

## EMPLOYEE PERFORMANCE MANAGEMENT: IMPLEMENTATION OF ASSESSMENT SYSTEM TO IMPROVE ORGANIZATIONAL EFFECTIVENESS

Siswayu Gamar Maulida<sup>1</sup>

Universitas Swadaya Gunung Jati, Cirebon, Indonesia  
[gamarmaulida2706@gmail.com](mailto:garmarmaulida2706@gmail.com)



Dewi Sri Yani<sup>2</sup>

Universitas Swadaya Gunung Jati, Cirebon, Indonesia  
[dwsrvn01@gmail.com](mailto:dwsrvn01@gmail.com)

Editya Nurdiana<sup>3</sup>

Universitas Swadaya Gunung Jati, Cirebon, Indonesia  
[editya.nurdiana@ugj.ac.id](mailto:editya.nurdiana@ugj.ac.id)

### Abstract

This study aims to analyze the implementation of the employee performance appraisal system in the roof tile industry in Majalengka Regency, with a focus on identifying factors that influence the effectiveness of the performance appraisal system and its impact on employee productivity and job satisfaction. Quantitative and qualitative descriptive approaches were used in this study. A survey was conducted on 100 respondents, including employees and managers from several roof tile companies, to collect data related to job satisfaction, motivation, and productivity. In-depth interviews and focus group discussions were used to complement the survey results. Data were analyzed using statistical techniques such as correlation, regression, ANOVA, and t-test. The results showed that an unstructured performance appraisal system led to low employee satisfaction and work motivation, which ultimately had a negative impact on productivity. The correlation test showed a significant positive relationship between job satisfaction and motivation ( $r = 0.72$ ,  $p < 0.05$ ), while the regression test showed that an effective performance appraisal system contributed 58% to productivity ( $R^2 = 0.58$ ). In addition, the t-test showed a significant increase in productivity after the implementation of the new system, with the average production increasing from 70 units/day to 85 units/day ( $t = 4.21$ ,  $p < 0.05$ ). This study recommends the implementation of a performance appraisal system based on Key Performance Indicators (KPI), training managers in providing feedback, and the use of technology to improve transparency and efficiency of evaluation.

**Keywords:** Performance Appraisal System, Job Satisfaction, Employee Motivation, Productivity, Roof Tile Industry

## INTRODUCTION

The background of this study focuses on managing the performance of workers in the roof tile industry in Majalengka Regency which has recently experienced various challenges related to managing human resources. The roof tile industry in Majalengka plays an important role in the local economy, with a large contribution to the supply of building materials in the West Java region. However, even though this industry is growing rapidly, there are various issues that hinder the optimization of employee performance and overall organizational effectiveness.

Previous studies in the manufacturing industry sector, especially in the construction materials sector, show that one of the biggest challenges faced is the implementation of an effective performance management system. Research by Nursalim (2021) found that companies in the manufacturing sector often have an unstructured performance appraisal system, which leads to worker dissatisfaction, low motivation, and ultimately reduces productivity. In contrast, a study by Widodo (2022) states that industries that pay less attention to aspects of employee development and performance assessment often face obstacles in retaining skilled and competent workers.

The same phenomenon applies in the roof tile industry in Majalengka, where even though market demand is increasing, many companies in this sector are still not using the full potential of workers to increase the quality and quantity of production. Some companies in this field still use performance appraisal systems that are easy and less objective, which results in low employee motivation and lack of recognition of their contribution to the company's achievements. Apart from that, ambiguity in the performance appraisal process and lack of training for administrators to provide effective feedback are also major problems.

Based on reports obtained from several roof tile companies in Majalengka, there are indications that the performance appraisal system implemented tends not to meet the specific needs of this industry. Misalignment between performance appraisals and company strategic goals leads to significant differences in productivity between positions and between employees. This contributed to weak product quality and an inability to meet increasing market demand.

The demand for this research is very high considering that the roof tile industry in Majalengka has the potential to become one of the leading sectors capable of making a major contribution to the regional economy. Therefore, implementing a more structured and effective performance appraisal system is very important to improve individual and collective achievements within the company, which in turn will have an impact on increasing productivity, product quality and industrial competitiveness.

This study aims to analyze the factors that influence the implementation of the performance appraisal system in the roof tile industry in Majalengka and provide suggestions for improvements that can increase organizational effectiveness and employee satisfaction. In fact, it is hoped that this research can make a positive contribution to the development of the roof tile industry in Majalengka and become a reference for companies in forming a more optimal performance management system. This study aims to (1) Analyze the implementation of the employee performance appraisal system in the roof tile industry in Majalengka Regency, (2) Identify the factors that influence the effectiveness of the performance appraisal system in increasing productivity and product quality in the Majalengka roof tile industry, (3) Provide recommendations to roof tile companies in

Majalengka to improve performance management and the implementation of an achievement appraisal system (4) that is more transparent and measurable. assessment system for employee satisfaction and motivation in improving individual and organizational achievement.

## **REVIEW OF LITERATURE**

### **1. Employee Performance Management**

Employee performance management is a structured process that aims to enhance individual and organizational effectiveness through goal setting, monitoring, feedback, and evaluation. Armstrong and Baron (2005) define performance management as a strategic and integrated approach to delivering sustained success by improving the performance of individuals and teams. It ensures alignment between employee activities and the overall organizational goals, promoting accountability and continuous improvement.

### **2. Performance Appraisal Systems**

A performance appraisal system is a key component of human resource management that evaluates employee contributions, competencies, and outcomes. According to Mondy and Noe (2016), an effective appraisal system must be objective, consistent, and based on measurable performance indicators. Dessler (2017) highlights that performance appraisals grounded in Key Performance Indicators (KPIs) help organizations to assess both quantitative and qualitative dimensions of work, providing a solid foundation for personnel decisions and strategic planning.

### **3. Performance Appraisal, Job Satisfaction, and Motivation**

An effective performance appraisal system directly influences employee job satisfaction and motivation. Herzberg's Two-Factor Theory (1968) emphasizes the role of recognition, achievement, and personal growth as key motivators. Robbins and Judge (2019) support this by noting that a transparent and fair appraisal process enhances employee engagement and retention. Employees who receive regular, constructive feedback are more likely to feel valued and motivated, leading to higher levels of performance.

### **4. Employee Productivity and Organizational Effectiveness**

Employee productivity is a primary outcome of efficient performance management. Sink and Tuttle (1989) argue that organizational productivity can be significantly improved through clear performance standards, continuous training, and performance feedback. Empirical studies, such as that by Nursalim (2021), found that organizations with structured appraisal systems report higher productivity and employee morale. Performance evaluations help identify strengths, skill gaps, and development needs, which collectively contribute to improved organizational outcomes.

### **5. The Role of Technology in Performance Appraisal**

In the digital age, technology plays an essential role in enhancing the effectiveness of performance appraisal systems. Technology enables real-time data collection, transparent feedback, and efficient communication between managers and employees. Gupta and Sharma (2020) observed that cloud-based performance management tools improve evaluation accuracy and reduce administrative burden. Digital systems also allow for analytics and visualization, enabling better decision-making based on performance trends.

## RESEARCH METHOD

This study uses a quantitative and qualitative descriptive approach with the aim of describing in depth the implementation of the performance appraisal system in the Majalengka roof tile industry. By taking the research sample are employees and managers who work in roof tile companies in Majalengka Regency. The sample will be taken using purposive sampling, namely selecting representative companies in the roof tile industry in this area, both large and medium, with an estimated sample for this study of around 100 respondents consisting of 80 employees and 20 managers from several roof tile companies spread across Majalengka Regency.

## RESULTS AND DISCUSSION

### 1. Descriptive Analysis

The study utilized both quantitative and qualitative data collected from 100 respondents, comprising employees and managers in roof tile companies in Majalengka Regency. Descriptive statistics revealed that prior to implementing a structured performance appraisal system, the average employee productivity was 70 units/day. Respondents also reported low levels of job satisfaction and motivation, with common complaints regarding the absence of feedback, unclear performance metrics, and inconsistent evaluations.

### 2. Correlation Analysis

A Pearson correlation test was conducted to examine the relationship between job satisfaction and motivation. The result indicated a strong positive correlation ( $r = 0.72$ ,  $p < 0.05$ ), suggesting that employees who reported higher job satisfaction also tended to exhibit higher levels of motivation. This finding confirms that psychological factors play a critical role in enhancing workforce engagement and performance.

### 3. Regression Analysis

Multiple regression analysis was performed to determine the impact of the performance appraisal system on productivity. The regression model showed that the implementation of a structured appraisal system contributed significantly to employee productivity, with an  $R^2$  value of 0.58. This means that 58% of the variation in productivity could be explained by factors related to the performance appraisal system, including feedback mechanisms, goal clarity, and evaluation consistency.

### 4. T-Test Analysis

To assess the effectiveness of the new performance appraisal system, a paired sample t-test was applied to compare productivity before and after the implementation. The average productivity increased from 70 units/day to 85 units/day. The t-test result ( $t = 4.21$ ,  $p < 0.05$ ) confirmed that the increase was statistically significant, supporting the hypothesis that a well-implemented appraisal system leads to measurable improvement in work output.

### 5. Qualitative Findings

In addition to statistical analysis, qualitative insights were obtained through in-depth interviews and focus group discussions. Respondents reported feeling more valued and clear about their performance expectations after the new system was introduced. Managers noted improvements in communication, while employees appreciated receiving regular feedback and having defined performance goals. These qualitative findings supported the quantitative results, indicating that the new appraisal system improved transparency, motivation, and overall work atmosphere.

## Statistical Test Results

### 1. Test the Reliability and Validity of the Questionnaire

- Validity Test: Performed using Pearson Correlation to test the relationship between the score of each questionnaire item and the total variable score.
  - Results: All items have a value of  $r_{count} > r_{table} (0,30)$ , so it is considered valid.
- Reliability Test: Using Cronbach's Alpha to measure the internal consistency of the questionnaire.
  - Results: Cronbach's Alpha = 0.86 (above the minimum limit of 0.70), so the questionnaire is considered reliable.

### 2. Descriptive Test

- Satisfaction with the Performance Evaluation System:
  - Average: 3.2 (out of a scale of 5).
- Distribution: 40% of employees feel "fairly satisfied," 35% "not satisfied," and 25% "satisfied." Motivasi Karyawan:
  - Average: 3.5 (out of a scale of 5).
  - 50% of respondents have a "good" level of motivation, 30% "moderate," and 20% "poor."

### 3. Correlation Test

- The relationship between Satisfaction with the Performance Appraisal System and Work Motivation:
  - Method: Pearson Correlation.
  - Results:  $r = 0.72$ ;  $p = 0.001$  ( $p < 0.05$ ), indicating a significant positive correlation.
  - Interpretation: The higher the satisfaction with the performance evaluation system, the higher the employee's work motivation.

### 4. Regression Test

- The Influence of the Performance Appraisal System on Employee Productivity:
  - Model: Moderate Linear Regression.
  - Regression Equation:  $Y = 2,5 + 0,4X$ .
  - $Y$  = Employee Productivity.
  - $X$  = Effectiveness of the Performance Appraisal System.

Results:

- $R^2 = 0.58$  (58% of employee productivity variability is explained by the effectiveness of the performance evaluation system).
- $p = 0.002$  ( $p < 0.05$ ), significant influence.
  - Interpretation: The performance evaluation system has a significant influence on increasing employee productivity.

### 5. ANOVA test

- Differences in Productivity between Companies based on Performance Evaluation System Categories:
  - Group:
    - a. Enterprises with a "good" rating system.
    - b. Enterprises with an "adequate" rating system.

c. Enterprises with a "less" rating system.

Results:

- $F = 5.89$ ;  $p = 0.003$  ( $p < 0.05$ ).
- Post-hoc Tukey: Companies with "good" systems have significantly higher productivity than companies with "poor" systems ( $p = 0.01$ )

6. Chi-Square Test

- Relationship between Performance Appraisal System and Employee Satisfaction:
- Result:  $\chi^2 = 12,35$ ;  $p = 0.004$  ( $p < 0.05$ ).
- Interpretation: There is a significant relationship between the quality of the performance evaluation system and the level of employee satisfaction.

7. Uji t-Test

- Comparison of Productivity before and after the Implementation of a Structured Performance Evaluation System:

Results:

- Before: Average = 70 units/day.
  - After: Average = 85 units/day.
  - $t = 4.21$ ;  $p = 0.001$  ( $p < 0.05$ ).
  - Interpretation: There is a significant increase in productivity after the implementation of a structured performance evaluation system.
- 1. Implementation of Performance Evaluation System
  - Most tile companies in Majalengka have implemented a performance evaluation system, but the methods used are still conventional. The survey showed that 65% of employees feel that the existing evaluation system does not reflect their work contribution objectively. This is reinforced by the interview results, where many employees stated that evaluations are often not based on clear performance indicators.
  - 2. Employee Satisfaction and Motivation
  - The survey results indicate that there is a positive correlation between employee satisfaction with the performance evaluation system and work motivation ( $r = 0.72$ ,  $p < 0.05$ ). However, only 45% of employees are satisfied with the current performance evaluation system. The main factors of dissatisfaction include lack of feedback, lack of appreciation for achievements, and lack of transparency in the evaluation process.
  - 3. Productivity and Product Quality
  - Data shows that companies that apply a more structured performance evaluation system experience an average productivity increase of 20% compared to companies that do not. In addition, the quality of products from companies that have a good evaluation system is more consistent, with a lower level of product defects.
  - 4. Challenges in System Implementation
  - Qualitative analysis revealed several main obstacles in the implementation of the performance evaluation system, including the lack of training for managers (75% of respondents mentioned this) and the lack of technological support to support the evaluation process.

## CONCLUSION

This research highlights the importance of implementing an effective performance evaluation system in the tile industry in Majalengka Regency. Based on the analysis done, there are several main findings that can be summarized as follows:

### 1. Effectiveness of the Performance Evaluation System

The performance evaluation system used by most companies in the tile industry in Majalengka is still classified as conventional and less structured. This causes employee dissatisfaction, low work motivation, as well as a decrease in productivity and product quality.

### 2. Relationship between Satisfaction and Work Motivation

The results of the correlation test show that there is a significant positive relationship between satisfaction with the performance evaluation system and employee work motivation. The higher the satisfaction with the system, the higher the level of work motivation.

### 3. Influence on Productivity

The regression test proves that a more effective performance evaluation system has a significant influence on increasing employee productivity. Companies that implement a structured system experience an average productivity increase of 20%.

### 4. Productivity differences between companies

The ANOVA test shows that companies with a good performance evaluation system have a significantly higher level of productivity compared to companies with an inadequate system.

### 5. Improvement after New System Implementation

6. The t test shows a significant increase in employee productivity after the implementation of a more structured performance evaluation system, with an average increase from 70 units/day to 85 units/day.

## REFERENCES

- Hasibuan, M. S. P. (2019). *Manajemen Sumber Daya Manusia*. Jakarta: Bumi Aksara.
- Isbahi, M. B., Zuana, M. M. M. ., & Mariana, E. R. . (2022). The Technology Strategy in Website Communication Media in Improving Business Activities. *Majalah Journal of Islamic Finance and Management*, 1(2), 126–138. <https://doi.org/10.31538/mjifm.v1i2.17>
- Isbahi, M. B., Zuana, M. M. M., & Toha, M. (2024). The Multi-Social Relation of the Cattle Industry in the Plaosan Subdistrict Animal Market of Magetan Regency. *Malacca: Journal of Management and Business Development*, 1(1), 31–46. <https://doi.org/10.69965/malacca.v1i1.51>
- Mangkunegara, A. P. (2020). *Manajemen Kinerja Sumber Daya Manusia*. Bandung: Remaja Rosdakarya.
- Mardiana, R. (2020). Faktor-faktor yang Mempengaruhi Implementasi Sistem Penilaian Kinerja di Industri Manufaktur. *Jurnal Ekonomi dan Bisnis*, 13(2), 39-52.
- Nursalim, A. (2021). Evaluasi Implementasi Sistem Penilaian Kinerja pada Industri Manufaktur. *Jurnal Manajemen Industri*, 15(2), 45-59.
- Setiawan, H. (2021). Pengaruh Sistem Penilaian Kinerja terhadap Kepuasan Kerja Karyawan di Sektor Publik. *Jurnal Sumber Daya Manusia*, 9(1), 22-34.
- Sugiyono. (2017). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.

- Toha, M., Zuana, M. M. M., & Isbahi, M. B. (2024). Acculturation of Mataraman Local Wisdom with Islamic Values: Implications for Social and Economic Development. *Danadyaksa: Post Modern Economy Journal*, 2(1), 33–47. <https://doi.org/10.69965/danadyaksa.v2i1.143>
- Tosi, H. L., & Rizzo, J. R. (2018). *Managing Organizational Behavior: A Multidisciplinary Approach*. Wiley.
- Moeljono, H. (2020). *Manajemen Kinerja: Teori dan Aplikasi*. Yogyakarta: Graha Ilmu.
- Widodo, S. (2022). Strategi Peningkatan Produktivitas Melalui Sistem Manajemen Kinerja di Industri Manufaktur. *Jurnal Administrasi Bisnis*, 18(3), 71-85.
- Yuliana, L. (2021). Analisis Pengaruh Sistem Penilaian Kinerja terhadap Produktivitas Karyawan di Industri Genteng. *Jurnal Manajemen dan Organisasi*, 17(4), 89-102.
- Zamroni, M. A., Toha, M., Zuana, M. M. M., & Baiqun Isbahi, M. (2023). Exploring Zakat Distribution Via Blockchain in Indonesia Perspective of Maslahah Mursalah Wahbah Zuhaili. *Indonesian Interdisciplinary Journal of Sharia Economics (IJSE)*, 6(3), 3544-3555. <https://doi.org/10.31538/ijse.v7i3.5821>