

## **Critical Analysis of Problems and Solutions in Implementing an Effective and Fair Performance Management System**



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**ABSTRACT:** In the era of globalization, companies are faced with complex challenges that affect their operational efficiency and performance. Competitiveness and innovation are the keys to a company's sustainability in the market. One solution to improve performance is to implement a Performance Management System, which functions to track, assess, and improve individual and organizational performance. However, the implementation of a Performance Management System is often hampered by the problem of unfairness in performance measurement and assessment, where the methods used are inaccurate and tend to ignore important factors such as product quality and customer satisfaction. In addition, employee resistance is also a challenge in the implementation of a Performance Management System. Therefore, a critical analysis is needed to find a fair and efficient approach to resolving these issues. The implementation of an effective Performance Management System can contribute significantly to improving a company's operations, making it more competitive in the global market. With the implementation of a fair system, employee motivation increases because their achievements are rewarded proportionally, which in turn increases productivity and work quality. This study aims to identify effective solutions to overcome the problems of implementing a Performance Management System so that the company can achieve its strategic goals and improve overall operational performance.

**KEYWORDS:** Human Resource Management, Performance, Communication, Leadership

### **I. INTRODUCTION**

In the current era of globalization, many problems are increasingly complex, especially in a company. Every company must ensure that their operational efficiency and performance continue to increase in the current era of globalization. The company's ability to survive depends on the company's ability to create competitiveness and innovation that they offer to consumers in the Marketplace. One of the best ways to achieve this target is to implement a Performance Management System. This system is intended to track both individual and organizational performance, assess it and improve it consistently.

However, over time, the implementation of the Performance Management System faces various problems that hinder this process. One of the main challenges is the unfairness of performance measurement and assessment. Many companies continue to use inaccurate or unfair measurement methods. This will lead to a situation where the assessment given is closer to the actual performance achieved. For example, a method that only assesses short-term results without taking into account other test cases such as the level of product quality, customer satisfaction and system reliability. This situation can occur where workers who carry out their duties well but other workers who perform poorly will be given more recognition.

Employee resistance in company management also needs to be taken into account seriously in the Performance Management System. Critical analysis needs to be done to find some issues that arise during the implementation of the Performance Management System by finding a fair and efficient approach to resolve them. Therefore, the measurement process, assessment techniques, interaction between management and employees need to be considered in overcoming these problems. This means that the company will be able to implement a stronger performance management system that increases efficiency and makes the assessment of performance fairness more realistic.

In addition, by implementing an effective and fair Performance Management System, the company also gets a significant contribution in improving the company's operations effectively and efficiently. Thus, the company can be more competitive in the global market and further improve customer satisfaction and overall organizational performance. The implementation of a good Performance Management System can also increase employee motivation, because employees will feel that their achievements are appreciated and considered fairly. This can increase productivity and work quality, so that the company can achieve its strategic

## Critical Analysis of Problems and Solutions in Implementing an Effective and Fair Performance Management System

goals more effectively.

In this context, it is very important to know that an optimal Performance Management System is not only related to technology, but also to the evaluation of human resources which are the basis for achieving the peak of the company's operational performance. In this regard, the company must make it effective that things in the performance management system or called the Performance Management System such as performance measurement, performance appraisal, and employee development can be integrated cohesively as a whole so that the desired company goals can be achieved.

Thus, this study aims to find effective and efficient solutions in overcoming problems related to the implementation of the Performance Management System, so that the company can significantly improve its operational performance and be able to compete competitively in the market.

## II. LITERATURE REVIEW

According to Martocchio (2016; in Mondy & Martocchio, 2016: p. 25), Human Resources are the most important asset in a company without humans the company cannot generate profit or add value to itself. Managers have a big role in directing people in the organization to achieve the expected goals, including thinking about how to have human resource management that is able to work effectively and efficiently. Human resource management is included in the activities of managing human resources through job analysis planning activities, recruitment and selection, training, development, career planning, work performance assessments such as KPIs, and transparent compensation. To face the challenges in the era of globalization like today, especially to realize the dream of the Golden Generation 2045 in Indonesia, where the quality of superior human resources will greatly determine success in competing at the global level. According to Wibowo (2010), Performance management is very beneficial for the company as a whole, managers, and also individuals in the organization. The benefits of performance management include: seeking clarification of performance and behavioral expectations, offering opportunities to use quality time, improving team and individual performance, seeking non-financial rewards for staff, helping low-performing employees, used to develop individuals, supporting leadership, motivation and team development processes, seeking a framework for reviewing performance and compensation levels.

### Performance

Performance is the result of work that has been completed by meeting certain requirements, as stated by experts. In addition, Torang (2014) emphasized that performance includes the quantity and quality of individual or group work results in an organization, which have guidelines on applicable norms and standards. Meanwhile, Moehersono (2012) expressed the opinion that performance is the level of achievement in implementing programs or policies that support the goals and missions of the organization. Overall, performance can be understood as a combination of work results that meet standards and contributions to organizational goals.

According to Bangun (2012), individual employee performance indicators are grouped into five parts, namely:

1. Quality: The measure of quality is measured from the employee's perception of the quality of the work produced and how well the tasks assigned to him are carried out.
2. Quantity: The amount produced, expressed in terms such as the number of units, and the number of activity cycles completed.
3. Timeliness: This assessment is used to measure how timely the employee is in completing his tasks. It is also used to assess the employee's ability to manage time.
4. Number of jobs: Each job has different requirements that require employees to meet these requirements, both in terms of knowledge, skills, and appropriate abilities.
5. Attendance: A certain type of work requires employees to be present in working according to the specified time. Employee performance is determined by the level of employee attendance in doing it. Thus, performance indicators according to Bangun in 2012 include qualitative and quantitative evaluations of work results, including aspects of punctuality and attendance that are critical to achieving company goals.

According to Pabundu (Fauzi, 2019:73), the factors that influence a person's performance consist of internal and external factors. Internal factors that influence employee performance such as skills, intelligence, emotional stability, motivation, role perception, family conditions, a person's physical condition and characteristics of the work group and others. For external factors that influence employee performance such as employment regulations, customer desires, competitors, social values, bad, economic conditions, changes in work location and market conditions. In addition, according to Wirawan in (Fauzi, 2019:73), employee performance is the result of synergy from a number of factors, including:

1. Internal employee factors, factors within the employee which are innate factors from birth and factors acquired when he/she develops such as talent, personal nature, physical and mental condition. Meanwhile, factors acquired such as knowledge, skills,

## Critical Analysis of Problems and Solutions in Implementing an Effective and Fair Performance Management System

work ethic, work experience and work motivation. After being influenced by the internal environment of the organization and external environmental factors, these internal environmental factors will affect employee performance. So it can be assumed that the higher the internal factors, the higher the employee's performance. Conversely, the lower the factors, the lower the performance.

2. Internal organizational environmental factors, in carrying out their roles in a company, employees need support from the company where they work. This support greatly affects the high and low performance of employees, for example organizational strategy, support for resources needed to carry out work and management and compensation systems. Therefore, organizational management must create a positive and conducive internal organizational environment so that it can support and increase employee productivity.
3. External organizational environmental factors, external environmental factors of the organization that affect employees such as events, circumstances, or situations that occur in the external environment of the organization that affect employee performance. Community culture is also an external factor that affects employee performance. For example, *alon-alon asal kelakon* and *mangan ora mangan asal kumpul* affect the performance of Indonesian people.

Additional income (compensation) is a form of motivation for employees to work and competence which is indeed a requirement in working has a positive influence on employee performance (Fauzi, 2019:74).

According to Sugandha (2019) aspects of employee performance are such as employee discipline, employee compliance in carrying out instructions from leaders, working with a team, and their leaders well and their ability to carry out their performance. According to Srisinto (2018) aspects of employee performance include: quality of work, quantity of work, ability to work alone, understanding, job recognition and problem solving ability.

Based on the conclusion above, employee performance includes the following elements: quantity, quality, and work results; employee performance discipline includes accuracy in carrying out tasks and how individuals complete their work according to the specified time.

### Communication

The origin of the word communication comes from the Latin word *communicatio*, and comes from the word *communis* which means the same. What is meant by Same here is the same meaning. Something that is in line is also stated by Hafied Cangara, communication is based on the Latin word *communis* which means to create togetherness or build togetherness between two or more people. In general, communication can be interpreted as the process of conveying information, messages, or ideas from one party to another. This process involves the sender (communicator), the message delivered, the communication channel, and the recipient (communicant). Communication can be done verbally or nonverbally, and is an important aspect in human social interaction. According to the Big Indonesian Dictionary (KBBI), communication is the process of sending and receiving messages so that the message can be understood.

One of the most important and complex aspects of human existence is communication. Human interaction with other people, both those they know and those they do not know, has a significant impact on them. Because communication is very important for human existence, we must pay close attention to it. Literally, communication experts provide a definition of communication according to their respective perspectives and opinions. The following can be seen below:

1. According to Wood (2016), Communication is the exchange of messages and understanding between the sender and recipient through various codes and communication channels.
2. Mortensen (2020), Communication is the process of sending and receiving messages between individuals or groups through symbols that are understood by both parties.
3. DeVito (2021), States that communication is the sending of messages that aims to achieve understanding and influence between the parties involved.

Communication is not only about conveying information, but also about creating a common understanding between the sender and the recipient. Thus, effective communication is essential to building harmonious relationships in various social and professional contexts.

Communication has various functions that are very important in everyday life, both in personal and professional contexts. One of the main functions of communication is to achieve understanding, where the sender and recipient can clearly understand each other's message content. In addition, communication also functions to convey ideas and emotions, allowing individuals to express their ideas and feelings, thereby strengthening interpersonal relationships. In the context of groups or organizations, communication plays an important role in solving problems, improving coordination, and encouraging growth through effective collaboration. According to Nofrion (2018) in Rudolf F. Verderber in a book entitled "Educational Communication: Application of Communication Theory and Concepts in Learning (2016)", communication has 2 functions, namely:

## Critical Analysis of Problems and Solutions in Implementing an Effective and Fair Performance Management System

1. Social function, for the purpose of pleasure, showing bonds with others, building, and maintaining relationships.
2. Decision-making function, deciding whether or not to do something at a certain time such as what to eat today, going to college or not, going to the office or skipping school.

There are other opinions related to the function of communication such as in the opinion of Judy C. Pearson and Paul E. Nelson (2011). In the opinion of Judy C. Pearson and Paul E. Nelson, the function of communication is divided into 2, namely:

1. For self-survival which includes: physical safety, increasing personal awareness, presenting ourselves to others, and achieving personal ambitions.
2. For the survival of society, specifically to improve social relations and develop the existence of a society.

The conclusion of the discussion regarding the function of communication is that communication plays a very important role in everyday life, both in personal and professional contexts. The main function of communication includes achieving understanding between sender and receiver, as well as conveying ideas and emotions that strengthen interpersonal relationships. In the context of a group or organization, communication functions to solve problems, improve coordination, and encourage growth through effective collaboration.

Communication also has several different types, each with different characteristics and purposes, which allow individuals and groups to interact, convey information, and build social relationships in various contexts of everyday life. According to Pohan, D. D., & Fitria, U. S. (2021), communication is divided into 2, namely:

1. Verbal communication, this type of communication involves the use of words, both verbally and in writing, to convey messages between individuals.
2. Nonverbal communication, a form of communication that does not use words to convey messages. In this context, nonverbal communication includes various elements such as facial expressions, body movements, gestures, and eye contact.

Verbal and nonverbal communication are fundamental in various life contexts, enabling the transmission of accurate information and facilitating harmonious social interactions. By understanding these two types of communication, individuals can improve their communication skills and improve relationships with others.

In her book entitled "Interpersonal Communication" Wood, Julia T emphasizes the importance of interpersonal interaction in improving performance. Effective communication between superiors and subordinates can increase employee motivation, trust, and engagement.

According to Nainggolan, C.D., & Kuntadi, C. (2023), building transparency and openness in internal and external communication is a top priority for managers who want to improve organizational effectiveness and improve professional organizations. According to Cyrions, & Adriana, E. (2023), In order to improve effective communication and employee performance, it is important for organizations to pay attention to and facilitate upward, downward, and horizontal communication. As for the opinion of other experts from Rozi, Achmad, (2020), the influence of effective communication on employee performance in a company, which concluded that there is a significant influence of effective communication on employee performance.

In addition, fair and transparent performance management practices are also important to ensure that performance evaluations are carried out objectively and fairly. Thus, effective and fair performance management focuses not only on the end result, but also on the processes that support employee professional development and job satisfaction. This process involves good communication, high motivation, career development opportunities, and transparent and fair evaluations.

### Leadership

The definition of leadership comes from the practice of persuading and guiding people or groups to achieve common goals in an organization. In this sense, leadership is more about having the ability to inspire, encourage, and guide others than about having a title or position. According to Edi Sutrisno (2016) leadership style is a process of a person's activities to move others by leading, influencing, guiding others to do something in order to achieve the expected performance results. Leadership style also refers to the way a leader carries out his role in leading and influencing others to achieve organizational goals.

Here are some expert opinions regarding leadership. The following are the opinions of experts regarding leadership:

1. According to George R. Terry in Sagala (2018:57) is a relationship that exists within a person or leader, the activity of influencing people to work together consciously in a task relationship, trying to achieve group goals voluntarily.
2. Handoko (2014:292) argues that leadership is the ability that a person has to influence other people to work to achieve goals and objectives. Meanwhile, leadership according to
3. Badu and Djafri (2017:33) is an effort to influence others by providing encouragement and guidance in working together to pursue mutually agreed goals.

Based on the opinions expressed by the experts above, it can be concluded that leadership is an activity to influence the

## Critical Analysis of Problems and Solutions in Implementing an Effective and Fair Performance Management System

behavior of individuals or groups to carry out a goal so that it is hoped that the desired goal can be achieved. Leadership can occur when someone can influence their followers without any coercion. Leaders are people who are able to carry out their leadership including, guiding, and training their followers. Leadership indicators are important elements used to assess the effectiveness of a leader in an organization. The right leadership style can guide and motivate employees as stated in Madyarti (2021).

According to Schermerhorn in Edison (2016), this leadership dimension consists of the following things:

1. Having a clear and well-communicated strategy
2. Concern for members and the environment
3. Stimulating members to improve competence
4. Maintaining team member cohesion.
5. Respecting differences and beliefs.
  1. According to Kartono (2013), the leadership indicators include the following:
  2. Analytical ability: The ability to analyze the situation faced carefully, maturely, and steadily is a prerequisite for the success of one's leadership.
  3. Communication skills: In giving orders, instructions, guidelines, advice, a leader must master communication techniques.
  4. Courage: The higher a person's position in the organization, the greater the courage he needs to have in carrying out tasks.
  5. Listening ability: Being able to listen to the opinions of subordinates so that subordinates are not only given tasks but also listen to what their subordinates think.

1. Firmness: Firmness in dealing with subordinates and facing uncertainty is very important for a leader.

From several indicators above, it can be concluded that leadership must take into account the feelings of its subordinates and take into account the job satisfaction of subordinates in completing the tasks entrusted to its subordinates.

According to P. Pigors (1935), the definition of leadership is the process of encouraging and encouraging through successful interactions of individual differences, controlling one's strengths in pursuing common goals. According to Kristianti, P., & Loisa, R. (2021), the value of Family Impact Teamwork to members as a reference for acting in the community, and this value is very important in the Organization because the organization does business with humans. According to Tharyn, S., & Turangan, J. A. (2024), transformational leadership and compensation have a positive and significant effect on employee job satisfaction. According to Nugroho, D., Aldawiyah, S. R., Auliansyah, P. D., Hidayat, S., Regina, R., & Nabila, S. (2024), Leadership itself is used to bridge an individual or an organizational group in achieving its goals.

It can be concluded that effective and fair leadership is very important in improving employee and organizational performance. With a supportive, transparent, and fair leadership style, leaders can increase employee motivation, job satisfaction, and commitment, thereby improving overall performance.

### III. METHODS

According to Silaen (2018), defining research design as the entire process required in planning and implementing research. This includes the methods and procedures that must be followed to achieve research objectives. In descriptive research, it is categorized into cross-sectional and longitudinal. This study uses cross-sectional because it involves collecting information only once from a certain sample (Malhotra, 2010). For its approach, it uses a qualitative approach because, Qualitative research prioritizes observing phenomena and understanding the substance of the meaning of the phenomenon. This allows researchers to explain and analyze individual or group phenomena, events, social dynamics, attitudes, beliefs, and perceptions in more depth.

Based on Malhotra's explanation (2010), (1993: in Aritonang R., 2007: p. 95) there are eight variables that need to be considered in deciding the population or sample such as budget, population size, characteristic variance, costs of sampling errors, costs of non-sampling errors, measurement properties, and attention to individual cases. In this study, the population used as the subject of the study were employees at a company in Jabodetabek with full-time and part-time job contracts. According to Sugiyono (2018), sampling techniques are categorized into two types of sampling techniques, namely probability sampling and non-probability sampling. In this study, the sampling technique used was non-probability sampling. In the non-probability sampling technique, not all individuals have the same opportunity to be sampled. According to Malhotra (2010), the non-probability sampling method can produce good estimates of population characteristics. For this type of research sampling, the purpose sampling technique is used, where the research sampling technique uses a non-probability sampling technique where the research sample is limited, where the source of this research sample is only carried out in one company. The sample used in this study is an active employee who is still working in a company including full-time and part-time employees. For the data analysis technique in this study using text, observation, and interviews with sources so that with things like those mentioned, it can make it easier for researchers to determine the suitability of a company for employees to work.



## Critical Analysis of Problems and Solutions in Implementing an Effective and Fair Performance Management System

For the sample size of this study, it was obtained from employee welfare data from an in-depth interview with one of the trusted sources who is still actively working in the company so that with the interview with the source, this research becomes more accurate.

### Data Analysis Techniques

In this study, the data analysis technique used was descriptive qualitative research data analysis techniques. This data analysis technique focuses on an in-depth understanding of the phenomenon being studied through systematic data collection and interpretation. In this data collection process, it begins with data transcription from interviews, observations, or relevant documents. In the next stage, researchers code to identify key themes, categories, and patterns that emerge from the data. Techniques such as thematic analysis are also used to group information based on similarities and differences, so that this can make it easier for researchers to draw conclusions. In addition, data triangulation can be applied to increase the validity of findings by comparing information from various validated sources. The results of this analysis are then presented in the form of a narrative that describes the context and meaning of the research subject's experience, providing richer and deeper insights into the issue being studied.

Qualitative data analysis often uses descriptions of results. This technology does not focus on numbers; instead, this study focuses on explaining the topic, the underlying factors, and the reasons behind it. Again, like qualitative research methods, the purpose of data analysis is to study a phenomenon as a whole. This method is highly recommended for research whose data is descriptive or asks questions related to social phenomena, human behavior, and things that cannot be measured numerically. This study uses internal validity (credibility). Internal validity is related to the extent to which the independent variable causes changes in the dependent variable. Efforts to control internal validity include identifying and excluding as many internal validity treatments as possible, such as interaction, history, maturation, and testing.

## IV. RESULTS

The subjects of this study were several trusted sources who worked at a company called PT. Sinar Kurnia Manggala. In the study, subjects were asked questions about the environmental conditions of their workplace. According to Iwan Satibi, the definition of the object in the study includes the process of mapping the study area and the target of the study. The explanation given is very comprehensive. Moreover, in practice in the field, the object of research does not only involve individuals in a community. However, it also includes all elements that influence the object of the study. For example, the condition of the surrounding environment, the economic aspects of the community, and other factors that are in accordance with the needs of the research. The object of this research is a company that distributes various types of iron in Jabodetabek. The products supplied include, Plate, Elbow, UNP, CNP, Pipe, Bordes Plate, Strip Plate, WF, HBeam, Reinforced Concrete, Assentaal, Hollow, Wiremesh, and so on.

In purchasing products provided at PT. Sinar Kurnia Manggala Every need will be fulfilled with products according to request or several alternatives along with explanations, so that buyers can choose according to their needs. We make sure to provide the best price and no less important is fast delivery according to the wishes of our buyers. This study analyzes efforts to understand the important role in realizing effective and fair Performance Management in the context of improving the performance of an iron supplier company that has a direct impact on the company's performance. Through this study, it is expected to find efficient strategies in managing human resources that can make a significant contribution to improving the quality of service in iron supplier companies. The indicators used to answer the problem formulation are as follows:

### Performance

Performance is a term often used to describe the results of a person or group's work in carrying out the tasks and responsibilities given. In general, performance includes two main aspects: the quality and quantity of work results. This means that performance is not only measured by how much work is completed, but also how well the work is done. In general, performance involves two important aspects: the quality and quantity of work results. Quality means how well the work is done, namely whether the work is correct, accurate, and satisfactory. While quantity means how much work is successfully completed in a certain time. This means that performance is not only about how much work is completed, but also about how well the work is done. For example, when we work hard in a short time, but the results are not perfect. Or, suppose you work slowly, but the results are very good. In the first case, the quantity is high, but the quality is low; in the second case, the quantity is low, but the quality is high. Therefore, it is important to understand that the two aspects complement each other. High-quality work results but in small quantities may not be enough to meet the expectations or targets set. Vice versa—a lot of work results but low quality will not provide added value to individuals or organizations. Therefore, performance appraisals must consider the balance between quality and quantity in order to provide a more comprehensive picture of the effectiveness of an individual or team's

## Critical Analysis of Problems and Solutions in Implementing an Effective and Fair Performance Management System

work.

With a deeper understanding of performance, we can improve ourselves and increase productivity in various areas of life. Employee performance at PT. Sinar Kurnia Manggala is usually assessed periodically to see how well they achieve targets, provide services, and contribute to the company's effectiveness in providing the best service to each customer. The success of employee assessments can be seen from their improved performance. Good work quality greatly helps the company in achieving its stated goals.

The responses to the interview conducted with Human Resources Development regarding work quality.

"By implementing stricter quality control, our company has succeeded in ensuring that the raw materials received are always in the best condition. This not only reduces the number of defective products, but also increases overall production results. Employees are also proud because they can produce high-quality products" (LAS interview results. Thursday, November 14, 2024).

From the interview results, it was found that the company implements strict quality control to ensure that raw materials are in the best condition, which has a positive impact on reducing defective products and increasing production results.

"For employees here, we will evaluate their performance using KPIs. The goal is none other than so that they can optimize their strengths and reduce their weaknesses. I also always identify their problems and provide further training or development. By using KPIs, the company can ensure that the goals set can be measured objectively and in a targeted manner. " (LAS interview results. Thursday, November 14, 2024).

In addition, employee performance evaluations are carried out by providing input and suggestions to optimize strengths and reduce weaknesses, accompanied by problem identification and further training. This creates a work environment that supports employee development and produces high-quality products.

As for the response from human resources development regarding conflict in the world of work

"From my experience working here, conflict can arise due to differences of opinion and misunderstandings. For us, the best way to reduce conflict is by listening to all parties involved and finding mutually beneficial solutions. In our company, I once faced a situation where two departments had different views on project priorities. I facilitated a meeting between the two teams to discuss the issue openly. As a result, we not only resolved the conflict but also found new ways to collaborate more effectively in the future" (Results of LAS interview. Thursday, November 14, 2024).

Here are the responses from other employees who work in the field of Head of Sales Admin after a joint interview session regarding work evaluation.

"The performance evaluation standards here are quite fair and when the evaluation was carried out with HRD, I became more enthusiastic about improving the quality of service to PT. Sinar Kurnia Manggala customers" (Results of D. Interview. Thursday, November 14, 2024)

Response the same is also glorified by one of the purchasing

"For me, the performance evaluation standards have been running well, I am also satisfied with the standards given" (Interview results D. Thursday, November 14, 2024)

From the results of the interviews conducted and the information obtained regarding performance assessments at PT. Sinar Kurnia Manggala, it can be said to be good and a reference for improving employee performance. From interviews with several sources, it is known that performance assessments include evaluations of work quality and the ability to provide services to customers, such as in the field of customer service and also how well a company makes effective and fair management policies for its employees so that they can create a safe and comfortable environment for work.

### Communication

Communication is a very important process in human life. It is a way for someone to convey a message or information to others, so that the message can be understood. Communication can be done in various ways, from oral conversation to body gestures that do not require words.

Imagine when you want to tell your friend about tonight's event. You don't just use words; You also use facial expressions, body position, and tone of voice to make sure he or she understands. That is communication—a complex yet essential process in interacting with others. In addition, communication can also be divided into several types, such as formal and informal communication, verbal and non-verbal communication, and direct and indirect communication. Each type has its own way of conveying messages, but all aim to achieve the same awareness and understanding between the communicator and the communication.

In everyday life, communication is not only about conveying information; it is also about building relationships, solving problems, and influencing the behavior of others. Therefore, good communication skills are essential to achieving success in various areas of life.

## Critical Analysis of Problems and Solutions in Implementing an Effective and Fair Performance Management System

At PT. Sinar Kurnia Manggala, communication plays a very important role in managing Human Resources (HR). Good communication not only helps all processes run smoothly, but also contributes to employee development and the achievement of company goals. From the results of the interview with Human Resources Development regarding communication, here are HRD's responses regarding communication effectiveness.

"Effective communication in the workplace means conveying information clearly and accurately, and ensuring that all parties involved understand the message being conveyed. This involves the ability to listen actively, provide constructive feedback, and adjust the communication style according to who the person is. Good communication is essential to increasing the collaboration and productivity of the team that is needed" (LAS interview results. Thursday, November 14, 2024).

Another response about overcoming communication problems between departments from the results of the interview with HRD.

"In Us When we want to discuss ongoing projects, we often hold regular meetings between departments to ensure that all parties have the same understanding. In addition, we use communication tools such as email and WhatsApp to facilitate the flow of information to be better. If there is miscommunication, we immediately evaluate to understand the cause and find a solution" (Results of LAS interview. Thursday, November 14, 2024).

The response from the Purchasing department regarding communication from the results of the interview conducted.

"Communication between the purchasing team and other departments is quite good. We often interact with the Admin and HRD teams to ensure that all needs can be met. We use various communication channels, such as email, weekly meetings, and instant messaging applications to keep everyone informed" (Results of interview D. Thursday, November 14, 2024).

The response from one of the purchasing regarding communication in the workplace.

"I, as a purchasing team, feel that communication in this office is quite good" (Results of interview H. Thursday, November 14, 2024).

The response from the supporting informant as a driver regarding performance at PT. Sinar Kurnia Manggala.

"My relationship with my workplace is going well. Management and I often discuss delivery routes to improve delivery efficiency. Management also supports us by listening to our input as drivers regarding the work process" (Interview result Y. Thursday, November 14, 2024).

From the interview results, effective communication is a crucial element in creating a productive and harmonious work environment. Overall, good communication in the workplace not only facilitates operational processes but also contributes to employee development and the achievement of organizational goals.

### Leadership

Leadership is a broad and complex concept, involving a person's ability to influence, motivate, and direct others towards achieving common goals. In many ways, leadership is not just a position or title, but more about how a person is able to inspire and guide their team.

In simple terms, leadership can be defined as the process by which an individual influences others to work together to achieve a particular goal. This includes various aspects such as effective communication, empathy, and the ability to make wise decisions. A good leader not only gives orders, but also listens and understands the needs and potential of his team members.

The HRD response regarding the leadership style carried out from the interview results.

"The leadership style in our place uses a Democratic and Visionary leadership style. Democratic here means how a leader sees involving all members of his team in making and decisions" (LAS interview results, Thursday, November 14, 2024)".

Overall, a democratic leadership style is very effective in creating a solid and productive team. By listening to the voices of all members, leaders can harness the best potential of each person on the team.

"With a Visionary leadership style, we also have a clear vision of the future and strive to realize it in an inspiring and innovative way" (LAS interview results, Thursday, November 14, 2024)".

Overall, the leadership style is important to have and communicate a clear vision for the future of the company. With a clear vision, With a clear vision, each team member can understand the direction and long-term goals that the organization wants to achieve. This not only provides guidance in daily decision-making, but also creates motivation and enthusiasm for employees to give their best.

As for human resources development related to the effectiveness of using 2 democratic and visionary leadership styles.

"For the leadership style applied in this office, it has been quite effective in improving team performance and creating a positive work atmosphere." (Interview results H, Thursday, November 14, 2024)".

Another response as purchasing in assessing the effectiveness of the leadership style



## Critical Analysis of Problems and Solutions in Implementing an Effective and Fair Performance Management System

"The leadership style applied in this office is quite effective, especially since management is willing to listen to input from its subordinates" (Interview results D, Thursday, November 14, 2024)".

The results of the interviews conducted that Leadership is a complex process that involves a person's ability to influence and motivate others towards achieving common goals. An effective leader not only directs, but also inspires, listens, and understands the needs of his team. In this context, democratic and visionary leadership styles are very important. The democratic style encourages active participation from all team members in decision making, creating a collaborative and productive work environment. Meanwhile, the visionary style provides a clear direction about the future, encouraging innovation and inspiration in achieving long-term goals. The combination of these two styles can maximize team potential and ensure organizational success.

## V. CONCLUSION AND SUGGESTIONS

The conclusion of the research conducted in identifying various complex challenges faced by companies in the era of globalization, the implementation of an effective and fair Performance Management System is a very important part. This not only serves to improve operational efficiency and performance, but also to create a more transparent work atmosphere and motivate employees to give their best performance. Thus, this can reduce resistance to change and increase employee participation and awareness of company goals, which will ultimately contribute to the achievement of the organization's overall strategic goals, including increasing customer satisfaction and competitiveness in the market.

The company is expected to continue to maintain and improve its Human Resource Management by providing more intensive coaching for its employees so that it can be expected to create effective and fair management. Further researchers are advised to dig deeper into the influence of organizational culture on the implementation of the Performance Management System (SMK). With more in-depth research, it is hoped that it can provide a better understanding of how effective SMK is in improving employee performance and satisfaction.

## ACKNOWLEDGMENTS

We would like to thank profusely to the Journal of Economics, Finance and Management Studies which has given the author the opportunity to participate in the publication of this journal. We are also grateful to colleagues who have always provided guidance, insight and expertise that have been very helpful in this research. We would like to thank all those who have given us the opportunity to participate in the research that led to the publication of this journal.

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## Critical Analysis of Problems and Solutions in Implementing an Effective and Fair Performance Management System

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