
IMPLEMENTATION OF PERFORMANCE ASSESSMENT IN IMPROVING THE QUALITY AND CAPABILITY OF SHARIA BANK HUMAN RESOURCES

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Abstract

This research aims to evaluate the implementation of performance assessments in the context of measuring, improving the quality and capability of human resources in sharia banks, especially at Bank Syariah Indonesia Gresik Kartini Branch Office. The research method used is literature study and secondary data analysis. The results of this research indicate that the performance assessment at Bank Syariah Indonesia Gresik Kartini Branch Office has been carried out regularly and systematically, so that the expected business results can also be achieved well. Performance appraisal is used as a basis for measuring the quality and capability of employees in achieving expected performance. Performance assessment based on achievements is also in line with sharia principles and guidelines, namely the aspect of justice where every job that has been carried out well then gets good returns. Performance assessment as a tool for measuring the quality and capability of human resources is an inseparable part of human resource management for companies, including Islamic banks.

Keywords: Performance assessment, quality and capability improvement, human resources

Introduction

As the largest Muslim-based country in the world with a population of 86.9% (source: dataindonesia.id/, 2021) of the total population, Islamic banks in Indonesia continue to grow and are increasingly taken into account in the national economy. In its efforts to remain competitive and meet market demands, Islamic banks need to ensure that the performance and quality of their human resources are maintained and improved. Because the issues that challenge the development of sharia banks are systems, sharia compliance, and understanding sharia banking concepts for existing human resources. Apart from supervision of government institutions, education and training programs, another step that can be taken and is part of the human resource management process is to carry out performance assessments as monitoring and evaluation of human resources which is carried out in a measurable and regular manner.

Performance assessment as a tool for measuring the quality and capability of human resources is an inseparable part of human resource management. According to Rahmayanti (2018) "Performance assessment is related to employee performance and accountability in the company" (p.2). A company certainly needs competent human resources to support the expected business. The process of producing competent human resources needs to pay attention to business strategy, strategy implementation, supervision and the returns that the company provides to its human resources.

However, the implementation of performance assessment in Islamic banks still faces several challenges, such as compatibility between assessment methods and sharia principles, as well as the effectiveness of the methods used so that they have a positive impact on the performance and quality of existing human resources. Likewise with Bank Syariah Indonesia, as a relatively new bank which is the result of the merger of three Islamic commercial banks, namely Mandiri Syariah, BNI Syariah and BRI Syariah, of course there is a need to align the performance assessment process and determine human resource quality standards so that it is hoped that it can support business acceleration and development. company in a sustainable manner. Based on annual report 2022, which has been published on the official website, Bank Syariah Indonesia has a total of 18,581 employees with net profit growth up 40.7% on the previous year of Rp. 4.3 trillion with total financing disbursed amounting to Rp. 207.7 trillion. The growth of Bank Syariah Indonesia's financial and fundamental performance cannot be separated from ongoing human resource management that encourages employee productivity.

Evaluation of the implementation of performance assessments at Bank Syariah Indonesia needs to be carried out to ensure that the methods and parameters used are in accordance with sharia principles, the company's work targets and can effectively improve the performance and quality of human resources. According to Sugijono (2015) "A company's long-term success depends on its ability to measure employee

performance and use that information to ensure that employee performance meets established standards.” (p. 214). Performance is a result or achievement that describes the quality and capabilities of employees based on work standards set by the company (Indria Hangga, et al, 2015, p.164). Therefore, this research will be carried out to evaluate the implementation of performance and quality assessment of human resources at Bank Syariah Indonesia which focuses on the Gresik Kartini Branch Office. It is hoped that the research results can provide input and recommendations for sharia banks in Indonesia in general and specifically Bank Syariah Indonesia Gresik Kartini Branch Office in looking at the effectiveness and suitability of the implementation of performance assessments and the quality of human resources with sharia principles and methods that have been determined by the company.

Methods

This research was conducted at PT Bank Syariah Indonesia Gresik Kartini Branch Office on Jl. RA Kartini 180 Gresik. The research was conducted in April–May 2023 using qualitative research with a case study approach. Data collection was carried out using interviews, observation and document study. Interviews will be conducted with employee managers of each section, general affair staff and head of work unit at Bank Syariah Indonesia Gresik Kartini Branch Office. Observations were carried out to observe the implementation of performance assessments and monitoring the quality and capabilities of human resources at Bank Syariah Indonesia Gresik Kartini Branch Office. Document studies were carried out to obtain data regarding policies and procedures for performance assessment and quality standards and human resource capabilities at Bank Syariah Indonesia.

Next, the collected data was analyzed using qualitative descriptive analysis techniques. Data will be analyzed thematically and linked to sharia theory and principles in performance assessment and quality parameters and human resource capabilities. It is hoped that by using this research method, research on the implementation of performance assessment in improving the quality and capability of Sharia Bank human resources can be carried out and produce data that is valid, verifiable, and beneficial for the development of sharia banks in Indonesia, especially Bank Syariah Indonesia Gresik Kartini Branch Office.

Results and Discussion

Performance assessment according to (Murwansyah, 2016) is "a formal system for checking or reviewing and evaluating the performance of a person or group" (p. 136). In principle, performance appraisal is part of a performance management process that cannot be ignored. Performance management at least contains strategies, processes and evaluations that are interrelated in order to produce the expected quality and capability of human resources. Performance appraisals can also be used as a basis for providing remuneration, appreciation and suggestions for improvements to management in the future.

Every company certainly needs competent human resources. Competent human resources are employees who have adequate qualities and capabilities that make it easier for the company to achieve business targets. The measuring tool for determining a person's quality and capability is carried out through evaluation or assessment of the extent to which they have achieved the set targets. A good company culture is another factor for an employee's motivation to increase productivity. According to Ami Radianti, et al (2023) "The performance appraisal procedure for employees depends on the company's perspective. Subjective assessments use evaluation instruments or performance assessments as a means of strict control and supervision" (p. 36). Meanwhile, if the company views that employees will work according to their potential, then the performance evaluation and appraisal model is used as a system to recognize, clarify, develop and utilize the employee's potential.

Performance assessment in Islam at least includes planning, monitoring and evaluating competence. Evaluation of competencies creates harmonization of company goals. The teaching value of competence in carrying out a responsibility is reflected in a history where the Prophet required someone to be a prayer leader with several considerations of memorization and reading. (Abu Fahmi, et al, 2014).

Bank Syariah Indonesia Gresik Kartini Branch Office is certainly trying to increase its contribution both in terms of business performance and service quality. Proof of the seriousness of Bank Syariah Indonesia Gresik Kartini Branch Office is by implementing policies and business strategies that have been determined by management. In line with management, the business framework in the employee assessment system is carried out with the aim of supporting the achievement of organizational goals through work implementation, creating a positive company work culture that is oriented towards achieving targets or goals and expanding employee involvement. The implementation of the company's objectives is carried out continuously and in harmony, where the targets and strategies prepared are reduced to work unit targets and targets up to employee level. In monitoring business implementation, prioritizing the creation of two-way communication between workers and managers in order to establish harmonious relationships.

Management and assessment of employee performance at Bank Syariah Indonesia is carried out in an integrated manner through the Employee Information System so that employees can easily access work targets,

evaluations, performance information and develop strategies to achieve predetermined targets for the current period. The head of the work unit can also obtain reporting and monitor business processes in the work unit.

Based on an interview with informant Annisa Mutmainna, as head of the Indonesian Sharia Bank work unit, Gresik Kartini Branch Office. Performance appraisal is based on *Key Performance Index* (KPI) prepared by management which has been reduced to work units, then the KPI contains business targets, service quality, profit contribution, cost management and improving employee skills through training and coaching programs. KPIs in work units will be distributed to each employee according to their position group and job desk. KPI distribution for each employee becomes a monthly target in the form of a capacity plan with regular monitoring. Monitoring is carried out by implementation *coaching* to officers.

The flow of performance assessment, monitoring quality and capability of human resources at Bank Syariah Indonesia can be described as follows: in the first stage at the beginning of the year or period the employee together with the head of the work unit prepares a performance contract. Performance contracts are based on business targets obtained by work units and each section is based on position groups. Performance contracts are entered through the Employee Information System (SIP) by each employee so that they are well documented and easy to access again. In the next stage, the head of the work unit reviews the performance contract that has been entered and gives approval. Next, employees carry out approved performance contracts. In implementing the performance contract, the head of the work unit reviews the commitments that have been made regarding employee achievements at least weekly and monthly, then carries out a middle year or six month assessment through the Employee Information System (SIP) to measure the percentage of employee achievement and commitment. At this stage the head of the work unit will provide feedback form, coaching for employees who have not achieved targets according to commitments so that they can achieve achievements at the end of the assessment period and providing appreciation or enthusiasm to maintain achievements for employees who are able to meet the expected or committed targets. At the end of the period, the work unit head carries out a comprehensive evaluation of the realization of business targets, personal assessment and implementation of corporate culture for each employee in the work unit.

Performance contracts are prepared to contain at least three things, namely first, *corporate culture*, Bank Syariah Indonesia implements *corporate culture* AKHLAK which is *score values* or the main BUMN values, the acronym for Trustworthy, Competent, Harmonious, Loyal, Adaptive, Collaborative, which are then adapted to the company culture so that they are re-elaborated into 18 behavioral guidelines for Bank Syariah Indonesia's people. Second, an objective assessment that contains business targets with several components including customer, financial, process or compliance and employee development. And third, competency assessment to measure the quality and capability of employees in achieving predetermined targets.

Preparation of Key Performance Index (KPI) at Bank Syariah Indonesia is based on the Bank's Business Plan, this is in line with the main regulations issued by the Financial Services Authority as the regulator of the financial industry in Indonesia through POJK Number 5/POJK.3/2106. A business plan is a document that presents the Bank's short-term (one year) and medium-term (three years) business plans, including plans to improve business performance and implementation strategies. by paying attention to reporting compliance, prudence and implementation of risk management. Banks are required to prepare realistic business plans every year. Preparing a bank business plan is at least part of the bank's business development efforts in the future to achieve targets and growth in terms of business that are expected to be good for stakeholder and customers.

Key Performance Index (KPI) that has been handed down to each employee in the form of a capacity plan is at least described as follows:

- Financial Perspective

This indicator contains performance contracts and business targets for the growth of Third-Party Funds (DPK) through an increase in funds year to year for marketing funding and according to the department. Funding growth according to the segment and customer base that has been set for marketing lending. Good quality of financing and improvement fee based income for operations.

- Customer Perspective

This indicator contains performance contracts and business targets for increasing the number of customers, customer satisfaction with e-channel services and facilities and product holding ratio.

- Process

This indicator contains processes and compliance with established standards and procedures. This assessment is carried out to prevent the risk of crime fraud by officers.

- Employee Development

This indicator contains targets in order to increase employee skills and knowledge through several learning activities carried out by the Bank Syariah Indonesia learning center. Meanwhile, competency assessment is carried out to measure the quality and capability of employees objectively by the head of the work unit by looking at employee performance in achieving the targets set by the indicators Key Performance Index (KPI) which has been described previously, at least contains the following components.

- Customers

Employee assessment of customer orientation can be in the form of service satisfaction to make customers loyal. And the ability to convince potential customers in general.

- Understanding

Employee assessment of their ability to understand their duties and responsibilities. Apart from that, employees also understand the products, services and customer base that have been determined.

- Integrity

Assessment of honesty in taking action, consistency in what is done and compliance with established procedures.

- Teamwork

Human resource management must at least be able to mobilize its team to achieve business targets. This component assesses how employees care about the company and their drive to collaborate in achieving goals.

- Orientation towards achievement

An assessment that focuses on how employees strive to achieve business targets or even exceed them.

Each indicator and component have a different weight depending on the priorities and emphasis for each employee based on position or position. Determination of weights can be reflected in the table of performance indicators and contract components for the following positions.

Table 1. Distribution of Assessment Weights Based on Assessing Factors and Employee

ASSESSMENT FACTORS	POSITION/JOB		
	FRONTLINER CS/TELLER	LENDING CBS/CBRM/SME/MICRO	FUNDING FTS
Financial	15	6	75
Customers	40	5	15
Process	40	5	5
Program Development	5	5	5

When preparing a performance contract, it does not only contain the components, indicators and their weights, but also reflects the numbers that must be achieved. So the performance contract can describe growth in the current period. In the performance contract at Bank Syariah Indonesia Gresik Kartini Branch Office, this figure is in the form of funding and financing growth as well as an assessment of operational services. Every employee are obliged to make commitments or performance contracts at the start of the period and have previously been scheduled online via the Employee Information System (SIP), employees carry out two-way communication regarding targets that have been set in accordance with guidelines, namely healthy and sustainable growth, growth through digital & product improvement holding ratio, as well as productivity and efficiency with the previous head of work unit. The performance contract model can be seen in the following table.

Table 2. Performance Contract Model

No...	Department...		
NIP ...	Assessment Period...		
Financial			
Growth of Third Party Funds	20.000.000.000	7 5	Growthyoy
Customers			
Increased customer satisfaction	9 5 0	1 5	Addition of new customer products <i>existing</i> minimum 3/day
Process			
Compliance with processes	1 0 0	5	
Development Program			
Learning Program	1 0 0	5	Minimal 2x
TOTAL		1 0 0	

Employees who have made a performance contract and have been approved by the head of the work unit are used as material in carrying out the evaluation or assessment process. The assessment process is a series of steps or stages that must be carried out by the head of the work unit for the employees who are his subordinates.

The evaluation or assessment of employee performance at Bank Syariah Indonesia KC Gresik is carried out twice or divided into assessments *midyear* and one period in June and December. Meanwhile, monitoring is carried out weekly, monthly and every quarter. Monitoring is carried out weekly, monthly and quarterly *based on* branch performance and fulfillment *capacity plan*. Meanwhile, the assessment for each period is based on the performance contract created at the beginning of the period and has been input into the Employee Information System (SIP).

Table 3. Performance Assessment Model Objective Midyear and Evaluation Period

No...	Department...			
NIP ...	Assessment Period...			
Financial				
Growth of Party Funds Third	20.000.000.000	75	[Achievement]	[Percentage]
Customers				
Increased satisfaction customer	9 5 0	15	[Achievement]	[Percentage]
Process				
Compliance with processes	1 0 0	5	[Achievement]	[Percentage]
Development Program				
Learning Program	1 0 0	5	[Achievement]	[Percentage]
TOTAL		1 0 0	[Achievement]	[Percentage]

The final result of the performance assessment is a total achievement score which is then converted to a specified scale to measure the extent to which employees can fulfill the performance contract that has been determined. This scale can also measure the extent to which employees are capable of carrying out their duties according to their position.

Table 4. Final Rating Scale

Scale	0 - ≤75	75 - ≤100	100 - ≤110	110 - ≤120	>120
Predicate	Not achieved	Some achieved	Achieved	Overachieved	Far beyond achieved

Desi Permata, et al (2021), "Performance assessment is a parameter to see the quality and work capabilities of employees which influence work performance and company progress" (p. 668). Leadership as a monitoring organ also has an obligation to create an atmosphere that supports improving work performance and employee career development. Therefore, evaluation or performance assessment at Bank Syariah Indonesia Gresik Kartini Branch Office is used as a basis for determining work plans for the following year, *talent management*, basis for promotion or demotion and provision of remuneration *pay for performance*.

Bank Syariah Indonesia Gresik Kartini Branch Office carries out the performance management process from planning to assessment in accordance with the guidelines set by the company. With strict and measurable monitoring. The business and operational performance of Bank Syariah Indonesia Gresik Kartini Branch Office has also increased from year to year.

A good performance appraisal process will certainly increase the productivity of each employee in carrying out the performance contract as a form of carrying out the duties and responsibilities that have become their obligations in addition to the rights they obtain. The quality of work that is done well or even exceeds it is a

model taught by Allah SWT which then becomes the quality of work that adheres to sharia principles without negligence or injustice. Explained in Surah AnNaml verse 88:

“88. *And you see the mountains, you think he stays where he is, but he walks like the path of clouds. (That's how) the work of God makes everything strong; Indeed, Allah knows best what you do.*”

Conclusions

Based on the results of research on the implementation of performance appraisals in improving the quality and capability of human resources at Bank Syariah Indonesia Gresik Katini Branch Office, it can be concluded that the implementation of performance appraisals at Bank Syariah Indonesia Gresik Kartini Branch Office has been carried out regularly and systematically in accordance with the established procedural policies. has been determined by the company. The performance assessment process begins with the preparation of a performance contract, implementation and regular monitoring. Implementing performance appraisals can encourage employees to have the qualities and capabilities expected by the company.

The preparation of performance contracts based on position or position and performance appraisals based on achievements are also in line with sharia principles and guidelines, namely aspects of justice and togetherness. Bank Syariah Indonesia Gresik Katini Branch Office has also provided remuneration in accordance with their rights as a form of compliance with applicable regulations.

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