

ABSTRACT

The marketplace is one of the trade sectors that is growing and developing quickly. In a large company, Human Resources (HR) has a role as an important asset for achieving corporate goals. The phenomenon that occurs at XYZ company in the payroll system is subjective and inconsistent with performance and achievement. That is considered unfair by the employees. It has an impact on their discipline violations and decreases the effectiveness of the performance and many company goals are not performing well. Reporting and performance evaluation have been carried out but an unstructured performance evaluation system results in a lack of motivation and rewards for employees. Based on the phenomena, this research aims to design performance appraisal based on Key Performance Indicators (KPI) in company XYZ. This study uses a qualitative method based on descriptive objectives and an inductive approach. Sources of research data through interviews and observations from primary and secondary data sources. The stages in this study are the pre-court phase, fieldwork, and data analysis. Data is processed through editing, coding, entry/processing, and cleaning. Test the validity of data using triangulation techniques. Data validity test using triangulation techniques. Data analysis techniques use data reduction, data presentation, and conclusions. Research results are 16 formats of performance appraisal related to the vision and mission of the company and the job analysis of each division along with the weighting of each performance indicator.

Keywords: *Human Resource Management (HRM), Performance Management, Performance Indicators, Performance Appraisal and Key Performance Indicator (KPI)*