

AN ANALYSIS OF PERFORMANCE MANAGEMENT PRACTICES AT PT JAYA MAKMUR ELECTRINDO JEMBER

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Abstrak. This study aims to analyze the performance management system implemented at PT Jaya Makmur Electrindo, a company operating in the electrical services sector. The research focuses on performance systems, compensation practices, performance evaluation, work-related challenges, and performance appraisal instruments. A qualitative approach was

employed using interviews, observations, and documentation techniques to collect data from company management and employees. The findings indicate that the company has established a clear division of work between administrative and field teams, supported by a flexible and family-oriented work culture. Compensation is provided through salaries, bonuses, allowances, and both financial and non-financial rewards. Performance evaluations are conducted regularly every two weeks and are linked to reward and punishment mechanisms. However, the performance appraisal system remains relatively simple and lacks structured measurement indicators. The company also faces operational and administrative challenges but addresses them through cross-regional coordination and adaptive work practices. This study contributes to the performance management literature by providing empirical insights into the implementation of performance management practices in a small-to-medium electrical services company and highlighting the importance of structured performance measurement systems for improving organizational effectiveness. The study concludes that PT Jaya Makmur Electrindo has implemented a reasonably effective performance management system, although further improvements are needed to enhance objectivity, consistency, and sustainability through the adoption of more structured performance measurement methods.

I. PENDAHULUAN

Performance management is one of the most important aspects of organizational management, serving as a mechanism to ensure that all work activities are aligned with the objectives established by the organization. Through an effective performance management system, organizations can assess employee performance, improve productivity, and achieve sustainable operational effectiveness. Furthermore, performance management serves as a foundation for managerial decision-making related to compensation, rewards, human resource development, and the evaluation of organizational goal attainment. This perspective is consistent with Armstrong and Taylor (2023), who define performance management as a systematic process aimed at improving individual and organizational performance through goal setting, performance measurement, and continuous feedback. Similarly, Aguinis (2019) argues that performance management extends beyond performance evaluation by emphasizing employee competency development to support the achievement of strategic organizational objectives.

PT Jaya Makmur Electrindo is a company operating in the electrical services sector and has conducted business activities across various regions of East Java, Indonesia. In carrying out its operations, the company implements a work division system between field personnel and administrative staff to enhance operational effectiveness. The company also conducts periodic performance evaluations to maintain employee performance quality and ensure the achievement of organizational targets. However, preliminary observations indicate several challenges in the implementation of performance management practices. These include suboptimal supervision in certain work areas, the continued use of manual attendance recording systems, and a performance appraisal process that lacks measurable and standardized indicators.

These findings were derived from direct observations of the company's operational activities, revealing that employee attendance is still recorded manually, fieldwork supervision is not supported by an integrated monitoring system, and employee performance evaluations are largely based on general managerial assessments rather than formally documented Key Performance Indicators (KPIs). This condition supports the argument of Armstrong and Taylor (2023), who emphasize that effective performance management requires clear, measurable, and well-documented performance indicators to ensure objective and consistent evaluation processes.

These challenges have the potential to create inconsistencies in the enforcement of work discipline, increase subjectivity in performance evaluations, and hinder employee performance development. According to the Performance Management Theory proposed by Armstrong and Baron, performance management is a systematic process designed to improve individual and organizational performance through clear goal setting, objective performance measurement, and continuous feedback. When performance appraisal and compensation systems are not based on measurable indicators, the likelihood of unfairness and subjective judgments increases significantly.

Furthermore, Adams' Equity Theory suggests that employees evaluate fairness by comparing their contributions to the rewards they receive. Any imbalance between performance and compensation may generate perceptions of inequity, which can negatively affect employee motivation, job satisfaction, and work discipline. Previous studies have demonstrated that performance-based compensation systems positively influence employee productivity and motivation. Likewise, objective and transparent performance evaluation and appraisal systems that utilize clear performance indicators have been shown to improve managerial decision-making accuracy, reduce evaluator bias, and support continuous employee competency development. Therefore, the implementation of an integrated performance management system that incorporates fair compensation and performance appraisal mechanisms is essential for effective human resource management.

Given these considerations, a comprehensive analysis is required to examine how performance management is implemented at PT Jaya Makmur Electrindo, including its performance management system, compensation practices, performance evaluation mechanisms, organizational challenges, and performance appraisal instruments.

As a problem-solving approach, this study investigates the implementation of performance management practices within the company and proposes recommendations for improvement through the adoption of measurable performance indicators, strengthened evaluation systems, enhanced work discipline, and more objective performance appraisal methods. Through these efforts, the company is expected to improve the effectiveness of its human resource management practices and achieve organizational goals more efficiently.

The objective of this study is to analyze the performance management system implemented at PT Jaya Makmur Electrindo, including employee performance systems, compensation practices, performance evaluation mechanisms, challenges encountered in performance implementation, and the performance appraisal instruments employed by the

company. The findings are expected to contribute to the development of the company's performance management practices and serve as a reference for future studies related to human resource management and organizational performance.

II. LITERATURE REVIEW

1. Performance Management

Performance management is a systematic process undertaken by organizations to ensure that employees' activities and work outcomes are aligned with organizational goals and strategic objectives. According to Aguinis and Burgi-Tian (2021), modern performance management plays a crucial role in helping organizations respond to rapidly changing work environments, including post-pandemic challenges and digital transformation. An effective performance management system enables organizations to monitor employee performance in real time, provide continuous feedback, and enhance employee engagement.

Maley et al. (2024) further argue that contemporary performance management is no longer merely an evaluation tool but also serves as a talent development instrument integrated with organizational strategy. Consequently, performance management contributes directly to organizational productivity, competitiveness, and long-term sustainability.

2. Performance System

A performance system constitutes an integral component of performance management that governs the allocation of duties, responsibilities, and performance standards expected of employees. Technological advancements have encouraged organizations to adopt more integrated and data-driven performance systems. Agarwal (2021) emphasizes that an effective performance management system should align individual objectives with organizational goals through clear, measurable, and regularly evaluated performance indicators.

Similarly, Garengo and Sardi (2021) explain that well-designed performance measurement and management systems enable organizations to objectively monitor target achievement, enhance employee accountability, and support evidence-based decision-making. Therefore, performance systems play a critical role in promoting organizational effectiveness and operational efficiency.

In practice, an effective performance system is characterized by clear job allocation, structured supervision, and periodic evaluations. Such systems help organizations improve productivity while minimizing operational errors and inefficiencies.

3. Compensation

Compensation refers to all forms of rewards provided by an organization in exchange for employees' contributions and services. According to Dessler (2020), compensation consists of direct financial rewards, such as salaries and bonuses, as well as indirect compensation, including health benefits, social security programs, and other employee welfare facilities.

Compensation remains one of the most influential factors affecting employee motivation and performance. Tarigan et al. (2022) found that the implementation of a total reward system encompassing both financial and non-financial compensation positively affects employee job satisfaction and productivity. Furthermore, Alkandi et al. (2023) demonstrated that incentive and reward systems designed in a fair and transparent manner significantly improve employee performance.

These findings reinforce the view that compensation serves not only as remuneration for employee contributions but also as a strategic mechanism for enhancing organizational commitment, motivation, and performance.

4. Performance Evaluation

Performance evaluation is a systematic process used to assess the extent to which employees successfully perform their assigned duties and responsibilities. Effective performance evaluation provides organizations with information regarding employee strengths, weaknesses, and developmental needs, thereby facilitating informed managerial decision-making.

Barbieri et al. (2023) explain that a well-designed performance evaluation system not only supports decisions regarding rewards and promotions but also assists organizations in identifying employee competency development requirements. Consequently, performance evaluation serves both administrative and developmental functions within organizations.

5. Reward dan Punishment

Reward refers to recognition or incentives granted to employees for achieving desirable performance outcomes, whereas punishment represents consequences imposed for rule violations or inadequate performance. The implementation of reward and punishment mechanisms is intended to reinforce desired workplace behaviors and discourage undesirable actions.

Barbieri et al. (2023) argue that performance appraisal systems should not solely focus on determining rewards and promotion opportunities but should also function as tools for identifying competency gaps and developmental needs. Accordingly, reward and punishment mechanisms contribute to employee motivation, accountability, and organizational discipline.

6. Performance Appraisal

Performance appraisal is the process of measuring employee performance against predetermined standards and organizational expectations. Various appraisal methods are commonly employed, including Key Performance Indicators (KPIs), the Behaviorally Anchored Rating Scale (BARS), and 360-Degree Feedback.

Mariany and Setyawan (2026) explain that the use of KPIs enhances objectivity and transparency in performance assessment by providing measurable performance criteria. Sukmawati et al. (2025) argue that the BARS method reduces subjectivity because employee performance is evaluated based on observable and measurable work behaviors. Meanwhile, Veronica and Murniyati (2026) emphasize that 360-Degree Feedback provides a more comprehensive evaluation by incorporating assessments from multiple stakeholders, including supervisors, colleagues, subordinates, and, in some cases, customers.

The implementation of these appraisal methods can improve evaluation accuracy, reduce assessment bias, and support employee development through constructive and comprehensive feedback.

B. Conceptual Framework

Performance management is a critical factor influencing organizational success. A clearly defined performance system helps employees understand their duties, responsibilities, and expected outcomes. Armstrong (2022) argues that a structured performance management system aligns individual objectives with organizational goals, thereby enhancing work effectiveness and organizational performance.

Appropriate compensation can increase employee motivation, while periodic performance evaluations enable organizations to identify employee strengths and areas requiring improvement. Faisal et al. (2021) found that effective performance appraisal systems positively influence employee motivation and retention. Likewise, Behery (2022) reported that effective performance management practices contribute significantly to employee commitment and work performance.

The implementation of reward and punishment mechanisms based on performance evaluation results can further improve employee discipline and productivity. Astuti and Rachmawati (2023) demonstrated that linking evaluation outcomes to rewards and workplace consequences enhances accountability and supports the achievement of employee KPIs.

Furthermore, the use of objective performance appraisal instruments such as KPIs, BARS, and 360-Degree Feedback can generate more accurate assessments and support managerial decision-making. According to Müller (2022), these appraisal methods reduce subjective bias and provide more comprehensive feedback for employee development. Studies by Bapar et al. (2024) and Pandita (2025) also indicate that 360-Degree Feedback offers a holistic perspective on employee performance by incorporating multiple sources of evaluation, thereby improving the quality of management decisions.

Based on the foregoing discussion, effective performance management through structured work systems, fair compensation practices, continuous evaluation, and objective appraisal mechanisms is expected to enhance employee performance at PT Jaya Makmur Electrindo. This proposition is supported by the findings of Kosile et al. (2025), who concluded that objective and transparent performance appraisal systems significantly improve employee performance and facilitate the achievement of organizational goals.

III. METODE PENELITIAN

This study employed a descriptive qualitative approach to gain an in-depth understanding of the performance management system implemented at PT Jaya Makmur Electrindo. A qualitative approach was considered appropriate because the study focused on exploring and analyzing performance management practices, including performance systems, compensation mechanisms, performance evaluation processes, workplace challenges, and performance appraisal instruments utilized by the company.

1. Research Site

The research was conducted at PT Jaya Makmur Electrindo (JME) Jember Branch, located at Perum Surya Milenia Block B1.38, RT 003 RW 010, Krajan Mluwo Neighborhood, Mangli Village, Kaliwates District, Jember Regency, East Java, Indonesia.

2. Data Resources

The study utilized both primary and secondary data sources.

a. Primary Data, Primary data were obtained directly through interviews with the Director of PT Jaya Makmur Electrindo, supervisory personnel, administrative staff, and field employees. These informants were selected because of their direct involvement in the implementation of the company's performance management practices.

b. Secondary Data, Secondary data were collected from company documents, organizational profiles, organizational structures, operational reports, photographic documentation, and relevant literature related to performance management and human resource management.

3. Data Collection Techniques

Data were collected using three primary techniques: interviews, observations, and documentation:

a. Interviews

Semi-structured interviews were conducted with individuals involved in the company's performance management system. The interviews aimed to obtain detailed information regarding work allocation, compensation systems, performance evaluation processes, reward and punishment mechanisms, and organizational challenges encountered in managing employee performance.

b. Observation

Observations were carried out through direct monitoring of employee activities within PT Jaya

Makmur Electrindo. Particular attention was given to work implementation processes, employee discipline, workplace interactions, supervision practices, and performance evaluation procedures.

c. Documentation

Documentation was utilized to complement and validate data obtained through interviews and observations. The collected documents included company profiles, organizational structures, employee records, photographs of organizational activities, and other documents relevant to the company's performance management system.

4. Data Analysis

The data were analyzed using the interactive qualitative analysis model proposed by Miles, Huberman, and Saldaña, which consists of three interconnected stages: data condensation, data display, and conclusion drawing and verification.

1. Data Condensation

Data condensation refers to the process of selecting, focusing, simplifying, abstracting, and transforming data obtained from interviews, observations, and documentation. At this stage, relevant information concerning the implementation of performance management at PT Jaya Makmur Electrindo was identified and categorized according to emerging themes.

2. Data Display

The condensed data were subsequently organized and presented in the form of narrative descriptions, matrices, and tables. This process facilitated the identification of patterns, relationships among categories, and significant organizational phenomena, thereby supporting deeper interpretation and analysis.

3. Conclusion Drawing and Verification

The final stage involved interpreting the displayed data to generate comprehensive conclusions regarding the implementation of performance management practices at PT Jaya Makmur Electrindo. The conclusions were continuously verified throughout the research process to ensure consistency, credibility, and accuracy.

To enhance the credibility and trustworthiness of the findings, several validation techniques were employed.

- 1. Methodological Triangulation,** Methodological triangulation was conducted by comparing information obtained from interviews, observations, and documentation. This approach enabled the researcher to verify findings through multiple sources of evidence and strengthen the validity of the conclusions.
- 2. Member Checking,** Member checking was performed by returning interview summaries and research interpretations to participants for confirmation. This process ensured that the findings accurately reflected the experiences and perspectives of the informants.
- 3. Peer Debriefing,** Peer debriefing involved discussions with colleagues and individuals knowledgeable in qualitative research methodologies. Their feedback and critical evaluations contributed to improving the rigor of the analytical process and the quality of the research findings.

Through the application of the Miles, Huberman, and Saldaña interactive analysis model, combined with multiple validation techniques, this study sought to generate credible, comprehensive, and in-depth insights into the performance management system implemented at PT Jaya Makmur Electrindo and the factors influencing its effectiveness.

IV. Results and Discussion

The findings of this study were obtained through interviews with the company director, supervisory personnel, administrative staff, and field employees, supported by direct observations and documentation at PT Jaya Makmur Electrindo. The results indicate that the company has implemented a performance management system encompassing work systems, compensation practices, performance evaluation processes, and reward and punishment mechanisms.

Table 1. Summary of Performance Management Findings at PT Jaya Makmur Electrindo

No.	Aspect	Findings
1	Performance System	A clear division of responsibilities exists between administrative staff and field personnel according to their respective duties and responsibilities.
2	Working Hours	Working hours are scheduled from 08:00 a.m. to 04:00 p.m. Employee discipline is generally more evident among field personnel than administrative staff.
3	Compensation	Employees receive salaries in accordance with regional minimum wage standards, meal allowances, transportation allowances, social security benefits, annual bonuses, and periodic rewards.
4	Performance Evaluation	Performance evaluations are conducted every two weeks by the director and supervisory team.
5	Reward and Punishment	Rewards are provided in both financial and non-financial forms while punishments are imposed on individuals or teams that fail to meet organizational standards.
6	Performance Challenges	Major challenges include community resistance to electricity pole installation projects and disruptions within the company's administrative system.
7	Performance Appraisal	Employee performance appraisal is primarily based on direct observation and has not yet incorporated measurable performance indicators.

Source: Observation and interview data, 2026.

The findings reveal that the performance system at PT Jaya Makmur Electrindo is implemented through a clear division of responsibilities between administrative personnel and field employees. Administrative staff are responsible for document management, work recording, and organizational reporting activities, whereas field personnel are responsible for the technical implementation of electrical service projects. According to the company director, this division of labor is intended to improve operational effectiveness and ensure that organizational objectives are achieved efficiently.

This finding is reflected in the following statement by the informant:

“We divide work according to each employee’s area of responsibility. The administrative team focuses on document management and reporting, while the field team concentrates on project implementation. This arrangement enables work processes to become more organized and efficient.” (Director, Interview, 2026)

From the employees’ perspective, the established work system helps clarify individual responsibilities and expectations. Nevertheless, effective coordination between administrative and field divisions remains necessary to ensure that work-related information is communicated accurately and promptly.

Regarding compensation practices, the company provides salaries that comply with the applicable Regional Minimum Wage (UMK), meal allowances, transportation allowances, health and employment social security benefits, annual bonuses, and recognition programs for

high-performing employees. Based on interview results, employees perceive compensation as one of the key factors motivating them to perform effectively.

One field employee stated:

“In addition to our basic salary, we receive allowances and bonuses. These benefits motivate us to complete our work according to the targets established by the company.” (Field Employee, Interview, 2026)

The company conducts performance evaluations on a regular basis every two weeks. These evaluations are carried out by the director and supervisory team to monitor work progress, identify operational challenges, and determine appropriate corrective actions. According to supervisory personnel, evaluations are conducted through direct observation of work implementation and employee achievement of performance targets.

As expressed by one supervisor:

“Every two weeks, we evaluate the work that has been completed. Through this process, we can identify challenges and determine the necessary improvements.” (Supervisor, Interview, 2026)

The results of these evaluations serve as the basis for implementing the company’s reward and punishment system. Rewards are provided to employees who demonstrate outstanding performance in the form of bonuses, recognition, and appreciation from the organization. Conversely, punishments are imposed on individuals or teams that fail to meet performance standards or violate company regulations. According to informants, this mechanism is intended to enhance employee discipline and accountability.

Despite the implementation of a performance management system, several challenges were identified. One of the major external obstacles involves community resistance to the installation of electricity poles and related electrical infrastructure. Such resistance often delays project implementation and affects operational efficiency.

A field employee explained:

“At times, local residents reject the installation of electricity poles for various reasons. This situation forces us to postpone the work until further coordination can be conducted with the relevant stakeholders.” (Field Employee, Interview, 2026)

In addition to social challenges, the company also experiences technical difficulties associated with disruptions in its administrative system, which may affect data entry, record management, and reporting processes.

An administrative staff member stated:

“When the administrative system experiences disruptions, data input and reporting activities become slower, requiring adjustments to project completion schedules.” (Administrative Staff, Interview, 2026)

To address these challenges, the company employs cross-regional coordination mechanisms, strengthens communication with local communities, and assigns personnel based on geographical proximity to project locations. These strategies enable faster responses to operational issues encountered in the field.

Furthermore, the findings indicate that employee performance appraisal remains largely dependent on direct observation by management and supervisory personnel. Although this approach is considered effective for monitoring day-to-day activities, the company has not yet developed formally documented Key Performance Indicators (KPIs) or other structured performance measurement tools. Consequently, performance assessments continue to rely heavily on managerial judgment and subjective evaluation.

Therefore, the development of measurable and standardized performance indicators represents an important area for improvement in order to enhance the objectivity, transparency, and accuracy of the company's performance management system.

B. Discussion

The findings indicate that the performance management system implemented at PT Jaya Makmur Electrindo generally reflects the fundamental principles of performance management as proposed by Armstrong, who defines performance management as a systematic process designed to ensure that employee activities and outcomes are aligned with organizational objectives. The clear division of responsibilities between administrative personnel and field employees demonstrates the application of job specialization aimed at improving operational efficiency and effectiveness. Such a structure enables employees to focus on their respective duties and contributes to the achievement of organizational goals.

From the compensation perspective, the company provides both financial and non-financial rewards to its employees. Salaries aligned with regional minimum wage standards, annual bonuses, periodic rewards, and employee welfare activities reflect the organization's commitment to employee well-being. These findings are consistent with Dessler's compensation theory, which emphasizes that compensation constitutes a form of organizational recognition for employees' contributions. Furthermore, Herzberg's Two-Factor Theory suggests that rewards, recognition, and favorable working conditions can enhance employee motivation and job satisfaction.

The results of this study are also supported by previous empirical research. Pradana and Nugraheni (2022) found that fair compensation systems and periodic reward programs positively influence employee motivation and performance. Similarly, Sari et al. (2021) reported that a balanced combination of financial and non-financial compensation contributes significantly to employee job satisfaction and organizational loyalty. Therefore, the compensation practices implemented by PT Jaya Makmur Electrindo are consistent with both theoretical perspectives and previous research findings.

Regarding performance evaluation, the company conducts evaluations regularly every two weeks. Periodic evaluations provide management with opportunities to assess employee achievements, identify performance gaps, and implement corrective actions when necessary. This finding aligns with Aguinis' perspective that performance evaluation is a systematic process aimed at measuring employee performance while simultaneously providing feedback for improvement and development.

The findings are further supported by the study of Wibowo and Setiawan (2020), which demonstrated that regular performance evaluations enhance employee accountability and facilitate continuous performance improvement. Through routine evaluation activities, organizations can identify operational challenges more effectively and ensure that employees remain focused on achieving organizational targets.

The implementation of reward and punishment mechanisms at PT Jaya Makmur Electrindo also reflects the company's efforts to strengthen employee motivation and discipline. Employees who demonstrate outstanding performance receive rewards in the form of bonuses, recognition, and appreciation, whereas individuals or teams failing to meet organizational standards may be subject to corrective actions or sanctions. This practice is consistent with Skinner's Reinforcement Theory, which argues that behaviors followed by positive reinforcement are more likely to be repeated, while undesirable behaviors can be reduced through appropriate consequences.

These findings are supported by Rahayu and Putra (2021), who concluded that consistently implemented reward and punishment systems have a significant positive effect on employee discipline and performance. Consequently, the reward and punishment mechanisms applied by the company contribute to fostering accountability and encouraging employees to achieve higher performance standards.

Despite these strengths, the study also reveals limitations within the company's performance appraisal system. Employee performance assessments continue to rely primarily on direct

observation conducted by managers and supervisors. While this approach may be effective for monitoring daily work activities, it lacks standardized and measurable indicators, thereby increasing the possibility of subjective judgments and evaluation bias.

This issue was reinforced by interview findings, in which one informant stated:

“Performance assessments are still largely based on direct observations made by management regarding employees’ work performance in the field.” (Director, Interview, 2026)

The statement indicates that performance appraisal procedures have not yet been fully supported by objective and standardized performance measurement instruments. Similar findings were reported by Firmansyah and Hidayat (2023), who found that appraisal systems relying solely on managerial observation tend to generate subjectivity and ambiguity in performance standards.

To address this limitation, PT Jaya Makmur Electrindo should consider implementing more structured performance measurement methods, such as Key Performance Indicators (KPIs), the Behaviorally Anchored Rating Scale (BARS), and 360-Degree Feedback. The adoption of these methods would enhance objectivity, transparency, and consistency in employee evaluations while providing more comprehensive performance-related information for managerial decision-making.

Moreover, the implementation of structured performance appraisal systems would enable the organization to establish measurable performance targets, provide constructive feedback, and strengthen accountability within the workforce. Such improvements are expected to support employee development initiatives and contribute to long-term organizational effectiveness.

Overall, the findings suggest that the performance management system at PT Jaya Makmur Electrindo has been implemented relatively effectively, particularly in terms of work division, compensation practices, performance evaluation, and the application of reward and punishment mechanisms. The findings also corroborate previous studies highlighting the importance of fair compensation, continuous evaluation, and employee recognition in improving organizational performance. Nevertheless, further improvements are required in the area of performance measurement and appraisal to ensure that the system becomes more structured, objective, and capable of supporting sustainable human resource development.

V. CONCLUSION AND RECOMMENDATIONS

Based on the findings and analysis of performance management practices at PT Jaya Makmur Electrindo, it can be concluded that the company has implemented a reasonably effective performance management system through a clear division of responsibilities between administrative personnel and field employees. The work system adopted by the company is characterized by flexibility and a family-oriented organizational culture, which contributes to a harmonious work environment and supports collaboration among employees.

In terms of compensation, the company provides both financial and non-financial rewards, including salaries that comply with applicable standards, bonuses, periodic rewards, and employee welfare programs. The implementation of reward and punishment mechanisms also serves as an important strategy for enhancing employee motivation, discipline, and productivity.

Performance evaluations are conducted regularly every two weeks by the director and supervisory team. These evaluations enable the company to monitor employee performance, identify operational challenges, and implement corrective actions when necessary. However, the current performance appraisal system still relies heavily on direct observation and managerial judgment and is not yet supported by measurable and standardized performance indicators. As a result, the evaluation process remains susceptible to subjectivity and inconsistency.

The company also faces several operational challenges, including community resistance to electrical infrastructure installation projects and disruptions within its administrative systems. Nevertheless, these challenges are addressed through effective coordination, flexible task allocation, and responsive problem-solving strategies.

This study contributes to the growing body of knowledge on performance management, particularly within small- and medium-sized service organizations operating in the electrical sector. The findings suggest that a family-oriented organizational culture can positively support employee performance when accompanied by structured and objective evaluation mechanisms. Furthermore, the study reinforces the view that effective performance management is influenced not only by compensation and supervision but also by the clarity of performance indicators, the quality of feedback, and the effectiveness of organizational support systems.

Overall, PT Jaya Makmur Electrindo has established a solid foundation for performance management. However, further improvements are required to ensure that the system becomes more structured, objective, transparent, and sustainable in supporting long-term organizational performance and human resource development.

Recommendations

Based on the findings of this study, several recommendations are proposed to improve the effectiveness of performance management at PT Jaya Makmur Electrindo:

1. The company should develop more comprehensive standard operating procedures (SOPs) and a structured performance management framework to ensure consistency and clarity in work processes across all organizational units.
2. The implementation of Key Performance Indicators (KPIs) is strongly recommended to provide measurable performance standards and enhance the objectivity, transparency, and accountability of the performance evaluation process.
3. Employee discipline policies should be applied consistently across all departments, particularly within administrative units, to ensure fairness and uniform compliance with organizational regulations.
4. The company should consider adopting a digital attendance system to improve the accuracy of attendance records and facilitate monitoring and reporting activities.
5. To minimize operational obstacles in the field, management should strengthen communication and community engagement strategies regarding electrical infrastructure projects and related organizational activities.
6. Continuous improvement and upgrading of administrative information systems should be undertaken to reduce technical disruptions and enhance the efficiency of data management and reporting processes.
7. The family-oriented organizational culture that has become a distinctive characteristic of the company should be maintained. However, it should be balanced with professional management practices and objective performance measurement systems to support sustainable organizational growth and competitiveness.

Future studies are encouraged to examine the relationship between organizational culture, KPI-based performance appraisal systems, and employee productivity using broader quantitative approaches and larger research samples. Such studies may provide more comprehensive insights into the factors influencing performance management effectiveness in service-based organizations.

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