

Employees' Perceptions of the Implementation of the E-Appraisal System in Supporting Competency Development and Work Productivity at an Electronics Manufacturing Company in Batam

Rini Octaviani Santosa¹, Ervin Nora Susanti², Herni Widiyah Nasrul³

^{1,2,3} Universitas Riau Kepulauan, Riau, Indonesia

Email: riniocaviani0797@gmail.com, ervin.nora@gmail.com, berni.widiyabnasrul@gmail.com

Abstract

Keywords:

E-Appraisal, Employee
Perception, Competency
Development, Work
Productivity, Qualitative Case
Study

The implementation of digital performance appraisal systems has become an important strategy for improving human resource management in organizations. This study aims to analyze employees' perceptions of the implementation of the Electronic Performance Appraisal (E-Appraisal) system in supporting competency development and work productivity at an electronics manufacturing company in Batam City. A qualitative case study approach was employed involving 16 employees from the Material Operation Department selected through purposive sampling. Data were collected through semi-structured interviews, participant observation, and document analysis, and analyzed using the interactive model of Miles, Huberman, and Saldaña. Data validity was ensured through triangulation and member checking. The findings indicate that employees generally perceive the E-Appraisal system as being well implemented, with clear performance indicators that support a structured and transparent evaluation process. The system assists in identifying competency development needs and encourages participation in continuous improvement activities, although competencies are not directly assessed within the appraisal system. Employees also perceive that E-Appraisal contributes to work productivity by providing clearer performance expectations and constructive feedback; however, productivity is also influenced by organizational and operational factors beyond the appraisal system. These findings imply that organizations should strengthen continuous feedback mechanisms, optimize the use of appraisal results for competency development, and consider incorporating operational performance indicators to enhance the effectiveness of digital performance appraisal systems. Future research is recommended to involve multiple organizations and adopt mixed-method approaches to provide broader evidence regarding the implementation of E-Appraisal.

INTRODUCTION

Digital transformation has encouraged organizations to integrate technology into various human resource management functions, including performance management systems. One form of this transformation is the implementation of Electronic Performance Appraisal (E-Appraisal), a digital-based performance appraisal system used to support more efficient, documented, and transparent evaluation processes. Ferine et al. (2024) explain that digitizing performance appraisal systems enables organizations to implement more systematic, documented, and integrated evaluation processes, thereby supporting more effective performance management. Similarly, Karu et al. (2018) emphasize that performance appraisal systems not only serve as an evaluation instrument for employee performance but also serve as the basis for organizations to award rewards, promote positions, and identify human resource development needs. Therefore, the implementation of E-Appraisal is no longer viewed simply as a digitization of administrative processes, but rather as part of an organization's strategy to improve employee competency, work productivity, and organizational competitiveness.

As part of the digital transformation in human resource management, an electronics manufacturing company in Batam City has implemented an E-Appraisal system as a digitally integrated employee performance evaluation tool. This system serves as the basis for evaluating annual performance achievements and supports various management decisions, such as merit awards, job promotions, and employee competency development. Assessments are based on four main dimensions: Professionalism, Cooperation, Personal Discipline, and Improvement, encompassing aspects of professionalism, teamwork, discipline, and contribution to Continuous Improvement activities such as Kaizen and Quality Control Circles (QCC).

Table 1. Assessment Dimensions in the E-Appraisal System in an Electronics Manufacturing Company

Assessment Dimensions	Assessment Description	Assessment Objectives
Professionalism	Assesses the employee's ability to perform tasks according to job standards, responsibilities, quality of work results, and professionalism in carrying out their role.	To measure the quality of work execution and individual performance achievement.
Cooperation	Assesses the ability to work together, communicate, coordinate, and collaborate with coworkers, cross-functional teams, and superiors.	To encourage effective teamwork to support the achievement of organizational goals.
Personal Discipline	Assesses the level of discipline based on attendance, compliance with company regulations, punctuality, and individual responsibility.	To foster disciplined, consistent, and responsible work behavior.
Improvement	Assesses employee participation in continuous improvement activities through Kaizen, Quality Control Circles (QCC), work process innovations, and proposals for operational efficiency improvements.	To foster a culture of innovation, competency development, quality improvement, and sustainable work productivity.

Source: Internal Document of the Company's E-Appraisal System (2025), processed by researchers.

Although the system has been implemented in a structured manner, its implementation still faces several challenges in practice. Some employees have functional superiors located overseas, thus limiting direct interaction in the performance evaluation process. This situation has given rise to varying perceptions regarding the objectivity of assessments, the transparency of the evaluation process, the quality of feedback received, and the system's effectiveness in supporting competency development and work productivity.

Several previous studies have shown that implementing a digital-based performance appraisal system provides various benefits for both organizations and employees. Ferine et al. (2024) explain that digitizing the performance appraisal system can improve the effectiveness of performance management through a more systematic and integrated evaluation process. Karu et al. (2018) also found that the performance appraisal system serves as a basis for awarding awards, job promotions, identifying training needs, and employee career development. Furthermore, Megawati (2025) explains that the success of competency development is influenced by the relevance of the development program, managerial support, and the provision of ongoing direction and feedback. In line with this, Febryan and Muafi (2023) emphasized that performance evaluations accompanied by human resource training and development programs can improve employee competence and productivity.

Although various studies have explained the benefits of digital performance appraisal systems for organizations and human resource development, the implementation of e-appraisal in practice is still influenced by how employees perceive the objectivity of the assessment, the transparency of the evaluation process, the quality of feedback, and its relationship to competency development and work productivity. The phenomenon found in the companies studied indicated

that there are still differences in employee experiences and perceptions regarding the implementation of e-appraisal, particularly for employees with functional superiors located abroad. This situation demonstrates the importance of understanding e-appraisal implementation from the employee perspective so that organizations can gain a more comprehensive picture of the system's effectiveness.

Based on this phenomenon, this study aims to analyze employee perceptions of the implementation of the e-appraisal system in supporting competency development and work productivity at an electronics manufacturing company in Batam City. This research uses a qualitative approach with a case study design to gain a deeper understanding of employee experiences and perceptions regarding the implementation of the e-appraisal system. The research findings are expected to contribute to the development of studies on the implementation of digital-based performance appraisal systems as well as provide practical input for organizations in increasing the effectiveness of the E-Appraisal system.

METHODS

This research used a qualitative approach with a case study design to analyze employee perceptions of the implementation of the e-Appraisal performance appraisal system, which supports competency development and work productivity, at an electronics manufacturing company in Batam City. The research was conducted from March to June 2026. This approach was chosen to gain an in-depth understanding of employee experiences and perceptions of the implementation of the performance appraisal system within an organizational context.

Research informants were selected using a purposive sampling technique, selecting informants based on their involvement in the e-Appraisal system implementation. The study involved 16 informants from the Material Operations Department with various positions including Material Operations Manager, Senior Commodity Specialist, Senior Purchaser Officer, Buyer, Purchaser Officer, Clerk, and Material Handler, with tenure ranging from less than one year, one to three years, and more than three years. To maintain confidentiality, all informants were identified using the codes I1–I16.

Data collection was conducted through semi-structured interviews, participant observation, and documentation study. The interviews used a guide consisting of nine open-ended questions distributed to all informants via Google Forms. Informants provided narrative answers based on their experiences with the implementation of the E-Appraisal system. If any answers required further explanation, the researcher clarified the information directly with the informants to ensure accuracy and completeness. Interview questions covered understanding of E-Appraisal implementation, clarity of assessment indicators, objectivity and fairness of assessments, feedback from superiors, competency identification and development, the role of Improvement indicators in Kaizen activities, Quality Control Circles (QCC), and Continuous Improvement programs, the system's impact on work productivity, and suggestions for improving the effectiveness of system implementation. Participant observation was conducted because the researcher was part of the work environment where the research took place, allowing them to directly observe the implementation of the E-Appraisal system, the performance review process, and the culture of Continuous Improvement. Documentation studies were conducted through a review of the Appraisal Score Guideline 2025 and supporting documents related to employee experiences with Kaizen, QCC, and Continuous Improvement to verify the assessment indicators and the implementation mechanisms of the E-Appraisal system.

Data were analyzed using the interactive model of Miles et al. (2014), which includes data condensation, data presentation, and drawing and verifying conclusions. The analysis was conducted by grouping the data based on research themes, then comparing the results of interviews, observations, and documentation to obtain a comprehensive interpretation. Data validity was maintained through technical triangulation, comparing the results of interviews,

observations, and documentation, and member checking with several informants to ensure that the interpretations aligned with their shared experiences.

RESULTS AND DISCUSSION

Employee Perceptions of the E-Appraisal System Implementation

Based on interviews with 16 informants, the majority demonstrated a good understanding of the company's E-Appraisal system implementation. The majority stated that the system had been implemented in a structured manner and that the assessment indicators, which included Professionalism, Cooperation, Personal Discipline, and Improvement, were easy to understand. However, perceptions regarding the objectivity of the assessment process varied. Some informants considered the assessment process to be objective and fair, while others stated that the objectivity of the assessment was still affected by limited interaction between employees and their functional superiors, who were located overseas.

Table 2. Summary of Informant Perceptions of the E-Appraisal System Implementation

Aspect	Summary of Findings
Understanding of E-Appraisal	The majority of informants understood that E-Appraisal is a digital-based performance appraisal system used as the basis for annual performance evaluations.
Clarity of assessment indicators	The majority of informants stated that the Professionalism, Cooperation, Personal Discipline, and Improvement indicators were clear and easy to understand.
Objectivity of assessment	Informants' perceptions varied. Some considered the assessments objective based on the established indicators, while others felt that objectivity was still affected by limited interaction with functional superiors abroad.
Transparency of implementation	Some informants also hoped for increased transparency regarding the basis for assessments, changes to regulations, and more detailed disclosure of evaluation results.

These findings are supported by the following statement from one informant:

"It's very good and transparent. We are given a scoring guideline and an annual review meeting is held every January to review our score, which is explained by our manager." (I4, Buyer, Tenure > 3 Years)

Conversely, several informants stated that the objectivity of the assessments still needs to be improved, especially for employees with functional supervisors overseas.

"It's not very objective, especially for employees who report overseas, but the assessments are carried out by others in the work area." (I1, Senior Commodity Specialist, Tenure 1-3 Years)

Another informant expressed a similar opinion.

"It's not objective and fair in general. Sometimes I feel the assessments are still subjective." (I6, Senior Purchaser Officer, Tenure > 3 Years)

On the other hand, some informants assessed that the system has been implemented objectively because it uses indicators established by the company.

"Assessments are based on measurable work parameters and actual achievements in the field, not just subjective opinions." (I12, Buyer, Tenure > 3 years)

Employee Perceptions of Competency Development through the E-Appraisal System

Interview results indicate that most informants view the E-Appraisal system as helpful in identifying competencies that need development. Informants stated that the assessment results provide an overview of performance strengths and weaknesses, thus providing a basis for improvement through training, learning, and self-development. However, several informants believed that the assessment results were still general in nature and therefore did not fully identify specific competency development needs.

Table 3. Summary of Informant Perceptions of Competency Development

Aspects	Summary of Findings
Competency Identification	Most informants stated that e-appraisal helped identify competencies that needed to be developed through performance evaluation results.
Competency Development	Most informants stated that the assessment results encouraged them to participate in training, learning, and self-development to improve their competencies.
System Limitations	Several informants considered the assessment results to be general in nature, thus not providing specific competency recommendations tailored to each employee's needs.

System Limitations: Several informants felt that the assessment results were still general, thus not providing specific competency recommendations tailored to each employee's needs.

One informant stated that the assessment results helped identify competencies that needed improvement.

"With the assessment, we can identify our weaknesses and use them as a reference for the coming year." (I7, Senior Purchaser Officer, >3 Years of Service)

Another informant also stated that the assessment results motivated them to pursue continuous self-development.

"Performance assessments provide a clear picture of areas that can be optimized. This motivates me to actively pursue self-development, whether through system training, workflow efficiency, or independent learning." (I12, Buyer, >3 Years of Service)

On the other hand, several informants stated that the E-Appraisal system was not yet fully capable of identifying specific competencies.

"The performance appraisal system is quite helpful in identifying competencies that need development. However, the assessment results tend to be general in nature, so they don't provide a specific picture of competencies that need improvement." (I11, Material Handler, >3 Years of Service)

A different perspective was also expressed by an informant at the managerial level.

"It's not directly related to competency." (I16, Material Operations Manager, >3 Years of Service)

In addition to assessment results, competency development is also reflected in the informants' perceptions of the Improvement indicators in the E-Appraisal system. Most informants stated that these indicators encourage them to participate in Kaizen, Quality Control Circles (QCC), and other Continuous Improvement activities because they are a component of performance assessment.

"Very encouraging. Because the results we get are not only for personal development, but we also receive rewards for our contributions to improving work quality and personal development." (I4, Buyer, >3 Years of Service)

Another informant expressed a similar opinion.

"Yes, very encouraging. Having Improvement indicators provides motivation to continue innovating and achieving efficiency in daily tasks." (I12, Buyer, Tenure > 3 Years)

However, several informants stated that the effectiveness of the Improvement indicators is still influenced by the lengthy approval process and the assessment system, which focuses more on quantity than quality of improvements.

"In my opinion, the Improvement indicators don't fully encourage me to participate because the assessment focuses more on the quantity of improvements than on the quality or impact of the improvements." (I11, Material Handler, Tenure > 3 Years)

Employee Perceptions of Work Productivity through the E-Appraisal System

Interview results indicate that most informants view the e-appraisal system as having a positive impact on work productivity. Informants stated that the appraisal system helps provide clearer work direction, increases motivation, and encourages discipline in achieving work targets. However, several informants believed that the system's effectiveness is still influenced by the

transparency of assessment indicators, the quality of feedback, and the consistency of implementation in the workplace.

Table 4. Summary of Informant Perceptions of Work Productivity

Aspects	Summary of Findings
Influence on productivity	Most informants stated that e-Appraisal had a positive impact on work productivity.
Work motivation	Informants stated that the appraisal system encouraged motivation, discipline, and the achievement of work targets.
Factors affecting effectiveness	Several informants assessed that the transparency of indicators, feedback from superiors, and consistency of implementation still needed improvement to make the system more effective in supporting work productivity.

One informant stated that a good performance appraisal system has a direct relationship with work productivity.

"A good and fair performance appraisal system is directly proportional to work productivity." (I2, Purchaser Officer, 1–3 Years of Service)

Another informant also stated that the performance appraisal system provides clearer work direction, thereby increasing productivity.

"The performance appraisal system has a very positive impact on productivity. This system provides clear work direction and targets, thus encouraging employees to work more systematically, focus on efficiency, and consistently maintain quality and timeliness in every daily task." (I12, Buyer, >3 Years of Service)

On the other hand, several informants assessed that the system's effectiveness could be improved through more transparent performance indicators.

"We need transparent performance indicators that will be useful for improvement or as reminders for employees." (I3, Clerk, <1 Year of Service)

Other opinions also indicate that productivity is influenced not only by the performance appraisal system, but also by the quality of its implementation.

"The performance appraisal system is quite helpful in increasing work productivity because it gives employees a better understanding of their responsibilities and the targets they must achieve. However, its effectiveness still depends on the system's implementation and the feedback provided." (I11, Material Handler, >3 Years)

Proposed Improvements to the E-Appraisal System Implementation

Interview results indicate that informants made various suggestions to improve the effectiveness of the E-Appraisal system implementation. These suggestions include increasing the transparency of the appraisal process, strengthening feedback mechanisms, adjusting the appraisal criteria, involving direct superiors in the evaluation process, following up on appraisal results, and adding indicators that better align with the characteristics of each job.

Table 5. Summary of Proposed Improvements to the E-Appraisal System Implementation

Aspects	Summary of Findings
Direct assessors	Informants proposed that the assessment process be conducted by superiors who interact directly with employees, including functional superiors overseas.
Transparency	Informants expected the assessment results, indicators, and grade development to be communicated more openly and regularly.
Feedback	Assessment results should be accompanied by more specific feedback through two-way discussions between superiors and subordinates.

Assessment criteria	Several informants suggested that the assessment criteria be more objective, consistent, and place a greater emphasis on the quality and impact of work results and improvements.
Follow-up on assessment results	Informants expected the e-appraisal results to be followed up through competency development programs, training, and career development.
Addition of indicators	Several informants proposed the addition of performance indicators that better align with job characteristics and technical KPIs in each department.

One informant suggested that the assessment process be conducted by superiors who interact directly with employees so that the evaluation results more closely reflect actual work conditions.

"It's best if the assessor is a direct superior, whether overseas or local, so the results are more optimal." (I1, Senior Commodity Specialist, 1–3 Years)

Another informant assessed that the implementation of e-appraisal would be more effective if complemented by regular communication and feedback.

"A performance appraisal system will be more effective if there is two-way communication between the assessor and the assessee, not only at the time of the final grade, but also through ongoing semester reviews." (I2, Purchaser Officer, 1–3 Years)

Furthermore, several informants suggested that assessment results be accompanied by more specific feedback and used as a basis for employee competency development.

"The e-appraisal system would be more effective if each assessment result was accompanied by more specific feedback regarding strengths, weaknesses, and areas for improvement. Furthermore, the assessment criteria should be clearer and more consistent, with a greater emphasis on the quality and impact of work results and improvements." (I11, Material Handler, > 3 Years)

A similar view was expressed by another informant, who hoped that evaluation results would be followed up through development programs tailored to employee needs.

"To be more effective, the implementation of E-Appraisal is recommended to further deepen two-way feedback discussions between superiors and subordinates, and ensure that assessment criteria are aligned with each department's daily technical KPIs. Furthermore, evaluation results should ideally be followed up with targeted self-development or training programs." (I12, Buyer, > 3 Years)

An informant from the managerial level also suggested adding more specific indicators for daily operational performance.

"We should add KPIs for specific daily work performance, such as material shortage rates." (I16, Material Operations Manager, > 3 Years)

Discussion

Implementation of an E-Appraisal System

The implementation of an e-appraisal system at an electronics manufacturing company in Batam City demonstrates that the digitization of performance appraisals has served as a mechanism to strengthen the standardization of the employee evaluation process. In this study, the appraisal system serves not only as a medium for administrative recording but also as an instrument that provides direction regarding performance aspects that are prioritized by the organization. The presence of structured indicators allows for a more systematic evaluation process, thus helping to build a relatively uniform understanding of performance expectations. This indicates that acceptance of the appraisal system is not solely influenced by the use of technology, but also by the clarity of the indicators used as the basis for the evaluation.

This interpretation aligns with Ferine et al. (2024), who explain that the digitization of the performance appraisal system can support more effective human resource management through a measurable, systematic, and transparent evaluation process. Digitization not only improves the efficiency of appraisal administration but also clarifies the standards used in evaluating employee performance. In the context of this research, the presence of the Professionalism, Cooperation,

Personal Discipline, and Improvement indicators indicates that the e-Appraisal system has provided a more focused assessment framework, eliminating the need for the evaluation process to rely solely on the assessor's subjective judgment.

In addition to being supported by a clear indicator structure, the implementation of the e-Appraisal system is also influenced by how assessment results are communicated to employees. Karu et al. (2018) explained that understanding the assessment indicators and transparency in communicating evaluation results contribute to employee acceptance of the performance appraisal system. The findings of this study demonstrate a similar situation, although the transparency mechanisms implemented have different characteristics. Employees do not have direct access to the e-Appraisal application, but communicating results through briefings, discussions, and feedback with superiors still allows them to understand the evaluation results they receive. Thus, the transparency of the system's implementation is determined not only by access to technology but also by the effectiveness of the communication that accompanies the assessment process.

However, the implementation of the e-Appraisal system has not completely eliminated differing perceptions regarding the objectivity of assessments. This situation indicates that the existence of a digital system has not automatically eliminated the potential for subjectivity in the evaluation process. Shidqi and Wibisono (2023) explained that modern appraisal systems require clear indicators, consistent evaluation mechanisms, and a continuous feedback process to minimize subjectivity. This study extends these findings by demonstrating that perceptions of objectivity are influenced not only by the design of the appraisal system but also by the characteristics of working relationships in multinational organizations. In work environments that implement functional reporting to superiors overseas, limited direct interaction can impact employee perceptions of the extent to which the appraisal represents daily work performance. These findings suggest that the quality of the relationship between the appraiser and the employee remains a crucial factor even when the organization has implemented a digital-based appraisal system.

Based on this synthesis, this study contributes to the understanding of e-appraisal implementation in the context of multinational manufacturing companies. Previous studies have emphasized the importance of digitalization, transparency, and refinement of appraisal indicators (Ferine et al., 2024; Karu et al., 2018; Shidqi & Wibisono, 2023). This study demonstrates that the effectiveness of e-appraisal implementation is also influenced by cross-border supervisory structures, which influence communication intensity, feedback quality, and perceptions of appraisal objectivity. Therefore, strengthening communication mechanisms and providing continuous feedback are factors that are as important as the development of the digital system itself in supporting the effective implementation of E-Appraisal.

Competency Development

Competency development is an important objective of implementing a performance appraisal system because the assessment results can serve as a basis for identifying strengths and areas for improvement. Based on research findings, most informants assessed that the implementation of the E-Appraisal system has helped superiors identify competencies that need to be maintained and developed. However, the system does not directly measure each employee's technical competency; instead, it functions more as a performance evaluation tool based on Professionalism, Cooperation, Personal Discipline, and Improvement indicators. Therefore, the resulting information is primarily used as a basis for providing feedback and determining competency development needs.

These findings indicate that the E-Appraisal system contributes to the process of identifying competency development needs, although it has not yet fully become a comprehensive competency measurement instrument. This finding aligns with Megawati (2025), who stated that a performance appraisal system serves not only as an evaluation tool but also as a source of information for organizations in planning employee competency development. Through systematically documented assessment results, companies can determine competency aspects that need to be strengthened through coaching and continuous development.

The research also shows that the Improvement indicator is one component that contributes to employee competency development. Unlike other indicators that emphasize work behavior, this indicator encourages employee participation in Kaizen, Quality Control Circle (QCC), and Continuous Improvement activities. Involvement in these activities provides employees with opportunities to develop analytical, problem-solving, communication, collaboration, and process improvement skills, as well as generate ideas for work process improvements. These findings demonstrate that competency development is not solely achieved through formal training, but also through experiential learning derived from continuous improvement activities in the workplace. This finding aligns with Karu et al. (2018), who explained that a performance appraisal system integrated with continuous development activities can encourage individual competency improvement while supporting the achievement of organizational goals.

These findings also reinforce the research of Febryan and Muafi (2023), who explained that a performance appraisal system will provide greater benefits if the evaluation results are followed by a continuous competency development process. Performance appraisals do not stop at assigning scores but serve as a basis for organizations to design follow-up actions that support employee capacity building in line with job requirements and organizational goals. Similarly, Tullah et al. (2024) also emphasized that performance appraisal results should be used as a basis for developing training and human resource development programs to ensure employee competency development and support improvements in organizational performance.

However, several informants still felt that follow-up to assessment results was not yet fully optimal. Appraisal results were generally used as discussion material between superiors and subordinates, but were not always followed by structured development programs, such as specialized training, coaching, or Individual Development Plans (IDPs). This situation indicates that the effectiveness of a performance appraisal system is determined not only by the evaluation process but also by the organization's consistency in utilizing evaluation results as a basis for competency development. This finding is supported by Shawn (2023), who emphasized that an effective performance appraisal system focuses not only on evaluation but also needs to be supported by quality feedback, transparency, goal alignment, and ongoing development follow-up to improve employee competency and engagement. Therefore, an e-appraisal system will provide more optimal benefits if integrated with a planned competency development mechanism so that assessment results can be translated into skill improvement programs relevant to organizational needs and employee career development.

Work Productivity

Work productivity is a key indicator in assessing the success of a performance appraisal system implementation. The study found that most informants viewed the e-appraisal system as having positively contributed to work productivity through clear targets, more structured performance evaluations, and feedback from superiors. However, several informants argued that increased productivity was not solely influenced by the performance appraisal system, but also by other factors, such as workload, interdepartmental coordination, resource availability, and the company's operational conditions. These findings suggest that e-appraisal plays a role in supporting productivity, but is not the sole determinant.

These findings align with Ferine et al. (2024), who stated that implementing an objective and structured performance appraisal system can increase work motivation, thereby impacting employee productivity. Through measurable evaluations, organizations can provide more accurate feedback and encourage employees to continuously improve their performance. Thus, the performance appraisal system serves not only as an evaluation tool but also as an instrument that supports the improvement of individual and organizational productivity.

Furthermore, the research findings indicate that digitizing the performance appraisal process helps improve appraisal effectiveness through clearer assessment indicators and a more documented evaluation process. This finding aligns with research by Shidqi and Wibisono (2023),

which explains that implementing a digital-based performance appraisal system can improve administrative efficiency, clarify the evaluation process, and support more objective decision-making. However, the findings also indicate that productivity gains cannot be fully measured solely through appraisal results, as productivity is influenced by various interrelated factors within the work process.

These research findings also support Megawati (2025), who stated that an effective performance appraisal system can provide the information an organization needs to continuously improve employee performance. Shawn (2023) further emphasized that the effectiveness of a performance appraisal system is influenced by the quality of feedback, process transparency, goal alignment, and ongoing communication between superiors and subordinates. This combination of factors not only increases employee engagement but also fosters a work environment that supports improved performance and productivity.

Based on research results, the implementation of the E-Appraisal system at an electronics manufacturing company in Batam City has contributed to increased work productivity through a more systematic evaluation process and the provision of feedback to employees. However, to optimize these benefits, the company needs to continue to refine the assessment mechanism, including strengthening indicators related to daily work results, so that the assessment system not only evaluates performance achievements but also provides more comprehensive information to support sustainable productivity improvements.

CONCLUSION

This study aims to analyze employee perceptions of the implementation of the E-Appraisal system in supporting competency development and work productivity at an electronics manufacturing company in Batam City. The results indicate that the implementation of the E-Appraisal system is perceived as having been successful, based on the indicators of Professionalism, Cooperation, Personal Discipline, and Improvement. The system provides a more structured, objective, and documented evaluation process, thus assisting superiors in providing feedback to employees. However, competencies have not been directly assessed through the system; rather, they are identified through performance appraisal results, which then serve as the basis for the competency development process.

This study also shows that the implementation of E-Appraisal contributes to work productivity through clear assessment indicators, more systematic evaluations, and the provision of feedback to employees. However, productivity improvements are influenced not only by the performance appraisal system but also by other factors such as workload, interdepartmental coordination, resource availability, and the company's operational conditions. Therefore, the E-Appraisal system is viewed as a supporting factor in improving competency and work productivity, not the sole determinant.

This research contributes to the development of studies on the implementation of e-appraisal systems through a qualitative approach in the electronics manufacturing sector. The research findings enhance understanding of how employee perceptions can be used to evaluate the implementation of digital performance appraisal systems and identify opportunities for competency development and work productivity within an organizational context.

REFERENCE

- B. Miles, M., Huberman, A. M., & Saldana, J. (2014). *Qualitative Data Analysis: A Methods Sourcebook* (3 ed.). SAGE Publications, Inc. Retrieved from <https://books.google.co.id/books?id=p0wXBAAAQBAJ&printsec=frontcover&hl=id#v=onepage&q&f=false>
- Febryan, F., & Muafi. (2023). Evaluation of the Human Resources Training and Development Program for Performance and Productivity Improvement (Case Study at Perumda Tirta Manuntung Balikpapan). *Asian Journal of Management Entrepreneurship and Social Science*, 3(3),

- 1028-1046. Retrieved from
<https://www.ajmesc.com/index.php/ajmesc/article/view/492/290>
- Ferine, F. K., Murliasari, R., & Saefudin, A. (2024). From Manual to Digital: An Innovation in The Performance Appraisal System of Medan City Government Employees. *Asian Journal of Management Entrepreneurship and Social Science*, 4(2), 1208-1225. Retrieved from
<https://www.ajmesc.com/index.php/ajmesc/article/view/749/544>
- Karu, S. C., Lopian, S. J., & Tielung, M. V. (2018). A Qualitative Study Of Employee Perception On Performance Appraisal System At Main Branch Of BNI 46 Manado. *Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 6(2), 528 - 536.
- Megawati. (2025). Employee Perceptions of Competency Development Effectiveness in Multinational Companies: A Qualitative Insight. *Jurnal Ilmiah Manajemen Kesatuan*, 13(4), 2807-2816.
- Shawn, E. (2023). Efficacy of Performance Appraisal Systems in Enhancing Employee Engagement. *International Journal of Human Resource*, 1(1), 24-35. Retrieved from
<https://www.forthworthjournals.org/>
- Shidqi, R. M., & Wibisono, D. (2023). Improvement Of The Performance Appraisal System At PT XYZ. *Journal of Economics and Business UBS*, 12(6), 3868-3875. Retrieved from
<https://jurnal.ubs-usg.ac.id/index.php/joeb/article/view/957/1053>
- Tullah, F. H., Alfahmi, M., & Setiawan, N. (2024). Analisis Sistem Penilaian Kinerja Karyawan dalam Meningkatkan Kualitas Sumber Daya Manusia pada Bengkel Pusat PTPN II. *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 6(4), 4827-4843. doi:10.47467/alkharaj.v6i4.1045