



The effect of employee performance assessment on job satisfaction at private university with work motivation as a mediator

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ABSTRACT

Technological developments are one of the factors of competition between companies, where in seeking competition, human resources can be assessed as an asset for the company. Increasing the capacity of human resources is then considered important so that companies can compete. This study aims to examine the effect of performance appraisal on job satisfaction mediated by work motivation. This study uses a quantitative method, where the respondents in this study are lecturers and staff at tertiary institutions. The targeted sample of respondents was 74, but managed to get 96 respondents. The questionnaire used in this study was adopted through previous research and then carried out validity and reliability. The results of this study indicate that the questionnaire used is valid and reliable, then for the effect test it is found that performance appraisal affects job satisfaction directly or through motivational mediation. This research has implications especially in the managerial field that it is important for companies to pay attention to the performance appraisal process to improve the quality and capacity of employees, and most importantly also increase employee motivation and job satisfaction.

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INTRODUCTION

The rapid development of technology raises a lot of potential for competition between companies. In competing there are many things that must be considered by the company, one of which is employees who are considered as one of the company's assets. Employee capacity building is considered as an important factor that enables companies to compete (Coutts & Schneider, 2004). Therefore, companies need to improve the quality of their employee performance through periodic performance appraisals that can be carried out by their direct superiors (Ainnisya & Susilowati, 2018). One way to increase this capacity is in the form of evaluation (Mondy & Mondy, 2014). The application of performance appraisal has been applied in companies for a long time, and researchers

also continue to study, investigate and try to improve the effectiveness of employee performance appraisal (Farr & Levy, 2014)

A good performance appraisal does not only assess the work performed, but identifies and places employees according to their abilities (Wahjono et al., 2016). Performance appraisals that are well structured and implemented by the company can increase satisfaction for employees, where employee satisfaction can be seen from the results of performance appraisals carried out by the company (Al-Jedaia & Mehrez, 2020). Employee satisfaction is an important factor that companies must pay attention to in order to retain employees (Agarwal & Mehta, 2014). In maintaining employee satisfaction, performance appraisal is designed and related to awards that will be given in the form of salary increases or benefits, promotions and bonuses.

Performance appraisal is considered as a form of intervention and is classified as a stimulus to increase employee motivation. Motivation is defined as a stimulus that drives a behavior, which consists of intrinsic motivation and extrinsic motivation (Deci & Ryan, 1985). Employees who have good work motivation will also show good performance so that they will get a good performance appraisal as well, this good performance appraisal will then affect the rewards that will be received. Based on the background of the problem above, the problem formulation is obtained: (1) Is there a significant influence between Performance Appraisal and Work Motivation?; (2) Is there a significant influence between Performance Appraisal and Job Satisfaction?; (3) Is there a significant influence between Performance Appraisal and Job Satisfaction with Work Motivation as a mediator?. The purpose of this study is to investigate and analyze: (1) Identify the relationship between Performance Appraisal factors and Work Motivation; (2) Identify the relationship between Performance Appraisal and Job Satisfaction factors; (3) Identify the relationship between Performance Appraisal and Job Satisfaction with Work Motivation as a mediator.

Performance appraisal is the process of evaluating an employee's current and/or past performance so that a comparison of work standards with performance results is obtained (Dessler, 2020). This requires setting performance standards and assuming that employees receive the necessary training, feedback, and incentives to eliminate performance deficiencies. Performance appraisal involves a three-step performance appraisal process: (1) setting work standards; (2) assess the employee's actual performance against those standards (this usually involves some form of appraisal); (3) provide feedback to employees, to help them eliminate performance deficiencies or continue to work above average.

According to (Dessler, 2020) there are five reasons why it is necessary to do a performance appraisal, (1) Consider managers when making decisions regarding compensation, promotion and retention, especially when evaluating employee performance; (2) Appraisal plays a central role in the employer's performance management process, namely to ensure that each employee's performance remains in line with company objectives; (3) Evaluation allows managers and subordinates to develop plans to correct weaknesses and strengthen strengths; (4) Assessment provides an opportunity to review employees' career plans, taking into account their strengths and weaknesses; (5) Assessment allows the supervisor to determine if training is needed and if it is required.

Job satisfaction is an emotional condition that shows how employees perceive their work. This can be in the form of pleasant or unpleasant emotions (Siagian et al., 2019). Giving awards or rewards is one way that can be taken by the company as a way to increase employee satisfaction and as a form of payment or compensation for employees who have worked as well as possible by sacrificing energy, time and thought. Rewards can increase job satisfaction because by giving awards to employees according to their needs and contributions, employees feel satisfied and show positive attitudes at work such as enthusiasm, competence, and discipline (Rohwiyati, 2019). Research shows the importance of job satisfaction in determining employee behavior and performance. For example, a study by Wright and Cropanzano (1998) found that job satisfaction is positively correlated with employee performance and organizational citizenship behavior (Wright

& Cropanzano, 1998). Another study by Huselid showed that job satisfaction is an important predictor of employee turnover, with lower job satisfaction associated with higher turnover (Huselid, 1995).

Job satisfaction was also found to have a positive impact on employee well-being and health. For example, a meta-analysis by Faragher, Cass, and Cooper found a significant negative relationship between job satisfaction and various health outcomes such as psychological distress, physical illness, and work-related injuries (Faragher et al., 2005).

According to (Ramlall, 2004), motivation is defined as the factors and reasons that make employees work hard in a certain way to achieve the desired goals. Workforce is a critical success factor for any organization today and a competitive advantage in the market. The role of human resource management is to ensure that employees are satisfied, have the skills, knowledge they need, and have goals that make them passionate about working (Borowski & Daya, 2014).

According to (Lekan et al., 2021) who investigated Vroom's Expectancy Theory, they found that Vroom highlighted several important factors influencing motivation that lead to increased motivation and work performance. These factors are supervisors or managers who are responsible for evaluating and providing honest feedback, work environment and teamwork, diversity and job content, and finally rewards and incentives. The intrinsic motivator factors of the two Herzberg factors cited by (Luthans, 2002) are as follows, (1) Achievement (Successful Implementation) is the need to complete a task, produce the best work, obtain a consistent, fair and objective assessment, so that work performance is achieved; (2) Appreciation is appreciation or praise from superiors for employee performance; (3) The work itself, employees prefer jobs that provide opportunities to use their skills, freedom to do their jobs, and feedback on how well employees are performing. Jobs that offer challenges lead to employee satisfaction when executed successfully; (4) Responsibility, giving employees the power, authority and responsibility to do their jobs, and severe penalties for failure to do their jobs; (5) Promotion (development), the opportunity to advance in work, including fair promotion.

Based on the introduction and explanation above, several hypotheses are taken as follows: H1. The effect of employee performance appraisal on job satisfaction; H2. The effect of employee performance appraisal on work motivation; H3. Effect of employee performance appraisal on job satisfaction by mediating motivation.

RESEARCH METHOD

This research is a survey research that is descriptive and quantitative in nature, which is used to obtain the perceptions of respondents with a population of employees at Private University and a sample of teaching and educational staff about the relationship between Performance Appraisal and Job Satisfaction by mediating Work Motivation. The type of survey that researchers conducted was to collect data by sending questionnaires (questionnaires) and to teaching and educational staff at Private University. The questionnaires used in this study were adopted and modified through previous research, namely the performance appraisal questionnaire adopted from Mohamed Aly and El-Shanawany (2016), the job satisfaction questionnaire adopted from (Gagné et al. (2010) and the work motivation questionnaire adopted from Ahmad et al. (2020).

Questionnaires were distributed online to each respondent by providing a list of questions. The distribution of this questionnaire was carried out in two stages, namely: the sample test stage (pilot study) and the overall survey. The survey was conducted on educators and education staff respondents at Private University. The results of the preliminary survey (pilot study) state whether or not it is necessary to carry out refinement steps on the questionnaire. If it is necessary to make changes and improvements, then before the questionnaire is distributed widely, the questionnaire will be corrected first both in the grammar used, the scale of measurement and the variables used. In this study a sample test will be carried out on 74 respondents to the questionnaire that has been

made. The analytical procedure in this study used multiple linear regression analysis using SPSS and Sobel Test (Baron & Kenny, 1986)

RESULTS AND DISCUSSIONS

Respondent data obtained in this study amounted to 96 respondents, consisting of lecturers and staff. Here is the characteristics of respondent :

Characteristics of respondent based on gender

Characteristics of respondent based on gender is about distribution of gender difference in this research. The information presented includes the number of respondents based on gender.

Table 1. Characteristics of respondent based on gender

Gender	Frequency
Male	0.000
Female	0.000

Characteristics of respondent based on age

Characteristics of respondent based on gender is about distribution of age difference in this research. The information presented includes the number of respondents based on age.

Table 2. Characteristics of respondent based on age

Age	Frequency
20-25 years old	15
25-30 years old	19
> 30 years old	62

Characteristics of respondent based on employee status

Characteristics of respondent based on employee status is about distribution of employee status difference in this research. The information presented includes the number of respondents based on employee status.

Table 3. Characteristics of respondent based on employee status

Employee status	Frequency
Lecturer	48
Operational Staff	48

Validity and Reliability Testing

As for the early stages of this study the validity and reliability of the questionnaire was carried out where the following results were obtained:

Table 1. Validity and reliability testing

Variabel	Indicator	Cronbach Alpha's	CITC	Fitness
Performance	Performance	0.902	0.613 - 0.798	Fit
Appraisal	Appraisal			
Job Satisfaction	Cooperation	0.743	0.417 - 0.661	Fit
	Leadership	0.863	0.645 - 0.743	Fit
	Award	0.864	0.645 - 0.743	Fit
	Empowerment	0.831	0.604 - 0.672	Fit
	Training	0.835	0.491 - 0.782	Fit
	Working hours	0.873	0.707 - 0.802	Fit
	Communication	0.806	0.662 - 0.674	Fit
	office situation	0.740	0.596 - 0.488	Fit
Work Motivation	Work motivation	0.895	0.387 - 0.716	Fit

After that, a classic assumption test was carried out which consisted of tests for normality, linearity, multicollinearity and heteroscedasticity. The results of the analysis show that the data is feasible to proceed to the influence test and mediation test stages.

Table 2. Classic assumption test

Classic assumption test	Standard	Result	Conclusion
Normality	> 0.05	0.200	Normal
Linearity	> 0.05	0.211	Linear
Multicollinearity (Tolerance)	> 0.10	0.377	Multicollinearity does not occur
Multicollinearity (VIF)	< 10.00	2.651	Multicollinearity does not occur
Heteroscedaticity	< 0.05	0.083	Heteroscedaticity does not occur

Regression and Mediation Test

From the results of multiple linear regression tests, it shows significant results, where performance appraisal significantly affects job satisfaction and performance appraisal along with work motivation significantly affects job satisfaction. The results of the analysis shown below on table 3.

Table 3. Regression results

Classic assumption test	Sig.
Multiple Regression	0.000
PA → JS	0.000
PA → MO	0.000

Then we include the results of the regression test in the Sobel test, so we get the results in Figure 2. Based on the results of the Sobel test, it can be concluded that performance appraisal affects job satisfaction directly or through the mediation of work motivation.

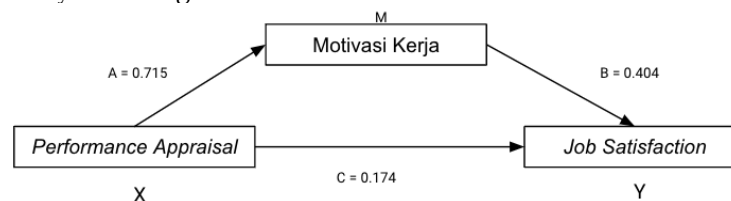


Figure 1. Mediation result

Based on the results of this data analysis it can be concluded that all hypotheses are accepted. The results of this study are in line with several previous studies which explained that performance appraisal affects employee job satisfaction in a company (Al-Jedaia & Mehrez, 2020; Agarwal & Mehta, 2014; Kampkötter, 2014; Radianto & Effendi, 2022). The mediation results of this study are also in line with previous studies, which show that performance appraisal can affect the level of employee motivation at the company (Ainnisya & Susilowati, 2018), and work motivation can increase employee job satisfaction at the company (Zakaria et al., 2022; Lee et al., 2022). Through this research, it is important to evaluate the process of performance appraisal to motivate employee so it will increase job satisfaction.

In addition, as an additional analysis, the results of the open question show that it is important to carry out objective assessments, weekly meetings, and open communication prior to performance appraisal. Then it is important for company to carried out performance appraisal based

on KPI which was set by department and company, 360 degree assessment, and Behaviourally Anchored Rating Scale or BARS. As well as performance appraisal it is also important to follow up in the form of training and incentives.

CONCLUSION

Based on the results of the discussion in this study, it was found that all hypotheses were accepted. In accordance with the results above, it can be concluded that this research is in line with several previous studies which explain that performance appraisal can affect employee job satisfaction in a company. This research has implications especially managerially, where it is important for companies to pay attention to the performance appraisal process to increase employee satisfaction. In addition, this research also has scientific, academic and research contribution, especially in the field of human resource management. Suggestions for further research, research can be done in other sectors or industries besides education.

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