



International Journal of Economic Research

ISSN : 0972-9380

available at <http://www.serialsjournals.com>

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Volume 14 • Number 17 • 2017

Evaluation of Performance Assessment Using SMART Method and Its Impact on Job Satisfaction

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Abstract: Performance appraisal that is subjective can impact on decreasing employee job satisfaction. when employees feel that they have worked well but based on performance appraisal they are considered not to give optimal performance of course they will feel disappointed.

This study aims to evaluate performance appraisal using SMART method of PT. BJB Tbk. Main Branch of Bandung. The method used in this study is descriptive verifikatif, with the number of samples of 98. Data collection was conducted using questionnaires distributed among employees of the bank PT. BJB Tbk. Main Branch of Bandung.

The result of the research shows that performance appraisal using SMART method can not be applied because some indicators of SMART can not be implemented yet, while job satisfaction given by Bank BJB to employees is still not optimal. The test results also show that the performance appraisal has a positive and very significant effect on employee job satisfaction in Bank PT. BJB Tbk. Main Branch of Bandung.

Key Word: Performance appraisal, SMART Method, Job Satisfaction

INTRODUCTION

Every company aspires to have high-performing employees, because high performing employees will contribute greatly to the achievement of company goals. Performance is the result of work or what can be done that the quality and quantity can be achieved by an employee in performing their duties in accordance with the responsibilities given to him (Mangkunegara, 2009; Gilbert in Notoatmodjo, 2009). To produce the performance as expected, the employee must have various elements needed to achieve it, such as: competence, achievement, discipline, motivation, responsibility and so forth. These elements can lead to better performance, therefore these elements need to be controlled in such a way as to keeping increasing.

Nevertheless, it has been assumed that human behavior is difficult to remain in constant conditions, human behavior is always changing which is influenced by certain circumstances. Control of behaviors

that can encourage or lower employees to achieve better performance can be done through a process of performance appraisal, a process in terms of establishing a shared understanding of what is to be achieved, and an approach to managing and developing people by making improvements. This increase can not occur only with systems that are controlled by management to manage the performance of their employees, but also through an approach towards managing and developing people who enable them to manage their own development and performance within a clear objective framework and agreed standards with their supervisors (Rivai, 2005).

Performance appraisal can generally be used as a benchmark for companies in decision-making relating to bonuses, incentives, employee mutations, education and training, promotion, placement, career development and even termination of employees, for which reason performance appraisals play a crucial role, therefore employee performance appraisal needs to be conducted very objectively and openly, not to conduct subjective, unilateral and non-based assessments of likes or dislikes.

In assessing the performance of its employees, PT BJB relies on indicators of work quality and quantity, employee behavior in work and work hour effectiveness, which is considered representative enough to assess employee performance. However, it seems that the method used by PT BJB has not given optimal results, there are still voices in employees' dissatisfaction with the results of the assessment and there is fluctuating irregular performance, as shown by the performance graph, as shown in Figure 1.

Seeing the results of performance as in Figure 1, it appears that PT BJB Tbk. Still using the bell curves method, where the HR department places rank eg on the basis of achievement, attitude and work behavior, through 5 categories: Very Good / Good / Fair / Bad / Not Good. And the results of the assessment are dominated by good results and good enough during the period 2012 to 2015. Consequences of the assessment method may be employees that get a wage increase only the category gets pretty good, good and very good and 2 other categories do not get the increase.

Maybe the method of performance appraisal conducted by PT. BJB is correct, if the assessment is based on objectivity, but if still contained elements of subjectivity then it may have an impact on the

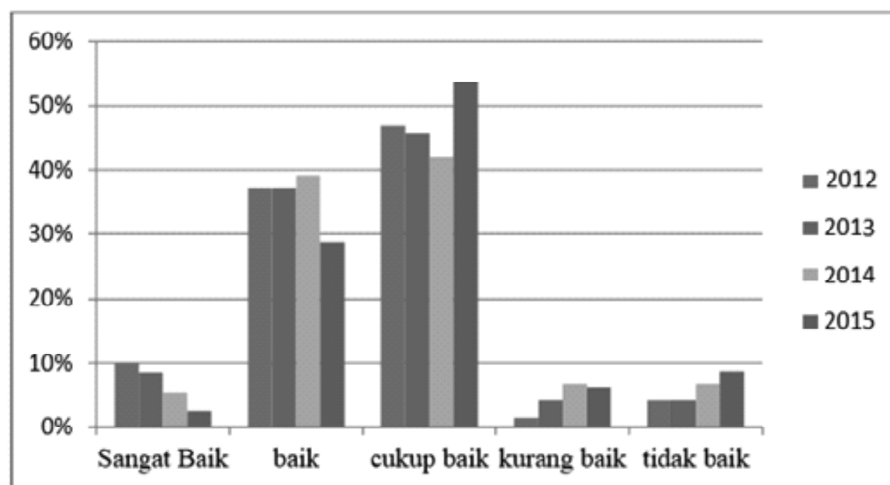


Figure 1: Employee Performance of PT BJB Tbk. Branch of Bandung period 2012-2015

Source: Personnel Data PT BJB Tbk Main Branch Bandung processed.

dissatisfaction with employees that get a bad assessment of work and not very. To know the condition of employee job satisfaction relating to the assessment result, has been conducted pre-survey about employee satisfaction with 15 employees PT PT. BJB Tbk. Main Branch Bandung, and the result seems to be the performance appraisal conducted by PT BJB still not fully accepted by the employees. This is indicated by still quite a large percentage of employees that still feel less satisfied, as shown by the table 1 below:

Table 1
Job Satisfaction

<i>No</i>	<i>Statement</i>	<i>Percentage</i>
1	The company always gives awards for outstanding employees	77%
2	Promotional opportunities are provided openly with employees	70%
3	Allowances are given according to the employee's expertise	80%
4	Performance appraisal is done objectively	66%
5	Your performance appraisal results are as expected	65%

Source: Pre-survey results are processed

From the table above can be seen that there are still employees of PT. BJB Tbk. Main Branch Bandung still have less job satisfaction. as well as promotional opportunities assessed by some of them are not open, and they feel that promotional opportunities are not based on performance appraisal results. In addition, they considered that the performance appraisal conducted was not done objectively and the performance appraisal results had not met their expectations. They feel that they have contributed by achieving targeted outcomes but the performance appraisal results are similar to those that do not contribute.

Based on the symptoms of the above problems it may be better for PT BJB to replace or find new performance appraisal methods that can minimize the discontent of their employees. Some HR consultants and experts continue to work out the right methods for assessing employee performance, and one of them is the SMART method based on the target or job target. SMART stands for Specific, Measurable, Accurate, Realistic And Time Bound. This method establishes or defines a goal clearly and without a specificity, using concrete measurements such as how many or when a goal can be known to be measurable, emphasizing the importance of how realistic a target is, conformity to the boss, management and the company as a whole (accurate) and there is a measure of time with the time frame in starting and the expected timeframe to be able to complete the set goals. This calculation can be described by sorting strategies into short-term tactics or daily activities, then medium-term, and long-term or yearly and yearly tactics (time bound)..

LITERATURE REVIEW

Performance Appraisal

Performance appraisal is a key factor of developing the potential for employees effectively and efficiently because of better policies or programs on the existing human resources within an organization. Assessment of individual performance is very beneficial to the overall growth of the organization. Bernardin and Russel in Khaerul Umam (2010), suggests that performance appraisal is a way of measuring the contribution to individuals (employees) to the organizations they work for. Meanwhile, according Sedarmayanti (2011),

Performance appraisal is a formal system to examine / review and periodically evaluate a person's performance.

From the above description it can be concluded that employee performance appraisal is how to measure the contribution to individuals (employees) to the organization where they work with the formal system to examine / review and evaluate periodically the performance of a person. Performance appraisal is categorized as an evaluation and development. As an evaluation of the results of the assessment should be used as: a) the basis of compensation, b) staffing decision and c) the basis for evaluating the selection system. Whereas as something of a developmental nature Assessor must complete: a) Real achievements achieved by individuals; b) Individual weaknesses that impede performance and c) develop achievements (Umam, 2010). Meanwhile Sedarmayanti (2011) explained that the purpose of performance appraisal is:

- 1) Improve employee performance by helping them to realize and use all their potential for realizing organizational goals.
- 2) Provide informations about employees and leaders as a basis for making decisions related to work.

SMART Methods

Many managements within the company set individual employee targets based on measurable numbers and criteria. And in more detail, using the SMART method. SMART means to have specific and measurable goals, achievable / realistic (Attainable), Relevant and Timely. The goals formulated in the SMART method as automatically measurable goals will be more motivating than unclear targets.

Paul J. Meyer describes the following characteristics of SMART measurements;

- 1) **Specific** means clearly outlining goals and without ambiguity. Some attributes used are to evaluate: what do you wants to achieve? What reasons or benefits do you want to achieve by achieving that goal? Who are related and related to the achievement of goals? Where the location or facilities / infrastructure what is needed to achieve the goal?
- 2) **Measurable**, ie concrete measurements such as how many or when a goal can be known has been achieved. This should be calculated from the beginning of the target sett.
- 3) **Realistic** (attainable), which emphasizes the importance of how realistic a target is. If the goal is too far beyond the standard, it can be a demotivate because it does not match the skills, capacities, abilities, and behaviors to achieve those goals. So the possibility of how a goal can be achieved can be answered when starting to assess a target's eligibility.
- 4) **Relevant**, a goal may be specific, measurable, realistic, and time-bound, but if it is not relevant to the boss, management and the company as a whole it will not be fully supported by the work team or other partners / partners.
- 5) **Timely**, the size of time for the start time frame as well as the expected deadline to complete the set goals. This calculation can be described by sorting strategies into short-term tactics or daily activities, then medium-term, and long-term or annual and five-year tactics so that indicators that demonstrate progress of achievement can be evaluated and reevaluated.

Job Satisfaction

To quote Locke's opinion, Luthans (2005) argues that job satisfaction is a positive emotional state of a person aroused by appreciation for the work he or she has done. This work satisfaction is an achievement that a person compares to how well his job provides something useful to him. A more comprehensive definition includes reaction or cognitive, affective, and evaluative and states that job satisfaction is "a happy emotional state or positive emotion derived from a job assessment or a person's work experience." Job satisfaction is the result of employees' perceptions of how well their work provides the things that are considered important. There are generally accepted three dimensions in job satisfaction.

- 1) Job satisfaction is an emotional response to the work situation. Thus, job satisfaction can be seen and can be expected.
- 2) Job satisfactions is often determined according to how well the results meet or exceed expectations.
- 3) Job satisfactions represents some related attitudes.

According to Malthis (2006) job satisfaction is a positive emotional state of evaluating one's work experience. Job dissatisfaction arises when these expectations are not met. While Robbins (2010) define job satisfaction as a general attitude to one's work, the difference between the amount of rewards a worker receives and the amount they believe they should receive.

Job satisfaction has many dimensions, in general is satisfaction with the work itself, salary, recognition, the relationship between supervisors with labor, and the opportunity to move forward. Each dimension produces a feeling of overall satisfaction with the work itself. An absolute level of satisfaction gauges does not exist, because each individual employee is different to standards of satisfaction. This indicator of job satisfaction can be measured by discipline, morale, and labor turnover is small, then the relative job satisfaction of good employees but otherwise if discipline, work morale and labor turnover large, the employee job satisfaction at the company is considered less.

RESEARCH RESULTS AND DISCUSSION

Descriptive analysis

SMART Performance Appraisal of Central Bank BJB Employees

The analysis for the Employee Performance appraisal variable using SMART method of BJP Central Bank starts from the "Specific" dimension. The result of the score calculation from the data obtained from the questionnaire shows that the average value for this dimension are Medium. But there are 2 indicators that fall into the low category, namely: the job to be achieved and engaged in the work. This means that the employment goals of PT. BJB Tbk. Main Branch Bandungsednya already described quite specific. However, there are still many employees that feel that the job goals they want to achieve have not been specified yet, but the reasons or benefits to be gained if objectives are achieved are specific, but employee engagement in achieving those goals is somewhat ambiguous. While the facilities and or infrastructure needed to achieve these targets are quite specific.

The next analysis was done on the dimension of "Measurable", The result of score calculation from the data obtained from the questionnaire showed that the average value for this dimension belong to the

medium category. This indicates that the job objectives performed are sufficiently measurable. However, the indicator of the number of targets to be achieved is still relatively low meaning the number of targets to be achieved not so clear how-how. But the time to reach the goal is quite measurable where each goal must be achieved in a fast time. Meanwhile, the distance between one target and other targets is also considered low category, this is due to the measurable number of set goals.

The next analysis was performed on the “Attainable” dimension. The results of the calculation of the score of the data obtained from the questionnaire showed that the average value for this dimension belong to the medium category. This means that the target set is sufficiently realistic to achieve. But some indicators such as: Low standards, skills, capacities, and laziness are low, which means that these indicators are still unrealistic to achieve or achieve targets, while pressure and apathy indicators are moderate, which indicates that they are realistic.

The next analysis is done on the “relevant” dimension. The result of score calculation from data obtained from the questionnaire shows that the average value for this dimension belong to low category. This means that the designated objectives are less or irrelevant to the existing conditions within the organization, such as conformity with organizational objectives, with effort to be made, with expertise possessed and conformity to needs.

The final analysis of the SMART performance assessment is performed on the “timely” dimension. The result of score calculation from the data obtained from the questionnaire shows that the mean value for the “timely” dimension or the time of assessment is in the low category. This means that the assessment time assessment has not been formulated by the deadline for completing a predetermined goal.

Based on the analysis of the performance appraisal variables using the SMART method, the overall performance appraisal variables are in the medium category. This indicates that the bank PT. BJB Tbk. Main Branch Bandung can not use SMART method, because the indicators that must be used in this SMART method can not be done by bank PT. BJB Tbk. Main Branch of Bandung.

Job Satisfaction Employee Bank BJB Center in Bandung

Employee Satisfaction variable analysis at BJB Central Bank starts from “Work itself” dimension. The result of score calculation from the data obtained from the questionnaire shows that the average value for this dimension belong to the high category. This indicates that employees feel that the work they are dealing with is interesting and challenging, not boring and with the job making them have a pretty good status.

The next analysis is done on the “Wage / salary” dimension. The result of score calculation from the data obtained from the questionnaire shows that the average value for initergolong dimension in the medium category. This shows that employees feel that the wage or salary system in the bank BJB enough mememakin, but for the amount of employees feel that the amount of salary received is still not satisfactory. But for the matter of timely acceptance and salary components in it they feel satisfied.

The next analysis is done on the “Promotion” dimension. The result of score calculation from data obtained from the questionnaire shows that the average value for this pertained dimension in high category. This suggests that employees feel that the promotional system at BJB banks is satisfactory, but for their

promotion rules still feel dissatisfied, meaning they still have uncertainty as to how the rules can be promoted while the paths and opportunities are open enough.

The next analysis is done on the “Supervision” dimension. The result of score calculation from the data obtained from the questionnaire shows that the average value for this are pertained dimension in the medium category. This shows that the supervision performed at BJB bank is quite satisfying. This occurs because they consider only strictly controlled supervision for control is not fully done by supervisors. Moreover, employees consider that supervisors are minimal or lacking in giving direction to employees.

The next analysis is done on the dimension of “working group.” The result of score calculation from the data obtained from the questionnaire shows that the average value for this dimension belong to the medium category. This indicates that the conditions of Working Group that exist or occur to BJB bank environment are quite satisfactory. This happens because they consider the friendliness of fellow co-workers not so visible and felt, it could be due to the still strong element of seniority among employees. while for cooperation among peers is considered quite satisfactory by the employees.

The final analysis of job satisfaction is done on the dimension of “Working condition / work environment.” The result of score calculation from the data obtained from the questionnaire shows that the average value for this dimension belong to low category. This indicates that the working condition / work environment that exists or occur to the BJB bank environment is not satisfactory. This happens because they assume that their workplace is less clean, less comfortable and has a high noise that makes comfort in work becomes less satisfactory.

On the analysis conducted on the job satisfaction variable, overall job satisfaction variable at bank PT. BJB Tbk. Bandung Main Branch is in the medium category. This indicates that the bank PT. BJB Tbk. Main Branch Bandung has not been able to give high satisfaction with its employees.

Verifikatif analysis Based

This analysis is conducted to verify the relationship between the variables in the study. In this study it is predicted that performance appraisal variables have relationship of job satisfaction variable. To do this analysis it is necessary to describe the relationship model between the two variables as shown in Figure 2.

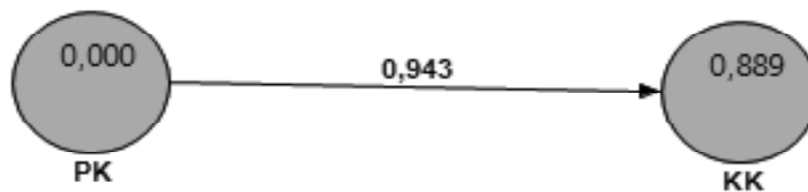


Figure 2: Variable relationship model

In the figure it can be seen that R² (R square) for job satisfaction variable is 0.889 this means that this means that the variation of job satisfaction (KK) can be explained by the construct appraisal of SMART performance of 88.9% and the rest is explained by other variables. The R-square score of 50% has a strong correlation.

The next stage is to calculate (bootstrapping) with the case per sample of 98, the results of the calculation are shown as in the following table.

Tabel 2
Path Coefficients (Mean, STDEV, T-Values)

	<i>Original Sample (O)</i>	<i>T Statistics (O/STERR)</i>	<i>T-tabel ($\alpha = 5\%$)</i>
PK -> KK	0,942919	5,8737653	1,66

The next stage is to calculate (Bootstrapping) with the case per sample of 98. In the table above, the original sample value (O) shows the positive or negative relationship between the variables. While t-statistics used to see the significance of relationships between variables. Relationships are considered significant if t-statistics are larger than t-tables. With α of 5% obtained t- of 1.66.

The Effect of SMART Performance Assessment on Job Satisfaction

Table 4:25 shows that the original sample value (O) of the Performance Appraisal variable (KK) → Job Satisfaction (KK) of 0.9429. This means that the performance assessment gives a positive influence of 94.29% on the job satisfaction, while the t-statistics value is 5.873 where this value is greater than the t-table value, that is 1.66. The value of t-statistics greater than t table-this shows that the influence of performance appraisers on employee job satisfaction is significant. These results indicate that performance assessment has a significant positive effect on employee job satisfaction, where: if the job assessment is done well then employee job satisfaction will increase as well, otherwise if job appraisal is not done well hence job satisfaction will decrease.

The results of this study support several previous studies that found that performance has a positive relationship of job satisfaction, job satisfaction perceived by employees will encourage them to provide good performance. Job satisfaction is the attitude to employees to how they perceive their work. Job satisfaction can provide several benefits, such as creating a harmonious relationship between the company and employees. Employee satisfaction or dissatisfaction is the employee’s response to the evaluation of the level of conformity between the previous expectations and the actual job design performance perceived by the employee.

Some researchers find that job satisfaction is strongly influenced by performance supervision or job evaluation. The assessment process correlates effectively with higher levels of employee satisfaction and engagement (Dechev, 2010), ineffective performance appraisal systems will create chaos and top-down confusion as a result successful opportunities and organizational growth will fall (Khan, 2008), assessment employees encourage performance monitoring without monetary consequences, have a detrimental effect on the level of job satisfaction (Kampköttert, 2014).

CONCLUSION

Results from research related to the implementation of performance appraisal using SMART method and its impact on the job satisfaction of employees at PT. BJB Tbk. Bandung Main Branch has been done, it can be concluded that :

1. Assessment of employee performance in PT BJB Tbk. Bandung Main Branch by using SMART method still can not be done because some indicators required in this method has not done.
2. Assessment of employee performance in PT BJB Tbk. Bandung Main Branch by using SMART method still need some help.
3. Application of SMART method to employee job satisfaction PT BJB Tbk. Main Branch Bandung gives a significant positive effect of employee job satisfaction.

RECOMENDATION

Based on the results an author in this study, so far uses further reserach can suggested :

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