

Evaluation and Recommendation of Performance Management Systems (Case Study in PT. Koba Multi Indonesia)

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Abstract: In this study, researchers use a qualitative framework, where researchers analyze performance management programs conducted by PT. Koba Multi Indonesia. Where researchers are aware of the importance of a good performance management system in developing PT. Koba Multi Indonesia by conducting Performance Assessment activities as an activity (one event) and not an activity that is part of the continuous cycle of performance management system. Until the results of the assessment do not provide an overview of the employee's performance within the stipulated period. Results of the study were 1). There is no goal setting contained in the performance contract process 2). No Coach and Counseling from superiors in construction phase 3). Performance Evaluation Results are not used to identify the training and development needs of employees. Therefore, the author proposes several alternative program solutions from performance management systems, which are carried out as continuous cycles, so the results are useful not just for one purpose.

Keywords: Performance Management System, Performance Appraisal, Coaching & Counseling

1. Introduction

In the era of free markets, or what is commonly called the era of globalization, it is often echoed by economic observers from the past few decades to the present. The industrial world is increasingly demanded to be more competitive, to be able to compete with other companies, one of which is to improve the quality of service to consumers, this can be achieved by providing quality production that is expected by consumers to deliver goods on time. This also applies to the world of manufacturing industry like our company (PT Koba Multi Indonesia)

Painting Plant is an integrated painting system with a modern system for industrial goods that produces satisfactory quality and quantity of production. Broadly speaking, this painting system consists of the Spray Booth room, which is a dust-free painting room, with air and humidity control maintained which produces a perfect paint color. This room can be set at a certain temperature according to the paint specifications.

As a company engaged in manufacturing and services of PT. Koba Multi Indonesia must be able to survive in a fairly high business competition. One way is to improve the quality of

human resources in the company. Therefore the company must be able to optimize capabilities and provide motivation to employees in order to achieve better performance and performance. One effort to improve employee performance is by implementing a system in the field of HR management which is believed to be able to encourage employees to improve their work performance, which is called the Performance Management System. Performance Management is a translation of Performance Management. According to Ruky (2002), Performance Management is related to businesses, activities or programs initiated and carried out by the organization's leaders to plan, direct and control

Employee work performance. Because this program includes the word "Management" then all of its activities are related to the implementation of a "management process". The stages are started by setting goals and objectives to be achieved, then planning, organizing, mobilizing / directing and evaluating. These three processes are series that are interrelated and related. Meanwhile activities that exist in performance management are among others in the form of training and development activities, assignments and others.

If you review the implementation of the performance management system at PT. Koba Multi Indonesia in fact the implementation was not carried out thoroughly, where the implementation so far was only in the form of performance appraisal. During this time the performance appraisal process at PT. Multi Koba Indonesia assessment is given only once a year. But this is a source of problems, when the implementation and utilization of performance appraisals are felt to be not working properly, so the performance management process at PT. Koba Multi Indonesia did not run properly

During the performance appraisal process so far, it has taken place without clear measurement standards, judging from the existing performance appraisal form, there are indications that the measurement measures carried out so far are still not accurate enough to describe employee performance. Because the performance of the contracting process is not running, there are no targets or performance targets outlined in the awarding of performance contracts. Even though the results of the performance appraisal will be able to be a mystery of the

achievement of each individual target, which in turn will reflect the achievement of the company's target.

Other adventures are also found in the appraisal process, where employers tend to avoid conflicts with subordinates so that the assessment is often subjective. Another thing that often arises is that the performance appraisal that has been carried out is not followed up with what should be, even though it is better if a performance appraisal process not only evaluates past work success but also provides a reference for the success of work in the future.

From the explanation above, the writer will review the performance management system in PT. Koba Multi Indonesia. Especially for Production employees, as the initial focus of research. As a division that is a support force within the company, it is in this part that the need for the improvement of the performance management system is felt. Another thing that often happens in this section is to find changes in work behavior caused by decreased motivation in work. Based on the data obtained from the HRD division, it is also described in this section of production that there is a high level of absenteeism compared to other parts.

The purpose of this study will solve employee motivation problems. This is also related to the management system owned by the company in an effort to improve and improve employee performance.

2. Literature review

A. Performance management

Performance Management relates to businesses, activities or programs initiated and carried out by the leadership of the organization (company) to; plan, direct and control employee performance. The Performance Management Program if applied in its nature will be comprehensive and work on all parts / functions of an organization (Ruky, 2002). Meanwhile, Spencer (1993) states that Performance Management is a collaboration between leaders and subordinates in terms of:

1. Plan Performance, namely defining job responsibilities and expectations and designing goals / goals to be achieved (goal setting) for a particular performance period.
2. Coach / Manage by providing feedback, support and development.
3. Appraise Performance, using the performance appraisal form, evaluates performance at the end of the performance appraisal period.

B. Performance management cycle

The Performance Management Cycle is closely related to organizational strategy. The performance management cycle is a continuous process that starts from planning, monitoring and evaluating employee performance. The following are the stages in the performance management cycle. This stage is a definition of roles, responsibilities and expectations that are measured based on the objectives of the work unit which are derived from

the strategy and goals of the organization. Then the Work Unit Goals are reduced to individual targets which are then set forth in the employment contract.

1) Stage of performance development

At this stage employees are fostered and developed during the performance management process. The most important process at this stage is the implementation of coaching & counseling, as a matter that must be carried out by superiors to their subordinates. Coaching & counseling activities aim to help employees solve problems. it faces so that employees can produce good performance. This process will also encourage employees to be more cooperative (Davis, 1989). Coaching & Counseling is the same activity, but it is not an identical process. There are several explanations that can help explain these two activities as stated by Lopez (in Dubrin, 1974) as stated in the following Table.

Basically the implementation of coaching activities is not determined by time and place. Coaching can take place at any

Table 1
Differences in coaching and counseling

Coaching	Counseling
<ol style="list-style-type: none"> 1. The process runs regularly. 2. Short Term Result, the process is carried out with the aim of improving current performance. 3. Fewer elements of "Listening" 4. Focus on developin skills and knowledge 	<ol style="list-style-type: none"> 1. The process runs periodically 2. Long Term Result, the process is carried out with the aim of developing long-term individuals 3. More elements of "Listening" 4. Focus on solving good personal problems related to attitudes, behavior, relationships between individuals, interests and career direction

time depending on the needs of the employee. For example during lunch, informal discussions and at weekly meetings.

Meanwhile Counseling activity is a process of guiding employees whose purpose is more to evaluation and solving problems faced by employees, both problems related to personal problems and interpersonal problems within the company. So in detail, this stage of development is an activity process that can reveal:

- a) Strengths and weaknesses of employees so that the results will affect their development.
- b) Based on the work results, work performance can be seen.
- c) Development of employee personality can be seen as an increase in the ability possessed.
- d) Stage of Performance Evaluation

At this stage, employee performance will be assessed and assessed based on expectations set at the planning stage. Evaluation in the form of Performance Appraisal in a company is one of the important activities as part of the Performance Management process. Through Performance Appraisal, the company will be able to improve the quality of its Human Resources. Ruky (2002) describes Performance Evaluation as a periodic assessment of the value of an employee for his

company, carried out by his supervisor or someone who is in a position to assess his work performance.

2) *Methods in Performance Assessment.*

One of them is the method described by Ruky (2002), which discusses the performance appraisal system through the "input - process - output" approach. The description of the three approaches is:

- a) Performance Assessment through an 'input' approach. This method places more emphasis on measuring or evaluating employee personality characteristics, compared to work performance. Examples of personality characteristics used as measurement objects are; honesty, obedience, discipline, loyalty, initiative, creativity, adaptation, commitment, motivation (willingness), manners, etc.
- b) Performance Assessment through a 'process' approach. In this method, the assessment is not focused on the quantity and quality of results achieved by employees, but rather on examining how tasks are performed and comparing the performance of attitudes and behavior of an employee with the standards set for each task that has been charged. One technique is a method called BARS (Behaviorally Anchored Rating Scales). The focus of the BARS method research is on the good and bad implementation of tasks by an employee.
- c) Performance Assessment through an 'output' approach. This method is often referred to as the performance management system based on the concept of MBO (Management By Objectives) or MBS (Targeted Management). The concepts are as follows: The basic concepts of MBO or MBS are as follows:
 - 1) All organizations are established with specific objectives and to achieve these objectives, the top leadership must determine the long-term goals (vision) achieved in the period of 10 s. 15 years to come. In organizations that do not implement the SBM system, planning and targeting activities to achieve overall organizational goals are carried out based on instructions / orders from superiors. Plans and targets are derived from top to bottom from one level to another level and subordinates from one level to another level and subordinates only receive orders regarding what is charged to them.
 - 2) The MBO / MBS system emphasizes the elements (elements) of the dialogue in the process of transferring plans and targets from one level to another within the organization. The boss brings the goals and objectives and benchmarks for the success of success for his subordinates to be discussed with his subordinates. On the contrary, his subordinates also bring specific goals / objectives and benchmarks for their own success which they deem appropriate or compatible with efforts to improve their duties.

- 3) Superiors and subordinates will conduct periodic assessments of progress achieved, but at the end of the period approved by subordinates will be judged based on the results he has achieved. In the appraisal process, superiors and subordinates can jointly evaluate what they have achieved very successfully and which are not. When discussing the causes of failure, subordinates ask for help from their superiors to overcome their difficulties, both in the form of capacity building (knowledge and skills) and other aspects, such as the authority to act. The boss will also note in terms of what his subordinates are superior, and in what ways he still has to improve, and wherever he can be encouraged to move forward.
- 4) As a result of the whole assessment process, subordinates who successfully achieve achievement standards or higher may be rewarded in the form of salary increases on the basis of achievement or even promotion, or he may be given a warning, given training and guidance or may be told to resign.

Benefits of Using MBO / MBS as a management system:

1. It is an effective process and helps management in activities.
2. This system helps to encourage human resource development efforts.
3. Obtain greater commitment from subordinates.
4. Obtain better control and coordination of achieving goals.

Weaknesses of MBO / MBS as a management system:

Since the introduction of MBO / MBS has received a lot of criticism and negative reviews. These negative criticisms and reviews or others are:

1. Considered to be in conflict with the "cultural value system" of the majority of Asians.
2. Too much emphasis on results regardless of how to achieve these results.
3. Considered as a recipe for treating all organizational diseases.

C. *Motivation*

Motivation is the reaction given by employees to the company's environment. High work motivation given by employees will increase the productivity of the company, so that it will facilitate the achievement of the stated company goals. So it is clear that work motivation has a big influence on the company's operations, because it always expects employees who have high work motivation.

A behavioral scientist, Frederick Herzberg, is known for his theory called Motivation-Hygiene Theory. Herzberg, explained that motivation is a direct impact of job satisfaction. Herzberg categorizes the factors that influence work attitudes into 2 groups, namely the factors that influence job satisfaction (satisfier) and the factors that provide job dissatisfaction (dissatisfier). Job satisfaction is often associated with achievement, recognition, job characteristics, responsibility and

progress. These factors are all related to results, which are related to the content of the tasks carried out. According to Herzberg, these factors are said to be Motivation Factors, because each factor is related to strong effort and good performance. While if job dissatisfaction relates to factors that are in the work or environmental context such as company policy and administration, supervision, technical, salary, the relationship between individuals with direct supervisors and working conditions are factors associated with job dissatisfaction. These factors are said to be Hygiene Factors.

3. Methodology

In this study, the authors used qualitative research methods. Qualitative research can be defined as a simple, very loose way and is an interpretive research on a problem where the researcher is central to the meaning made about the problem. The research instruments used were observation and qualitative interviews. The type of interview used is an interview with open standardized guidelines, where the interview guidelines are written in detail, complete with sets of questions and their descriptions in sentences. Interviews were conducted for employees in the Production section, as the focus of the initial research. The total number of employees in this part of production is 21 people. While the sample representing 10 people.

4. Results and discussion

A. Performance management system

Although they are aware that the importance of a good performance management system in developing their employees, in reality the implementation of a performance management system depends only on performance appraisal activities. This Performance Assessment Activity is carried out as if it is a stand-alone activity and not an activity that is part of an ongoing stage in the performance management cycle. In each period of the meeting held by the company, each part will translate its part strategy. For example, the production section and the project section. So it becomes part of the strategy that oversees the Accounting & Finance department, namely the Finance & Accounting Department. Then the strategy will be translated into individual goals. However, actually what has happened so far, individual targets have not been noticed and there has been no follow-up.

B. Stages of implementation of performance assessments

The stages of performance appraisal that have been running so far began with the preparation stage carried out by the Personnel Section. The socialization was carried out by the personnel department by distributing leaflets, commonly called internal memos, the assessment team included a description of the assessment schedule that was distributed to all of these assessors, filling in, submission, processing the results up to evaluation. The assessment is carried out by the immediate supervisor, where the period at the end of the year is for a single

assessment. After the form is filled out and completed, then submitted to the personnel department. For further recapitulation of the results of the assessment. And the end result is a score of scores and information and will be submitted to the management for follow up. As a stage, finally the management carries out an evaluation and sets the results.

The elements of assessment and conversion in the performance appraisal at PT. Koba Multi Indonesia can be seen in Table 2 below.

Table 2
Elements and conversions of performance assessment

Assessment Element	Weight Performance Assessment %
Leadership	20 %
knowledge	10 %
Loyalty	10 %
Self Learning	10 %
Performance	40 %
Performance	40 %

C. Analysis of performance assessment systems

In order to be more in-depth in analyzing, the authors make observations and discussions with various parties including those involved in performance appraisal. To further obtain more in-depth information about the implementation of performance appraisals that have been carried out so far by the company, the author also conducted interviews with several employees in the production department, the project department. Performance appraisals in the company for production, and projects are carried out periodically once a year, namely the end of the year. Generally the performance appraisal is only applied to salary raises but not for other needs. While according to Ruky (2002), the use of a performance management system as a basis for salary calculation is only one of the various objectives of the system and not the main goal.

Based on the results of interviews and observations obtained, the authors conclude that so far the implementation of performance assessments has not been implemented optimally. Employees know performance appraisal is only for the sake of salary increases. Another finding is that the supervisor's assessment process tends to avoid conflict with subordinates so it is not uncommon for the results of the assessment to be subjective. Seniority is still valid in this company. For the results of the assessment, the ranking results tend not to change in each period. Assessments only come from superiors, without an assessment from colleagues / coworkers.

The performance appraisal process has been running as an activity that is not part of the performance management cycle and the assessment takes place without clear standards and measurements. In the process too, there is no performance contract, so there are no performance targets that are the reference for employees to do their jobs. Even though the results of the assessment will be a reflection of the achievement of each individual target, which will ultimately reflect the achievement of the company's targets. Meanwhile, if you review the performance appraisal form provided so far, weighting aspects contained in the performance appraisal form

does not focus on aspects based on 'output' or results. So that the composition is felt to lack balance for aspects based on input/process with aspects based on output / result.

D. Alternatives and recommendations

From the analysis above, the writer tries to provide several alternatives and recommendations for existing problems of the company, where given recommendations will bring the company to a better direction in the performance appraisal of production employees, projects and other parts in the PT. Koba Muti Indonesia. We can explain the alternatives and recommendations as follows:

1) Alternative 1

In designing a performance management program for PT. Koba Multi Indonesia. This alternative is recommended so that companies can implement performance management activities as a system / cycle that is carried out thoroughly and is not an independent activity. The performance management cycle includes a series of activities in the form of making work targets, monitoring the implementation of the work to assessing performance. The advantages and disadvantages in this alternative can be seen in Table 3 below:

Table 3
 Strengths and weaknesses of alternative 1

Advantages	Deficiency
a. This method is expected to reduce subjective judgments such as those that have occurred at PT. Koba Multi Indonesia. By setting targets that have been mutually agreed upon, it will help employers to assess objectively.	a. Requires ommitment from all parties
b. Increase participation and responsibility for the performance management process.	b. Requires extra time and effort from superiors because of additional concepts, system development and processes and socialization.
c. Through the two-way communication rocess that occurs, employees will feel cared for by their superiors. This will affect his motivation to work, so the feedback process will be more directed.	
d. The boss will be able to know firsthand the development of performance and the obstacles faced by subordinates, especially in achieving the agreed targets in the contract.	

2) Alternative 2 (Providing a Motivation Training Program)

Table 4
 Strengths and weaknesses of alternative 2

Advantages	Deficiency
a. Employee motivation can increase with a relatively fast time.	a. This program only addresses the problem of being limited to motivational problems.
b. Employees feel that the company is paying attention.	b. This program is temporary.

In this alternative, the researcher hopes that this solution can

affect the motivation to work for employees, especially those who have long held their positions. This training will contain programs that can influence the increase in employee morale. Where in this alternative also has advantages and disadvantages, as can be seen in Table 4.

5. Conclusion

Based on the results of analysis and evaluation, the researcher can conclude that PT. Koba Multi Indonesia needs to strive for a performance management program that can run well. Including revamping the implementation of the Performance Assessment activities that have been carried out so far. This business is expected to increase employee motivation so that it will affect the performance improvement which will have a positive impact on the company and employees. As explained earlier, that the performance management cycle according to Spencer (1993) includes the planning, development and evaluation stages. Each stage will affect the other stages, so that it is a continuous process. While the results of the analysis show that there are several stages of the cycle that do not work.

On the basis of the findings of the research conducted by the observers, the author tries to give a suggestion to implement one of the recommended solutions, namely:

A. Designing a performance management program

To implement a performance management system requires several stages that can support the success of a system. Therefore researchers try to describe what is needed in running the system, here are the steps in designing a performance management program:

1. Preparation Stages
 - a) Collection and analysis of supporting data
 - b) Preparation of supporting devices
 - c) Preparation of analysis report
 - d) Team formation
 - e) Sosialisa
2. Designing stage

The design stage is the stage where the performance management system is planned so that it will run well. In order for performance appraisal activities not to be a stand-alone activity as long as this has happened, then in improving the performance management system recommended by the author, at the planning stage is through the provision of performance contracts that function as one of the activities that precede the management cycle performance, so that the process will run continuously with the addition of this contract.

3. Guidance Stage

In this stage, there is a Coaching & Counseling process that is carried out as long as the performance contract is running, which is from January to the performance appraisal process.

4. Evaluation Stage

Evaluation is the final stage of the assessment period. At this stage the employee's performance will be seen whether it is in

accordance with or not in accordance with the targets agreed in the performance contract. Evaluation results include data: system successes and failures that have been implemented, the ability of employees and all parties involved in the implementation, discipline of all parties in fulfilling procedures, frequency and quality of communication between superiors and subordinates.

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