



SUMMARY

JULIANA MAISYARA. Correlation of Performance Appraisal System Effectiveness and Employee Performance at Central Office of PT PP (Persero), Tbk. Supervised by M. SYAMSUL MA'ARIF and SRI HARTOYO.

PT PP (Persero) Tbk is one of the State-Owned Enterprises (SOEs), which is engaged in construction services include handling infrastructure projects and high-rise buildings. PT PP (Persero) Tbk always paid special attention to its employees, recognizing the important contribution of its human resources to achieve company goals. One way to improve the performance of the company and also motivate employees is to conduct performance appraisals.

This study has three main objectives that include the following: (1) to analyze the effectiveness of performance appraisal system implemented by PT PP (Persero) Tbk as perceived by employees, (2) to analyze the relationship between employment in the performance appraisal system of PT PP (Persero) Tbk, (3) to analyze the relationship between the performance appraisal system and employee performance in PT PP (Persero) Tbk. The limit of study is the employees at the headquarters of PT PP (Persero) Tbk.

Sampling is done by using a proportional stratified random sampling by dividing employees into two levels of leadership employees and executive employees. The questionnaires were distributed to 70 respondents. Analysis of the data used by using the average score analysis to determine the effectiveness of performance appraisal based on employee perceptions. Chi Square test is used to determine whether there are differences in perception among leadership employees with executive employees. Rank Spearman Analysis is used to determine the relationship between the performance appraisal system and employee performance. Data processing were performed using SPSS 20.

Analyzed the performance appraisal system is divided into three aspects, namely: (1) Input of performance appraisal, (2) the performance appraisal process, (3) Output of performance appraisal. Factors that were analyzed at the input of the element of performance assessment are the appraiser, appraisee, and assessment instruments. Aspect of the performance appraisal process consists of methods, procedures, frequency, and communication in the performance appraisal. While the factors analyzed in the aspect of performance appraisal output are incentives, salary, training, promotion, career development, employee motivation, and discussion of the results.

Based on the analysis by using the average scores found that perceptions of leadership employees regarding aspects of appraiser, appraisee, and the assessment instruments criteria are agreed and strongly agreed, while executive employees perceptions regarding aspects of appraiser, appraisee, and the assessment instruments criteria are quite agreed and agreed. Based on the results of the performance appraisal of input conditions could not meet the requirements of a good performance appraisal system.

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and communication was on criteria quite agreed and agreed. Based on the results of the performance appraisal process conditions could not meet the requirements of a good performance appraisal system.

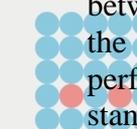
Based on the analysis by using the average scores found that perceptions of leadership employees regarding aspects of incentives, salary, training, promotion, career development, employee motivation, and discussion of the results of the performance evaluation criteria are agreed and strongly agreed, while executive employees perceptions regarding aspects of incentives, salary, training, promotion, career development, employee motivation, and discussion of the results of the performance evaluation criteria are quite agree and disagree. Based on the results of performance appraisal output state could not meet the requirements of a good performance appraisal system.

Results of the Chi Square test found that there was no correlation between the positions of employees perceptions regarding aspects of input conditions (appraiser and assessment instruments), processes (procedures, frequency, and communication), and output (incentives, salary, training, career, motivation employees). However, there is a relationship between the positions of the aspects of employee perception inputs (appraisee), process (assessment method), and output (promotion and discussion of performance).

Rank Spearman statistical test was found that the performance appraisal system has a positive relationship with employee performance and significant. The coefficient of correlation between performance and the performance appraisal system of employees is 0,702. Results of Rank Spearman correlation indicates that the improvement in the performance appraisal system will have implications for improving employee performance.

Managerial implications are divided into three aspects: technical, management, and social. In technical aspects, improvement in performance assessment of input conditions by increasing socialization of performance appraisal form. Companies must maintain and continuously improve the performance appraisal process has been applied, including procedures, communications, and frequency of performance assessment. As for the method of performance assessment, the assessor should not only pay attention to the end result, but both processes. Companies must maintain and continually improve the performance assessment output, especially in terms of providing incentives or bonuses to employees who have a good performance. In addition, the company should linking employees career development as a form of appreciation to employee performance. In aspects of management, business improvement can be done by conducting training for assessors, involving all employees in the process of formation of the performance appraisal system, increasing the communication between superiors and subordinates. In the social aspect, the implementation of the performance appraisal process is considered fair by the employees when performance assessment procedures in accordance with the ethical and moral standards and the results of performance assessments in accordance with the employee performance will affect the employee satisfaction which increases employee performance.

Keywords: Effectiveness, Performance Appraisal System, Employee Performance



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