THE EFFECT OF SELECTION METHOD FOR PERFORMANCE ASSESSMENT ON WORK MOTIVATION OF EMPLOYEE

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ABSTRACT

The performance assessment is one that was used as a benchmark to see performance of employees from the bottom level until management level. Nowadays, we know that many of the methods of performance assessment and each company has a different method to assess its employees and they have own reasons to the method chosen by the company. The purpose of this study was to compare two methods of performance assessment. The first method was conventional assessed by the employer or head of employee and the second with 360 degree method in which one worker was rated by people who work relating to that person. The second objective is to see which one from two methods have a positive effect on work motivation of employees. The research was done in a company engaged in the food manufacture, the amount of sample of 110 respondents was assessed with two methods. The hypotheses of this study as follows: H0: There is no impact of conventional methods to increase employee motivation. H1: 360-degree assessment methods have impact to increase employee motivation. The data from 2 methods in the assessment was tested with Partial Least Square (PLS) methods. The findings in this study is that the conventional method does not give effect to increase work performance of employees. Employees only have 2-way relationship with his superior without trying to establish better cooperation with other teams. Meanwhile, after an assessment of the performance with the 360 degree method, employees have a passion to improve its performance with all those who cooperate with them. From these results, all of hypotheses H0 and H1 accepted.

Keywords: performance appraisal, 360 degree method, konvensional method, work of motivation