

# The Effect of Performance Implementation on Job Satisfaction and Employee Motivation at Xyz Foundation

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**Abstract:** Performance implementation is a key component of human resource management that not only plays a role in achieving organizational goals but also directly influences employee attitudes and behavior. This study aims to analyze how performance implementation affects job satisfaction and employee motivation. A quantitative method was used by distributing questionnaires to 32 employees at an institution. The analysis results indicate that performance implementation significantly influences both job satisfaction and work motivation. These findings emphasize the importance of fair and participatory performance evaluations in boosting employee morale and loyalty to the organization.

**Keywords:** Job Satisfaction, Motivation in Human Resource Management, Performance Implementation

## 1. Introduction

Performance implementation is one of the essential aspects of human resource management, functioning to measure and evaluate employee contributions toward achieving organizational goals. This process involves assessing work outcomes, competencies, work behavior, as well as individual and team target achievements (Armstrong, 2020). In practice, performance implementation holds strategic implications for the sustainability and competitiveness of an organization.

Systematic and objective performance evaluations not only assist management in decision-making but also have psychological effects on employees. Effective performance implementation can enhance perceptions of fairness, transparency, and accountability within the organization (Siregar & Lestari, 2023). This can foster a healthy work environment, ultimately having a positive impact on employee satisfaction and motivation.

Job satisfaction is a positive emotional state that arises when a person feels that their job meets expectations and needs. Satisfied employees tend to be more loyal, motivated to excel, and actively contribute to organizational goals (Utami & Nurhidayat, 2021). Studies show that well-implemented performance practices can improve job satisfaction through constructive feedback and recognition of work achievements (Kurniawan & Safitri, 2022).

In addition to job satisfaction, motivation is another crucial factor influenced by performance implementation. Motivation can be shaped by rewards for job accomplishments, as well as the clarity of goals and expectations established during evaluations (Rahmawati et al., 2020). Therefore, fair and transparent performance implementation can serve as a major driver for increasing employee morale.

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However, poorly executed performance implementation can have negative consequences. Evaluations that are subjective, lack transparency, or offer no clear follow-up may lead to disappointment and demotivation among employees (Putra & Wibowo, 2021). This can result in decreased productivity, increased stress, and higher turnover rates.

The transformation of the work environment driven by technological advances and the COVID-19 pandemic has forced many organizations to adjust their work systems, including performance implementation. Today, many companies have transitioned to digital-based evaluations and remote work systems. These new challenges require more adaptive management to ensure that performance evaluations continue to positively impact motivation and job satisfaction (Amalia & Ramadhani, 2020).

On the other hand, effective performance implementation can act as a communication tool between superiors and subordinates. Feedback provided during evaluations can strengthen work relationships, clarify organizational expectations, and create development opportunities for employees (Yunita & Harahap, 2023). Thus, performance implementation serves a dual role as a control and empowerment tool.

Research on the relationship between performance implementation, job satisfaction, and motivation is highly relevant in today's context. Organizations must understand that performance appraisal is not merely an administrative formality, but a strategic instrument for shaping effective work behavior and fostering a positive organizational culture (Hakim & Yuliana, 2020).

Empirical studies across sectors show that consistent, data-driven performance implementation enhances intrinsic employee motivation. Employees feel valued and acknowledged when their work is fairly recognized. This recognition leads to greater job satisfaction and a desire to maintain or improve performance (Siregar & Lestari, 2023).

Based on the above explanation, it is important to conduct research specifically examining how performance implementation affects job satisfaction and employee motivation. This study is expected to contribute both theoretically and practically to the development of more impactful, fair, and relevant performance management systems in today's organizations.

## **2. Theoretical Framework**

### **2.1 Performance Implementation**

Performance implementation refers to a series of activities aimed at evaluating an individual's contribution to achieving organizational goals. According to Armstrong (2020), performance implementation includes goal setting, continuous monitoring, evaluation, and feedback on employees' work results.

The main objective of performance implementation is to ensure that employees work according to expectations and contribute optimally to organizational targets. This evaluation also aids in decisions regarding promotions, training, and compensation (Hakim & Yuliana, 2020).

In practice, performance implementation may be conducted periodically through annual or quarterly evaluations. However, recent trends highlight the importance of continuous performance management, allowing for real-time monitoring and improvement (Siregar & Lestari, 2023).

The dimensions of performance implementation include clarity of work goals, monitoring of work processes, achievement of work results, and provision of feedback. Each of these dimensions plays a vital role in shaping employees' perceptions of fairness and transparency in the evaluation system (Kurniawan & Safitri, 2022).

Performance implementation that lacks objectivity and fairness can lead to dissatisfaction and reduced employee motivation. Therefore, organizations need to establish a data-driven system that promotes two-way communication (Sariani et al., 2020).

An effective approach to performance implementation is the Management by Objectives (MBO) method. This approach emphasizes employee participation in goal setting and results evaluation, thereby increasing ownership and responsibility (Robbins & Judge, 2020).

Performance implementation is also closely linked to organizational culture. Organizations that promote openness and recognition of achievements are generally more successful in applying impactful performance evaluation systems (Utami & Nurhidayat, 2021).

The adoption of digital technology in performance implementation has enabled the use of dashboards, HRIS applications, and 360-degree feedback systems. These tools facilitate more objective and real-time evaluations (Yunita & Harahap, 2023).

Effective performance implementation has a positive impact not only on individual performance but also on team and organizational productivity. This is because a good evaluation process helps identify performance gaps and design appropriate development plans (Rahmawati et al., 2020).

Thus, performance implementation is a strategic element of human resource management that can improve motivation and job satisfaction while fostering a productive and adaptable work culture.

## **2.2 Job Satisfaction**

Job satisfaction is a psychological condition that reflects the level of comfort and happiness an individual feels about their job. Robbins & Judge (2020) state that job satisfaction arises when the job aligns with a person's expectations, personal values, and needs.

Factors influencing job satisfaction include the work environment, relationships with supervisors and colleagues, compensation systems, career development opportunities, and task clarity (Utami & Nurhidayat, 2021).

Effective performance implementation is a key factor in creating job satisfaction. A fair and transparent evaluation system enhances employees' sense of being valued, which strengthens emotional engagement with their work (Kurniawan & Safitri, 2022).

Job satisfaction is also closely related to organizational commitment. Satisfied employees are more likely to be loyal and contribute maximally toward the organization's goals (Rahmawati et al., 2020).

Conversely, job dissatisfaction may lead to increased stress, absenteeism, conflict, and turnover intention. Therefore, understanding the dynamics of job satisfaction is essential in HR management (Hakim & Yuliana, 2020).

In modern organizations, job satisfaction is also influenced by factors such as work flexibility, work-life balance, and the use of technology that supports efficiency (Amalia & Ramadhani, 2020).

Recognition of work results through objective performance implementation directly affects satisfaction. Employees feel appreciated and motivated when their hard work is evaluated and acknowledged professionally (Siregar & Lestari, 2023).

Research shows a significant positive correlation between performance implementation and job satisfaction. When feedback is delivered constructively, employees feel cared for and more comfortable in the workplace (Yunita & Harahap, 2023). Job satisfaction is also a crucial indicator for creating a healthy and productive work environment. Therefore, companies must continuously measure satisfaction levels and act on the results.

In conclusion, job satisfaction results from various elements within the organizational system, including performance implementation. A well-managed system creates a pleasant work experience and motivates employees to perform better.

### **2.3 Motivation In Human Resource Management**

Motivation plays a critical role in human resource management (HRM) as it directly influences employee behavior, performance, and organizational outcomes. It refers to the internal and external drivers that energize, direct, and sustain individuals' efforts toward achieving work-related goals (Yunita & Harahap, 2023).

In the context of HRM, motivation is recognized as both a psychological process and a strategic function. Organizations with highly motivated employees tend to experience greater productivity, lower absenteeism, and higher retention rates (Rahmawati, Nugroho, & Sari, 2020). Motivation not only impacts individual performance but also shapes team dynamics and organizational culture. Motivation is commonly classified into two main types:

- a. **Intrinsic Motivation:** This refers to the internal desire to perform a task for its inherent satisfaction rather than for some separable consequence. Employees driven by intrinsic motivation are more engaged, creative, and committed to their work, especially when they find personal meaning in what they do—an essential aspect in social institutions such as foundations (Siregar & Lestari, 2023).
- b. **Extrinsic Motivation:** This involves performing a task to earn a reward or avoid punishment. In the workplace, extrinsic motivators include salary, bonuses, promotions, and performance recognition. Performance implementation significantly contributes to extrinsic motivation when employees perceive the evaluation and reward systems as fair and transparent (Kurniawan & Safitri, 2022).

Effective performance implementation contributes to employee motivation through several mechanisms. First, it provides goal clarity, which helps employees understand expectations and align their efforts with organizational objectives. Second, it facilitates regular feedback, which reinforces desired behaviors and addresses areas for improvement. According to Ningsih & Suryani (2022), consistent and constructive feedback within a structured performance management system significantly boosts intrinsic motivation.

Moreover, when employees are involved in setting performance targets and evaluating outcomes, it enhances their sense of ownership and accountability, thereby strengthening motivation (Harahap, Siregar, & Gultom, 2023). Participatory performance systems also foster perceptions of fairness, which are closely linked to motivational outcomes.

On the other hand, poor performance implementation—characterized by unclear objectives, lack of feedback, or biased evaluations—can lead to demotivation, frustration, and even turnover (Rahmawati & Hasanah, 2020). Therefore, ensuring a fair, transparent, and development-oriented performance management system is key to sustaining employee motivation.

In summary, motivation in human resources management is deeply influenced by how performance is managed and communicated. Especially in mission-driven organizations like Foundation XYZ, performance implementation must not only measure outcomes but also empower and inspire employees to contribute meaningfully.

### **3. Results And Discussion**

#### **3.1 Research Results**

This research aimed to investigate the influence of performance implementation on job satisfaction and employee motivation. Data were collected through a questionnaire distributed to employees at institution XYZ. The quantitative data analysis revealed that the majority of respondents gave positive evaluations of the performance management implementation. For instance, 78% stated that work goals were clearly defined and aligned

with supervisory expectations, while 72% said that performance rewards were given fairly and transparently. Additionally, 75% of respondents expressed satisfaction with the performance management system, and 68% indicated increased motivation as a result of the current implementation.

#### **4. Discussion**

The findings of this study show that effective performance management contributes positively to job satisfaction and employee motivation. This aligns with the research of Arifin et al. (2021), which found that structured performance management systems significantly affect job satisfaction in the private sector.

Clear goal setting, regular monitoring, and fair evaluation create perceptions of organizational justice—one of the key factors determining job satisfaction (Pratama & Widodo, 2020). Regarding motivation, these results are further supported by Ningsih & Suryani (2022), who found that performance management accompanied by regular feedback can enhance intrinsic motivation.

Furthermore, employees who feel that their performance system is appreciated and respected are more motivated to achieve organizational goals. This supports Harahap et al. (2023), who stated that effectively communicated performance management strengthens employee commitment to the organization.

However, challenges remain in terms of feedback communication and leadership involvement in the evaluation process. According to Rahmawati & Hasanah (2020), involving line managers in evaluations can enhance employees' positive perception of the system.

#### **5. Conclusion**

Based on the findings regarding the impact of performance implementation on job satisfaction and motivation among employees at Institution XYZ, it can be concluded that effective and fair performance implementation significantly enhances the quality of employees' work experience. When the system provides constructive feedback, rewards achievement, and ensures clarity in goal setting, employees feel motivated, valued, and guided in achieving objectives.

Specifically, transparent and participatory performance implementation fosters a strong sense of organizational justice, which directly improves job satisfaction. Employees satisfied with the evaluation system tend to have higher work spirit, loyalty to the organization, and greater contribution to institutional goals. Moreover, employee motivation increases when their efforts are acknowledged, and they are provided with opportunities for self-development through the evaluation process. Thus, performance implementation serves as a strategic

instrument for building a proactive, productive, communicative, and appreciative work culture, as well as a control mechanism.

## 6. Conclusion

Referring to the findings and analysis, the researchers provide several recommendations as strategic input for Institution XYZ and similar organizations:

a. Strengthen Two-Way Feedback Systems

A more intensive mechanism is needed for giving and receiving feedback between supervisors and employees. This is crucial for reinforcing communication, clarifying expectations, and increasing employee engagement in continuous improvement processes.

b. Enhance Leadership Roles in the Evaluation Process

Active participation of leaders in evaluating and mentoring employees will enhance the legitimacy of the performance process and build trust in the system.

c. Integrate Technology into Performance Management

Using digital applications or real-time data-based HR systems will facilitate a more objective, efficient, and adaptive evaluation process.

d. Involve Employees in Setting Performance Indicators

Employee involvement is key to designing relevant and clearly measurable indicators, which helps foster ownership and accountability.

e. Provide Performance Evaluation Training for Managers and Supervisors

To optimize performance implementation, evaluators must be equipped with skills in observation, empathetic communication, and an understanding of organizational justice principles.

By applying these recommendations, performance implementation at Institution XYZ is expected to evolve into a more human-centered and sustainably impactful system for all elements of the organization.

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