

Analysis of Objective Performance Assessment on the Development of ISS Indonesia Employee Competency in the Eka BSD Area

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Abstract

Human resources are a critical factor in organizational success. Objective performance appraisal is needed to provide an accurate picture of employee performance and competency development needs. This study aims to analyze the implementation of objective performance appraisal, its role in employee competency development, and the challenges and improvement efforts at PT ISS Indonesia, Eka BSD Area. The study employed a qualitative approach with a descriptive method. Data were collected through semi-structured interviews, observation, and documentation involving seven informants consisting of five supporting informants and two triangulation informants. Data were analyzed through data collection, reduction, display, and conclusion drawing, supported by *pengelompokan data* berdasarkan tema for qualitative data management and source triangulation for data validity. The findings show that performance appraisal has been conducted periodically using indicators such as discipline, responsibility, work quality, compliance with standard operating procedures, teamwork, and target achievement. The appraisal process helps identify employees' strengths and weaknesses and serves as a basis for guidance, coaching, training, briefings, and career development. Competencies perceived to improve include job knowledge, technical skills, discipline, responsibility, communication, teamwork, and service professionalism. The main challenges are differences in employees' understanding of appraisal indicators, uneven feedback, inconsistent implementation among supervisors, and suboptimal follow-up competency development. Therefore, the company needs to strengthen transparency, standardize appraisal practices, provide regular feedback, and align competency development programs with appraisal results.

Keywords: Objective Performance Appraisal; Competency Development; Human Resources; Performance Evaluation.

INTRODUCTION

Human resources are among the most important organizational assets for achieving objectives and maintaining business sustainability. Amid increasingly competitive business conditions, organizations are required to have employees who are qualified, competent, and able to adapt to change. Effective human resource management is therefore an important component of organizational productivity and competitiveness (Armstrong & Taylor, 2020; Dessler, 2020).

Performance appraisal is one of the human resource management instruments used to assess work achievement against predetermined standards and indicators. Appraisal results can support evaluation,

rewards, promotion, training, and career development. Hasibuan (2021) explains that performance is related to work results achieved through ability, experience, effort, and time, while Mangkunegara (2022) emphasizes work quality and quantity, responsibility, cooperation, and initiative as relevant dimensions of employee performance. In performance management literature, appraisal is also understood as part of a broader process of setting expectations, monitoring performance, providing feedback, and supporting improvement (Aguinis, 2022; DeNisi & Murphy, 2017).

Objectivity is an important element of performance appraisal because evaluation results should reflect actual work conditions. Objective appraisal requires clear, measurable,

consistent, transparent indicators and procedures that minimize personal bias. Aguinis (2022) places clear standards, accountable measurement, and consistency at the center of effective performance management. Armstrong and Taylor (2020) likewise emphasize the importance of evidence-based performance management and feedback. Conversely, appraisal perceived as subjective may reduce employee acceptance and weaken the developmental function of the appraisal process.

Employee competence includes the knowledge, skills, abilities, and attitudes required to perform work effectively. Noe et al. (2021) position knowledge and skills as important components of employee capability that can be developed through experience and learning programs. Dessler (2020) also emphasizes training and development as important HR practices for improving employee capability. Therefore, performance appraisal and competency development are closely connected: appraisal results can help identify capability gaps and determine appropriate development interventions (Armstrong & Taylor, 2020; Noe et al., 2021).

PT ISS Indonesia is a facility service management company providing operational support services, including cleaning service, security, technical service, and other supporting services. In the Eka BSD Area, service quality depends strongly on employee competence because employees directly perform operational activities. The company has implemented performance appraisal using several indicators, including discipline, responsibility, work quality, teamwork, compliance with standard operating procedures (SOP), and target achievement. This context makes objective appraisal particularly important because service performance is closely related to employee behavior and work standards (Robbins & Judge, 2019; Mathis et al., 2017).

Initial observations and preliminary survey data in this study indicated that some employees gave less positive assessments of the objectivity and transparency of the evaluation system. These initial findings were reinforced by interviews indicating differences in understanding of appraisal indicators, uneven feedback, and a need to optimize competency development programs based on evaluation results. The condition suggests that the existence of appraisal procedures alone is

insufficient when employees do not have a consistent understanding of the standards and follow-up process.

Previous studies have examined employee development through training and work experience as well as performance evaluation. Adriana and Astria (2024) examined job training in improving employee performance using a qualitative approach, whereas Kurniawan and Susanto (2021) examined the relationship between training, work experience, and employee performance at PT ISS Indonesia using a quantitative approach. Muttaqijn et al. (2023) examined an employee performance evaluation system based on Management by Objectives. International literature also highlights the importance of performance management systems, feedback, and employee development (Pulakos, 2009; Aguinis et al., 2013; DeNisi & Murphy, 2017). Nevertheless, limited attention has been given to how employees and supervisors experience objective appraisal and connect its results with competency development in a facility service setting. This study addresses that contextual gap.

Based on the foregoing, this study aims to: (1) analyze the implementation of objective performance appraisal among employees of PT ISS Indonesia, Eka BSD Area; (2) analyze the role of objective performance appraisal in supporting employee competency development; and (3) identify challenges and improvement efforts in implementing objective performance appraisal.

METHOD

This study employed a qualitative approach with a descriptive method to obtain an in-depth understanding of objective performance appraisal and its role in employee competency development. The research was conducted at PT ISS Indonesia, Eka BSD Area, South Tangerang, in stages from March to August 2026. The research location had 112 employees; this figure represents the organizational population context rather than a statistical sample. Informants were selected purposively based on their involvement in performance appraisal and employee development. Seven informants participated: five supporting informants representing Cleaning Service, Technician, Security, Supervisor, and Manager roles, and two triangulation informants consisting of an

Account Manager and Head of General Affairs. The design follows qualitative inquiry principles emphasizing contextual understanding and information-rich participants (Creswell & Poth, 2018; Sugiyono, 2019).

Data were collected through observation, semi-structured interviews, and documentation. Observation focused on the implementation of duties and responsibilities in cleaning service, technical, and security areas and on interactions between supervisors and employees during appraisal. Semi-structured interviews were conducted with five supporting informants to explore their experiences and understanding of performance appraisal and competency development, while two triangulation informants were interviewed to cross-check the findings. Documentation was used to complement interview and observation evidence. Data collection and triangulation followed established qualitative research principles (Creswell & Poth, 2018; Guest et al., 2012).

Data were analyzed manually through thematic coding. First, interview data,

observation notes, and documents were collected and transcribed or summarized according to source. Second, the researcher reduced the data by selecting information relevant to the three research focuses: objective performance appraisal, the role of appraisal in competency development, and challenges and improvement efforts. Third, relevant segments were coded manually and grouped into categories and themes. Fourth, themes were compared across supporting and triangulation informants to identify convergence and differences. Finally, conclusions were drawn by interpreting recurring patterns and checking them against the available evidence. The analytical process was informed by Miles et al. (2014) and Braun and Clarke (2021). Source triangulation was used to strengthen credibility, while the researcher avoided statistical causal claims because the study was qualitative.

RESULTS AND DISCUSSION

Results

Synthesis of Findings

Table 1. Synthesis of Findings

No	Aspect	Main Finding	Implication
1	Implementation	Appraisal uses indicators of discipline, attendance, work quality, responsibility, communication, targets, teamwork, and SOP compliance. Appraisal is based on work results, field observation, and supervisor reports.	Objectivity is supported by indicators and work evidence, but understanding of the appraisal mechanism needs strengthening.
2	Competency development	Evaluation results are used for guidance, coaching, briefings, training, monitoring, and follow-up according to informant findings.	Appraisal can provide information for identifying employee development needs.
3	Challenges	Themes reported by some informants include differences in understanding indicators, the need for stronger feedback, variations in supervisor coaching, and suboptimal development follow-up.	Communication, consistency, feedback, and follow-up need to be strengthened.
4	Recommendations	Socialization of indicators, standardized guidelines, feedback after evaluation, and development based on appraisal results.	Recommendations are directed at improving traceability and the usefulness of evaluation results without claiming unverified practices.

Based on interviews, observation, and documentation involving seven informants, the findings were organized into four main themes corresponding to the research objectives: implementation of objective performance appraisal, the role of appraisal in competency development, challenges in implementation, and recommended improvement efforts.

Implementation of Objective Performance Appraisal

The interviews showed that performance appraisal at PT ISS Indonesia, Eka BSD Area, refers to job duties, responsibilities, and SOPs. Management informants identified discipline, attendance, work quality,

responsibility, communication, and target achievement as appraisal indicators; supporting informants also identified teamwork and SOP compliance. All five supporting informants and the two triangulation informants described appraisal as being based on actual work results, field observations, and supervisor reports. This indicates that appraisal is not based solely on personal impressions but uses observable work evidence.

Regarding transparency, the five supporting informants stated that evaluation results are generally communicated through briefings, supervisor explanations, or work evaluations. The two triangulation informants likewise explained that communication occurs through briefings, evaluations, and coaching. Thus, the findings do not indicate that appraisal results are never communicated. Rather, the issue is the lack of uniform understanding of appraisal mechanisms and how results should be followed up. This distinction is important for interpreting objectivity fairly.

The Role of Performance Appraisal in Competency Development

The findings indicate that performance appraisal serves as one source of information for supervisors to identify employee capabilities and areas requiring improvement. The five supporting informants described improvements in work capability during employment, while management informants explained the role of supervision, evaluation, coaching, and motivation in supporting competency development. Development support was found through briefings and training; the technician informant specifically mentioned technical training, while other informants referred to guidance and monitoring.

The findings indicate that evaluation results are used primarily as a basis for guidance, coaching, and work capability development. This study did not quantitatively measure competency improvement; therefore, statements about competency improvement are interpreted as informants' experiences and perceptions supported by triangulation, rather than as statistically tested causal relationships.

Challenges in Implementing Objective Performance Appraisal

The challenge theme emerged from some informants and is not intended to be generalized to all 112 employees. Identified

challenges include differences in understanding appraisal indicators, the need for stronger feedback, variations in supervisor coaching practices, and the need for more continuous competency development. These findings indicate that indicators and procedures alone are insufficient when understanding, communication, and follow-up are inconsistent.

Improvement Efforts

Improvement efforts in this study are presented as recommendations based on the findings, rather than as practices claimed to have already been implemented by the company. The recommendations include strengthening indicator socialization, standardizing appraisal guidelines among supervisors, providing feedback after evaluation, and using appraisal results to determine needs for training, coaching, briefings, or employee development. Recommendations concerning digital documentation were not included because the study did not provide sufficient empirical evidence that such a system was already required or practiced.

Discussion

The findings show that appraisal objectivity at PT ISS Indonesia, Eka BSD Area, is supported by the use of indicators and observable work evidence. Discipline, attendance, work quality, responsibility, communication, target achievement, SOP compliance, and teamwork help direct appraisal toward employee behavior and work results rather than solely toward the evaluator's personal impression.

This is consistent with Aguinis (2022), who emphasizes clear indicators, consistent measurement, transparency, and accountability in effective performance management. It is also consistent with Armstrong and Taylor (2020), who emphasize evidence-based performance management and the importance of feedback.

The finding concerning communication of results should also be interpreted proportionally. The five supporting informants and two triangulation informants stated that evaluation results can be communicated through briefings, work evaluations, and coaching. Therefore, the issue is not the complete absence of communication, but the need to make employees' understanding of indicators and the follow-up of evaluation results more consistent. This supports the view

that performance management should be an ongoing process involving expectations, monitoring, feedback, and development rather than a one-time administrative appraisal (Aguinis et al., 2013; Pulakos, 2009).

Regarding competency development, the study shows that evaluation is used as information for guidance, coaching, briefings, training, monitoring, and follow-up. This is consistent with Noe et al. (2021), who explain that employee knowledge and skills can be developed through learning and work experience. The similarity lies in the importance of learning processes for capability development. The contribution of this study is to show the position of performance appraisal as an information source for identifying development needs in a facility service context. Dessler (2020) and Armstrong and Taylor (2020) similarly place training, development, and feedback within the broader HRM process.

Comparison with Adriana and Astria (2024) should be limited to training and employee development. Their study focused on job training and employee performance in a food and beverage business, whereas the present study focuses on objective performance appraisal and the use of evaluation results for competency development in a facility service company. Kurniawan and Susanto (2021) examined training and work experience in relation to employee performance at PT ISS Indonesia using a quantitative design, while this study uses a qualitative design to understand employees' and supervisors' experiences of appraisal. The difference in design and focus means that the present findings complement rather than replicate those studies.

Muttaqijn et al. (2023) showed that a performance evaluation system based on Management by Objectives can be strengthened through clear evaluation scope and competency development. The present study shares the emphasis on a directed evaluation system but contributes a different contextual perspective by showing that understanding of indicators, communication of results, and development follow-up are important components of perceived objectivity in a facility service organization. The findings are also compatible with DeNisi and Murphy (2017), who describe performance appraisal and performance management as related but broader processes in which feedback and development are important.

The challenges identified were themes emerging from some informants and therefore are not generalized to all 112 employees. Differences in understanding indicators, the need for stronger feedback, variation in supervisor coaching, and incomplete development follow-up suggest that appraisal effectiveness should be viewed as a process rather than as a single measurement event. This interpretation is consistent with Pulakos (2009) and Aguinis et al. (2013), who emphasize continuous performance management and meaningful feedback. Accordingly, the recommendations focus on indicator socialization, standardized guidance, feedback, and development follow-up.

Overall, the findings indicate that performance appraisal plays a role in supporting competency development by providing information about employee capabilities and areas requiring improvement. In this qualitative study, that role is understood from informants' experiences and source triangulation, not as a statistically tested causal effect. The finding therefore supports a contextual interpretation of performance appraisal as an HRM mechanism that can connect performance evidence with employee development needs.

CONCLUSION

First, the implementation of performance appraisal at PT ISS Indonesia, Eka BSD Area, uses indicators related to discipline, attendance, work quality, responsibility, communication, target achievement, SOP compliance, and teamwork. The appraisal refers to actual work results, field observations, and supervisor reports. However, understanding of the appraisal mechanism and the use of evaluation results still need to be strengthened so that objectivity is applied more consistently.

Second, the findings indicate that performance appraisal serves as an information source supporting competency development through guidance, coaching, briefings, training, monitoring, and follow-up. This role is reflected in informants' experiences of improved work capability and management support for employee development. The finding is not interpreted as a statistically tested causal relationship.

Third, challenges reported by some informants include differences in understanding appraisal indicators, the need for stronger feedback, variations in supervisor coaching, and

suboptimal development follow-up. Based on these findings, the study recommends strengthening indicator socialization, standardizing appraisal guidelines, improving feedback, and linking evaluation results with training and coaching needs.

This study is limited to PT ISS Indonesia, Eka BSD Area, and seven purposively selected informants; therefore, the findings are not intended to be generalized to all PT ISS Indonesia employees or other organizations. Future research may expand the informant base and compare performance appraisal practices across several work areas.

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