



Contents lists available at [Journal IICET](#)

JPPI (Jurnal Penelitian Pendidikan Indonesia)

ISSN: 2502-8103 (Print) ISSN: 2477-8524 (Electronic)

Journal homepage: <https://jurnal.iicet.org/index.php/jppi>



Employee performance appraisal using individual performance management

Erialdy Erialdy

Universitas Islam Syekh-Yusuf, Indonesia

Article Info

Article history:

Received Apr 30th, 2023

Revised Aug 22nd, 2023

Accepted Feb 15th, 2024

Keyword:

Performance appraisal,
Employee,
Individual performance,
Management

ABSTRACT

The performance appraisal system or process has a very important function for the human resource management division to measure the human resource management governance system in order to achieve the company goals, vision and mission. The Regional Drinking Water Company Tirta Kerta Raharja is a company that has a good performance in terms of finance, service, and human resources with the title of first national PDAM with the best performance in 2019 and 2020, using individual performance management (MUKI) as a guide in conducting employee performance appraisal. This study aimed to provide the overview of individual performance management that is expected to provide benefits for those interested in assessing individual employee performance. Collecting data using observation techniques, interviews and documentation studies and looking for reference studies. In conclusion, individual performance management is considered important in a company for achieving the goals. Company performance is inseparable from individual's role in carrying out their job duties as the driving force for running of the company, a leader can judge his employees when he knows that is done and produced by these employees, it is obtained from the individual employee success in carrying out a job.



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Corresponding Author:

Erialdy Erialdy,
Universitas Islam Syekh-Yusuf
Email: erialdy@unis.ac.id

Introduction

The success of company in achieving the goal cannot be separated from the employee performance. Employee performance is the result achieved by individuals in carrying out their work based on skills, experience, sincerity, and time (Malayu S.P. Hasibuan, 2012), work results in quality and quantity achieved by employees in carrying out their duties and in accordance with the responsibilities assigned to them (Anwar Prabu Mangkunegara, 2016). Performance is achieved based on work standards, namely the expected level of a particular job to be completed and compared to the goals or targets to be achieved (Wilson Bangun, 2018).

Employee performance refers to the extent to which an employee achieves or exceeds the goals, responsibilities, tasks, and standards that have been set by the organization (Syaharuddin, 2019). It involves assessing how employees perform their jobs, achieve results, and contribute to the success of the organization. Employees who have clear and measurable goals tend to work more focused and efficiently. Measurable goals help to objectively measure achievement and performance. Factors such as

the work environment, available resources, team support, and required equipment can affect employee performance (Putra, 2015).

Employees' abilities, knowledge and skills have an effect on how well they can carry out their duties and responsibilities (Safitri et al., 2013). Employees' motivation levels also play an important role in their performance. Motivated employees tend to be more dedicated, innovative and strive to achieve better results (Fitriana et al., 2023). Employees who continue to grow through training and development have a greater chance of improving their performance (Wiliandari, 2014). Employee performance is not just about the end result, but also involves how employees achieve that result and how they contribute positively to the work environment and team. Good performance management includes a thorough evaluation of these factors and supports employees in reaching their full potential.

The company really expects the employees to be able to carry out their duties accompanied by high work motivation to move forward together and to realize these conditions, the effort is needed to maintain and develop employees who have high ability and motivation, one of which is by conducting performance appraisal (Edy Sutrisno, 2019). Performance appraisal is needed to determine the level of employees success. Performance appraisal can be carried out regularly or periodically that can be assessed by the direct supervisor (Sedarmayanti, 2010). Effective assessment can be seen from the assessment factors used, its reliability, consistency, non-discrimination and is relevant to the situation and conditions of employees, it is also able to identify deficiencies and provide information as feedback to employees which can ultimately improve their performance in the future (Fauzi, 2020).

The performance appraisal system sometimes does not run smoothly, one of the reasons is the lack of a sense of belonging because employees that are not involved in the process, so they are not trained, as well as differences in the credibility of superiors as assessors (Annisa Wijayanti, 2012). On the other hand, subjectivity factors such as discrimination in the work environment, culture, race, gender, organizational structure, general stereotypes, distortion of perceptions, and social behavior may affect the performance (Millmore, Mike, David M, 2007). Sometimes employees who get a promotion, they do not understand the decision of managerial parties to choose them, there is no transparency in selecting employees to occupy certain positions. It can raise concerns about an inaccurate performance appraisal system that will hinder the process of performance appraisal and employee career management.

There should be policy support from human resource as well as the tools from the work assessment system (performance appraisal system and tools) which are consistently applied, meaning that there is no special treatment for certain people (Fuad Noor dan Gofur Ahmad, 2009). For this reason, specific guidelines are needed in using the scoring system and assigning value criteria, communicating the importance of performance appraisal to all employees, and reviewing the assessment tools or systems used (Erialdy, Agus Iwan Mulyanto, Sugeng Lubar Prastowo, 2021). Drinking Water Company Tirta Kerta Raharja is a local company in Tangerang Regency that provides drinking water. It was founded in 1976, and in 2019 turned into the Tirta Kerta Raharja Regional Public Drinking Water Company or abbreviated as Perumdak TKR, where one of the company's missions is to improve professional human resources. The company performance has a good performance in terms of finance, service and human resources with the title of the first national rank of PDAM with the best performance in 2019 and 2020 (Nurdian Akhmad, 2020).

The results of (Yuningsih, 2018) research found that the utilization of information technology systems has an important role in supporting the implementation of performance management. In addition, there are several prerequisites needed for the implementation of performance management to run well, namely the commitment of the leadership and all employees, the proportional distribution of employee workloads, the absence of competency gaps between employees, and the suitability of the tasks carried out with the nomenclature of the positions held. The results of (Alimudin, 2017) research show that the performance management system and employee competence have no effect on performance. Performance management system and employee competence affect promotion. Job promotion affects employee performance. These findings indicate that the performance management system cannot improve employee performance if it is not supported by providing incentives to employees. Suggestions for future research to test the incentive variable as a variable that mediates the relationship between the performance management system and employee performance.

The novelty of this research is the Employee Performance appraisal system used in this research, namely Individual Performance Management. This study aimed to provide an overview of individual performance management as a guide or guide in assessing employee performance which can benefit those interested in assessing individual employee performance.

Method

According to Sugiyono (2019) the research method is basically a scientific way to get data with specific purposes and uses. The research method used in this research is descriptive qualitative research analysis method. This study used a qualitative descriptive research method that focuses on employee performance appraisal using individual performance management (MUKI). The research was conducted in 2020 at the Regional Drinking Water Company Tirta Kerta Raharja (Perumdam TKR) Tangerang Regency, the main task of providing safe drinking water for consumption according to health standards and promoting services to the community.

Collecting data using observation techniques, interviews and documentation studies as well as tracing reference studies that are considered relevant to enrich the discussion in this study. Observation by observing the object of research, interviews were conducted with the Public Relations Division of Perumdam TKR and the Civil Service Division of Perumdam TKR. For documentation study, data were collected from files and documentation owned by Perumdam TKR. Data analysis was carried out in four stages, namely data collection, data reduction, data presentation and drawing conclusions or data verification. This research was conducted by conducting interviews to find out how Perumdam Kertaraharja could excel nationally. From the results of these interviews, information was obtained that one of the factors that caused this to happen was in terms of HRM using the MUKI Concept.

Results and Discussion

Individual performance management is an approach used by organizations to improve individual performance in achieving organizational goals (Listiani, 2011). It involves a systematic process of measuring, managing and developing individual performance. It involves setting clear and measurable performance goals, monitoring progress regularly, providing feedback and coaching, conducting performance evaluations, and identifying development opportunities for employees. Effective implementation of individual performance management can improve productivity, quality and achievement of organizational goals (Nursam, 2017). This approach also helps identify and maximize individual potential in achieving optimal performance.

Individual performance management starts with setting clear and measurable performance objectives for each individual in the organization (Moko et al., 2021). These goals should be specific, measurable, achievable, relevant and time-bound (SMART). Once goals are set, individual performance needs to be measured regularly to see how far progress has been made towards achieving those goals (Sholeh, 2016). Measurements can be in the form of numbers, data, or relevant qualitative results. Providing constructive feedback to individuals is an important part of individual performance management. Feedback should be given regularly and include appreciation of good performance as well as suggestions for improvement. At the end of a specific period (e.g. once a year), individual performance management includes a thorough performance evaluation.

The results of this evaluation include goal achievement, skill development, and contribution to the organization. Based on the results of the performance evaluation, a personal development plan can be created to help the individual improve his or her skills and competencies to better achieve goals in the future. Recognizing and rewarding the achievement of good performance encourages individual motivation to perform even better. Recognition can be in the form of formal awards or simple recognition. Next is the coaching process. Through coaching, managers can provide support and guidance to employees to help them reach their full potential (Hasan et al., 2022). If any employee is experiencing low performance, remedial measures or specialized coaching can be taken to help them improve their performance (Widayati, 2016). Individual performance management also involves periodically reporting individual performance results to relevant parties, such as senior management or the human resources department (Anggal et al., 2020). Individual performance management should be carried out in a systematic and ongoing manner, so as to provide consistent support and identify ongoing development needs (Ates et al., 2013). Individual performance management should be carried out in a

systematic and ongoing manner, so as to provide consistent support and identify ongoing development needs (Eaidah et al., 2016).

The effort to achieve optimal company targets, Perumdam TKR uses individual performance management (MUKI) as a performance appraisal system that is able to measure what has been done and what has been produced by employees and the contribution in achieving company targets, so that the company can run smoothly. good. This system can accommodate evaluation and development functions, so that this system is more relevant, acceptable, reliable, sensitive in distinguishing between failure and success and practical to be accepted and can still consider the balance of proportions between work results, work behavior, and employee competence. By continuing to pay attention to the synergy between the performance appraisal system that will be implemented with promotion and ranking system as well as regular salary increases for employees. Employees are required to improve their performance to be more productive and will receive their rights as employees.

Employee performance can be seen from the ability to complete the job, the responsibility mandated, the quality of the work, the time needed to complete the job (Sembiring, 2022). Assessment is used as an evaluation that has a quality standard to measure work success, based on several predetermined criteria, including discipline, cleanliness, honesty, communication, cooperation, and responsibility (Achmad et al., 2022). Performance appraisal with individual performance management begins with the formulation of targets for each work target that must be achieved by an employee for the next one month. After the work target is determined, it is then submitted to the superior for approval. In this process, there is an interaction between employees and leaders to see the extent to which the planned work and the achievement measures are able to describe the targets or goals of the work unit concerned. If the leadership agrees the work target and achievement measurement, then both parties will sign as proof of the work target agreement for the next period. However, if there is no agreement, the measurement of achievement will continue to be improved until both parties agree.

The standard value used in this individual performance management system are as follows; (1). Main Results (BHU) includes work results from the implementation of main tasks and functions of the annual work program, routine, innovation and special tasks. Performed by comparing the achievement / work results with the agreed targets in the work targets, each employee has a work target that has been determined in each position; (2). Main Behavior Fields (BPU) include Punctuality of arrival at the office, Punctuality of return, presence at the place of assignment, honesty, ability to work together, knowledge of work fields, ability to communicate, thoroughness, adherence to rules and leadership. Furthermore, the determination of the weight of the assessment is carried out using an objective approach and ignoring the subjectivity of the assessor. In this case, the weighting is considered important, because it shows the amount of the assessment result from the assessor. The value of all standards used as an indicator that has been prepared is then accumulated and converted based on the weight of the assessment.

Employee performance appraisal is carried out at the end of the month after observing work whose work objectives are interpreted from the implementation of main tasks and functions, annual work programs and work behavior of each employee in carrying out their work, then accumulated for 12 months into an annual performance appraisal. The leader or superior of an employee is an official who is given the right and authority to make the assessment. namely comparing performance achievements with performance standards that have been determined to be work performance. Employee job performance is the performance of an employee and their potential as the effort to develop themselves for the benefit of the organization. Performance results are important for every employee to assess their work performance. Performance appraisal can be defined as a procedure that includes setting work standards, assessing actual performance of employee in relation to established standards and providing feedback to employees with the aim of motivating the person to eliminate decreased performance or to continue to perform higher (Anita Dewi Susanti, Muhamad Muslihudin, 2017).

The assessment of the implementation of a job has a size limit that can be used as a benchmark to see the success of the implementation of a job, in the form of a scale of values that has different levels, from the best to the worst. The value scale used in individual performance management is as follows; (1). Good, 86% - 100%; (2). Enough, 76% - 85%, (3). Less, 51% - 75% and (4). Bad, \leq 50%. The rating scale method is the method most commonly used by companies in assessing employee performance because this method requires a small amount of time, money, and training based on a certain scale from low to high (T.L. Saaty dan L.G. Vargas, 2012). The scale is made through several assessment characteristics, carried out by identifying appropriate conditions and describing employee performance. The advantage

of implementing this method is simpler, easy to design, easy to use, and it may minimize bias. Assessment is potentially objective, each characteristic of the assessment is equally important (Ashima Aggarwal, 2013).

The benefits of performance appraisal using individual performance management that is carried out every month and annual performance appraisals which are the accumulation of monthly assessments have become the basis for fostering employee performance. The benefits of each assessment are as follows; (1). Promotion, (2). Periodic Salary Increase, (3). Career Development, (3). Providing training, (4). Movements and promotions and (5). Diagnose Organizational Problems. The Evaluation of individual performance management regarding work objectives or behavior is carried out by; (1). Leaders and employees discuss making conclusions at the end of the performance appraisal period; (2). Discuss progress that has been made and planned activities for the next assessment period; (3). Make corrections for deficiencies and make plans for improvement.

Using individual Performance Management (MUKI) At Perumdam Tirta Kerta Raharja can be seen briefly in figure 1, below :

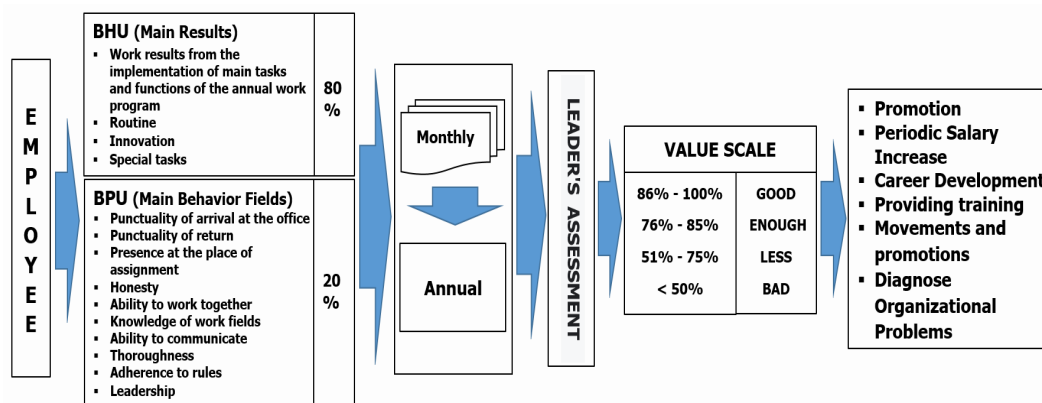


Figure 1. Individual Performance Management (MUKI)

Performance Appraisal according to (Dessler, 2015), is evaluating current and or past employee performance compared to performance standards. According to Werther and Davis in (Shaban, 2012), there are three methods of performance appraisal, namely self-appraisals, psychological appraisals, and assessment centers. The self-appraisals method is needed to provide feedback to employees about things that need to be improved and help determine the employee's future steps. It requires awareness and commitment from the employees themselves for improvement and change. Furthermore, assessments carried out in psychological appraisals are in the form of In-Depth Interviews, psychological tests, discussions with superiors and reviewing evaluation results. From this process, all information including intellectual, emotional, motivational and other character traits are recorded. Meanwhile, the assessment center method is a performance appraisal method that involves several types of assessments with several appraisers. The obstacle is the time and cost required in this method is large and only appraisers who have potential abilities are able to do this.

The result of this research are in line with research by (Yuningsih, 2018) which is found that the utilization of information technology systems has an important role in supporting the implementation of performance management. But, the result of this study are not in line with research by (Alimudin, 2017) which indicate that the performance management system cannot improve employee performance if it is not supported by providing incentives to employees.

Conclusion

Individual performance management (MUKI) is considered important in a company to achieve its goals. The company performance is inseparable from the role of individuals in carrying out their job duties as the driving force for the company running. Employee performance is a display of individual employee work and their potential as the effort to develop themselves for the benefit of the company. The basic principles of individual performance management are objective, empowerment, shared commitment, fair, focused and directed, open, the form is only a supporting tool and assesses actual performance.

Performance appraisal that refers to employee achievement successful role achievement, measured based on the standards and targeted by the company. Assessing the performance using individual performance management is not easy, it is a challenge that must be faced by company leaders. Demands for the quality of human resources in accordance with the duties of the position must be answered and demonstrated by good performance in professionally. A leader can asses which employees when they know what the employee done that is obtained from the individual employee's success in carrying out a job.

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