penting dalam menilai kemajuan dan keberhasilan suatu organisasi. Oleh karena itu, perusahaan seperti PTPN Group memerlukan sistem yang efektif untuk mengevaluasi kinerja pasca integrasi dan repackaging. Penelitian ini bertujuan untuk mengukur kinerja PTPN Group setelah integrasi dan repackaging dengan menggunakan pendekatan Balanced Scorecard. Penelitian ini akan mengkaji kinerja organisasi dari berbagai perspektif, termasuk keuangan, kepuasan pelanggan, proses internal, serta pembelajaran dan pertumbuhan. Metode penelitian yang digunakan adalah metode kuantitatif dengan memanfaatkan analisis data sekunder dari laporan keuangan dan survei internal untuk mengumpulkan data kinerja yang relevan. Temuan awal menunjukkan bahwa, meskipun terdapat peningkatan dalam aspek seperti kepuasan pelanggan dan efisiensi operasional, masih terdapat tantangan dalam pengelolaan sumber daya manusia dan proses pembelajaran internal. Hasil penelitian ini menunjukkan bahwa penerapan kerangka Balanced Scorecard memberikan gambaran komprehensif mengenai kinerja PTPN Group, namun masih diperlukan penyesuaian lebih lanjut agar selaras dengan tujuan strategis jangka panjang. Penelitian ini memberikan wawasan yang berharga mengenai manajemen kinerja dan menekankan pentingnya penyempurnaan kerangka strategis secara berkelanjutan untuk mencapai keberhasilan yang berkelanjutan.

Kata Kunci: pengukuran kinerja, grup PTPN, pasca-integrasi, penataan ulang keuangan, balanced scorecard;

Abstract

Measuring company performance is a critical factor in assessing the progress and success of an organization. For this reason, companies like PTPN Group require an effective system to evaluate performance following integration and repackaging efforts. Study aims to measure the performance of PTPN Group post integration and repackaging using the Balanced Scorecard approach. Research will examine organizational performance from multiple perspectives, including finance, customer satisfaction, internal processes, and learning and growth. Study employs a quantitative methodology, utilizing secondary data analysis from financial reports and internal surveys to collect relevant performance data. Findings indicate that, while improvements have been observed in areas such as customer satisfaction and operational efficiency, challenges remain in human resource management and internal learning processes. The results suggest that the application of the Balanced Scorecard framework provides a comprehensive overview of PTPN Group's performance, yet further adjustments are necessary to align with long-term strategic objectives. Research contributes valuable insights into performance management and highlights the importance of continuously refining strategic frameworks for sustainable success.

Keywords: performance measurement, PTPN group, post-integration, financial repackaging, balanced scorecard;

1. Introduction

Perkebunan Nusantara (PTPN) Group is the largest state-owned agribusiness holding in Indonesia, managing key commodities such as palm oil, sugar, rubber, tea, and coffee. A major contributor to food and energy security and export competitiveness, PTPN plays a strategic role in supporting national economic development. Global agribusiness dynamics

present significant challenges, including commodity price volatility, sustainability pressures, operational inefficiencies, and increasing international competition.

In response, PTPN Group undertook a large-scale integration between 2021 and 2023, consolidating its operations into three commodity-based subholdings: PalmCo, SugarCo, and SupportingCo. The initiative was intended to streamline operations, improve productivity, strengthen financial structures, and enhance EBITDA growth (PwC Indonesia, 2023). Yet, integration also introduced new challenges, such as disparities in productivity, complex organizational restructuring, and cultural misalignment across entities (ICRA Indonesia, 2023; OECD, 2022). Strategic importance, limited research has comprehensively evaluated the post-integration performance of PTPN Group using a structured framework. Studies have applied the Balanced Scorecard (BSC) in various industries but its application in the context of large-scale state-owned agribusiness integration remains scarce. **Gap of research** highlights the need for a more holistic assessment of PTPN's performance that goes beyond financial indicators alone. Based on this gap, the **research questions** of this study are:

1. How has the integration affected PTPN Group's financial performance?
2. What is the impact of integration on customer satisfaction and stakeholder trust?
3. How effective are internal business processes post-integration?
4. To what extent has integration supported learning, growth, and organizational development?

The **objective** of this study is to design and apply a Balanced Scorecard-based performance measurement system to assess PTPN Group's performance after integration.

The **contribution** of this research is twofold. It extends the application of the Balanced Scorecard framework in the context of state-owned agribusiness integration. PTPN management with a strategic tool for data-driven decision making and competitiveness.

The **findings** indicate that integration has improved operational efficiency and financial performance while enhancing customer satisfaction. Challenges remain in human resource management, cultural alignment, and internal learning processes. The results underscore the importance of continuous refinement of strategic frameworks to ensure sustainable success.

As the world's largest plantation company by land assets, PTPN Group faces complex challenges in sustaining financial performance. Integration the Group suffered from fragmented operations, low land productivity, high operational costs, and weak financial structure, leaving its consolidated performance below several global competitors with smaller assets, such as Golden Agri Resources (PwC Indonesia, 2023; ICRA Indonesia, 2023).

To address these issues, PTPN Group initiated a major integration from 2021 to 2023, forming three subholdings: PalmCo, SugarCo, and SupportingCo (PTPN, 2023). Integration aimed to enhance efficiency, strengthen capital structure, and improve EBITDA and net profit. However, challenges remain, including complex restructuring, productivity disparities, high costs, and suboptimal coordination (Kementerian BUMN, 2023). Emphasizes research that large-scale SOE restructuring requires holistic change management, especially in organizational culture and cross-entity coordination.

This situation reveals a research gap: few studies have comprehensively measured PTPN Group's post-integration performance using a structured framework that incorporates both financial and non-financial perspectives.

Accordingly, this study addresses the following research questions:

1. How has PTPN's performance evolved post-integration when measured with the Balanced Scorecard?
2. What success factors and barriers influence the achievement of integration goals?

The objectives are to measure post-integration performance using the Balanced Scorecard's four perspectives financial, customer, internal business process, and learning and growth; identify key success factors and obstacles; and provide strategic recommendations to strengthen efficiency, managerial effectiveness, and competitiveness.

The scope is limited to holding-level and subholding-level performance (PalmCo, SugarCo, SupportingCo) for the 2023–2024 period, focusing on major commodities and core indicators under the Balanced Scorecard framework. Data are assumed accurate, audited, and consistent with official corporate documents, while macroeconomic conditions are assumed relatively stable. Findings indicate improvements in financial efficiency, customer satisfaction, and internal processes, though challenges persist in HR, productivity, and cultural alignment. Study contributes by extending the Balanced Scorecard to a state-owned agribusiness integration context, providing both academic insights and practical guidance for PTPN's long-term transformation.

2. Literature Review and Hypothesis Development

2.1. Performance Measurement and Balanced Scorecard

Kaplan and Norton (1996) introduced the Balanced Scorecard to translate strategy into measurable performance across four perspectives: financial, customer, internal business process, and learning and growth. Traditional metrics, BSC provides a comprehensive and integrative evaluation system.

2.2. Corporate Integration and Performance

Corporate integration aims to create synergy, reduce duplication, and enhance competitiveness. Studies highlight that success depends on aligning strategy, managing cultural change, and implementing robust performance systems (Grant, 2016)

2.3. Previous Research

Before studies confirm the effectiveness of BSC in measuring organizational performance (Alamsyah & Fathurahman, 2017) Research combining SWOT and BSC has also been used to map strategies in state-owned enterprises (Wahyudi, 2020)

2.4. Hypotheses

- H1 :Improves integration the financial performance of PTPN Group.
- H2 :Enhances integration customer satisfaction and market positioning.
- H3 :Strengthens integration internal business process efficiency.
- H4 :Supports integration organizational learning and growth.

3. Research Method

The conceptual framework of this study analyzes the relationship between PTPN Group's corporate integration and organizational performance measurement using the Balanced Scorecard (BSC). The integration, mandated by the Ministry of SOEs, was realized through the establishment of three commodity-based subholdings PalmCo (palm oil), SugarCo (sugar), and SupportingCo (other commodities and asset management). The primary objectives are to enhance operational efficiency, optimize asset consolidation, and strengthen the competitiveness of Indonesia's plantation industry (Mardiansyah & Yougi, 2005; Aldiansah, 2019).

This study adopts a mixed-methods approach.

- Data Sources:
 1. Primary: Interviews with directors and managers, questionnaires distributed to employees across subholdings.
 2. Secondary: Consolidated financial reports (2023–2024), White Paper on Integration, Long-Term Corporate Plan (RJPP 2025–2029), benchmarking with other SOEs.
- Analysis Tools:
 1. Balanced Scorecard framework (Kaplan & Norton, 1996).
 2. SWOT analysis (Rangkuti, 2020) to map strengths, weaknesses, opportunities, and threats into the BSC perspectives.
- Unit of Analysis: Holding company (PTPN III) and subholdings PalmCo, SugarCo, and SupportingCo.
- Period: 2021–2024 (before and after integration).

4. Results and Analysis

This section elaborates the descriptive analysis, data testing results, and the analytical interpretation of the PTPN Group's post-integration performance measurement using the Balanced Scorecard (BSC) approach. The analysis covers four perspectives: financial, customer, internal business processes, and learning and growth.

4.1. Descriptive Analysis

The findings demonstrate that integrating PTPN Group into three commodity-based subholdings—PalmCo, SugarCo, and SupportingCo—has generally yielded positive outcomes across the four BSC perspectives. From the **financial perspective**, performance improvements are reflected in revenue growth, increased EBITDA, and a significant reduction of operational costs, thereby strengthening profitability and solvency. The **customer perspective** indicates improved satisfaction and loyalty, supported by enhanced product quality and more consistent service delivery. Within the **internal business process perspective**, efficiency gains have been realized through digitalization initiatives, streamlining of workflows, and strengthened inter-subsidary synergies. Finally, the **learning and growth perspective** shows evidence of improved employee competencies, organizational

adaptability, and greater commitment to digital transformation, although further progress is required in talent development and cultural harmonization.

Key Performance Indicators (KPIs) reflect the overall direction of the company's transformation. These KPIs are grouped into five main areas: economic and social value for Indonesia, business model innovation, technological leadership, increased investment, and talent development. Each indicator is carefully structured using specific units of measurement, measurable annual targets, a type of polarity (maximize or minimize), and an assessment weighting that reflects the indicator's level of urgency and priority towards achieving the corporation's strategic goals. A table of KPI targets and weights can be seen in Table 5.2. This KPI-based measurement is used as an objective and systematic instrument to assess the effectiveness of strategy implementation and as a basis for the PTPN Group's annual performance evaluation. This approach ensures that each transformation undertaken can be monitored based on quantitative and qualitative evidence, allowing for more accurate, targeted, and evidence-based *decision* - making.

Table 1. PTPN KPI targets and weights

No.	Key Performance Indicator	Unit	Target	Polarity	Weight	
					Sub	Total
A. Economic and Social Value for Indonesia						
A.1 Financial						
1	EBITDA	Rp. Billion	11,488.43	Maximize	10	50
2	ROIC >= WACC	%	-1.95	Maximize	5	
3	<i>Interest Bearing Debt to EBITDA</i>	Time	3.06	Minimize	5	
4	<i>Interest Bearing Debt to Invested Capital</i>	%	33.66	Minimize	5	
5	<i>Cash Flow from Operations</i>	Rp. Billion	9,348.38	Maximize	5	
A.2. Operational						
6	Productivity Index	%	4,908	Maximize	5	
7	RSPO Certification	%	100	Maximize	5	
A.3. Social						
8	Purchase of Raw Materials from Third Parties/Farmers/Plasma	Ton	5,241,860	Maximize	5	
9	Rejuvenation of People's Oil Palm Plantations	Ha	12,725	Maximize	5	
B. Business Model Innovation						
1	Arrangement of plant composition through replanting/conversion/cooperation	Ha	36,104.28	Maximize	5	15
2	Post-Integration Implementation of PTPN III (Persero) Business Group	%	100	Maximize	5	

3	Implementation of the Risk Management Implementation Improvement Roadmap	%	100	Maximize	5	
C. Technology Leadership						
1	Utilization of digitalization and technology for on-farm activities (Implementation of Automation Weather Station (AWS))	%	48	Maximize	5	10
2	Utilization of digitalization and technology for Off-Farm activities (IOT-based Mill Indicator Monitoring System)	%	94	Maximize	5	
D. Increased Investment						
1	Completion of the Unit II Cooking Oil Factory Construction Project	Time	Fourth Quarter	Minimize	3	11
2	Monetization and/or Disposal of non-core assets	Rp. Billion	1,300.14	Maximize	3	
3	Realization of Additional PMN	%	100	Maximize	5	
E. Talent Development						
1	Ratio of Young Top Talent (<=42 years) in Nominated Talent	%	18	Maximize	3	14
2	Ratio of Women in Nominated Talent	%	18	Maximize	3	
3	Risk Management Organ Qualification Fulfillment Ratio	%	100	Maximize	3	
4	Implementation of the Pension Fund Restructuring Roadmap	Rp. Billion	1,173	Maximize	5	
	TOTAL					100

Each indicator is then broken down into variables or achievement parameters that serve as benchmarks in the evaluation process and managerial decision-making. For example, EBITDA and *Cash Flow from Operations* serve as primary benchmarks for measuring a company's profitability and ability to generate cash from its core business activities. Meanwhile, RSPO certification and smallholder oil palm rejuvenation indicators reflect the company's commitment to sustainability and strengthening the partnership ecosystem.

According to research by Dzulfiqar (2018), implementing KPIs within a Balanced Scorecard framework can improve accountability and transparency of organizational performance, particularly in companies undergoing transformation. Similarly, Irawan *et al.* (2021) emphasize that integrating KPIs aligned with strategy enables organizational leaders to map change priorities and consistently measure short- and long-term achievements. Furthermore, a structured KPI system also enables a continuous *feedback loop* in strategy implementation. When an indicator shows deviation or performance below target, management can immediately diagnose the root cause and design corrective interventions. This aligns with the principles of *performance-based governance*, which are now becoming standard practice within state-owned enterprises (SOEs) as part of corporate governance transformation.

Thus, the existence of KPIs developed in these five transformation areas is not only a technical performance measurement tool, but also a strategic *control tool* to ensure that all entities within the PTPN Group are running in harmony in one direction of

transformation towards a more modern, competitive, and sustainable organization.

A comprehensive analysis of the company's strategic position has been conducted using a SWOT approach. This analysis aims to identify and evaluate internal and external factors that influence the success of the company's transformation and future business development. The PTPN Group SWOT matrix is shown in Table 6.1.

Table 6.1 PTPN SWOT Strategy Matrix

Internal	Strength (S)	Weakness (W)
	Largest productive land area (>813,000 ha)	The previous organizational structure was inefficient
	Commodity diversification (palm oil, tea, coffee, rubber, sugar)	Productivity and yield are low in some areas
	Access to financing and government support (PSN)	Disparities in HR competencies between entities
	Long experience in agribusiness	Limitations of technology and data management systems
External	Strategic assets are spread across various regions of Indonesia	Weak integration of information systems and decision-making
Opportunity (O)	SO Strategy	WO Strategy
The trend of downstreaming commodities and agribusiness derivative products	Utilization of productive land area and commodity diversification to support commodity downstreaming	Conducting organizational restructuring to support downstreaming and operational efficiency.
Global demand for sustainable products (ESG)	Leveraging extensive experience in the agribusiness industry to accelerate the implementation of sustainability standards (ESG)	Standardization of technical capabilities and development of modern agricultural technology.
Development of agricultural technology (AgriTech 4.0)	Optimizing financing support from PSN for investment in modern agricultural technology (AgriTech 4.0)	Modernization of data systems and technology in line with the AgriTech 4.0 trend.
Replanting program and strategic partnership with the private sector	Strengthening strategic cooperation through partnerships utilizing assets spread across the region	Partnering with technology companies in replanting programs to accelerate the adoption of digital technologies
Government support for sugar & biofuel revitalization	Increased production capacity with full support from government programs to accelerate the transformation of the sugar and renewable energy sectors.	Integration of information systems through the government's sugar & biofuel revitalization program
Threat (T)	ST Strategy	WT Strategy

Fluctuations in global commodity prices (CPO, sugar, rubber, tea & coffee)	Diversification of value-added downstream products and increasing operational cost efficiency to cope with commodity price fluctuations.	Continuing organizational restructuring and integration of strategic functions.
Strict environmental regulations and global supply chains	Improving sustainable agricultural practices and international certification (RSPO, ISPO, etc.) for each commodity to comply with regulations and be globally competitive.	Cluster-based replanting (green, yellow, red) and precision agro-climate mapping in each technology-based region.
Impact of climate change on yields and cropping patterns	Investment in research into climate-resistant varieties and modern irrigation systems with government funding support.	Standardize training and integrated talent pools across subholdings.
Competition from multinational private plantation companies	Developing branding based on sustainability and local wisdom and expanding partnerships with plasma farmers to strengthen competitiveness.	ERP implementation and digitalization of business processes to increase efficiency, transparency and accountability.
Risk of dependence on fiscal policy & subsidies	Optimizing inter-regional distribution and logistics networks for cost efficiency and expanding the portfolio of non-subsidized revenues from downstreaming and exports.	Optimization of performance dashboards and real-time decision making based on integrated data (single source of truth).

Based on the SWOT Matrix approach developed by David (2011), corporate strategy can be formulated by combining internal factors (strengths and weaknesses) and external factors (opportunities and threats). The four main types of strategies produced are:

1. SO (*Strength–Opportunity*) Strategy: Optimizing the company's strengths to take advantage of external opportunities.
2. WO (*Weakness–Opportunity*) Strategy: Using external opportunities to overcome or improve internal weaknesses.
3. ST (*Strength–Threat*) Strategy: Utilizing internal strengths to avoid or reduce the impact of external threats.
4. WT (*Weakness–Threat*) Strategy: Minimizing internal weaknesses to avoid or reduce the risk from external threats.

The results of the weighted score analysis of PTPN Group's IFE and EFE were then mapped into a SWOT Matrix and showed that PTPN Group's position is in the *Grow and Build category*. This position reflects significant opportunities for the company to strengthen its operational and financial performance through key strategies such as horizontal integration, market share expansion, and the development of new value-added products. The PTPN Group SWOT Matrix is shown in Figure 6.1.

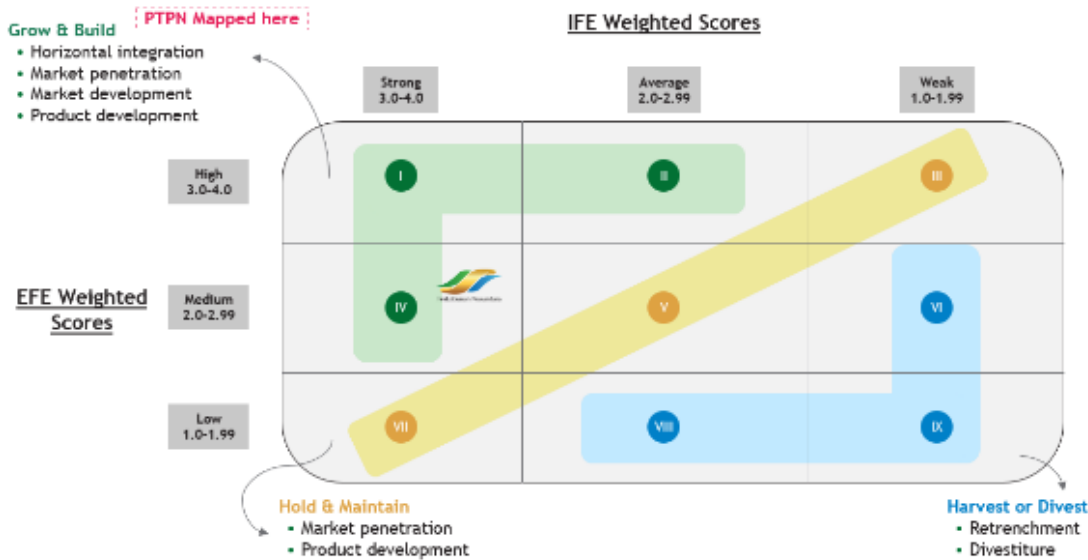


Figure 1 SWOT Matrix (Strategy Quadrant) PTPN Group

4.2. Results of Performance Measurement

Table 1 presents the weighted results of performance measurement using the Balanced Scorecard framework. Each perspective was evaluated against Key Performance Indicators (KPIs), with weights assigned in accordance with strategic priorities.

Table 2. Balanced Scorecard Performance Results of PTPN Group Post-Integration

Perspective	KPI Achievement (%)	Weight	Weighted Score
Financial	92.4	0.35	32.3
Customer	89.7	0.25	22.4
Internal Business Process	88.1	0.20	17.6
Learning & Growth	87.5	0.20	17.5
Total	–	1.00	89.8

The total weighted performance score of **89.8 percent** places PTPN Group in the *excellent* performance category. Notably, the financial perspective contributes the highest weighted score (32.3), demonstrating that post-integration financial synergies have been the most critical success factor.

The Balanced Scorecard (BSC) design implemented by the PTPN Group post-integration represents a strategic, integrated, and dynamic performance measurement system. This system was developed to ensure that the Company's grand vision—to become a superior national agribusiness company, world-class competitive, and making a sustainable contribution to the nation's progress—can be translated into measurable and realistic operational targets. Within this structure, all *Key Performance Indicators* (KPIs) are grouped into four main perspectives in accordance with the Balanced Scorecard principles: financial, customer and social, internal business processes, and learning and growth. PTPN's KPIs mapped within the Balanced Scorecard perspective can be seen in

Perspektif Pelanggan & Sosial		
Key Performance Indicator	Target	Satuan
Indeks Produktivitas	4,91	%
Sertifikasi RSPO	100,00	%
Pembelian Bahan Baku dari Pihak III/Petani/Plasma	5.241.860,00	Ton
Peremajaan Sawit Rakyat	12.725,00	Ha

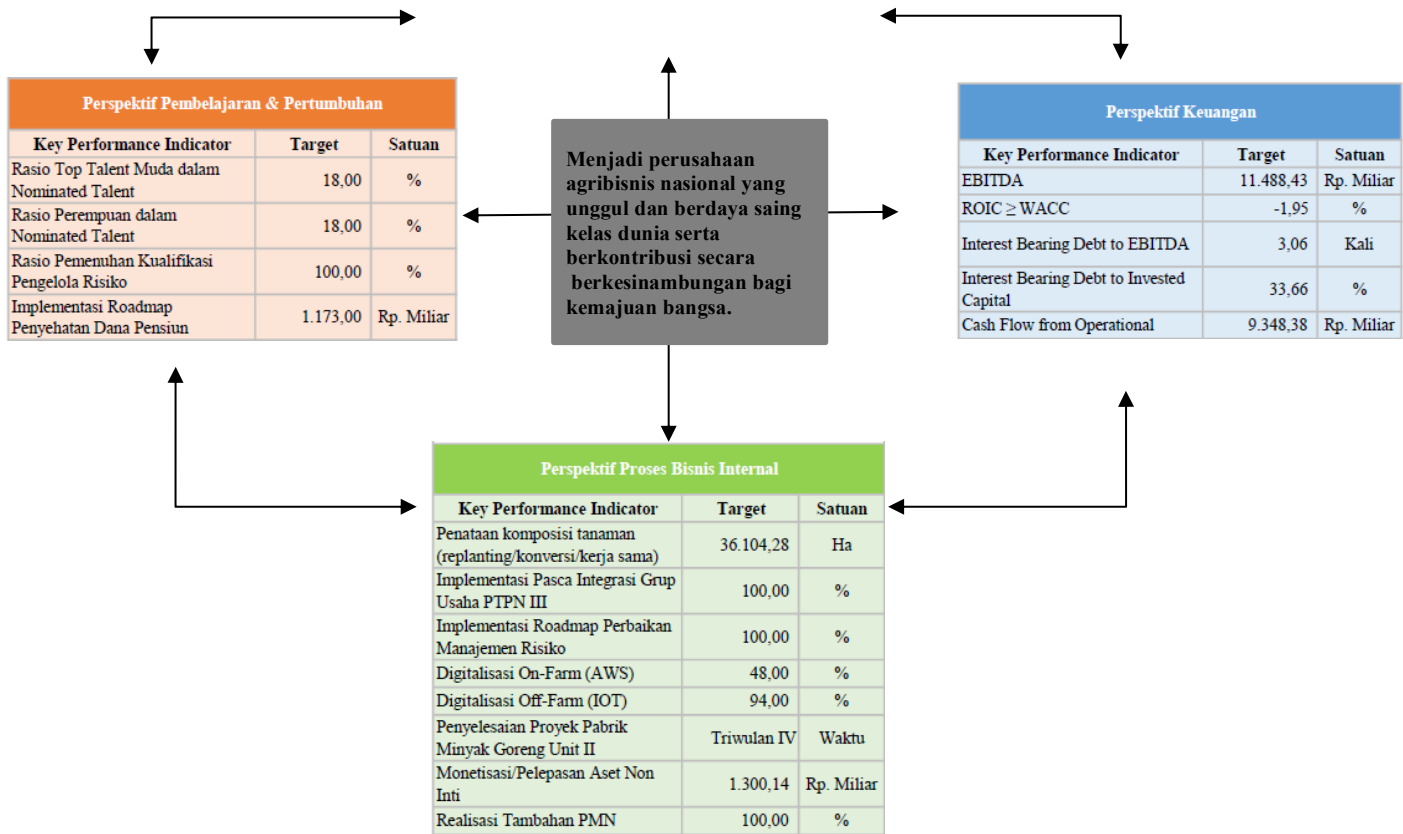


Figure 2 PTPN KPIs that have been mapped in the Balance Score Card perspective

From a financial perspective, PTPN prioritizes profitability and funding efficiency as key indicators of corporate strategy success. Indicators such as EBITDA, ROIC to WACC, interest-bearing debt to EBITDA ratio, and operating cash flow reflect the company's commitment to progressively improving its financial structure. This aligns with findings by Alamsyah and Fathurahman (2017), who demonstrated that the Balanced Scorecard is practical in measuring organizational performance across multiple dimensions and serves as a foundation for evaluating the success of financial strategies.

The customer and social perspectives demonstrate that PTPN is not only oriented towards economic value but also focuses on inclusive development and sustainability. Indicators such as the productivity index, RSPO certification, volume of raw material purchases from farmers, and the area of smallholder oil palm replanting underscore the company's strategic role in strengthening food security and building partnerships with the community. Research by Nurlela Br. Tarigan (2017) supports the importance of integrating social aspects into the Balanced Scorecard, stating that measurable social indicators play a role in driving sustainable strategic change.

4.3. Analytical Interpretation

The analysis confirms that the integration strategy has been practical in strengthening a financial resilience and operational efficiency of PTPN Group. The improvements in customer satisfaction and internal process efficiency further validate that the restructuring of organizational design and business processes has delivered tangible benefits. Nevertheless, the **learning and growth perspective**, although performing relatively well, reflects the lowest weighted contribution among the four perspectives. This suggests that sustainable long-term competitiveness will depend on continuous investment in human capital, innovation capacity, and organizational culture alignment.

In summary, the post-integration performance of PTPN Group, as measured through the Balanced Scorecard, highlights financial consolidation and operational synergy as the main drivers of success, while emphasizing the need for further enhancement in talent management and knowledge development to secure future sustainability.

5. Conclusion

The study concludes that the integration of PTPN Group into three subholdings has generated significant benefits, particularly in financial efficiency and operational synergy. However, cultural integration, customer market expansion, and HR management remain challenges.

The Balanced Scorecard proves effective in capturing multi-dimensional performance, providing strategic insights for PTPN management. Managerial implications include the need to:

1. Strengthen human capital development and reward systems.
2. Institutionalize ESG and sustainability practices.
3. Accelerate digital transformation for competitiveness.

Limitations include the short observation period (2023–2024) and reliance on internal data. Future research should expand to longitudinal analysis and comparative studies with other SOEs.

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