

Development of Web-Based Performance Measurement Method in Supporting Compensation System at the City and District Governments in Indonesia

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Abstract This study aims to develop a Web-based performance measurement methods in support of the compensation system at the district and city governments in East Java. The research location is the city and district governments of Surabaya, Mojokerto and Sidoarjo. Methods of data collection is done by using interviews, focused group and discussion. Data analysis is done by using qualitative analysis. The result shows that the process of the adoption of web-based employee performance measurement includes five phases of activities, namely: a) Evaluation of Needs, b) System Planning, c) System Development, d) System Implementation, e) System Evaluation

Keywords Adoption Strategies, Web-based performance measurement, Compensation

1. Introduction

The existence of the reforms in the field of employment in Indonesia becomes an important pillar in the organization of the wheels of government. But at the level of implementation, it has not provided the results in line with expectations. One of the demands of civil service reform, which until now have not all met is to reform the Civil Service compensation (additional performance benefits and income support).

Compensation is related to what employees receive for his contribution to the organization. In compensation there is an incentive system linking compensation to performance [1].

Basically, performance is the work of an employee during a particular period as compared with the criteria that have been determined in advance and has been agreed [2]. When compensation associated with the work performance, employees will be encouraged to increase the motivation to obtain a higher reward. This will motivate employees achieve better productivity [3]. The problem of subjectivity in the assessment of employee performance is almost inevitable.

The management and employees require regular and quick performance assessment process, so as to provide feedback and rapid improvement in the working environment [4]. The transparency of the assessment process can usually be a positive effect on improvement of work motivation of employees [5]. In today's digital era of information,

technology provides an alternative for public organizations and businesses to help the process of organization establishment, among others, through the use of Web-based performance assessment system [6].

One form of civil service reforms in the province of East Java is pioneered by Surabaya City Government through the transparency of performance measurement system using E-Performance system. Surabaya City Government has been implementing the E-Performance since 2011 based on the regulation of the Minister of Home Affairs Number 13 Year 2006 regarding Guidelines for Regional Financial Management, Regulation of the Minister of State for the Empowerment of State Apparatus No. PER / 09 / M.PAN / 5- / 2007 on General Guidelines for Indicators Determination of Major Performance at Government Agencies [7]. The consequence of the improvement of compensation in the form of additional income allowance for Civil Servant (PNS) in this area is the reduction of the income jealousy among employees "in positions of wet and dry", in the hope of improvement in performance, motivation and job satisfaction. Compensation grant to the Civil Service in the area of Surabaya City Government consists of: 1) additional employee income based on workload, 2) additional income based on other objective considerations and 3) performance money. This can be an example to municipalities and other local governments in the province of East Java regarding the provision of regional performance allowances that only refers to the workload and is done manually.

This research aims to develop adoption strategies of web-based employee performance assessment system in East Java. This research specifically aims to:

1. Identify employee perceptions about the plan of

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Web-based performance measurement system on the City Governments and the District Governments in East Java.

2. Identify the driving and inhibiting factors of web-based performance measurement system adoption for employees in the City Governments and District Governments in East Java.
3. Identify patterns of adoption of employee performance measurement system based on the Surabaya City Government.
4. Formulate adoption strategy of web-based employee performance measurement system on the City Governments and District Governments in East Java.

2. Research Method

2.1. Type of Research

This research uses qualitative research, which is a study that tries to observe a phenomenon or a particular issue in depth in the context of a particular environment [8].

2.2. Research Focus

This Research focuses on:

1. Employee perceptions about Web-based performance assessment system, with the goal of the study, which is the perception of the benefits and perceptions of the ease of application of the system;
2. The driving and inhibiting factors of Web-Based Employees Performance Measurement Adoption, with the goal of the study, which is the availability of Human Resources, Readiness of System Support, the availability of infrastructure and External Pressure;
3. Adoption Strategy of Web-Based Performance Measurement System, with the goal of the study, namely: Evaluation of system requirements, evaluation of the readiness of the organization, evaluation of available solutions, adjustment and implementation.

2.3. Locus of Research

The research location is determined in three regions, namely, Surabaya City Government, the City Government of Mojokerto and Sidoarjo District Government. The choice of location of this study is based on the consideration that Surabaya is a city government that has implemented the E-Performance applications in East Java. While government elections in Mojokerto and Sidoarjo are based on consideration of each municipality and district that still implement manual employee performance measurement system with aspects of performance assessment that is still very simple.

2.4. Research Data Collection Methods

Methods of data collection will be done in this study are as follows:

1. *Indepth Interview.*

2. *Focus Group Discussion:* is applied since the issue intensity and new prospective will be found accurately if the informant is involved cognitively and emotionally in a forum.

Analysis of the research data refers to the Interactive models of Milles and Huberman that are performed interactively and continuously until it is complete, so the data is already saturated [9]. The activities in the analysis of the data that are; data condensation, display data and conclusion drawing / verification.

3. Research Result

3.1. Employee Perceptions about Web-Based Performance Measurement System

Employee perceptions about the performance measurement system is based on two factors, namely:

a. Employee Perceptions about Benefits of Performance Measurement System

Web-based performance measurement system is a system designed to assist in the evaluation of employee performance. From the tops of employees, performance measurement system is considered to provide benefits in improving employee discipline. Web-based performance assessment system requires employees to report periodically their work accomplishment, and then validated by the direct supervisor. For those employees who do not carry out a good job will not be able to report the undone works. As a result, they would be considered low performance, so it forces the lazy employees often not to show up for work and leave the office without obvious reason. According to the point of view of the assessed employees, performance measurement system provides new hope, because they hope that with the measurement system of performance assessment can provide additional income more proportionally according to their performance.

b. Employee Perceptions about the Ease of Using Performance Measurement System

At the beginning of the plan, a web-based performance measurement system is socialized to employees. Many employees are concerned that they can not report independently in the application of a web-based performance measurement system. Moreover, for elder employees who very rarely or almost never operate computer in the execution of the works. This assumption is different for young employees who are relatively very familiar and accustomed to operate the computer.

3.2. Driving and Inhibiting Factors of Web-Based Performance Measure-ment System Adoption

a. Driving Factor of Web-Based Performance Measurement System Adoption

The development of an information system in an organization based on several considerations, among others, to solve the problems in the organization as well as to achieve better opportunities for the organization. All this time, the employee performance measurement system is considered less capable of providing employee performance reports that are transparent and fair. Granting reward in the form of compensation to both employees who work diligently and lazy ones is hard to distinguish. In order to give a performance assessment system that is fairer, then the Employment Sector proposes web-based performance measurement system that is more likely to provide employee performance evaluation in a more transparent and fair way.

b. Inhibiting Factors of Web-Based Performance Measurement System Adoption

Web-based employee performance measurement system is accompanied by the development of compensation grant system for the employees. With the existence of web-based employee performance measurement system, all employees have relatively equal opportunities to receiving compensation in accordance with the accomplishment of their own works. It is certainly not beneficial for some groups of employees in a particular echelon or in areas known to be "wet" which has always been involved in various programs that has direct effect on the additional income. Levels that have been obtaining additional income. This web-based employee performance measurement system can reduce the additional income which they earn more than the other employees.

c. Adoption Patterns of Web-Based Performance Measurement System at Surabaya City Government

Adoption process of web-based employee performance measurement system at the Surabaya City Government involves several stages of activities, namely:

a. Evaluation of Employee Performance Measurement System Needs

An information system is developed with the aim to help the operational implementation of regular activities of the organization and provide the information required by the leaders. This means that the evaluation of the needs of the system is based on expectations of the users both at the executive level and the operational level. At the executive level, the system is developed to help provide information for the leaders as a basis for strategic decision-making as well as technical decisions in order to support the vision and mission of the local government. At the operational level, the system is developed to support the efficiency and effectiveness of operational activities in the implementation of routine works. Surabaya City Government periodically organizes employee performance assessment system involving all employees at all local work units consisting of various levels of rank with different types of jobs. The performance evaluation results serve as the basis for compensation and basis for promotion for employees.

According to Employment Sector, the existing performance measurement system is considered less efficient. Too much energy and time required to conduct employee performance evaluation. The regular employee performance measurement should be designed by default that makes it easy for the performance assessment system that is conducted routinely for all employees in a more efficient way. A performance measurement system needs developing by giving responsibility to each employee to report on their performance achievements for themselves through internet technology. This provides flexibility to all employees to report their accomplishments independently according to each condition, but it still must be validated by their direct supervisor.

b. Planning of Employee Performance Measurement System

Development of a web-based performance measurement system involves local work units in Surabaya City Government. Therefore, it needs careful planning in order to prevent obstacles during the development of the system, and to ensure that the system development plan is supported by all working units in terms of human resources support, as well as the entire organization's resources. This planning of employee performance measurement system will become guidelines in implementing the system and can be used as a measurement of the successful implementation of the system development.

c. Development of Web-Based Performance Measurement System

Information system development can be carried out by a working unit in the organization or can be done by vendors outside the organization. In this case, Surabaya City Government entrusts the development of employee performance measurement system to the Program Development Section. Although in the implementation, the Program Development Section can employ information technology specialists from outside the organization. However, the responsibility of the entire development process is fully on the team of Program Development Section.

d. Implementation of Employee Performance Measurement System

After the completion of employee performance measurement system development, then the system shall be run to support employee performance evaluation. Before the system is running, Surabaya City Government under the coordination of Program Development Section actively gives full socialization, training and mentoring in the area of Surabaya city government. Employee performance measurement system in Surabaya City Government has been running long enough. Some constraints in the implementation of the independent report on web-based performance measurement system done by employees is taken into consideration by the leaders of Surabaya city

government to improve the quality of employee performance measurement system in future. Likewise, experiences in the implementation process of employee performance measurement applications can be used to enhance application system in the future.

e. Evaluation of Employee Performance Measurement System

A system is developed and implemented in dynamic circumstances. In order for the information system to work optimally, it is necessary that the information systems can adjust to some changes in the work environment. The evaluation of the system can be made to the web-based employee performance measurement system both in terms of input, process and output. Evaluation phase system is implemented in order to improve and enhance the existing system based on the feedback obtained from the users of information systems both at the level of the leaders and employees at the operational level. Some errors, obstacles or constraints that occur at the time of application of the system is a problem that can be used as an evaluation for system developers to make improvements and refinement of the existing systems. Similarly, the expectations of the leaders on the resulting information and expectations of the users at the operational level that can not be realized can become evaluation materials for web-based performance measurement system.

3.3. Strategy of Web-Based Employee Performance Measurement System Adoption at the City and District Governments in East Java

Based on the results of the study on the pattern of the adoption of web-based employee performance measurement at the Surabaya City Government as well as the study on the needs for information system and readiness of the organization at the Sidoarjo District Government and the City Government of Mojokerto, a web-based employee performance measurement system adoption strategy is developed for the district governments and the city governments in East Java. Graphically, strategy of web-based employee performance measurement systems adoption for the district and city governments in East Java is illustrated in a model, as presented in Figure 1. as follows.

Based on the model in Figure 1, it can be explained that the strategy of web-based employee performance measurement system adoption at the City and District Governments in East Java includes three stages of activities, namely:

- a. Preparation
- b. Adoption
- c. Post Adoption

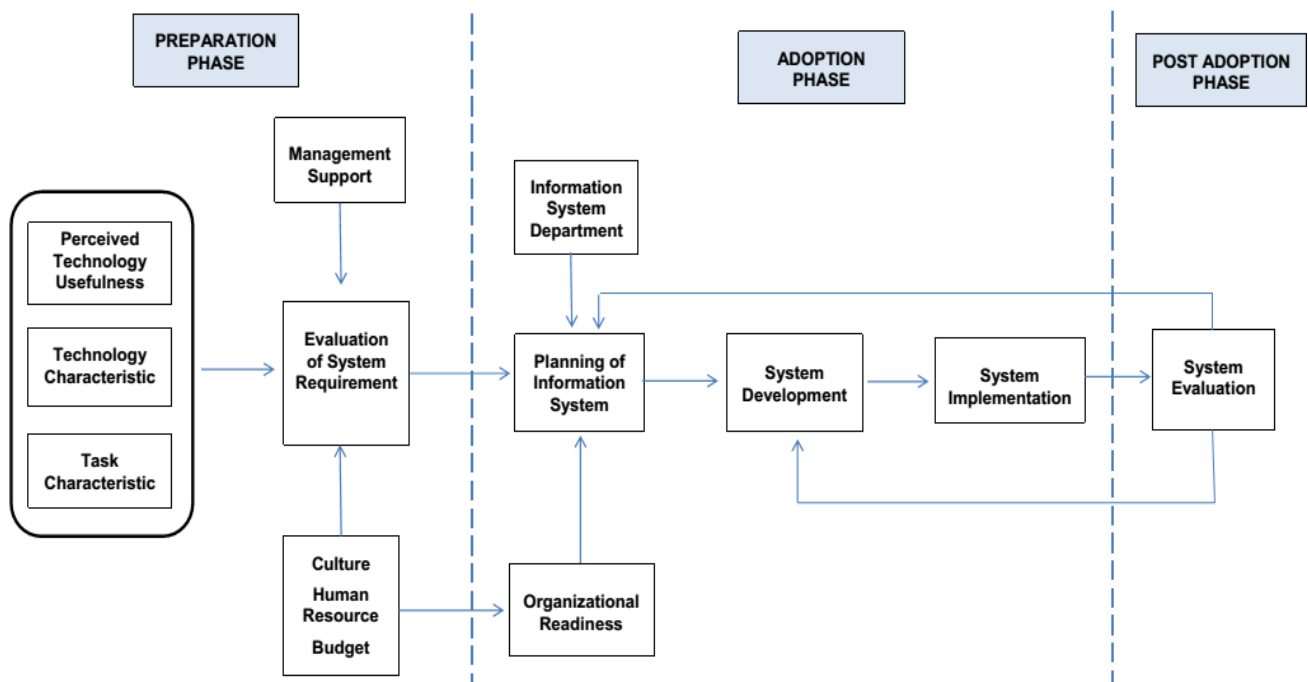


Figure 1. Strategy of Information Technology Adoption

4. Conclusions and Suggestions

4.1. Conclusions

1. The process of the adoption of web-based employee performance measurement includes five phases of activities, namely:
 - a. Evaluation of Needs
 - b. System Planning
 - c. System Development
 - d. System Implementation
 - e. System Evaluation
2. The strategy of web-based employee performance measurement system adoption includes three stages of activities, namely:
 - a. Preparation
 - b. Adoption

4.2. Suggestions

Based on the analysis result of the process of employee performance measurement systems adoption in the three regional government offices in the city of Surabaya, Sidoarjo and Mojokerto, to be successful in the process of web-based employee performance measurement system adoption, it is expected that:

1. Local Government would consider organizational readiness both in terms of organizational culture, human resources and budget.
2. Local Government needs to consider the involvement of employee representatives at the levels and work units.

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