

# The Intervening Effect of Work Motivation Variables on the Relationship between Performance Appraisal Systems and Internal Organizational Communication on Employee Performance

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## ABSTRACT

The motivation of this study is to create high-performing employees in accordance with the bureaucratic reform plan with the hope that human resources will be better, more competent, and more productive. This study aims to determine the effect of work motivation as an intervening variable on the relationship between performance appraisal systems and organizational internal communication on employee performance of the National Archives employees of the Republic of Indonesia. The sampling technique used stratified random sampling technique, and the interviewees in this study were 108 people who were interviewed. This research uses SEM-PLS technology. The results of the analysis showed that all the independent variables in this study have an influence on the dependent variable, and the performance evaluation system, work motivation, and internal organizational communication have a significant effect on employee performance. Meanwhile, work appraisal system variables and organizational internal communication that affect performance through work motivation have a mediating relationship or indirect influence.

**Keywords:** internal organizational communication, performance, performance appraisal system, work motivation

## INTRODUCTION

The bureaucratic reform program in Indonesia has been started since 2010. As an implementation step of this program, the

creation of a bureaucratic reform Road Map with a 5-year cycle, in which 2020-2024 is included in the third cycle of bureaucratic reform in Indonesia. The purpose of bureaucratic reform in Indonesia in 2010-2025 is to realize good governance or what is community called great administration government, with the output of a professional government bureaucracy, having high integrity, being a public servant and serving the state. Through this program, it is hoped that it can make a real contribution to the achievement of government performance in the vision of realizing a world-class government. Basically, bureaucratic reform is an effort to reform and make fundamental changes to the governance system that is not running well and needs to be repaired and reorganized. In other words, bureaucratic reform is a strategic step to build the state apparatus to be more efficient and successful in carrying out the general tasks of government and national development.

The implementation of the bureaucratic reform needs to be continuously carried out and developed a good service system, one of which is that the implementation of services to the community is always better. Then, the creation of public trust in the apparatus. One of the non-ministerial government apparatus is the National Archives of the Republic of Indonesia or known as ANRI. These services can be measured by appraising

employee performance both for the benefit of the organization and for the individual interests of the employees themselves, so in practice the performance appraisal must be objective, transparent and measurable, so that it is hoped that they will be able to see work implementation that leads to increased morale and productivity. The employee performance appraisal process must be based on standards, norms and demands of the organization's internal development and a very dynamic strategic environment. Performance appraisal is not merely to fulfill formality, but can also be a tool to carry out duties and obligations as part of the responsibilities inherent in these employees.

ANRI as a non-ministerial government agency that carries out state duties in the field of archives plays a role in organizing quality national archives, being able to guarantee the rescue of archives as material for national accountability and providing accountability material to support the interests of government management and development to carry out these tasks, high-quality and high-performance Human Resources (HR) are needed. To support this, various Human Resource Management (HRM) programs have been implemented in this government organization. One of them is an employee job appraisal program based on performance through Employee Performance Targets (EPT). The target of the EPT is appropriate and synchronous with the target of the work unit by assessing the quantity, quality and time of answering the bureaucratic reform program.

Even though ANRI has run the bureaucratic reform program well, there are still problems related to lack of implementation in performance. There are several obstacles that occur in improving the performance of human resources in the ANRI environment (ANRI Annual Report 2019), including the lack of initiative in program implementation, the uneven understanding of employees regarding archiving, lack of coordination between work units and the number of work targets,

unresolved. Therefore, it is necessary to conduct a study to determine what factors are behind these symptoms. According to Agustina et al. (2013) employee performance in government institutions is important to pay attention to because it is closely related to the achievement of organizational goals.

Employee performance is strongly influenced by employee motivation to work. Employees who have high work motivation tend to produce high performance as well (Rudman 2003). Meanwhile, employees who have low work motivation tend to produce less than ideal performance. Improving employee performance is an organization is highly dependent on the applied management style. Mistakes in implementing organizational management styles can have an impact on reducing employee performance and motivation to work.

The management style of an organization is greatly influenced by the beliefs and assumptions of its management of what it is that employees work for. If management believes that most employees do not like their jobs, then the perfect management style is authoritarian. Meanwhile, if management assumes some employees like their work, then the perfect management style for the organization is participatory. The management style of an organization can be reflected in the implementation of a performance appraisal system and the organization's internal communication that is involved in the activities of the organization. The implementation of a performance appraisal system that is less aspirational for employees or considered unfair in the employee's perspective can reduce employee morale and performance at work. Likewise, the implementation of organizational internal communication which is rigid and less comfortable for employees has implications for employee morale and performance which tends to be low.

Research on the factors that influence employee performance has been widely carried out. These factors include the performance evaluation system, inner communication within the organization, and employee motivation (Rarung et al., 2015; Udayanto et al., 2015; Munthe and Tiorida, 2017; Cinintya, 2019). Research on the impact of employee performance on the performance of the evaluation system shows that a performance evaluation system that meets evaluation standards can motivate employees to work better and increase their productivity performance (Rarung et al., 2015). Meanwhile, research on the relationship between employee performance and organizational internal communication shows that managing organizational internal communication can improve employee performance and encourage employees to do their best work (Cinintya, 2019). Furthermore, research on the relationship between employee performance and work motivation shows that high work motivation will have a significant effect on employee performance (Udayanto et al., 2015; Munthe and Tiorida, 2017). According to Artha and Sari (2015) work motivation is the most important factor affecting employee performance. According to Komara and Nelliawati's research (2014), Ananda and Sunuharyo (2018), Irvan and Heryanto (2019), it was found that work motivation can mediate other variables.

Based on the background that describes the existence of problems with the implementation of Employee Performance Targets (EPT) that occurred, it was seen from the performance of ANRI employees to support the Bureaucratic Reform program. The author suspects that employee performance can be influenced by three factors, namely the performance appraisal system, internal organizational communication and employee motivation. This study explores how these three factors affect employee performance. Based on the literature research conducted, these three factors can have a direct or indirect effect on employee performance, the performance

appraisal system and internal organizational communication can affect employee performance through or without employee motivation. To discuss it systematically, the authors divide the research question into several sections as follows: (1) How does the performance appraisal system affect the performance of employees in the ANRI environment? (2) How is the influence of work motivation on employee performance in ANRI? (3) How does the organization's internal communication influence the performance of employees within ANRI? (4) How do the performance appraisal systems, internal organizational communication, and work motivation affect the performance of employees in the ANRI environment?

Based on the problem formulation that has been described, the objectives of this study are: (1) To analyze the effect of the performance appraisal system on the performance of employees in the ANRI environment. (2) Analyzing the effect of work motivation on employee performance in the ANRI environment. (3) Analyze the influence of internal organizational communication on employee performance in the ANRI environment. (4) Analyzing the effect of the total performance appraisal system, organizational internal communication, and work motivation on employee performance in the ANRI environment.

There are several research benefits in the form of practical benefits and academic benefits from this research, including: For practical benefits for the ANRI organization, it is hoped that it can be an input for ANRI organizations in solving HR management problems. Through problem mapping, analysis, and formulation of human resource management strategy patterns, it is hoped that it can provide input in the preparation of programs for improving the quality of human resources within ANRI. Academic benefit, this research is expected to add knowledge in the field of Human Resource Management (HRM), in terms of performance

management. Then, researchers are expected to be able to apply the knowledge learned and hopefully it can be useful in carrying out the work done.

This research is part of the Human Resource Management (HRM) field which examines the factors that can affect employee performance. The focus of the analysis is emphasized on the performance appraisal system factors, organizational internal communication, and work motivation of Civil Servants within the ANRI organization.

## METHODS

This research was conducted on employees in the National Archives Office of the Republic of Indonesia which is located at Jalan Ampera Raya No. 7, Jakarta. When the research was conducted from June 2020 to August 2020. The research was conducted by means of a survey by distributing questionnaires online via Google form, and sent using online media. This research uses quantitative and qualitative approaches. The data used in this study are primary data and secondary data. Table 1 shows the types of data and research respondents taken from ANRI.

**Table 1 Types of Data and Research Respondents**

No	Types of Data	Data Source	Expert Respondents
1	Primary Data - Identification of problems that exist at ANRI	Observations, interviews and questionnaires	ANRI internal side
2	Secondary Data - General description of ANRI institutions	Annual reports, documents	Company websites and archives

*Source: Interview Data (2020), processed*

Total respondents were taken to be 108 people consisting of 18 structural officials, 36 general functional officials, and 54 certain functional officials. Researchers also conducted in-depth interviews that aimed to clarify and strengthen the data obtained in the field. Processing and data analysis in this study were carried out on quantitative data. Respondents' answers were processed using Microsoft Excel 2010 software by creating a frequency table from the respondent's initial data on each variable individually, then the data was reprocessed using SPSS 26 software. Furthermore, to determine the relationship between variables was carried out by using SEM-PLS Model analysis using SmartPLS 3.0 software. Meanwhile, the measurement of the influence of work motivation mediators on the relationship between performance appraisal systems and organizational internal communication on performance is carried out using the Variance Accounted For (VAF) technique.

Based on the research background and the framework that has been described, the hypothesis proposed in this study consists of four hypotheses that need to be tested statistically, these hypotheses are as follows:

H1 : It is suspected that the Performance Appraisal System has a significant effect on Employee Performance within ANRI.

H2 : It is suspected that Work Motivation has an effect on Employee Performance in ANRI environment.

H3 : It is suspected that Organizational Internal Communication has an effect on performance ANRI employees.

H4 : Allegedly Performance Appraisal System, Organizational Internal Communication, and work motivation affects employee performance in the environment ANRI.

The framework of this research can be seen in Figure 1.

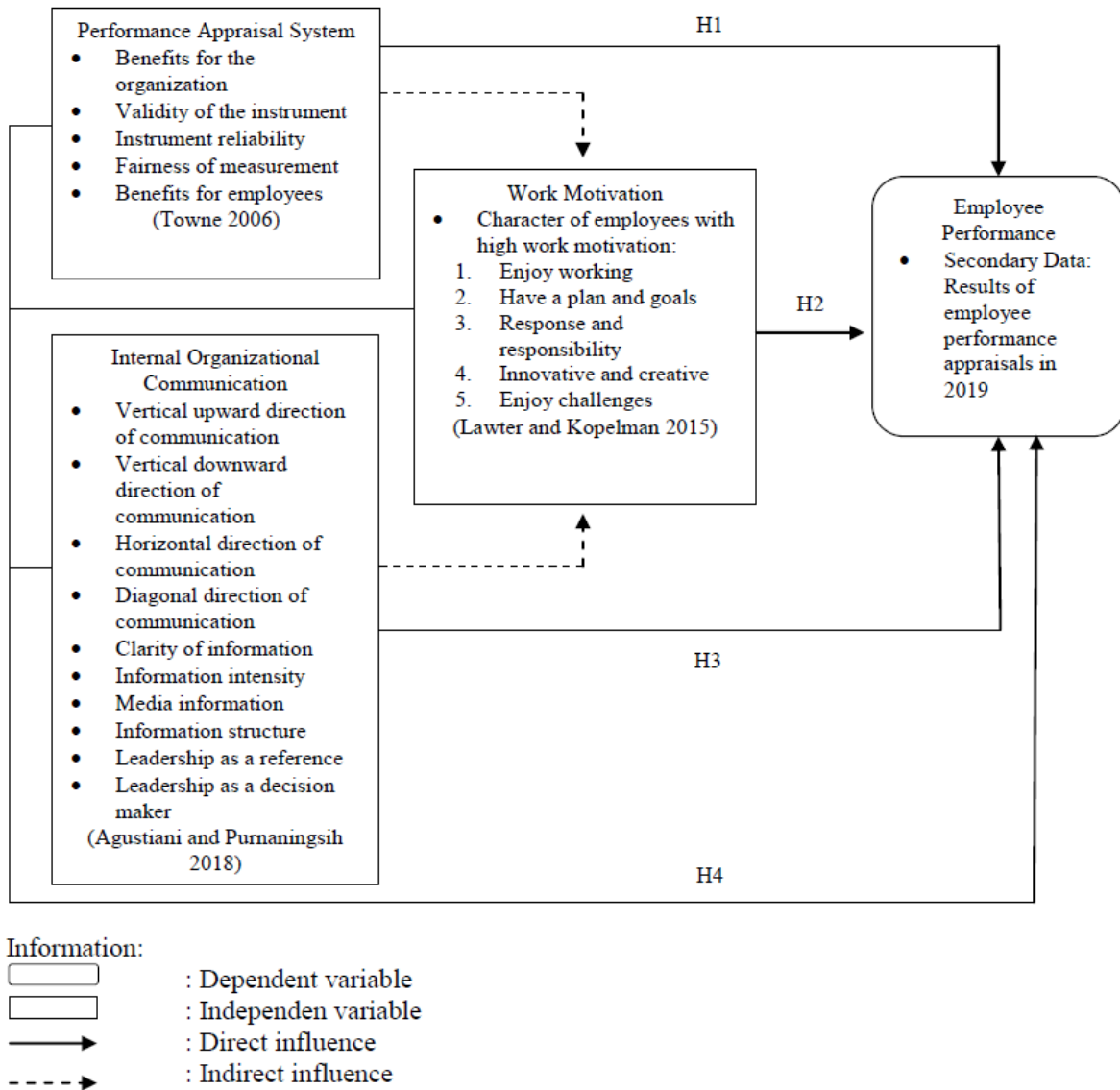


Figure 1 Conceptual framework

## RESULT

External model testing in this study includes validity and reliability tests. The purpose of this test is to measure the effectiveness and reliability of research instruments. Use the results of the convergence validity test to test the research instrument. The convergence effectiveness is achieved by comparing the external model value (load factor) with a critical value of 0.5. If the load factor is  $> 0.5$  then the instrument item is declared valid, and vice versa if the value is  $< 0.5$  then the instrument item is declared invalid. Based on the results of the validity test, Table 2 shows that because all loading factors are greater than 0.5, the validity results have

reached convergence validity (Ghozali, 2012). Thus all indicators in the research variables can be declared valid.

Table 2 Outer Loading Value

Indicator	Outer Loading
Performance Appraisal System 1	0.898
Performance Appraisal System 2	0.884
Performance Appraisal System 3	0.913
Performance Appraisal System 4	0.849
Performance Appraisal System 5	0.884
Work Motivation 1	0.824
Work Motivation 2	0.767
Work Motivation 3	0.777
Work Motivation 4	0.714
Work Motivation 5	0.821
Internal Organizational Communication 3	0.778
Internal Organizational Communication 4	0.778
Internal Organizational Communication 7	0.794
Internal Organizational Communication 9	0.787
Internal Organizational Communication 10	0.787
Employee Performance	1

Source: SmartPLS 3.0 (2020), processed

The next evaluation is to meet the validity of the next convergence by using the mean value of variance extraction (AVE) which is proven to be greater than 0.5. Based on Table 3, the AVE value of employee performance variables, organizational internal communication, work motivation and performance evaluation system is greater than 0.5 which indicates that the variable is effective. Thus all indicators in the research variables can be declared valid.

**Table 3 Average Variance Extracted (AVE) Value**

No	Construct Reliability and Validity	Average Variance Extracted (AVE)
1	Employee Performance	1.000
2	Internal Organizational Communication	0.616
3	Work Motivation	0.611
4	Performance Appraisal System	0.785

Source: SmartPLS 3.0 (2020), processed

The AVE value of each structure results in a value higher than the required minimum value. This shows that the latent variables constructed can explain at least 50 % of the project differences. Therefore it can be said that the value of the test results and the tools used in this study have a sufficient level of effectiveness or commonly called a sufficient degree of effectiveness. Reliability testing is done in two ways, namely Cronbach's alpha and composite reliability (CR) or the method commonly known as Dillon Goldstein. This research is confirmatory, so if the comprehensive reliability value is between 0.6 - 0.7 it is still acceptable (Ghozali, 2015). The following table is a table of Cronbach's alpha values obtained. Perform a reliability test to be able to determine the level of stability of the measuring instrument.

**Table 4 Composite Reliability and Cronbach's Alpha Value**

No	Construct Reliability and Validity	Cronbach's Alpha	Composite Reliability
1	Employee Performance	1.000	1.000
2	Internal Organizational Communication	0.845	0.889
3	Work Motivation	0.841	0.887
4	Performance Appraisal System	0.931	0.948

Source: SmartPLS 3.0 (2020), processed

Based on Table 4 above, comprehensive reliability shows a satisfactory value, namely the value of employee performance variables, internal organizational communication, work motivation and performance evaluation systems higher than the minimum value of 0.70. Based on this value, it shows that the consistency and stability of the instruments used are high. In other words it can be concluded that the instrument reliability is satisfied. After the accepted model meets the discriminatory validity test, the reliability test exceeds the minimum test value. In addition, structural model testing (internal model) is also carried out. Evaluating the internal model is looking at the relationship between variables by looking at the results of the path parameter coefficients and their level of significance (Ghozali, 2006). Meanwhile, to determine the effect of the independent variable on the dependent variable can be seen from the coefficient of determination in Table 5.

**Table 5 R-square Value**

Latent Variabel	R-square Value
Employee Performance	0.700
Work Motivation	0.450

Source: SmartPLS 3.0 (2020), processed

**Table 6 Variance Inflation Factor (VIF) Value**

Indicator	Outer Loading
Performance Appraisal System 1 (SPK1)	3.617
Performance Appraisal System 2 (SPK2)	2.982
Performance Appraisal System 3 (SPK3)	4.214
Performance Appraisal System 4 (SPK4)	2.495
Performance Appraisal System 5 (SPK5)	3.816
Work Motivation 1 (MTV1)	1.980
Work Motivation 2 (MTV2)	1.845
Work Motivation 3 (MTV3)	1.782
Work Motivation 4 (MTV4)	1.573
Work Motivation 5 (MTV5)	1.931
Internal Organizational Communication 3 (KIO3)	1.766
Internal Organizational Communication 4 (KIO4)	1.717
Internal Organizational Communication 7 (KIO7)	1.710
Internal Organizational Communication 9 (KIO9)	2.080
Internal Organizational Communication 10 (KIO10)	2.018
Employee Performance (SKP)	1

The result of the coefficient of determination (R-squared) for the employee performance variable shows a value of 0.7,

which means that 70% of employee performance can be explained by the organization's internal communication, work motivation and performance evaluation system, while the remaining 30% can be explained by other variables. Explanation. Apart from communication within the organization, work motivation, and performance evaluation systems, other variables are the same. Although the work motivation variable can be formed by 44.5 % of the organization's internal communication variables and the performance evaluation system, the remaining 55.5 % of the variables are explained by variables other than the variables studied. Then, to ensure that multicollinearity does not occur, a variance inflation factor (VIF) test is also carried out to test the structural model. In this study, all

variables are constructed in a formative relationship, so you must first know the VIF value of each variable. Ensure that variables containing formative relationships do not have multicollinearity (VIF is represented by an external load value below 5, which is better), and if each variable in this study fulfills these assumptions, then model evaluation can be continued. VIF values are shown in Table 6.

The table above shows that the VIF value of the study index is  $<5$ , which means that there are no symptoms of polycolony. This shows that there is no correlation between indicators of latent variables and indicators of other latent variables. Using the method developed by Baron and Kenny (1998), SEM-PLS was used to test the effect of intervention or mediation. The SEM-PLS analysis model is shown in Figure 2.

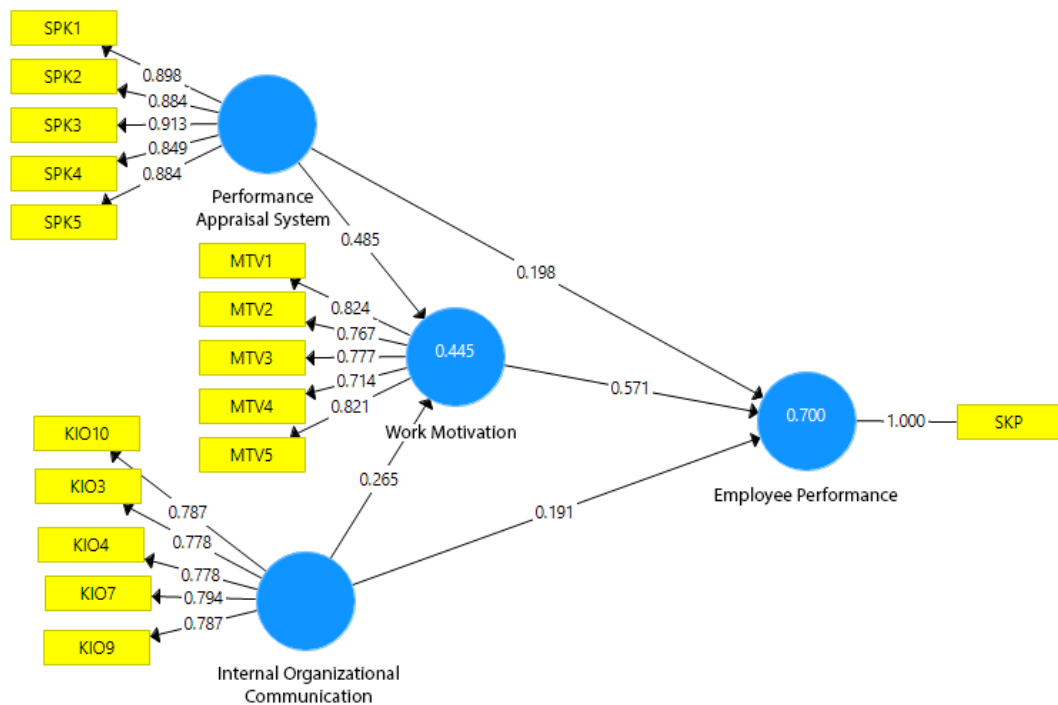


Figure 2 The SEM-PLS analysis model affects the performance appraisal system, work motivation and internal organizational communication on employee performance

Figure 2 shows that employee performance can be affected by the performance evaluation system, work motivation and internal organizational communication. The figure also shows that the performance evaluation system affects employee performance through work

motivation, which means that there is an indirect relationship. Table 5 lists the hypothesis test of work motivation as an intermediary variable between the organization's internal communication and the performance evaluation system.

**Table 7 The Relationship Between Variables Coefficient of Employee Performance Value**

Affect	Influence Value		
	Direct	Indirect	Total
Performance Appraisal System → Employee Performance	0.198	0.277	0.475
Work Motivation → Employee Performance	0.571		0.571
Internal Organizational Communication → Employee Performance	0.191	0.152	0.343

Table 7 shows that the performance evaluation system has an impact on employee performance by 47.5 %, and the indirect effect is greater than the direct impact. This means that the effect of the performance evaluation system on employee work motivation factors is greater than the effect on employee performance. An increase in the performance appraisal system factor will have an impact on increasing work motivation that is greater than the increase in employee performance. It can be seen from the results of this study that in order to increase work motivation and employee performance in a better direction, improvements can be made in aspects related to the performance appraisal system. Such as the appropriateness of the assessment with benefits for the organization, the validity of measurement tools, the reliability of the measured performance results, the fairness of the measurements carried out.

In this study, the effect of the intervention was tested using the variance ratio (VAF) method. From the VAF calculation, divide the value of the indirect effect by the total effect (direct effect plus indirect effect). If the VAF value is greater than 80 %, complete mediation is performed; if the VAF is greater than 20 % and less than 80 %, partial mediation is performed, but if the VAF is less than 20 %, there is no mediating effect at all. It can be seen from Table 4 that work motivation mediation has a partial mediating effect on the effect of the performance appraisal system on employee performance, namely 58.3 %. Meanwhile, work motivation has a partial mediation effect on the mediation effect of internal organizational communication on employee performance,

namely 44.2 %. It can be said that the results of testing the mediating variables, namely work motivation partially on the organization's internal communication on employee performance and performance appraisal systems on employee performance are more than 20 percent but less than 80 percent, so that the effect of mediation that occurs is partial. The results of this finding are in accordance with previous research which revealed that there is a mediator influence that comes from work motivation in shaping employee performance. These studies include those from Abdurrahman (2018) and Gustiawati (2015).

## DISCUSSION

Based on the research showed that the performance appraisal system has a significant effect on employee performance by (<0.012). Positive perceptions of the performance appraisal system are proven to improve employee performance. This is in accordance with Agustina's research (2013) which reveals that the principles of performance appraisal with validity of measurement, measurement reliability, fairness in measuring, and the benefits of appraisal for employees have a positive effect on improving the results of employee performance appraisals so that they can influence employee attitudes towards performance appraisal system. If an employee increasingly thinks that the measurement results can be useful for the organization in terms of the basis for consideration of promotion and provision of benefits, the perception will be more positive about the performance appraisal system that the organization runs so that it will make employees more productive at work.

If the employee's perception is more positive than the performance appraisal instrument in measuring employee work results, the employees will further improve their work results in the organization. The increasing of employee perceptions in fairness aspect of the performance appraisal system is proven to be able to improve the



assessment of employee performance results in ANRI's environment. If the employee's perception is more positive than the performance appraisal system in terms of benefits to employees is proven to have an effect on improving the results of employee performance appraisals.

This result is in accordance with Gustiawati's (2015) research which reveals that the principles of objective, measurable, accountable, participatory and transparent performance appraisal by organizations are able to influence employee attitudes towards the performance appraisal system, so that employees will perceive the performance appraisal system carried out valid, reliable, fair, provide benefits to the organization and employees. This positive perception will encourage employees to work more actively and productively in realizing the organization's vision and mission.

Positive perceptions on the performance appraisal system will be able to increase employee productivity. Assessment of employee work results from the dimensions of quality, quantity, timeliness, service orientation, integrity, commitment and discipline can increase along with employee perceptions of the performance appraisal system implemented by the organization.

The results of this study are in line with research by Rarung (2015), Gustiawati (2015), Idowo (2017), and Mbiti (2019). However, it contradicts with Daoanis (2012) research which states that the performance appraisal system has no effect on employee performance because the results of the performance appraisal do not reflect the actual work results of employees.

Based on the results of in-depth interviews with informants (echelon III structural positions, general functional positions and structural functional positions related to performance appraisal system indicators), it can be seen that the majority answered neutral due to organizational usefulness, conformity of measurement, suitability of work results, appropriate fairness of assessment, and benefits for

employees are still biased and cannot be properly measured in its implementation. When viewed from the point of view of benefits, fairness and suitability, work results are less measurable because of subjective factors in this agency, both proximity and mutual benefit factors. Therefore, the majority of respondents answered neutral because of the bias in the performance appraisal system. Then, the respondent answered that he did not agree because the position of the employee in terms of justice, benefits, suitability of work results, measurement and organizational benefits could still be felt, but only slightly. From the other side, the respondents did not agree because there were indicators that did not run objectively but still subjectively. In addition, the existence of clear objectivity in the assessment of performance is indicated by evidence of support for the work activities that have been carried out.

According to the results of the research hypothesis, there is a positive and significant influence between work motivation on employee performance ( $<0.000$ ). The magnitude of the effect of work motivation on employee performance in this study was 57.1 percent. These results indicate that high employee motivation can increase employee productivity at work. The high work motivation of employees which is reflected in work behavior like working, always having plans and goals at work, being responsive and responsible for work, being creative and innovative at work and being ready to carry out any task that is the authority of their position, has proven to have an effect on the results of employee performance appraisals.

The results of this study are supported by previous research such as Komara and Nelliawati (2014), Afianti (2018), Fachreza (2018), Simanjuntak (2018), Irvan and Heryanto (2019), Parashakti (2019), Parshetty (2019), and Kuswati (2020). These studies reveal that an increase in work motivation can increase the work performance of employees both in terms of quantity and quality of work.

Furthermore, these studies also reveal that the appreciation by the organization for employees makes employees more enthusiastic about working and produces the best performance for the organization.

Based on the results of in-depth interviews with informants (echelon III structural positions, general functional positions, and structural functional positions related to work motivation indicators), it is known that a minority of respondents answered neutral due to the clarity and suitability of indicators of being happy at work, planning and having work goals, innovative and creative at work, responsive and responsible for work. If there are respondents who answer neutral, it is possible that the indicators are still not being felt and the respondent has not been able to implement these indicators. The majority of respondents answered agree because these indicators are in accordance with the work done by the respondent and feel good in work motivation. From the other side, none of the respondents answered disagree, it could be interpreted that the work motivation indicator had gone well and was carried out carefully, but there were still those who considered it less important.

When interviewed by the key informant about the pleasure of working, generally employees are willing to take their time off to complete their work and do not calculate working time. In addition, employees in their goals and plans at work always compile targets of what they do every day with the Employment Record (CaKep) application. This application helps employees to measure all work activities every day. On the responsible and innovative and creative side, when asked by informants, employees work wholeheartedly based on the vision and mission of the organization and are dexterous in providing ideas about work planning to be carried out. The challenges faced by employees are generally shown by completing all tasks that are trusted by the leadership, so that

alertness and challenges are ready when they are transferred or transferred.

The results revealed that the organization's internal communication has a significant effect on employee performance. The increasing of employee perceptions on internal organizational communication can affect employee work results. Employee perceptions of established communication patterns can contribute to the formation of employee performance. The influence of the organization's internal communication is 0.191. Through this information, it can be stated that an increase in one unit of employee perception in the organization's internal communication will increase 19.1 percent of employee performance.

Organizational internal communication that is reflected in the interaction between employees and different work units, information media, clarity of information, intensity of messages, and leadership factors in communication are proven to be able to influence the results of employee work appraisals. The results obtained in the study reveal that high internal organizational communication has an effect on improving employee performance. Based on the results of research data processing, it is known that the increase in employee perceptions of horizontal communication among employees in the same work unit, diagonal communication between work units, ease of use of communication media, leadership factors as a reference for action, and leadership factors in making decisions are proven to improve the results of the assessment employee performance in ANRI's circle. This can be interpreted that high internal organizational communication has an effect on improving employee performance. The results of this study are consistent with previous studies such as Udayanto (2015), Abdurrahman (2018), and Khan et al. (2020). According to previous studies, smooth communication in internal organizational relationships facilitates coordination in completing work so that it can improve employee work results.

Based on the results of in-depth interviews with informants (echelon III structural positions, general functional positions, and structural functional positions related to internal communication indicators), it can be showed that the majority of respondents answered neutral, due to internal communication indicators, good acceptance of employee suggestions to the leadership, coordination between employees, coordination between work units that is running well, clarity of information received by employees, and the strength of leaders.

For example, both of handling problems and the strength of leaders in solving problems are still less visible, due to the limitations of internal communication both vertically (leader) and horizontally (among employees), but the limitations do not always occur, there are times when the communication is hampered, but also smoothly. Therefore, the majority of respondents answered neutral because at one time communication was blocked, but in a certain situation the communication could run smoothly.

Based on the results of the study, it also explains that the performance appraisal system, work motivation, and organizational internal communication have an effect on employee performance. In total impact, employee performance can be affected by 47.5 percent of the performance appraisal system, 57.1 percent of work motivation, and 34.3 percent. The results of the R-Square of this study also show a value of 70 percent, which means that employee performance can be significantly explained by the performance appraisal system factors, work motivation, and the organization's internal communication. The remaining 30 percent can be explained by factors other than the variables used in this study.

The results of interviews regarding the performance of respondents to key informants, which consisted of one echelon III structural position, two general functional positions and three certain functional positions, found that the

employee's performance was good, but the assessment could be due to internal and external factors. The internal factor that occurs is the closeness between the appraiser and the respondent being assessed so that the value is too high, the external factors such as the problem of both so that the value is below standard or good. In addition, based on the results of in-depth interviews regarding the three variables plus the respondent's performance in 2019, it is known that there is a need for a transparency system to minimize subjective factors. In addition, clarity between positions and tasks must be carried out so that employees can clearly experience the performance appraisal system, work motivation and internal communication.

Based on the results obtained from data analysis in the study, there are several managerial implications that can be determined in an effort to improve performance in the ANRI's circle. The results of the SEM analysis that has been carried out indicate that there are several managerial implications that need to be considered by the organization. The managerial implications are as follows:

- a. The performance appraisal system has a very important role, including to see the performance of employees. In addition, the performance appraisal system is also beneficial for the development of abilities and competencies as well as career paths for employees. Assessment of work performance for Civil Servants implemented by the organization is expected to build a shared understanding that the performance appraisal system must begin with perfecting information about the duties and functions of the position, understanding the work appreciation appraisal process so that it can change the mindset and work culture. This is done in order to improve the performance of civil servants in ANRI's circle. Employees who perform and produce more work performance need to be appreciated more by the organization. Employees who have good

performance need to get rewards (awards) for what they get. Conversely, employees who have poor evaluation results will receive organizational sanctions such as demotion or dismissal.

- b. The lowest aspect of employee work motivation comes from the character of responsiveness and responsibility for work. Better understanding of employee positions and tasks can increase employee knowledge of what the organization expects. Employee knowledge and competence can be improved by conducting intensive training and education for employees in ANRI's circle. This is expected to increase responsibility and motivation at work.
- c. The direction of horizontal and diagonal communication relationships is the smallest aspect of internal organizational communication. This shows that organizations need to carry out intensive interactions that involve all employees, namely not only employees of fellow work units but employees of different units. Coordination and evaluation meetings of each organizational activity need not only involve employees in one work unit but also between divisions so that the synergy between employees in carrying out the organization's vision and mission can run optimally.
- d. Work motivation has a dominant influence on employee performance. The organization should be able to maintain comfortable working conditions so that it can increase enthusiasm and productivity at work by paying attention to the performance appraisal system factors and the organization's internal communication. This can be done by optimizing the use of the results of employee performance appraisals by developing employee careers and by communicating intensively from internal parties that are established between work units.

## CONCLUSION

Based on the results of data analysis in the research that has been discussed in the discussion section, it can be concluded as follows:

1. Performance appraisal system has a significant effect on employee performance. If an employee increasingly thinks that the measurement results can be useful for the organization in terms of the basis for consideration of promotion and provision of benefits, the perception will be increasingly positive on the performance appraisal system that is run by the organization, which makes employees more productive at work.
2. Work motivation has a positive and significant effect on employee performance. High employee motivation can increase employee productivity at work. The high work motivation of employees which is reflected in work behavior like working, always having plans and goals at work, being responsive and responsible for work, being creative and innovative at work and being ready to carry out any task that is the authority of their position, has proven to have an effect on the results of employee performance appraisals.
3. Organizational internal communication has a significant effect on employee performance. Employee perceptions of established communication patterns can contribute to the formation of employee performance.
4. Performance appraisal system, work motivation, and organizational internal communication affect employee performance. In total impact, employee performance can be affected by 47.5 percent of the performance appraisal system, 57.1 percent of work motivation, and 34.3 percent. The results of the R-Square of this study also show a value of 70 percent, which means that employee performance can be significantly explained by the performance appraisal system factors,

work motivation, and the organization's internal communication. The remaining 30 percent can be explained by factors other than the variables used in this study.

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