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# INFLUENCE OF A PERFORMANCE ASSESSMENT THF BASED ON ADDITIONAL INCOME OF SYSTEM SERVANTS, EMPLOYEE INTERNAL COMMUNICATION, AND **WORK MOTIVATION ON EMPLOYEE PERFORMANCE**

Sahuriyanto Meronda<sup>1</sup>, Bakhtiar Abbas<sup>2</sup>, Asraf<sup>3</sup>

Author Details

- <sup>1</sup> Magister of Management Program of STIE Enam Enam Kendari, Indonesia. <sup>2</sup> Magister of Management Program of STIE Enam Enam Kendari, Indonesia
- <sup>3</sup>. Magister of Management Program of STIE Enam Enam Kendari, Indonesia

## ABSTRACT

The purpose of this study was to find out and understand how the influence of the performance appraisal system, internal organizational communication and work motivation on the performance of employees in the Kendari City Agriculture Office. The data collection method that will be used in this research is filling out a questionnaire. The data analysis technique is Quantitative Data Analysis using the SEM-PLS 3 application.

The results showed that the bootstrap analysis was carried out twice because, in the first stage of testing, there was a loading factor value that was less than the specified standard value. Then the average value of variance/AVE is obtained, each of which obtains a value above the specified standard, which means that the variables of the Performance Assessment System (X1), Organizational Internal Communication (X2), Work Motivation (Y2) and Employee Performance (Y1) can explain more than fifty percent of the variance of the indicators. The results of testing the hypothesis t conclude that Internal Organizational Communication affects Work Motivation, then the Internal Organizational Communication variable has a positive effect on Employee Performance, then the Work Motivation variable has a positive effect on Employee Performance, then the Performance Appraisal System variable also has a significant effect on Work Motivation, while the Performance Appraisal System has no effect and no significant effect on Employee Performance, Organizational Internal Communication has no significant effect on Employee Performance mediated by the Work Motivation variable, and the Performance Appraisal System has a significant effect on Employee Performance mediated by the Work Motivation variable.

**Keywords**: Employee Performance, Work Motivation, TPPNS

### INTRODUCTION

One way an organization or company can create reliable human resources (HR) is to optimize employee work results and improve performance through employee performance assessments. Employee performance is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties well by the responsibilities given to him.

Caillier (2014)suggests that performance is a term used to describe how well employees carry out their work-related tasks. Thus, efforts are made to increase productivity in carrying out organizational tasks by identifying and setting efficient movement standards in carrying out tasks. Performance in an organizational context is an understanding of the contract between managers and subordinates to complete assigned tasks (Pradhan and Jena, 2017). Performance can also be defined as the effectiveness of workers or employees in realizing the fulfillment of the organization's vision and individual goals proportionally.

One of the factors that influences employee performance is performance appraisal (Ikonne, 2015). Where performance assessment is one of the human resource management (HR) activities that is very important to implement in an agency. The purpose of performance appraisals is to evaluate employee performance and provide feedback after carrying out assessments such as promotions and determining employee compensation.

Employee performance assessment is very important to carry out and implement because it can affect employee performance. Employee performance can be considered as a routine evaluation of employee output, as a management tool aimed at improving performance, and as a technique for determining staff compensation. Apart from that, performance appraisals can influence performance and motivate personnel to work harder (Ikonne, 2015). The implementation of performance assessments has been carried out in various districts and cities throughout Indonesia to increase employee competency standards through increasing employee job satisfaction with benefits that meet expectations. One area that has carried out a performance assessment is Kendari City.

Kendari City has experienced good economic development over the last ten years. This economic improvement can be seen in various sectors such as agriculture, and micro, small and medium enterprises (MSMEs). Based on the 2021 Kendari City performance report, government administration is carried out using the principles of good governance and performance and is based on information technology. To achieve this, it is necessary to improve human resources which are an important factor in government organizations. One form of improvement that is of concern to the Kendari City government is the performance of Civil Servants (PNS) which does not meet standards. The Kendari City Government has implemented an Additional Income Improvement System for Civil Servants (TPP PNS) in the form of welfare allowances to improve the performance, motivation, discipline, and welfare of the apparatus. The provision of TPP for civil servants is based on the results of the work carried out by each employee.

Additional Civil Servant Income is a breakthrough by the Kendari City government which has been carried out to improve the performance of civil servants. The TPP is given differently every month based on the work results that each employee can achieve. So that the work done is more productive than before and is given according to the level of work. The more productive the employee's performance, the greater the benefits they will receive. Likewise, if performance decreases, the TPP obtained is adjusted to the results of the work. The achievement value of employee work activities is based on the time determined by the TPPNS application by applying maximum and minimum hours for providing income allowances to each employee.

TPPNS is an application created specifically to assess employee performance directly by entering daily work data into the software to obtain approval from superiors. Once approval is obtained, the output of the work carried out online can automatically be seen. The data is in the form of the nominal amount of work results obtained. With the TPP application, it makes it easier for employees to measure their performance. Performance will increase with the support of human resources who have high performance, are willing to make system improvements, increase benefits, and provide good information and service. Apart from that, by increasing effectiveness and efficiency by established standard procedures, performance will increase.

Employee or employee performance is very important for an organization to achieve its goals. Employee performance is greatly influenced by employee work motivation. 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 suboptimal performance. Motivation is a condition for moving employees who are directed towards achieving organizational goals (work goals). As for the Expectancy Theory put forward by Victor H. Vroom in 1964, employees are motivated to perform well if they believe that the efforts they make will lead to a good performance assessment. This motivation then becomes the driving force for efforts or work behavior carried out by employees (Springer, 2011). In other words, motivation will ultimately influence employee performance (Ernanto et al. 2015).

Much research has been conducted on the factors that influence employee performance. These factors include the performance evaluation system, internal communication within the organization, and employee work motivation (Rarung et al. 2015; Udayanto et al. 2015; Munthe and Tiorida 2017; Cinintya 2019). Meanwhile, research on the relationship between employee performance and internal organizational communication can improve employee performance and encourage employees to do their best work (Cinintya 2019). In addition, 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). Meanwhile, according to research by Artha and Sari (2015), work motivation is the most important factor that influences employee performance. According to research by Komara and Nelliawati (2014), Ananda and Sunuharyo (2018), Irvan and Heryanto (2019), it was found that work motivation can mediate other variables so that it has a significant indirect influence on employee performance.

### LITERATURE REVIEW

#### Work motivation

Work motivation expressed by Cinintya (2019) is a driving force for someone to contribute to the organization in achieving its goals. This opinion is similar to Mangkunegara (2016) who stated that motivation is energy that moves employees in a directed manner to achieve company goals. Individual motivation can be influenced by two factors, namely intrinsic factors and extrinsic factors. Intrinsic factors include achievement, self-recognition, nature of work, responsibility, and career development. Meanwhile, extrinsic factors include salary, work environment, and work relationships (Handoko, 2008). In Herzberg's theory, it is stated that performance can be influenced by motivating factors which are manifested in success, appreciation, responsibility, work, and self-development. This theory explains that changes in intrinsic factors include performance satisfaction and motivation. Meanwhile, extrinsic factors are the only factors that prevent job dissatisfaction (Ilyas, 2002).

### **Internal Organizational Communication**

Communication is important in an organization because it is a process and a means of exchanging information between the members within it. Information that is useful for aligning opinions, determining goals, and making certain choices so that organizational goals are carried out well. Ways of communicating in an organization take various forms, including face-to-face, online interactions, correspondence, official notes, memos, and even policy regulations. In terms of dimensions, communication can be divided into two dimensions, namely external communication and internal communication. Internal communication is a form of information exchange that occurs between parties or members who are part of the organization. Internal organizational communication is very necessary to align the views, vision, and mission of the organization in completing the work targets of an organization.

Munthe and Tiorida (2017) define internal communication as the exchange of ideas by administrators and employees in a company in carrying out its operational activities. Meanwhile, Van Reil and Fombrun (2007) stated that internal communication is the key to building organizational identity and can act as a means of conveying information, conveying aspirations, and resolving conflicts or misunderstandings that occur

between members of the organization. Good internal communication is effective communication that exists between fellow members of an organization. Internal communication is communication carried out between members of the organization formally or informally. Formal communication can be realized in notifications via e-mail, official notes, memos, written regulations, or announcement letters that provide certain information to its members.

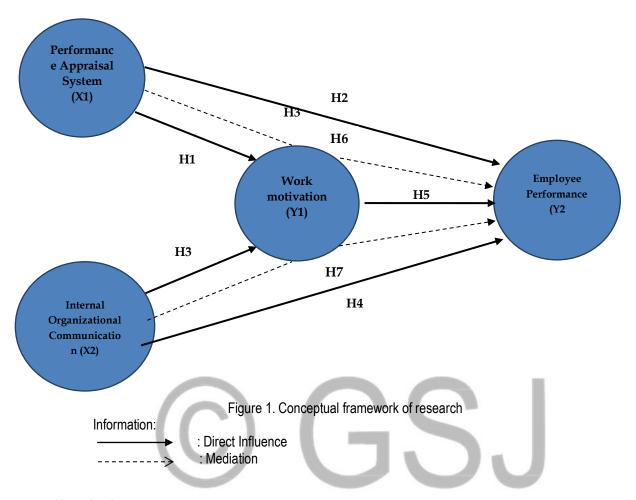
## **Employee Performance**

Performance comes from the definition of performance. Some define performance as the result of work or work achievement. Performance is the result of work that has a strong relationship with the organization's strategic goals, and customer satisfaction, and provides economic contributions (Amstrong 1998). Another definition related to employee performance was expressed by Mangkuprawira (2014) that performance is the productivity resulting from certain work processes in a planned manner at the time and place of an organization where employees work. These definitions can be concluded that employee performance is an assessment of employee work results carried out by the organization in a certain period to measure employee productivity. Meanwhile, according to Mangkunegara (2009), performance (work achievement) is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties according to the responsibilities given to him.

Performance can be influenced by three things, namely the competence of the individual concerned, motivation, and organizational support (Iswadi et al. 2017). Meanwhile, according to Irvan and Heryanto (2019), three main factors can influence performance, namely: individual factors, organizational factors, and work environment factors. Individual factors can be reflected in employee work motivation, organizational factors are reflected in the performance appraisal system implemented by the organization, and work environment factors are manifested in the organization's internal communication that exists in interactions between employees.

### **Conceptual Framework**

Employees are a resource for the government apparatus known as Civil Servants (PNS). Employee performance for government institutions is an important factor in realizing good government governance. Civil servant performance assessment is a description of the work output carried out by each government agency in measuring employee work performance by providing additional income in the form of TPPNS. The government's seriousness in improving the performance of civil servants is reflected in the bureaucratic reform program being implemented. However, in the implementation process, the performance is still not going well. Therefore, improving the performance of civil servants is important to run the government. Among the research conducted on civil servants, it was revealed that several factors can influence them, namely, the performance appraisal system, work motivation, and internal organizational communication performance.



### **Hypothesis**

Based on the research background and framework that has been explained, the hypothesis proposed in this research consists of 6 (six) hypotheses that need to be tested statistically, these hypotheses are as follows:

- 1. The performance appraisal system has a positive and significant effect on employee motivation at the Kendari City Agriculture Service.
- 2. The performance appraisal system has a positive and significant effect on employee performance at the Kendari City Agriculture Service.
- 3. Internal organizational communication has a positive and significant effect on employee work motivation at the Kendari City Agriculture Service
- 4. Internal organizational communication has a positive and significant effect on the performance of Kendari City Agriculture Service employees.
- 5. Employee work motivation has a positive and significant effect on the performance of Kendari City Agriculture Service employees.
- 6. The performance appraisal system has a positive and significant effect on employee performance which is mediated by the work motivation of Kendari City Agriculture Service employees.
- 7. Internal organizational communication has a positive and significant effect on employee performance which is mediated by the work motivation of Kendari City Agriculture Service employees.

#### **RESEARCH METHODS**

### Research design

This research includes quantitative research with an explanatory type approach which aims to determine whether there is an influence between variables. This research is intended to determine whether there is an influence between the TP-PNS-based performance assessment system, internal organizational communication, and work motivation both partially and simultaneously on the performance of ASN at the Kendari City Agriculture Service.

#### **Population and Sample**

According to Sugiono in his book on quantitative and qualitative research methods, the population in a study is the entire object of research. The population in this study are Civil Servants who work within the Kendari City Agriculture Service which is located in Kendari. Meanwhile, the samples in this study were civil servants who worked at the Agriculture Service and service technical implementation units based on employee stratification. Personnel data at the time the research was conducted showed that the total number of employees working in the Agriculture Service was 108 people with the census method requiring a minimum sample (rule of thumb) which was 5 times the number of research indicators (Hair et al., 2013).

#### **Data Types and Sources**

The data used in this research are primary data and secondary data. Primary data is data that researchers obtain directly from sources through questionnaire surveys and interviews to find out more indepth information needed. Meanwhile, the researcher obtained secondary data from data that the researcher did not search for himself, such as employee performance scores originating from organizational data and theories relevant to research originating from journals, theses, dissertations and books (Ghozali 2014).

# Data Analysis Techniques SEM-PLS analysis

To determine the relationship between variables, SEM-PLS model analysis was carried out using SmartPLS 3.0 software. The reason for using this method is motivated by this research looking at multivariate relationships through mediation pathways (Hair et al. 2013). The PLS approach is intended as an explanatory theory, namely the development of knowledge related to the relationship between independent and dependent variables that previously existed (Ghozali 2008).

### **Analysis Results**

### **Evaluation Results of the Measurement Model (Outer Model)**

There are 3 measurement criteria for assessing the Outer model, namely Convergent Validity, Discriminant Validity, and Composite Validity. Convergent validity with reflective indicators can be seen from the correlation between the indicators and their construct values. An indicator with a loading factor value is said to be valid/reliable if it has a correlation value above 0.7, however, for research in the initial stages of developing a measurement scale, a loading value of 0.5 to 0.6 is considered sufficient (Chin, 1998 in Ghozali, 2014) .

Table 1. Outer Loading Value in SEM-PLS Data Processing Results Stage 3

	Kinerja Pegawai	Komunikasi Internal Organisasi	Motivasi Kerja	Sistem Penilaian Kinerja
X1.1				0.749
X1.2				0.777
X1.3				0.753
X1.4				0.740
X1.5				0.826
X2.1		0.772		
X2.2		0.864		
X2.3		0.885		
X2.5		0.832		
X3.1			0.739	
X3.2			0.528	
X3.3			0.860	
X3.4			0.870	
X3.5			0.800	
Y1.1	0.797			
Y1.3	0.702			
Y1.4	0.881			
Y1.5	0.878			
Y1.6	0.696			
Y1.7	0.737			

From the results of SEM-PLS Phase 2 data processing in Figure and Table 1 above, it was found that all indicators were valid/met the loading factor value >0.5.

Apart from evaluating factor loading values, construct validity can also be assessed by looking at the AVE (Average Variance Extracted) value, where the AVE value can show the ability of the latent variable value to represent the original data score. The greater the AVE value indicates the higher its ability to explain the value of the indicators that measure latent variables. The AVE cut-off value used is 0.50 where the AVE value of at least 0.50 indicates a good measure of convergent validity, meaning that the probability of an indicator in a construct entering another variable is lower (less than 0.50) so that the probability of the indicator converging and entering in constructs whose value in the block is greater than 50%. convergent validity value. The following are the AVE values resulting from SEMPLS stage 3 data processing:

Table 2. AVE value in SEM-PLS data processing stage 3

	Rata-rata Varians Diekstrak (AVE)
Sistem Penilaian Kinerja	0.592
Motivasi Kerja	0.593
Komunikasi Internal Organisasi	0.705
Kinerja Pegawai	0.617

From the table, it can be seen that the SEM-PLS data processing in stage 3 testing resulted in the AVE value of each variable being declared good because it met the requirements with a value of more than 0.5. This shows that the latent variable can explain more than 50% of the variance in the indicators. So from Table 5.6, Table 5.7, and Figure 5.6 it can be concluded that all indicators and constructs in the model have met the Convergent Validity test criteria.

Next, a discriminant validity test is carried out, to test whether the indicators are a construct are not highly correlated with indicators of other constructs. the Discriminant validity of the measurement model with reflective indicators was assessed based on the cross-loading of measurements with constructs. If the construct correlation with measurement items is greater than measures of other constructs, then it shows that latent constructs predict measures on blocks better than block measures. The following are the results of loading and cross-loading values from the results of SEM-PLS data processing stage 3:

**Table 3.** Loading and Cross-Loading

	Sistem Penilaian Kinerja	Komunikasi Internal Organisasi	Motivasi Kerja	Kinerja Pegawai	
X1.1	0.508	0.565	0.574	0.749	
X1.2	0.475	0.541	0.554	0.777	
X1.3	0.574	0.667	0.536	0.753	
X1.4	0.483	0.628	0.472	0.740	
X1.5	0.608	0.697	0.680	0.826	
X2.1	0.589	0.772	0.532	0.612	
X2.2	0.634	0.864	0.569	0.678	
X2.3	0.720	0.885	0.631	0.717	
X2.5	0.649	0.832	0.618	0.701	
X3.1	0.535	0.548	0.739	0.638	
X3.2	0.336	0.257	0.528	0.384	
X3.3	0.685	0.659	0.860	0.645	
X3.4	0.693	0.635	0.870	0.658	
X3.5	0.570	0.501	0.800	0.462	
Y1.1	0.797	0.600	0.583	0.570	
Y1.3	0.702	0.499	0.490	0.474	
Y1.4	0.881	0.655	0.631	0.564	
Y1.5	0.878	0.737	0.727	0.618	
Y1.6	0.696	0.579	0.561	0.489	
Y1.7	0.737	0.543	0.520	0.535	

An indicator can also be declared valid if it has more loading factors higher than the cross loading value. From Table 5.8 it can be seen that there is correlation construct all loading values have values greater than cross loading. Employee performance against the indicators is higher than the correlation of Employee Performance indicators against other constructs. Correlation of Work Motivation constructs the indicator is higher than the correlation of the Work Motivation indicator with other constructs. Correlation of the Organization's Internal organizational communication with the indicator is higher than the correlation of the Performance Appraisal System construct with the indicator is higher than the correlation of the Performance Assessment System indicators with other constructs. This shows that each construct predicts the indicator in each block is better than the indicators in other blocks. Another method to find discriminant validity is by comparison the square

root value of the AVE (AVE) of each construct with the correlation value between construct with other constructs (latent variable correlation). The model has The Discriminant Validity value is sufficient if the AVE root for each construct is greater rather than the correlation between the construct and other constructs which can be seen in Table 5.9

**Table 4.**Discriminant Validity Value

	AVE	Employee Performance	Internal Organizational Communication	Work motivation	Performance Appraisal System
Employee Performance	0.592	0.785			
Internal Organizational Communication	0.593	0.775	0.839		
Work motivation	0.705	0.753	0.702	0.770	
Performance Appraisal System	0.617	0.692	0.808	0.738	0.769

The table above shows that all the AVE root values of each construct greater than the correlation between constructs and other constructs. So from Table 5.8 and Table 5.9 it can be concluded that all constructs in the model are estimated to have met the Discriminant Validity test criteria. The last thing to do in the Outer Model evaluation is to carry out a Composite Reliability test. The Composite Reliability Test is a better method compared to the Cronbach alpha value in testing reliability in the SEM model. Composite reliability which measures a construct can be evaluated with two types of measures, namely internal consistency and Cronbach's alpha (Ghozali, 2014, p. 75). Cronbach's alpha tends to be a lower bound estimate in measuring reliability, while composite reliability does not assume reliability, while composite reliability is a closer approximation assuming more accurate parameter estimates (Ghozali, 2014, p. 76). The interpretation of composite reliability is the same as Cronbach's alpha where a limit value of 0.7 and above is acceptable.

Table 5. Composite Reliability and Crombach Alpha values

	Cronbach's Alpha	Reliabilitas Komposit
Sistem Penilaian Kinerja	0.828	0.879
Motivasi Kerja	0.821	0.876
Kinerja Pegawai	0.873	0.905
Komunikasi Internal Organisasi	0.859	0.905

Based on the table above, it can be seen that the research model is considered reliable because the Composite Reliability and Cronbach's Alpha values for all variables are at values above 0.7. Thus, it can be concluded that the four variables have reliable reliability because they meet the Composite Reliability test criteria.

#### **Structural Model Evaluation Results (Inner Model)**

There are several stages in evaluating the relationship between constructs. This can seen from the path coefficient which describes the closeness of the relationship between constructs. The sign in the path coefficient must be in accordance with the theory hypothesized, to assess the significance of the path coefficient it can be seen from the t test (critical ratio) obtained from the bootstrapping process (resampling

method). The next step is evaluating R², the explanation is the same as R in linear regression where the magnitude of the endogenous variable can be explained by the exogenous variable. Chin (1998) in Sarwono (2014: p. 23) explains, "the criteria for limiting the R value in three classifications, namely 0.67 as substantial; 0.33 as moderate and 0.19 as weak." Changes in the R² value are used to see what the measurement is Exogenous latent variables have an influence on endogenous latent variables substantive. From the results of SEM-PLS data processing stage 2, the R2 value what you get is as follows:

Table 6.R Square Value

	R Square		
Kinerja Pegawai	0.687		
Motivasi Kerja	0.577		

The table shows that the employee performance construct can be explained by the variables of the performance appraisal system, internal organizational communication, and work motivation by 0.687 or 68.7%, while the remaining 31.3% is explained by other variables outside the research model. The table also shows that the construct of work motivation can be explained by 0.577 or 57.7% by the variables of the performance appraisal system and internal organizational communication, while the remaining 42.3% is explained by other variables outside the research model.

#### Hypothesis test

Hypothesis testing between constructs, namely exogenous constructs against endogenous constructs and endogenous constructs against endogenous constructs, is carried out using the bootstrap resampling method developed by Geisser (Ghozali, 2014: p. 25). The test statistic used is the t statistic or t test, the application of the resampling method allows freely distributed data to be applied, does not require the assumption of a normal distribution, and does not require a large sample. Hypothesis testing uses full Structural Equation Modeling (SEM) model analysis with smartPLS. In the full SEM model with PLS, apart from predicting the model, it also explains whether or not there is a relationship between latent variables. The relationship from path analysis of all latent variables in PLS in the study is as follows:

Table 7. Hypothesis Testing Results

Tuble 7. Typothesis results				
	Original Sample (O)	Statistics (O/STDEV)	P Values	Conclusion
Performance Appraisal System -> Work Motivation	0.505	3,654	0,000	There is a POSITIVE influence and the results are significant/ hypothesis ACCEPTED
Performance Appraisal System -> Employee Performance	-0.010	0.109	0.913	There is a NEGATIVE influence and the results are not significant/ hypothesis REJECTED
Internal Employee Communication -> Work Motivation	0.289	2,193	0.029	There is a POSITIVE influence and the results are significant/ hypothesis ACCEPTED
Internal Employee Communication -> Employee Performance	0.481	5,049	0,000	There is a POSITIVE influence and the results are significant/ hypothesis ACCEPTED

Work Motivation -> Employee Performance	0.425	5,054	0,000	There is a POSITIVE influence and the results are significant/ hypothesis ACCEPTED
Internal Organizational Communication -> Work Motivation -> Employee Performance	0.215	2,708	0.007	There is a POSITIVE influence and the results are significant/ hypothesis ACCEPTED
Performance Appraisal System -> Work Motivation -> Employee Performance	0.123	1,908	0.057	There is a POSITIVE influence and the results are significant/ hypothesis ACCEPTED

Discussion of research results is carried out to obtain scientific arguments for the results of hypothesis testing. The following is a discussion of the research results:

- 1. Hypothesis 1 (The Performance Appraisal System has an influence on Work Motivation) Based on Table 5.12, the parameter coefficient for the influence of the Performance Appraisal System variable on Work Motivation (original sample) is 0.505, which means there is a positive influence between the two variables. Or it can be interpreted that the higher the performance appraisal system, the higher the work motivation will be. Then the resulting T-statistical value is 3.654, which means the result is said to be significant because the t-statistical value is greater than the t-table (3.654 > 1.96) or it can be said that the hypothesis is accepted.
- 2. Hypothesis 2 (The Performance Appraisal System has no effect on Employee Performance) Based on Table 5.14, the parameter coefficient for the influence of the performance appraisal system variable on employee performance (original sample) is -0.010, which means there is a negative influence between the two variables. Or it can be interpreted that the lower the performance appraisal system, the better the employee's performance will be. Then the resulting T-statistic value is 0.109, which means the result is said to be insignificant because the t statistic value is greater than the t-table (0.109 < 1.96) or it can be said that the hypothesis is rejected.
- 3. Hypothesis 3 (Organizational Internal Communication influences Work Motivation) Based on Table 5.14, the parameter coefficient for the influence of the Organizational Internal Communication variable on Work Motivation (original sample/original sample) is 0.289, which means there is a positive influence between the two variables. Or it can be interpreted that the higher the organization's internal communication, the better work motivation will be. Then the resulting T-statistic value is 2.193, which means the result is said to be significant because the t statistic value is greater than the t-table (2.193 > 1.96) or it can be said that the hypothesis is accepted.
- 4. Hypothesis 4 (Internal Organizational Communication has an influence on Employee Performance) Based on Table 5.14, the parameter coefficient for the influence of the organizational internal communication variable on employee performance (original sample) is 0.481, which means there is a positive influence between the two variables. Or it can be interpreted that the higher the organization's internal communication, the higher employee performance will be. Then the resulting T-statistical value is 5.049, which means the result is said to be significant because the t-statistical value is greater than the t-table (5.049 > 1.96) or it can be said that the hypothesis is accepted.
- 5. Hypothesis 5 (Work Motivation influences employee performance) Based on Table 5.14, the parameter coefficient for the influence of the work motivation variable on employee performance (original sample) is 0.425, which means there is a positive influence between the two variables. Or it can be interpreted that the higher the work motivation, the better the employee's performance will be. Then the resulting T-statistical value is 5.5054, which means the result is said to be significant

- because the t-statistical value is greater than the t-table (5.5054 > 1.96) or it can be said that the hypothesis is accepted.
- 6. Hypothesis 6 (The Performance Appraisal System has a positive effect on Employee Performance mediated by Work Motivation) Based on Table 5.14, the parameter coefficient for the influence of the performance appraisal system variable on employee performance (original sample) is 0.215, which means that the work motivation variable is able to mediate the appraisal system variable. performance on employee performance variables is 0.215. Or it can be interpreted that the higher the mediation or work motivation, the better the employee's performance will be. Then the resulting T-statistic value is 2.708, which means the result is said to be significant because the t statistic value is greater than the t-table (1.908 < 1.96) or it can be said that the hypothesis is rejected.
- 7. Hypothesis 7 (Internal Organizational Communication has a positive and insignificant effect on employee performance which is mediated by Work Motivation). Based on Table 5.14, the parameter coefficient for the influence of the organizational internal communication variable on employee performance (original sample) is 0.123, which means that the work motivation variable is able to mediate. The internal organizational communication variable on employee performance variables is 0.123. Or it can be interpreted that the higher the mediation or work motivation, the better the employee's performance will be. Then the resulting T-statistic value is 1.908, which means the result is said to be insignificant because the t-statistic value is smaller than the t-table (1.908 < 1.96) or it can be said that the hypothesis is rejected.

#### CONCLUSION

Conclusion Based on the results of the analysis and discussions that have been carried out, the following conclusions are obtained:

- 1. Organizational Internal Communication influences Employee Performance with the parameter coefficient of the influence of the Organizational Internal Communication variable on Work Motivation, which means there is a positive influence between these two variables. Or it can be interpreted that the higher the organization's internal communication, the better work motivation will be.
- 2. Organizational Internal Communication influences employee performance with the parameter coefficient of the influence of the organization's internal communication variable on employee performance, which means there is a positive influence between these two variables. Or it can be interpreted that the higher the organization's internal communication, the higher employee performance will be
- 3. Work Motivation influences employee performance with the parameter coefficient of the influence of the work motivation variable on employee performance, which means there is a positive influence between these two variables. Or it can be interpreted that the higher the work motivation, the better the employee's performance will be.
- 4. The Performance Appraisal System influences Work Motivation with the parameter coefficient of the influence of the Performance Appraisal System variable on Work Motivation, which means there is a positive influence between the two variables. Or it can be interpreted that the higher the performance appraisal system, the higher the work motivation will be.
- 5. The Performance Appraisal System has no effect on employee performance with the parameter coefficient of the influence of the performance appraisal system variable on employee performance, which means there is a negative influence between the two variables. Or it can be interpreted that the lower the performance appraisal system, the better the employee's performance will be.
- 6. Organizational Internal Communication has a positive and insignificant effect on employee performance which is mediated by Work Motivation with the parameter coefficient of the influence of the organization's internal communication variable on employee performance, which means that the work motivation variable is able to mediate the organization's internal communication variable on

- employee performance variables. Or it can be interpreted that the higher the mediation or work motivation, the better the employee's performance will be.
- 7. Performance Appraisal has a positive effect on employee performance mediated by Work Motivation with the parameter coefficient of the influence of performance appraisal system variables on employee performance, which means that work motivation variables are able to mediate performance appraisal system variables on employee performance variables. Or it can be interpreted that the higher the mediation or work motivation, the better the employee's performance will be.

### Suggestion

The performance appraisal system has a negative effect and the results are not significant on the performance of Kendari City Agriculture Service employees. This can be explained because the performance appraisal system (TPPNS) cannot fully measure employee performance. Until now, employees are only required to fill out the TPPNS application with their daily activities, without being required to achieve their performance. So it is necessary to add instruments or methods for filling in daily activities which can also assess performance achievements based on work results and suitability of work results.

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