
Utilization of Information and Communication Technology in Performance Management: For a Better Organization

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ABSTRACT

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Rapid developments in ICT have provided new opportunities for organizations to improve operational efficiency, communication and human resource management. However, the concrete impact of ICT implementation on performance management still requires more in-depth research. This study aims to investigate how the use of Information and Communication Technology (ICT) can influence and improve performance management in an organizational context. This research will use a qualitative approach with descriptive methods. This study underscores the importance of performance management in achieving organizational goals. By linking strategic planning and tactical execution, ensuring administrative efficiency, managing human resources well, and encouraging individual development, performance management becomes an important foundation for company growth and success. The use of Information and Communication Technology (ICT) in this process strengthens effectiveness by simplifying performance reviews, providing more targeted feedback, and creating a fair and personalized environment. In today's dynamic era, the combination of strong performance management and ICT utilization provides the necessary tools for organizations to adapt, develop and achieve competitive advantage.

Keywords: Performance Management, Organization, Information and Communication Technology (ICT)

1. INTRODUCTION

In managing an organization or company, good governance or managerial is needed. Basic knowledge of management needs to be understood and applied properly by managers so that it will be very helpful in carrying out their duties in an effort to achieve organizational goals (Sinambela, 2021). Good management is the key to the welfare of society which consists of various kinds of organizations. One of the key aspects of management is how managers can recognize the role and importance of parties that will support the achievement of company goals (Tampubolon, 2020).

Organizational spending on human resources is the most dominant compared to spending on other resources. In today's increasingly fierce competition in the global market, many business organizations are affected by the disaster of competition, suffer losses, and even suffer bankruptcy, which is caused by the low productivity of human resources in these business organizations (Dessler, 2015). Problems that befall the business organization can be solved by finding the main causes that cause these problems. The common cause of these problems is because business organizations still apply traditional performance management (Nursam, 2017).

In the global economic system which is a system without national borders which is gradually becoming a reality, the business environment changes rapidly. Especially supported by the rapid development of information and communication technology (ICT), globalization promises opportunities for everyone everywhere to access the best in

the world (Rusydi, 2017). Implementing performance management will benefit organizations, teams, and individuals. Performance management supports the overall goals of the organization by linking the work of each employee and manager to the entire work unit. This paper discusses how to improve performance management to deliver the best performance of employees, teams and organizations (Lubis, 2016).

Today's organizations are increasingly shifting focus from annual performance reviews to a more dynamic approach to performance management. This approach utilizes real-time feedback, more frequent check-ins, and integration of self-evaluations (Kuswanto, 2014). As well as enhancing organizational growth and employee development, this approach is also more efficient and economical compared to the cost and time required for traditional annual reviews. In an environment where labor shortages are affecting various industries, and employees are required to be highly productive, complex old-fashioned processes are becoming unfeasible to continue. The need for timely feedback is becoming increasingly important, both for employee performance and for their professional development (Hakim, 2014).

The importance of providing feedback quickly is forcing organizations to adopt a more responsive performance management approach. This not only avoids the risk of losing the best talent due to late feedback, but also ensures that employees are continuously motivated and engaged (Hadijaya, 2013). While implementing this new approach can create fear for managers and human resource (HR) teams, performance management technology can play an important role in facilitating this change (Sutrisno, 2020).

The use of ICT in performance management provides the efficiency, automation, and engagement that employees and HR teams need. With the appropriate technological tools, the process of feedback and performance evaluation can be carried out more easily and in a structured manner (Hartono et al, 2022). ICT also enables the integration of employee self-evaluations, enabling them to more actively manage their own career development. For the HR team, technology helps in tracking employee development, identifying performance trends, and planning further development (Herlina et al, 2022).

Slow and unresponsive annual performance reviews are increasingly being left behind by organizations in an era of uncertainty and rapid change. However, moving to a more dynamic, feedback-based approach to performance management posed several challenges. Managers and human resource (HR) teams may face uncertainty about how to implement these changes effectively (Widajanti, 2007). In addition, questions regarding the efficiency of performance management technologies and their impact on employee engagement also need to be answered. Therefore, the need for research to investigate how the use of Information and Communication Technology (ICT) in a more responsive performance management approach can overcome these problems is becoming increasingly urgent.

This study aims to analyze the impact of using Information and Communication Technology (ICT) in a performance management approach that is more responsive to operational efficiency, employee development, and employee engagement. This research will identify best practices in integrating ICT in performance management processes and analyze how these changes impact organizational growth and employee professional development. The research results will provide insight into best practices in adopting ICT for more responsive performance management. This will assist HR managers and teams in designing more effective implementation strategies and this research can help organizations understand how technology can be a powerful tool in creating a dynamic work environment and facilitating continuous growth, while also ensuring employees stay engaged and motivated.

2. LITERATURE REVIEW

According to Bacal (1999), performance management is defined as continuous communication that is carried out in collaboration between an employee and his direct supervisor. This process involves activities that help to establish clear expectations and a knowledge of the task to be done. Performance management, according to Armstrong (2004), is a systematic and integrated strategy to bringing long-term success to a company by increasing the performance of its employees and growing the capabilities of teams and individual contributors.

Essentially, the purpose of performance management is to create an environment in which everyone can perform to the best of their abilities in order to deliver the greatest quality work in the most effective and efficient way possible. There are three types of performance management objectives:

1. **Strategic Objectives.** Employee activities that align with organizational goals are referred to as strategic objectives. Implementing a strategy necessitates an explanation of the desired outcomes, behavior, and personnel attributes, as well as the implementation of metrics and feedback systems for employee performance.
2. **Administrative Functions.** Administrative purposes refer to job evaluation for administrative decisions, review, promotion, and termination of employment, among other things.
3. **Development Objectives.** Performance management also attempts to enhance potential employees' capacity in their field of work, provide training for employees who perform poorly, and place people in the appropriate places.

In order to conduct out performance management, numerous tools and requirements must be met. ISO Quality Management, MalcolmBaldrige (MBNQA), Lean Six Sigma, Balanced Scorecard (BSC), Six Sigma, and others are among these tools.

3. RESEARCH METHODS

This research uses a qualitative approach with a descriptive method. Arikunto (1990) explained that descriptive research is research that is intended to collect information about existing symptoms, namely the condition of the symptoms according to "what was" at the time the research was conducted. This was also expressed by Whitney (in Nazir, 1998), the descriptive method studies problems in society, as well as procedures that apply in society and certain situations, including relationships, activities, attitudes, views as well as ongoing processes and the effects of a phenomenon. Descriptive research is not intended to test certain hypotheses, but only describes 'what is' about a variable, symptom or condition. Indeed there are times when you want to also prove conjectures but not too common. What is common is that descriptive research is not intended to test hypotheses (Arikunto, 1990).

4. RESULT AND ANALYSIS

1. The Importance of Performance Management for an Organization

An organization is formed to achieve organizational goals. Achievement of organizational goals shows the work/achievement of the organization and shows organizational performance. Organizational work results are obtained from a series of activities carried out (Juliandiny et al, 2017). These activities can be in the form of organizational resource management or work implementation processes needed to achieve organizational goals. To ensure that these activities can achieve the expected results, management efforts are needed in carrying out their activities (Setiawan, 2016). Thus, the essence of performance management is how to manage all organizational activities to achieve predetermined organizational goals.

According to Costello (1994) performance management supports the overall goals of the organization by linking the work of each worker and manager to the overall mission of the work unit. How well we manage the performance of our subordinates will directly affect not only the performance of each individual worker and work unit, but also the performance of the entire organization. Then how important is performance management for an organization or company in an effort to achieve its goals, here are some reasons.

a. Means of Achieving Strategic Steps

Performance management has a very important role in driving the organization towards achieving the goals and targets that have been set. In the midst of a constantly changing business environment and increasingly fierce competition, performance management is the basis for ensuring that every step taken has a clear and measurable direction. With an effective performance management system, organizations can bridge the gap between strategic planning and tactical implementation, ensuring that resources and efforts are directed in the most productive direction (Pradana, 2022).

One of the main aspects of performance management is its ability to monitor and assess employee performance. By conducting periodic reviews, organizations can identify employees who achieve outstanding results and recognize their efforts, and reward them accordingly. In addition, performance that is not in line with expectations can also be

identified immediately, so that corrective steps can be implemented immediately. In this case, performance management functions as a tool to ensure that all team members move in line with the vision and mission of the organization.

b. To achieve administrative goals

Performance management has a very significant importance in the administrative context of the company. Efficient and orderly administration is an important foundation in maintaining daily operations and the smooth running of business processes as a whole. Even though it may sometimes be considered as a monotonous and complex task, the administrative aspect is a vital element that forms the organizational structure and keeps all components running harmoniously (Nuraida, 2008).

In this respect, performance management emerges as a tool to facilitate administration in a number of ways. First of all, a performance management system helps to identify the roles and responsibilities of each individual within the organization. By clearly defining roles and responsibilities, administrative tasks can be allocated more efficiently and avoid overlapping or confusion. Furthermore, performance management provides a clear structure for tracking and reporting employee performance. This is very important in administration because it allows human resources teams and managers to monitor individual and team developments more regularly. With organized performance information, administrative decision making such as promotion, project assignment, or resource allocation can be supported by strong and accurate data.

c. Managing Human Resources (HR)

Performance management is an irreplaceable strategic pillar in managing human resources (HR) within an organization. This strategy serves as a catalyst for achieving the main goals of the company or organization. Understanding and optimizing the capabilities and potential of employees is the foundation of operational efficiency and effectiveness. Without good performance management, the road to business success will be full of challenges and obstacles that are difficult to overcome (Pulungan & Wardhana, 2020).

Performance management is not just a tool to measure target achievement, but is also a holistic approach that includes planning, implementing, monitoring, and improving employee performance. By implementing best practices in performance management, organizations can identify and optimize the potential of each individual. This means allocating tasks and responsibilities according to employees' abilities and interests, as well as providing valuable feedback to assist their development.

The positive effect of brilliant performance management is very clear in the achievement of company goals. Employees who are engaged, get constructive feedback, and have opportunities for development, tend to be more motivated and engaged in organizational efforts. This creates a work culture focused on achievement, innovation and sustainable growth. In the long term, sound performance management can lead to increased productivity, higher customer satisfaction and better adaptability to market changes.

d. Expand company

Performance management has a significant role in increasing the capacity of employees, especially for those who show achievement and potential in the field they are in. Focus on individual development is the key to fully utilizing employee potential (Indrastuti, 2020). In this context, performance management becomes a powerful tool in helping to identify and stimulate individual growth, with beneficial outcomes for both employees and the organization as a whole.

One concrete form of implementation of performance management is through the provision of training to employees who show poor performance. In many cases, unsatisfactory performance may be due to a deficiency in knowledge, skills, or understanding of the tasks assigned. Through performance management, companies can identify areas that need improvement and design appropriate training programs to help employees improve their performance.

This concept also helps shape an environment that supports continuous learning. Employees who see that the company pays attention to their development tend to be more motivated to learn and grow. It creates an organizational culture that encourages personal and professional growth, helping companies retain and develop existing talent.

e. Improve work system

Performance management has a significant role in increasing the capacity of employees, especially for those who show achievement and potential in the field they are in. A focus on individual development is key in making the most of an employee's potential. In this context, performance management becomes a powerful tool in helping to identify and stimulate individual growth, with beneficial results for both employees and the organization as a whole (Nugroho et al, 2021).

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2. Utilization of Information and Communication Technology for better performance management

ICT in organizations has an important role in studying the characteristics of an organization's technology and the relationship of technology to organizational structure, but its application must be based on the characteristics of the organization. The organization is an open system, and organizational technology is a type of internal activity that occurs within the organization, in this case it is clear that they are closely related to one another. The application of ICT in organizations can have a significant impact on effectiveness and efficiency as well as increase competitiveness because information technology provides a number of data regarding the running of the organization so that organizations can obtain the necessary data as their basis for making strategic decisions.

Information Technology is growing at this time, this is due to humans who demand speed to meet all their needs. Likewise with performance management, which urgently requires speed to support all its activities to be carried out quickly and of course with good, effective and efficient results. In this study, it will be explained how the ICT approach in performance management can provide benefits

a. This provides a simplified experience

Traditional performance reviews are often seen as an awkward and cumbersome task for managers and employees. Intensive preparation, manual reporting, and complicated follow-up are often an additional burden in the midst of their busy routine. In facing the dynamic era and demands for ever higher efficiency, this approach is becoming increasingly incompatible with organizational needs. This is why performance management software is an effective modern solution for streamlining and improving these processes.

Performance management software is revolutionizing the way we approach performance evaluation. With features such as automatically scheduled check-ins into staff calendars, customizable evaluation templates, and goal tracking, the software allows managers to focus more on providing high-quality feedback instead of spending excess time in administration. Another advantage is the use of real-time feedback. The platform allows managers to give praise or address problems instantly, which enables timely intervention and increases the effectiveness of feedback.

In addition to benefits for managers, performance management software also provides easy access for employees. With 24-hour access features and the ability to review progress towards goals, employees can be more actively involved in the evaluation process. This creates a responsive environment for questions or concerns that may arise. Employees can also provide updates and complete their self-evaluation, actively integrating themselves into the performance management process.

In a work context that is increasingly adopting hybrid or remote work models, performance management software is becoming more relevant. 24-hour access allows engagement without geographic or time restrictions. By providing a more practical and efficient way to conduct and track performance evaluations, this software brings concrete benefits that facilitate better communication, development, and feedback.

b. It's a fair, consistent, and more effective way to help people develop.

Technology-based performance management systems bring a number of significant benefits to companies and employees. One of its main advantages is the ability to use templates that have been checked for metrics, goal setting, and milestones. This ensures that the evaluation process is more structured and objective, and eliminates bias and evaluations that focus too much on aspects of personality. With clear standards, lines of accountability become more defined and communication becomes more directed.

In a more traditional performance management context, evaluation is often limited to interactions between employees and their immediate superiors. This results in a narrow perspective and may not include the full picture of performance. Performance management technologies solve this problem by gathering feedback from multiple sources, creating a 360-degree picture. In this case, managers, co-workers and subordinates can provide diverse views of a person's performance. Thus, the assessment becomes more accurate and balanced.

Performance management technology also makes it easy to create employee performance profiles. This profile can be easily accessed by managers and employees, and integrated with Human Resources Information Systems (HRIS) or eLearning programs. This facilitates long-term performance monitoring and continuous development. In addition, performance management technologies create opportunities for more regular dialogue about performance. Studies show that most employees want feedback from colleagues and the company as a whole. With a technology-based platform, gathering feedback from various sources becomes easier and more efficient. It also enables role-based participation, which allows participants to see the impact an individual's performance has on the organization as a whole.

c. This is a people-first strategy

Each employee brings unique skills and approaches to their work, and has diverse career goals. In this increasingly diverse work environment, a more flexible and personalized approach to performance management is becoming increasingly crucial. It is no longer relevant to adopt a "one size fits all" approach to performance reviews, given that each individual has different skills, interests, and goals.

The importance of career development in retaining employees and improving organizational performance cannot be ignored. Many employees choose a company based on the development opportunities it offers, and the majority of them are motivated to continue learning and growing. Therefore, an approach that considers the uniqueness of individuals and their aspirations in career development is becoming increasingly important.

Technology has played an important role in supporting this more personalized approach. An agile management philosophy, which pays attention to employee needs and preferences, can be combined with the right technology to help guide career development. These technology-based solutions can give employees and managers the tools to plan career paths that match their interests and skills, and identify suitable development opportunities.

This personal approach also allows for closer cooperation between employees and managers in setting career growth goals. Employees become clearer about what they want to achieve, while managers can provide more specific guidance and more effective support. The result of this collaboration is more measurable and achievable goals, as well as strong empirical evidence to support decisions regarding promotions, salary increases, and other recognition.

d. Automated, which keeps people, goals, and policies on track.

In the midst of pressure to produce more with a smaller team, performance reviews are often overlooked. Managers can easily miss important details in employee performance if there is no timely acknowledgment or feedback. Matters are further complicated by the adoption of hybrid work models, where employees are not always physically present in the office. It's no surprise that many employees worry about being overlooked when it comes to promotions and raises. This is why a reliable cloud-based performance management software is an essential solution to address this challenge.

Cloud-based performance management software takes the hassle out of managing the evaluation process. With automatic scheduling and reminders, opportunities to provide feedback are not missed and can be integrated into daily workflows. Employee progress and achievements can be continuously monitored, with metrics checked regularly. The use of this technology also helps meet communication challenges in an increasingly hybrid work environment, by providing an automated mechanism for tracking and documenting important communications.

In addition to operational benefits, performance management software also has implications for compliance. When communications and performance documentation are automatically recorded, companies can more easily comply with regulations regulated by the Equal Employment Opportunity Commission (EEOC), Occupational Safety and Health Administration (OSHA), and other regulatory agencies governing workplace and workplace safety.

Implementing a more agile performance management approach may seem challenging, but by choosing the right performance management technology, this process can be executed more easily and effectively. Using the software reduces the effort, time, and cost involved in traditional performance management, while providing employees with a richer and more fulfilling work experience. This enables organizations to better respond to the dynamics of a constantly changing work environment, while ensuring fair recognition and growth for all team members.

5. CONCLUSION

Performance management has a very important role for an organization or company in an effort to achieve its goals. By using an effective performance management approach, organizations can link strategic steps with tactical execution, achieve administrative goals efficiently, manage human resources properly, develop individuals and companies, and improve work systems in a sustainable manner. Utilization of Information and Communication Technology (ICT) in performance management plays an important role in increasing effectiveness and efficiency. The use of performance management software allows for a simpler and more structured experience in the performance appraisal process. This creates a more fair, consistent and responsive environment and ensures a more personalized approach to employee career development. The application of ICT in performance management also helps organizations stay on the right track. By automating reminders, scheduling, and progress tracking, cloud-based performance management software ensures that performance communications and documentation are properly recorded. This not only improves operational efficiency, but also helps organizations comply with regulations governing the workplace. In a constantly changing and competitive world, performance management and ICT utilization are becoming a very relevant and powerful combination in ensuring that organizations can adapt, grow and achieve their goals in an efficient and effective way. By bridging the gap between strategic planning and operational execution, and providing tools for measurement, feedback and development, performance management contributes significant for the long-term success of the organization.

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