

ABSTRACT**Muhammadiyah Babat Hospital Performance Measurement Using the Performance Prism Method in an attempt to Developing Strategy, Process and Capability in Muhammadiyah Babat Hospital**

Nowdays, Muhammadiyah Babat Hospital performance is measured based the financial perspective. The use of conventional methods is of course no longer effective when applied to the current era of globalization in which not only the financial factor as a determinant of the success of the organization. In addition, now and in the future the best way for companies to survive and succeed in the long term is to identify the wants and needs of all stakeholders. Measurements of performance were able to identify the wants and needs of all stakeholders, one of which is the method of Performance Prism. The purpose of this research was to measuring the performance of Muhammadiyah Babat Hospital with performance prism methods in an attempt to assembles strategies, processes and capabilities Muhammadiyah Babat Hospital. This was an observational research conducted cross-sectional in May-July 2014. The population in this study are the stakeholders of Muhammadiyah Babat Hospital that consisting of owners, employees, and customers or patients. The research result showed that the identification of key stakeholders Muhammadiyah Babat Hospital is Customer, Employee and Owner. Results obtained 29 determination KPI's consisting of 12 KPI's customers, 12 KPI's employees and 5 KPI's owners. Results of performance measurements showed that there are 2 KPI's customer are not in accordance with the standard, 6 KPI's employee who does not comply with the standards and one KPI owner who does not comply with standards.

Conclusion: The new strategy is needed for Muhammadiyah Babat Hospital to improve its performance: maintain the quality of service and product development, reduce the number of complaints of employees, improving the quality of human resources, and improvement of performance management. In addition, process and capabilities needed to increase the performance of Muhammadiyah Babat Hospital: Keywords: Performance Measurement, Stakeholders, Performance Prism