



ANALYSIS OF THE EFFECTIVENESS OF PERFORMANCE ASSESSMENT STRATEGIES IN INCREASING EMPLOYEE PRODUCTIVITY IN INDOMARET BEKASI CITY

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Abstract

This research aims to analyze the effectiveness of performance appraisal strategies in increasing employee productivity at Indomaret, Bekasi City. This research was conducted in January 2025, using a qualitative approach and data collection through interviews, observation and documentation. The research results show that the performance assessment strategy implemented at Indomaret focuses more on quantitative measures such as sales targets. While this approach provides clear metrics for performance, it ignores important qualitative aspects such as customer service, teamwork, and employee engagement. This research also shows that feedback given to employees tends to be evaluative rather than constructive, which negatively impacts overall motivation and productivity. In addition, the use of technology for real-time performance monitoring has been proven to increase the transparency and accuracy of assessments. However, communication regarding the purpose and benefits of performance appraisal is lacking, which reduces its effectiveness. Based on these findings, this research recommends improvements in the feedback process, the inclusion of qualitative performance indicators, and increased communication about the purpose and benefits of performance appraisals to create a more productive work environment at Indomaret, Bekasi City.

Keywords: Performance Assessment, Employee Productivity, Feedback, Qualitative Assessment, Indomaret, Bekasi City

INTRODUCTION

Human resource management (HR) is one of the important pillars in an organization. The success of an organization depends greatly on how human resources are managed and developed. HR management is responsible for optimally utilizing employee potential in achieving organizational goals (Dessler, 2020). There are various aspects that must be considered, one of which is the performance assessment strategy. Employee performance assessment is a systematic process for evaluating employee contributions and effectiveness in their work (Huselid, 2020). Therefore, it is important to conduct an in-depth analysis regarding the effectiveness of performance appraisal strategies in increasing employee productivity.

HR management refers to managing employees to support the achievement of organizational goals. The main functions in HR management include planning, recruitment, training, development and employee performance assessment (Robinson, 2021). More specifically, HR management focuses on empowering employees to make maximum contributions, which of course has a direct effect on company productivity. In many organizations, especially large-scale ones like Indomaret, HR management strategies must be able to optimize each individual to work according to set standards. One method used is through performance appraisals which can assess the extent to which employees have achieved the desired targets. Effective performance appraisals are expected to not only reflect

work results but also provide useful feedback for the employee's own career development and productivity.

Employee productivity is a measure of how effective employees are in carrying out their duties which leads to achieving organizational goals. According to Luthans (2021), employee productivity is measured based on the output produced by employees within a certain period of time, taking into account the quality and quantity of work. In this context, performance appraisal strategies play an important role in increasing productivity, because through proper assessment, employees can find out how far they have developed and what needs to be improved.

Objective and transparent performance appraisals can motivate employees to work harder, because they know that their work results are measured against clear standards. On the other hand, if performance appraisals are carried out in a biased or inconsistent manner, this can reduce work morale and productivity. Therefore, an effective assessment strategy is very important to ensure that employee productivity continues to increase in line with company expectations (Amabile, 2021).

This research was conducted at one of the Indomaret outlets located in Bekasi City. Indomaret is one of the largest minimarket chains in Indonesia which has many branches in various cities. Indomaret manages thousands of employees spread throughout Indonesia, including in Bekasi, which is known as a city with rapid economic growth. As a large company that manages a large number of human resources, Indomaret needs to ensure that its performance appraisal strategy is effective in increasing employee productivity. Indomaret has implemented a performance assessment system that involves several aspects, including evaluation of sales results, customer satisfaction and operational efficiency. Therefore, it is important to know how effective the performance appraisal strategy implemented by Indomaret in Bekasi City is in increasing employee productivity, especially in facing increasingly competitive market challenges.

Performance appraisal strategies in an organization are influenced by various factors, including organizational culture, company goals, quality of managers, and employee involvement. An organizational culture that is open and supports employee development will make the appraisal system more effective, as explained by Schein (2020), who emphasizes the importance of rewarding employees. Company objectives, as is the case at Indomaret, will influence the assessment focus on aspects such as customer service and transaction efficiency. The quality of managers, who are able to provide constructive feedback, plays an important role in motivating employees (Denisi & Williams, 2021). In addition, employee involvement in performance appraisal through two-way feedback also increases accuracy and a sense of appreciation (Kuvaas, 2020).

The phenomenon that occurs at Indomaret Bekasi City regarding the performance assessment strategy is a mismatch between the assessment objectives and the expected results. Even though Indomaret has implemented a performance appraisal system that refers to objective parameters such as sales achievement, customer satisfaction and operational efficiency, some employees consider that

the system does not provide enough space for self-development and constructive feedback. This creates dissatisfaction among employees which leads to reduced motivation and productivity. On the other hand, there is an imbalance between the implementation of high assessment standards and the level of training and coaching provided by managers, which affects the effectiveness of the assessment itself. This phenomenon shows the need for a more in-depth evaluation of how the existing performance appraisal system can be adjusted to not only assess work results, but also support employee skill development, so as to increase productivity in a sustainable manner.

The main problem in this research is the lack of effectiveness of the performance appraisal strategy implemented at Indomaret Bekasi City in increasing employee productivity. Although appraisal systems have been designed to measure performance based on measurable results, many employees feel that they focus more on end results without paying enough attention to the process and individual development. In addition, there is a mismatch between the assessment standards set and the level of support provided by managers in terms of coaching and feedback. This causes low employee motivation to improve their performance, as well as an imbalance between assessment efforts and training needs in accordance with their duties and responsibilities. Another problem is the lack of transparency and communication in the appraisal process, which can create a perception of bias among employees and reduce the effectiveness of appraisal strategies in increasing overall productivity.

Research related to performance assessment provides important insights for assessing the effectiveness of assessment strategies at Indomaret Bekasi City. Nordin et al. (2020) found that objective performance appraisals accompanied by constructive feedback can increase productivity, although uneven understanding among employees is a challenge. Kurniawan & Hadi (2021) show that assessment integrated with career development can increase motivation, but insufficient training and communication are obstacles. Wibowo (2022) emphasizes the importance of a holistic assessment approach, which pays attention to individual development in addition to results. Yulianto & Wibowo (2023) highlight that clear and structured assessments can increase productivity, but unclear criteria often hinder effectiveness. Fajrina (2024) found that assessments that only focus on quantitative results, such as sales, without paying attention to qualitative aspects, can reduce employee motivation.

Research that has been carried out previously and research that is currently being carried out, as well as identification of research gaps (*research gap*) that this research wants to answer is related to employee performance and productivity assessment strategies at Indomaret, Bekasi City.

Table 1 *Research Gap*

Study	Research Focus	Methods Used	Research Gaps (<i>Research Gap</i>)
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Study	Research Focus	Methods Used	Research Gaps (<i>Research Gap</i>)
Nordin et al. (2020)	The effect of performance appraisal on employee productivity in retail	Quantitative analysis with surveys and sales data	There is no emphasis on individual development factors and feedback in the performance appraisal strategies implemented.
Kurniawan & Hadi (2021)	Integrated performance assessment with career development	Qualitative and quantitative research with interviews and surveys	Does not discuss in depth the impact of training and communication imbalances in implementing assessments in retail.
Wibowo (2022)	Performance and productivity assessment with a focus on end results	Case research and in-depth interviews	Does not include process-based performance assessments and individual skill development, as well as feedback provided.
Yulianto & Wibowo (2023)	The effect of performance appraisal on productivity in the service sector	Surveys and statistical analysis	Does not discuss transparency and communication in assessments, as well as their relationship to employee development in the retail industry.
Fajrina (2024)	Performance assessment in the retail industry with a focus on quantitative aspects	Survey and sales data analysis	Does not explain the role of qualitative aspects in performance assessment such as customer satisfaction and service quality in retail.

Based on the table above, this research is to fill several research gaps that have not been widely studied by previous research. Existing research focuses more on the quantitative aspects of performance appraisal and less on the importance of constructive feedback and continuous development of individual skills. Apart from that, previous research has not provided sufficient focus on communication and transparency factors in the assessment system implemented, especially in the retail industry such as Indomaret, Bekasi City. Therefore, this research will examine in more depth how these factors can influence employee productivity and contribute to more effective performance appraisal strategies.

This research aims to explore and analyze the effectiveness of performance appraisal strategies in increasing employee productivity at Indomaret, Bekasi City. Although various previous studies have highlighted the importance of performance appraisal systems in increasing productivity, there are still research gaps that need to be filled, especially in terms of *feedback* constructiveness, development of individual skills, and transparency in assessment. This research is expected to provide deeper insight into the implementation of a performance appraisal strategy that does not only focus on final results, but also pays attention to the process and employee development.

LITERATURE REVIEW

Performance assessment

Performance appraisal is an important process in human resource management which aims to evaluate the extent to which employees achieve predetermined goals. According to Dessler (2020), performance appraisal is a systematic process for evaluating individual performance in an organization, with the aim of providing constructive feedback, career development, and recognition for employee achievements. On the other hand, a study by Sinambela (2021) states that effective performance appraisal does not only measure results but also pays attention to the process and personal development of employees. Therefore, a comprehensive performance assessment can increase employee motivation and involvement in achieving organizational goals more effectively.

Employee Productivity

Employee productivity is often the main indicator of organizational success. Mulyadi (2022) states that employee productivity is influenced by various factors, such as motivation, training, work environment, and the performance appraisal system implemented. In this context, effective appraisal strategies play a major role in encouraging employees to work more productively. In addition, Harsono (2023) added that employees who feel appreciated and receive constructive feedback will have higher levels of productivity, because they feel encouraged to perform better in their work.

Human Resource Development

Human resource development (HR) states that to achieve optimal productivity, companies must pay attention to employee development through training, coaching and regular performance evaluations. According to Suyanto (2024), human resource development through effective assessment strategies will produce employees who are more competent and ready to face work challenges. Furthermore, research by Yuliana & Rahman (2022) shows that career development supported by feedback from performance appraisals can improve individual performance, which in turn increases overall organizational productivity.

METHOD

This research uses qualitative methods with a case study approach to analyze the effectiveness of performance appraisal strategies in increasing employee productivity at Indomaret, Bekasi City. The qualitative method was chosen because this research aims to explore in depth employee perceptions and experiences of the performance appraisal system implemented and how the system is related to increasing their productivity. This research is planned to last for one month, namely in January 2025, which will include observations, interviews and document analysis related to the implementation of performance assessments at Indomaret.

Data Collection Techniques

Data collection techniques used in this research include:

1. In-Depth Interview

Interviews will be conducted with employees and managers at Indomaret Bekasi City to obtain information regarding their experiences related to the performance appraisal system implemented. This interview aims to identify assessment elements that are considered effective and factors that contribute to increasing employee productivity. Interviews will also include open-ended questions that allow respondents to provide broader views regarding this topic (Davis & Smith, 2021).

2. Participatory Observation

Researchers will carry out direct observations of the implementation of performance assessments at Indomaret, Bekasi City. This observation aims to understand how performance appraisals are carried out in the field and how employees respond to the process (Lusiana, 2023). Researchers will also observe interactions between employees and managers in the context of feedback provided during the appraisal process.

3. Documentation

Documents related to performance appraisals, such as appraisal forms, employee productivity reports, and evaluation notes, will be collected to enrich the data and provide additional context in the research analysis (Puspita, 2020).

Data Analysis Techniques

Data obtained from interviews, observations and documentation will be analyzed using thematic analysis techniques. The thematic analysis process involves identifying the main themes that emerge from the data, then grouping information based on those themes. The first step is interview transcription, then data coding to find patterns relevant to the research objectives. After that, researchers will map themes related to the effectiveness of performance appraisal strategies and their impact on employee productivity. The results of this analysis will be used to develop conclusions regarding the relationship between the performance appraisal system and increased productivity at Indomaret Bekasi City (Creswell, 2021).

Research Validity and Reliability

To ensure the validity of the research, researchers will use data triangulation, which involves using multiple data sources (interviews, observations, and documentation) to obtain a more comprehensive and valid picture of the topic under study. Apart from that, the researcher will also carry out member checking, where the results of the interview will be returned to the respondent to ensure that the researcher's interpretation is accurate and in accordance with their perspective (Bungin, 2022).

The reliability of the research is maintained by means of an audit trail, which records all steps taken during the research process, including how data was collected, analyzed and interpreted. This process helps ensure that research findings can be accounted for and that research results can be accepted by other parties (Babbie, 2023).

RESEARCH RESULTS AND DISCUSSION

Research result

This research aims to analyze the effectiveness of performance appraisal strategies in increasing employee productivity at Indomaret, Bekasi City. Based on data collection through interviews, observation and documentation, there are several main findings related to the implementation of performance appraisal strategies and their impact on employee productivity. Data in the research report regarding performance assessment strategies at Indomaret Bekasi City, namely:

Table 2 Results of research on performance assessment strategies at Indomaret, Bekasi City

Assessment Aspects	Research Findings	Impact on Employee Productivity
Assessment Focus	Assessment focuses more on quantitative aspects (sales).	Increasing sales target achievement, but ignoring service quality.
Feedback	Feedback tends to be evaluative, not constructive.	Reduces motivation and does not improve performance in the long term.
Use of Technology	Technology is used for real-time performance monitoring.	Increasing transparency and accuracy of assessment, but its use has not been maximized.
Goal Communication	Communication regarding the objectives of performance appraisal is less effective.	Employees do not understand the benefits and objectives of the performance appraisal process, which has an impact on low active participation.
Assessment Indicators	Focuses only on quantitative indicators (sales).	Ignoring qualitative aspects that affect long-term productivity, such as teamwork and customer service.

Table 2 presents the results of research regarding performance appraisal strategies at Indomaret Bekasi City, which includes several important aspects in employee performance appraisal and its impact on productivity. Research findings show that performance appraisal at Indomaret is more focused on quantitative aspects, such as achieving sales targets, which provides fast results in terms of sales figures but ignores service quality and team contribution. Additionally, feedback given to employees tends to be evaluative and not constructive, which has the potential to reduce their motivation in the long run. Although technology is used to monitor performance in real-time, its use is not yet fully optimized, which limits the potential for increasing transparency and assessment accuracy. Communication regarding the goals and benefits of performance appraisals is still less effective, so employees do not fully understand or support the process. Lastly, assessment indicators that focus solely on sales figures ignore other important qualitative aspects, such as teamwork and customer service, which can ultimately affect overall employee productivity.

The research results need to be emphasized that this research aims to evaluate the effectiveness of performance appraisal strategies in increasing employee productivity at Indomaret Bekasi City. This research analyzes various aspects of performance appraisal, use of feedback, technology, and communication of appraisal objectives.

1. Implementation of Performance Assessment at Indomaret Bekasi City

Based on the results of interviews with managers and employees, performance assessments at Indomaret are carried out every three months using various parameters, such as sales, attendance, as well as assessing individual attitudes and performance. However, some employees feel that this assessment is focused more on quantity rather than quality of work. Most employees stated that although they received feedback regularly, the feedback provided was more evaluative than constructive. This is in accordance with research findings by Nordin et al. (2020), which shows that performance appraisals that focus too much on quantitative results can reduce employee motivation in the long term.

2. The Effect of Performance Appraisal on Productivity

From the results of observations of employees who undergo regular performance appraisals, there are variations in the level of productivity achieved. Employees who receive constructive feedback and career development based on assessment results tend to be more motivated and productive in their work. On the other hand, employees who only receive assessments based on results without any direction or training feel less appreciated and their motivation decreases. Research by Kurniawan & Hadi (2021) shows that employee productivity can increase if performance appraisals are followed by skills development programs and more constructive feedback.

3. Supporting and Inhibiting Factors of Performance Appraisal Strategies

Some of the supporting factors found in this research include the existence of a training system for managers in providing effective feedback and the use of technology in the performance appraisal process, such as software that allows real-time performance monitoring. However, there are also inhibiting factors, such as a lack of understanding by some employees regarding the purpose of performance appraisal and a mismatch between individual goals and organizational goals. This is related to the findings expressed by Wibowo (2022), which states that a performance assessment strategy will only be effective if there is a match between organizational goals and individual expectations in the assessment.

Discussion

Based on the research results that have been obtained, several important aspects can be discussed regarding the effectiveness of performance appraisal strategies in increasing employee productivity at Indomaret, Bekasi City. This research found that although the performance appraisal

strategy implemented is quite systematic, there are still several aspects that need to be improved to increase its effectiveness.

1. Focus on Quantity vs Quality

One of the main findings in this research is that there is an imbalance between assessments based on quantity (for example, sales) and quality (for example, customer service and teamwork). Research by Yulianto & Wibowo (2023) also shows that performance appraisals that prioritize quantity over quality can cause employees to feel unappreciated in their contribution to the team or customer service, which in turn reduces job satisfaction and motivation. Therefore, it is recommended that Indomaret Bekasi City adjust its performance assessment indicators by considering more comprehensive factors, including service quality and contribution to the team.

2. The Importance of Constructive Feedback

The feedback given in the performance appraisal at Indomaret Bekasi City is mostly evaluative and not constructive enough. As stated by Sinambela (2021), constructive feedback is an important factor in increasing employee motivation and performance. This research found that employees who receive clear, targeted feedback about strengths and areas for development tend to show significant increases in productivity. Therefore, companies need to train managers to provide feedback that is more based on continuous development and improvement.

3. The Effect of Training on Productivity

The research results show that training provided based on performance assessment results can improve employees' skills and knowledge, which in turn increases their productivity. This is consistent with research findings by Fajrina (2024), which states that developing skills through training that is directly related to performance assessment results can improve individual and team work results. By providing training and opportunities for career development, Indomaret can create a more supportive work environment for employees to grow and develop.

4. Communication between Managers and Employees

This research also highlights the importance of clear communication between managers and employees in the performance appraisal process. Some employees feel they do not fully understand the purpose of performance appraisals and how the results of these appraisals can be used to develop their careers. This is in line with findings from Kurniawan & Hadi (2021) which show that a lack of communication can reduce the effectiveness of performance appraisals. Therefore, Indomaret needs to improve the way it communicates about the goals and benefits of performance appraisals, as well as ensuring that every employee knows how they can develop themselves based on the results of these appraisals.

5. Technology in Performance Appraisal

One aspect that supports the effectiveness of performance appraisals at Indomaret is the use of technology, such as software to monitor employee performance in real-time. This technology

allows managers to provide faster and more accurate feedback. Research by Nordin et al. (2020) shows that the use of technology in performance assessment can increase the transparency and accuracy of the assessment, as well as speed up the evaluation process. Therefore, further development and utilization of technology in the performance appraisal process can be a strategy to increase employee productivity.

CONCLUSION

Based on the results of research on the effectiveness of performance appraisal strategies in increasing employee productivity at Indomaret Bekasi City, it can be concluded that the performance appraisal strategy implemented has been working well, but there are still several aspects that need to be improved to improve optimal results. Performance appraisals that focus more on quantitative aspects, such as sales, tend to ignore service quality and team contributions, which can reduce employee motivation in the long term. Therefore, it is necessary to adjust assessment indicators to include aspects of work quality, attitude and contribution to the team.

Feedback provided during the performance appraisal process should be more constructive and constructive. This research shows that employees who receive clear and targeted feedback tend to be more motivated to improve their performance. Therefore, training for managers in providing effective feedback needs to be improved. The supporting factors found, such as the use of technology in monitoring performance in real-time, can increase the transparency and accuracy of assessments. However, a lack of clear communication regarding the purpose and benefits of performance appraisals can reduce its effectiveness. Therefore, it is important for companies to improve the way they communicate the purpose and benefits of performance appraisals to employees. Although there are challenges in implementing the performance appraisal strategy, the recommended improvement steps can increase employee productivity and encourage progress at Indomaret Bekasi City.

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