

**PERFORMANCE MEASUREMENT INDICATORS FOR FARMERS'
ORGANIZATION: A CASE STUDY IN KEDAH**

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ORGANIZATION: A CASE STUDY IN KEDAH**

BY

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**Thesis Submitted to the Othman Yeop Abdullah
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Master of Science (Finance)**

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ABSTRACT

Performance measurement is a broad and interesting topic to study, especially in agriculture sector. In Malaysia, agriculture sector have been the third source of income for the national economic growth. The agriculture sector has also been determined by government as a valued prospect and needs to be concentrated especially to organization that relates with farmers. Thus, the purpose of this research is to investigate the performance measurement indicators that can be used by Farmers Organization in order to measure it performance. This study is focused on question: "What are financial and non-financial indicators that could be used as performance measurement by Farmers Organization?" To answer the research problem, this research employs the convergent interview with the Farmers Organization in Muda Agriculture Development Authority (MADA) region. From the analysis, the result suggested that have 9 indicators classified as performance measurement indicators for Farmers Organization.

Keyword: Performance measurement; Farmers Organization

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LIST OF ABBREVIATIONS

PM	Performance Measurement
SME	Small and Medium Enterprise
AFO	Areas Farmers Organization
ROI	Return On Investment
MADA	Muda Agriculture Development Authority
FOA	Farmers Organization Authority
FDA	Fisheries Development Authority

CHAPTER 1

BACKGROUND OF STUDY

1.1 Introduction

This chapter provides an overview of the project paper with a brief concept of performance measurement in the problem statement section. It will further discuss on research question and objective followed by significant and justification of the study. The summary of the chapter wraps up in the conclusion section. The next chapter will deal with literature review.

1.2 Background of the Study

Performance measurement (PM) is a topic which is often discussed but rarely defined (Neely et. al, 1995). Literally it is the process of quantifying action, where measurement is the process of quantification and action leads to performance (Neely et. al, 1995). In other words performance measure means to measure costs, quality, quantity, cycle time, efficiency, productivity of products and services. Measurement of performance is normally based on quantitative (report) base in which targets and objectives are established and accessed. Measurement is an organization wide phenomenon and such measures are inter-dependent and their aggregates contribution will reflect the effectiveness of the total company's effort (Zairi, 1993).

Thus, performance measurement is not simply concerned with collecting data also associated with predefined performance goal or standard (Jensen, 2003). In addition, performance measurement is better thought of as an overall management system involving

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