

Analysis Of Employee Performance Appraisal Based On 360° Methods And Balanced Scorecard At Malang Medium Tax Office

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Abstract: The aims of this research is analyzing the employee performance appraisal of 2016 at Malang Medium Tax Office using combination of Employee Performance Achievement with Balanced Scorecard Approach and Value of Behavior with 360° Method approach. The research used qualitative approach and the type was analytic descriptive. The data collecting by interview with the relevant and appointed parties who manage the employee performance appraisal. And also from document and literature study which relevant with the employee performance appraisal. This research concluded that employee performance appraisal system at Malang Medium Tax Office has been appropriate with the regulated mechanism and the system unnecessary to change. The things need to do is evaluation especially toward the assessor ability that should get training, target determination at Key Performance Indicator should be agreement between superiors and subordinats, and employee ranking based on job category and the same direct superiors.

Keywords: Balanced scorecard, key performance indicator, performance appraisal, 360° method

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I. Introduction

The bureaucratic reform agenda in the Ministry of Finance rests on structuring and sharpening of organizational functions, improving business processes and improving the quality of human resources. Successful achievement of bureaucratic reform objectives and the achievement of strategic planning can be measured by a performance appraisal system that is part of the performance management system within the Ministry of Finance. The purpose of performance appraisal of Civil Servants pursuant to Article 75 of Law Number 5 The year 2014 on State Civil Apparatus, namely to guarantee objectivity of Civil Servant development based on achievement system and career system. Currently, the performance appraisal within the Ministry of Finance is based on employee Performance Achievement and employee value of behavior. Employee Performance Achievement based on balanced scorecard while behavioral appraisal based on 360° methods. The current appraisal is a refinement of the previous appraisal. This research writer does in Malang Medium Tax Office because Malang Medium Tax Office is a vertical organization under the Directorate General of Taxes (DGT), Ministry of Finance of the Republic of Indonesia which has implemented continuous reform including human resource reform and have conducted employee performance appraisal. Based on the background presented above, then in detail, the problem analyzed is How employee performance appraisal system with the 360° method and Balanced Scorecard in Malang Medium Tax Office? Does the change of employee performance appraisal system in Malang Medium Tax Office is needed?. The results of this study are expected to be the material evaluation of employee performance appraisal in order to achieve improved quality management of future performance and is expected to provide science to be used as material in conducting further research for interested parties.

II. Literature Review

2.1 Performance

Prawirosentono (1999:2) explains that performance is the result of work that can be achieved by a person or group of people in an organization in accordance with the authority and responsibility of each to achieve the objectives of the organization concerned legally / return and not violate the law in accordance with moral and ethics. The same is also conveyed by Mangkunegara (2001: 97) that the performance is the result of work in quality and quantity that can be achieved by an employee in performing tasks in accordance with the responsibilities given to him. According to Keban (2004:192), performance is the record of outcomes produced by a specified job function or activity during a specified time period. The explanation means that performance gives an idea of how far the organization can achieve results when compared with the achievement of goals and targets that have been set. Based on the Decree of the Minister of Finance No. 467/KMK.01/2014 on Performance Management within the Ministry of Finance dated October 1, 2014, performance is the result of

the execution of the duties and functions of the organization and employees for a certain period. So it can be concluded that the simple definition of performance includes elements of the outcome of achievement of goals compared to predetermined targets.

2.2 Employee Performance Appraisal

Performance appraisal by Mangkuprawira (2002: 166) is a process undertaken by a company in evaluating the performance of one's work. If it is done properly, employees, their supervisors, human resources departments and companies will benefit by assuring that the efforts of individual employees able to contribute to the company's strategic focus. Meanwhile, according to Hariandja (2005), performance appraisal is a process by which the organization evaluates or assesses employee performance. There are five important elements in performance appraisal, namely assessment objectives, appraisers, assessed employees' roles, measurement and timing of assessments (Cumming and Worley, 2005: 54). Werther and Davis (1996: 342) stated that performance appraisals aimed at and benefited the assessed organization and employees, namely performance improvement, compensation adjustment, placement decision, training and development needs, career planning and development, staffing process deficiencies, informational inaccuracies and job-design errors, equal employment opportunity, external challenge and feedback. The indicators of effective performance appraisal systems are as follows (Mondy & Noe, 2005: 298), ie job-related criteria, performance expectations, standardization, trained appraisers, continuous open communication, performance reviews and due process. Performance appraisal of employees in the viewpoint of the Tax Office is regulated in Decree of the Minister of Finance No. 467/KMK.01/2014. Employee Performance Value in Minister of Finance Decree is a combined value between Employee Performance Achievement and Value of Behavior by calculating each weight. Employee Performance Achievement is the achievement score of Key Performance Indicators (KPI) on Employee Performance Contracts. Whereas, Value of Behavior is an appraisal of everyday behavior of each employee shown to support its performance obtained through the filling of questionnaires by direct supervisors, co-workers and/or subordinates. Employee Performance Value is then used as a basis for performance appraisal by using the normal distribution method. The normal distribution is the method used to assume the data normality of Employee Performance Value of all employees in one unit of strategic map owner. Performance status for Employee Performance Value is determined into three categories: best performance (15%), average performance (75%) and below average performance.

2.3 360° Method

The 360° feedback method is the process by which an employee receives information about how he or she is judged by a group of people who interact daily in their work. 360° feedback is also called multirater feedback, multi-source feedback, or multisource assessment (Pella & Inayati, 2011). The 360° number indicates that in a 360-degree circle, an employee or individual is placed in the center of the circle so that feedback comes from many directions at once, from self-assessment or external parties, such as superiors, subordinates, co-workers, customers, suppliers or others. The biases that often appear in the performance appraisal tend to be generated by the rater. Therefore, the ability of an assessor (rater) in the assessment by the 360° methods greatly determines the validity of the assessment. Werther and Davis (1996: 348) describe some of the most frequently occurring biases, namely halo effect, leniency and severity effect, central tendency, assimilation and differential effect, first impression error and recency effect. The same is also submitted by Mondy & Noe (2005: 201). The 360° method in the performance appraisal of employees within the DGT will be associated with a behavioral appraisal. The Value of Conduct in Decree of the Minister of Finance No. 467/KMK.01/2014 is a value based on six aspects of the assessment of the behavior of daily employees to support its performance. The six aspects are service orientation, integrity, commitment, discipline, cooperation, and leadership. Leadership assessment is only done for civil servants who occupy structural positions. Appraisal of behavior in one year is carried out in two periods as follows: 1) Period of appraisal semester I, from January 1 to June 30. 2) Period of assessment semester II, ie from 1 July to 31 December.

Further information from the criteria of behavior value can be seen below :

Table 1: Range of Values and Explanations

No	Criteria	Value	Explanation
1	Very good	91 – 100	employees apply behavior in every situation
2	Good	76 – 90	employees apply behavior almost in every situation
3	Enough	61 – 75	employees apply behavior in some situations
4	Medium	51 – 60	employees fail to apply behavior in every situation
5	Less	50 down	employees do not apply the behavior in every situation

Assessment of behavior is done by filling out the questionnaire with the 360° method which includes the assessment of the direct supervisor, peer, and subordinate.

2.4 Balance Scorecard

Balanced Scorecard is a scorecard used to measure performance with due regard to the balance between financial and non-financial, short-term and long-term side and involves internal and external factors. The Balanced Scorecard (BSC) was originally a business enterprise performance measurement tool developed in the 1990s by Kaplan and Norton based on both financial and nonfinancial aspects. The Balanced Scorecard is also a strategic management system that becomes a comprehensive performance measure for executives and provides feedback on management performance for strategic planning (Rangkuti, 2013). Balanced Scorecard can formulate comprehensive strategic target because it uses four perspectives (financial, customer, internal process, and learning growth) that are interconnected and can not be separated (Mulyadi, 2009). In the Balanced Scorecard, these four perspectives become an inseparable entity and are performance measurement indicators that complement each other and have causal relationships. Based on the Balanced Scorecard concept, financial performance is actually the result or result of non-financial performance (consumer, business process, and learning). Balanced Scorecard in the Decree of the Minister of Finance No. 467/KMK.01/2014 is a strategic management tool that translates the vision, mission, objectives, and strategy set forth in the Strategic Plan of the Directorate General of Taxes into the Strategy Map. The strategic target is a statement of what the organization must have, run, produce or achieve. Strategy Map is a dashboard that maps the organization's strategic target in a causal framework that describes the overall journey of the organization's strategy in realizing its vision and mission. The success of strategic target achievement is then measured by the Main Performance Indicator (KPI). KPI is set forth in the form of the performance contract, which is an agreement document between the employee and the direct supervisor that contains at least a statement of ability, employee job goals and target trajectory to be achieved within a certain period. The targeting of KPI is an agreement between superiors and subordinates and considering organizational performance management proposals.

Stages of preparation of Balanced Scorecard as a performance measurement tool in the Ministry of Finance, namely: determining vision and mission, determining the strategic target, developing strategy map and determining key performance indicators. There are 4 perspectives in BSC Ministry of Finance that is (1) Stakeholder Perspective, covering Strategic Target which wishes to be realized by the organization to fulfill expectation so that it is considered successful from the stakeholder point of view. Stakeholders are internal or external parties who directly or indirectly have an interest in the output or outcome of an organization but do not use the services of the organization directly. (2) Customer Perspective, including the strategic target that the organization wishes to realize to meet customer expectations and/or expectations of the organization. Customer (service users) is an outsider directly related to the services of an organization. (3) Internal Procurement Perspective, including the strategic target that wants to be realized through a series of processes managed by the organization in providing services and creating value for stakeholders and customers (value chain) and (4) Learning and Growth Perspective, including strategic target in the form of ideal conditions on resources internal organizations that want to be realized or should be owned by the organization to run the business process to produce output or outcome organization in accordance with the expectations of customers and stakeholders.

In determining the KPI adheres to SMART-C principles, namely SMARTC. Specific, able to declare something definitively (non-normative), non-meaningful, relevant and distinctive in judging and encouraging the performance of a unit/employee. Measurable, it can be measured clearly and clearly how the measurement. The KPI statement should indicate its unit of measurement. Agreeable, agreed upon by the owner of KPI and his supervisor. Realistic is a measure that can be achieved and has a challenging target. Time-bounded has a time limit for achievement. Continuously Improved is about quality and targets tailored to the development of organizational strategy and always perfected.

2.5 Research Framework

Theoretically, a theoretical model of this research is to describe the performance appraisal of employees in Malang Medium Tax Office based on a 360° method for behavioral appraisal and BSC based employee performance achievement which then analyzed. From the results of the analysis can provide input for perfection performance appraisal employees so as to produce employee performance appraisal that can contribute to the development of performance management in Malang Medium Tax Office. Here's a skeleton thread :

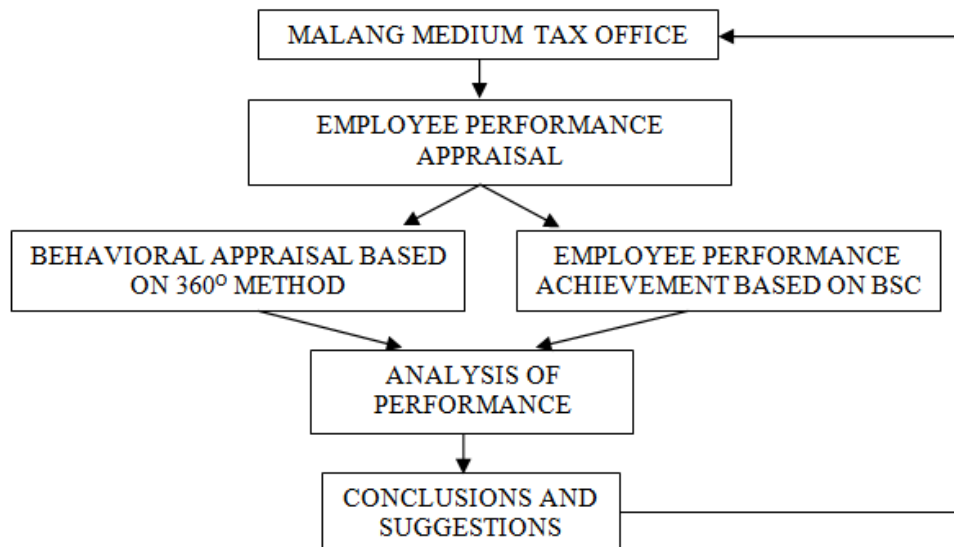


Figure 1: Research Framework

III. Methodology and Data

This study uses a qualitative approach, which according to Moleong (2004: 6) intends to understand the phenomenon of what is experienced by research subjects such as behavior, perception, motivation, action, etc., holistically and by way of description in the form of words and language, in a specific, natural context and by utilizing various natural methods. Meanwhile, the type of research used is descriptive analytic, which takes the problem or focuses on the problems that are then processed and analyzed to be concluded. This research takes the problem of employee performance appraisal in Malang Medium Tax Office which processed, analyzed and concluded and give suggestion or input to improve performance appraisal of Malang Medium Tax Office staff. The scope of this study is the appraisal of employee performance Malang Medium Tax Office in 2016 where behavioral appraisal using 360° method while the appraisal of Employee Performance Achievement is based on Balanced Scorecard. In this study, researchers used primary data types and secondary data. According to Prastowo (2012: 204-205), primary data is data obtained and collected from the first source, ie data obtained by interview with related parties and appointed to manage employee performance appraisal in Malang Medium Tax Office. While the secondary data is the data obtained not from the first source, but the second source, namely data obtained through search data and documents and library studies related to employee performance appraisal. This study uses both data sources. Data analysis techniques used are interactive models Miles and Huberman. The interactive model consists of 4 (four) stages: Herdiansyah, 2012: 164): (1) Data Collection Stage, (2) Data Reduction Stage, (3) Data Display Stage or Data Presentation and (4) Drawing Stage Conclusion. To test the validity of the data, the researcher uses the triangulation method, as according to (Purhantara, 2010) that is comparing and checking back the degree of confidence of the information obtained through different times and tools. Triangulation is done a triangulation of source, that is test data and information by finding the same data and information to another subject. Triangulation of sources in this study includes (1) comparing the state and perspective of a person with different opinions and points of view of others. The circumstances mentioned here is the condition of employee performance appraisal conducted in Malang Medium Tax Office compared according to the results of interviews that contain opinions and points of view of those parties who have authority and responsibility in the management of employee performance in Malang Medium Tax Office. (2) compare the results of interviews with related document contents. Interviews in this study were conducted with the parties who have authority in managing the performance of employees while the data/documents are compared data/documents performance appraisal results Malang Medium Tax Office.

IV. Result And Discussion

Component of employee performance appraisal Malang Medium Tax Office, namely the employee behavioral appraisal based on 360° method and Employee Performance Achievement based on Balanced Scorecard.

4.1 Analysis of Employee Behavioral Appraisal Based on 360° Method

In practice, the behavioral appraisal has been carried out in accordance with the prescribed mechanism. From the results of the study note that all the results of employee behavioral appraisal Malang Medium Tax Office result in both as many as 4 employees and very good as many as 103 employees. 4 employees with good

value are transferred from another unit whose value of behavior for the first semester of 2016 is done by another unit. The average value of employee behavior Malang Medium Tax Office is 98.08 (very good). Of course, these results are legitimate if done in accordance with the mechanism and performed by evaluators who really have an adequate ability in the appraisal.

Based on the results of the research note that:

a. evaluators tend to assign high marks to the evaluatee, as there are fears that other evaluators in sections or other units score high as well, so that when there is a best 15% ranking, 70% on average and 15% below average, evaluated evaluatees that are subordinate, or peer able to compete with evaluatee in section or other unit.

b. evaluators have not received any training as appraisal.
Referring to points a and b above, the assessment of employee behavior in Malang Medium Tax Office has resulted in performance appraisal bias, namely the linear effect. Leniency effect occurs because the assessor assumes that they should apply well to the employee so that they tend to give good value to all aspects of the assessment. This happens because the assessor has not received training properly. According to Mondy & Noe, (2005) that appraisers, especially direct supervisors, should have been trained as assessors because as assessors must have the necessary skills and knowledge to carry out performance appraisals. Knowledge is not only limited to performance appraisal procedures, but also knowledge and skills in conducting interviews on the process of providing feedback. The importance of an assessor getting good training and skills in the assessment is also supported by DSP Dev Kumar (2005).

c. behavioral assessment by range.
The behavioral value is to be excellent if the evaluator gives a value in the range 91 - up (100). The scoring in that range is very subjective because it could be that the value of 93 given by evaluator A is the highest, it can be different if the assessment is done by evaluator B value 93 not the highest value.

d. Feedback, in the form of performance dialogue between superiors and subordinates has not been done.
Coaching and counseling between superiors and subordinates need to be done so that the boss is able to explore the advantages and disadvantages of the employee and at least be the feedback from the results of the assessment. Because it could be the results of the assessment given by some parties may conflict with each other or not provide a real picture of the employees assessed. This performance dialog can be the last filter that can be used as a reference for superiors to provide an assessment.

Thus it can be concluded in general there has been a bias leniency effect so that behavioral appraisal does not meet what is expected from the appraisal of the behavior itself.

4.2 Analysis of Employee Performance Achievement Appraisal Based on Balanced Scorecard

In practice, the employee performance achievement appraisal has been implemented in accordance with the specified mechanism. KPI determination is set forth in the performance contract between superiors and subordinates. KPI and the target is one of them is done cascading that is derived (cascade) to each employee which will be used as the basis for the calculation of performance achievement of employees. This means that KPIs are cascaded with a given target, not an agreement as expected from the performance contract itself. Problems arising from the determination of KPI cascading will affect the calculation of performance achievement. The effect is caused by the determination of KPI cascading, employees tend to be required to achieve the target regardless of actual conditions.

The following aspects, targets and achievements of KPI Malang Medium Tax Office based Balanced Scorecard:

Table 2 : Target And Realization Of KPI Malang Medium Tax Office

Code ST/KPI	Strategic Target/ Key Performance Indicator	Target	Realization	Polarization	V/C	KPI Weight	Weighted Weight	Achievement Index
Stakeholder Perspective							25.00%	16.34%
1	Acceptance of State Tax Optimal							65.37%
1a-N	Percentage of tax revenue realization	100.00%	80.09%	Max	E/M	21%	50.00%	80.09%
1b-N	Percentage of realization of extra-effort receipts	100.00%	50.64%	Max	E/M	21%	50.00%	50.64%
Customer Perspective							15.00%	16.68%
2	Fulfillment of public services							120.00%
2a-N	Percentage of e-Filing realization	100.00%	136.75%	Max	P/M	14%	100.00%	120.00%
3	High taxpayer compliance							102.39%
3a-N	Percentage of taxpayer	97.00%	109.01%	Max	P/M	14%	50.00%	112.38%

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	formal compliance rate							
3b-N	Percentage of taxpayer compliance rate of Agency and Non-Employee Person	85.00%	78.54%	Max	P/M	14%	50.00%	92.40%
Internal Process Perspective							30.00%	34.41%
4	Increased service and extension effectiveness							120.00%
4a-N	Percentage of realization of extension activity	100.00%	121.05%	Max	A/M	9%	100.00%	120.00%
5	Improved taxpayer supervision							119.72%
5a-N	Percentage of appeal of annual tax report completed after being followed up	100.00%	146.98%	Max	P/M	14%	33.33%	120.00%
5b-N	Percentage of appeals for monthly tax report completed after action	100.00%	119.17%	Max	P/M	14%	33.33%	119.17%
5c-N	Percentage of completion of examination by Tax Inspector Officer	100.00%	120.83%	Max	P/M	14%	33.33%	120.00%
6	Improved effectiveness of the examination							109.09%
6a-N	Audit Coverage Ratio	100.00%	100.58%	Max	P/M	14%	50.00%	100.58%
6b-N	Percentage of tax assessment letters which are not filed objections	85.00%	99.95%	Max	P/M	14%	50.00%	117.59%
7	Increased effectiveness of investigation and billing							110.00%
7a-N	Active billing percentage with prevention	100.00%	133.33%	Max	A/M	9%	50.00%	120.00%
7b-N	Percentage of IDLP proposals	100.00%	100.00%	Max	A/M	9%	50.00%	100.00%
Learning & Growth Perspective							30.00%	34.31%
8	Competitive human resources							120.00%
8a-N	Percentage of employees who meet the standard of education	55.00%	98.13%	Max	P/M	14%	100.00%	120.00%
9	Conducive organization							120.00%
9a-N	Percentage of risk mitigation completed	75.00%	93.33%	Max	P/M	14%	100.00%	120.00%
10	Optimal budget management							103.11%
10a-N	Percentage of quality of budget execution	95.00%	97.95%	Max	P/M	14%	100.00%	103.11%
Performance Value Organization								101.74%

Table 2 shows the performance achievements of Malang Medium Tax Office, based on 4 perspectives from BSC, with the following details :

Stakeholder Perspective

This perspective includes the strategic target the organization wants to realize to meet expectations so that it is considered successful from the standpoint of stakeholders. Stakeholders (stakeholders) are internal or external parties who directly or indirectly have an interest in the output or outcome of an organization but do not use the services of the organization directly. Stakeholders for the Directorate General of Taxes are the President, House of Representatives, Audit Board of the Republic of Indonesia, Minister of Finance and Society. Likewise Malang Medium Tax Office as a vertical agency under the Directorate General of Taxes.

In this perspective, the strategic objective is the optimal state tax revenues with 2 KPI, namely:

- a) Percentage of tax revenue realization, KPI aims to monitor the level of achievement of tax revenue to match the level of achievement at each stage. Target revenue is reflected in the state budget or the state budget change. The tax revenue is obtained from the official figures issued by the Ministry of Finance as reflected in the application of revenue dashboard. The target of receiving Malang Medium Tax Office in 2016 is Rp. 17.390.005.181.000 while the realization is Rp. 13.927.241.869.969 or by 80.09%.
- b) Percentage of realization of extra-effort receipt, KPI aims to monitor tax revenue from extra effort activities. The realization of extra-effort receipts is the realization of tax revenue resulting from extra-effort activities. The target of extra-effort acceptance is the target of extra-effort acceptance determined by the decision of the Director General of Taxes. The extra effort at Malang Medium Tax Office covers extra effort of supervision, inspection, and billing. The definitions and targets of each extra effort activity of 2016 shall be determined

by the Head Office of the Directorate General of Taxes. Target extra effort Malang Medium Tax Office Rp. 6,828,571,530,019 while the realization is Rp. 3.360.815.624.181 or as much as 50.64%.

Determination of KPI targets in this perspective, given the cascade from the Directorate General of Taxes to the Head of Malang Medium Tax Office.

Customer Perspective

This perspective includes the Strategic target the organization wants to realize to meet the expectations of the Taxpayer (customer) and/or the organization's expectations of the Taxpayer. The focus of this perspective is how Malang Medium Tax Office meets the expectations of Taxpayers and how the expectation of Malang Medium Tax Office against Taxpayer is reached.

In this perspective, it consists of two strategic targets:

- a. Fulfillment of public services is the thing that wants to be realized Malang Medium Tax Office to meet the expectations of Taxpayers. KPI on this perspective is the percentage of e-filing realization. e-Filing is a way of delivering electronic tax report electronically online and real-time through DJP Online (www.pajak.go.id) or electronic app taxpayer (Application Service Provider/ASP) page. e-Filing is an effort of the organization to meet the expectations of Taxpayers who want to submit annual tax report obligations without having to go to the tax office, can be done at any time (24 hours a week) and from anywhere. All Taxpayers in Malang Medium Tax Office are required to submit annual tax report electronically. Therefore according to table 2, the KPI is fully achieved.
- b. High taxpayer compliance, is a matter of hope Malang Medium Tax Office against Taxpayers. This compliance is in the form of compliance in tax report reporting and payment. The KPI on this perspective are two points, include The percentage of taxpayer's formal compliance rate and Percentage of the taxpayer of Agency and Non-Employee Person compliance rates.

The percentage of taxpayer's formal compliance rate is the ratio between the total annual tax report of Income Tax received during 2016 (excluding revision of the annual income tax report) with the number of taxpayers registered for compulsory annual tax return as of December 31, 2015. Although At KPI is dependent on the Taxpayer to report the annual tax report income tax, but because reporting tax report is an obligation that if not implemented will get a sanction, then the achievement of KPI target is something that can be cultivated by employees of Malang Medium Tax Office that is increasing the supervision of Taxpayer by appealing to Taxpayer to report tax report as strategic target and KPI at Internal Process Perspective.

Percentage of taxpayer of Agency and Non-Employee Person compliance rates. The number of paying and reporting Taxpayers is the number of taxpayer who make the payment while reporting the Annual Income Tax Return. The formula used is:

$$\frac{\text{Number of Taxpayers Pay and Report}}{\text{Number of Registered Taxpayers annual tax report}} \times 100 \%$$

From the data of the research results known Taxpayers who pay and report as much as 959 taxpayers registered mandatory annual tax report as many as 1221 so that the achievement of this KPI is 92.40%. Achievement of this KPI, very dependent on the circumstances of the Taxpayer. In this KPI there are taxpayers who report tax report but not pay. Because Taxpayers who report tax report not necessarily pay taxes. This happens for example if the business Taxpayer suffered losses then the Taxpayer does not need to pay income tax. If compliance reporting tax report can be cultivated by employees of Malang Medium Tax Office for example by making an appeal. In contrast to the requirement of Taxpayers to pay even if it has been appealed but if the circumstances of the Taxpayer is not tax payable then the Taxpayer does not pay. This KPI depends on the circumstances or income of the Taxpayer, so to achieve it will be difficult if the circumstances of the Taxpayer do not have to pay taxes. For the future, KPI targeting must really consider the business condition/income of Taxpayer so that the target is more realistic.

Internal Process Perspective

This perspective includes strategic Goals that want to be realized through a series of processes managed by the organization in providing services and creating value for stakeholders and customers (value chain). This perspective focuses on business processes within the Malang Medium Tax Office. So it is expected that the more effective business process will affect the increased satisfaction of the services provided by Malang Medium Tax Office.

The strategic targets in this perspective are improving the effectiveness of services and extension, increasing the supervision of taxpayers, increasing the effectiveness of inspection and improving the effectiveness of investigation and billing with KPI in table 2 is known all KPI targets exceeded.

All KPIs in this perspective, responsibility, and span of control are still fully within the staff of the Malang Medium Tax Office and are not dependent on others. Achievement of the target on KPI in this perspective can be self-cultivated by employees of Malang Medium Tax Office.

Learning & Growth Perspective

This perspective includes Strategic Target that are ideal conditions for the internal resources the organization wishes to achieve or should have for the organization to run the business process in order to produce an organization's output or outcome in line with customer and stakeholder expectations. Malang Medium Tax Office employees become the object of this perspective.

In this perspective has 3 strategic targets in the form:

- a. Strategic Target of competitive human resources with KPI in the form of Percentage of employees who meet the standard of education. KPI aims to improve the quality and performance of employees through capacity building according to Tasks and Functions to encourage employee productivity.
- b. Strategic Target of an Organization conducive to KPI in the form of Percentage of risk mitigation completed. This KPI is used to measure success in mapping, anticipating, and managing risks that may occur by integrating risk management processes in both planning, implementation, and evaluation of supervisory performance which in turn the Ministry of Finance is able to improve the efficiency, reputation and trust of stakeholders (public trust).
- c. Strategic Target in the form of optimal budget management with KPI in the form of Percentage of quality of budget implementation, KPI aims to measure the performance of budget implementation from the absorption, efficiency and output achievement.

Base on Table 2, all KPI targets are exceeded. From the interview result, it is known that in this KPI all responsibilities and span of control are fully located in Malang Medium Tax Office employees and not depend on another party. So that the achievement of the target on KPI in this perspective can be self-cultivated by employees of Malang Medium Tax Office. From the description above, Performance Achievement Malang Medium Tax Office as a whole above 100% that is 101.74%.

In the balanced scorecard, the four perspectives become an integral entity and are indicators of performance measurement that complement each other and have causal relationships. Stakeholder Perspective is the outcome of one or more of the strategic Target undertaken on Internal Process Perspective and Learning and Growth Perspective. Strategic Goals that reside in Customer Perspective, are the outputs of one or more of the strategic targets performed on Internal Process Perspective and Learning and Growth Perspective. Similarly, the Internal Process Perspective is the output of one or more of the strategic targets performed on Learning and Growth Perspective.

When viewed from an existing perspective, although acceptance targets on stakeholder perspectives have not been achieved yet other perspectives have been achieved. This means that if viewed from table 2 performance achievements Malang Medium Tax Office, then the business to achieve the target has been made a maximum starting from the development of employees, business processes and efforts to meet customer expectations. This is evidenced by the realization of KPI targets from these 3 perspectives. It should be theoretical, balanced scorecard which is a performance measurement indicator that complements each other and has causal relationships then stakeholder perspective reached. If examined more deeply, KPI such as the realization of tax revenue, realization of extra-effort acceptance and the level of compliance payments of taxpayers agency and non-employee person is not achieved. The KPI's responsibilities and span of control are not entirely dependent on the employees of Malang Medium Tax Office. The KPI also depends on the conditions of the Taxpayer. Although another KPIs that support the process of achieving the three KPIs above has been done and the achievement in accordance with the target means that all employees of Malang Medium Tax Office have been trying to reach the third target of KPI if the condition of Taxpayer does not have to pay taxes (because they are not tax payable) will be achieved.

Based on the description above, it can be seen that as long as the target is given the performance of employee performance cannot be described because the target setting is less relevant. Furthermore, the target should be based on the agreement between superiors and subordinates. Sehingga meet KPI stipulation that adheres to the principle of SMART-C, one of which is agreeable that is agreed by the owner of KPI and superiors. For the determination of targets should be based on the proposal from below by considering the data owned to be verified and validated by the boss or vertical unit above it. Or otherwise, the target setting can be from the top down with a note can be objected if the data used as the source of target setting is different from vertical units underneath.

KPI's target should also be realistic that can be achieved. One that can be used as a measure in determining KPI and its target to employees as owners of KPI is what is the authority and responsibility is not dependent on the authority or responsibility of others in realizing the target.

4.3 Analysis of Employee Performance Appraisal

In the end, the performance appraisal of Malang Medium Tax Office with Employee Performance Achievement component with weight 70% and behavioral appraisal 30%, all employees are very Good Value. Therefore it is necessary to evaluate whether the value has been done with the mechanism in accordance with the rules of performance appraisal.

Furthermore, employee performance appraisal, followed by performance rating of employee rating, which is 15% of executor is categorized as having the best performance, 70% of executors are categorized as having average performance and 15% of executors are categorized as having below average performance based on their employee rating performance.

However, in the ranking of these employees based on the position also becomes biased. An example is the performance ranking of employees who are status as executors. Executives are simply employees who have no structural and functional positions. Includes performance ranking of employees who have status as executor in it that is Jurusita and Executor who take care of administration. The research findings indicate that implementer A which carry out tasks administration section with implementer B which is a State Tax Sanctuary which is in Section of Billing get a better judgment and higher ratings. The two implementers are actually not comparable because the KPI is different. Implementing A KPI is passive such as the percentage of completion of confirmation of tax receivables while Executing B KPInya implements active billing action for example seizure that takes effort and greater risk. It should be that effective performance appraisal should be grouped according to its duties and responsibilities as according to Mondy & Noe 2005) that there must be Standardization, ie Employees with the same job category and supervisor should be judged by the same valuation instrument and standardized.

Such biased performance appraisal can not yet be absolutely or appropriately can be used as the basis of Human Resources management decision making because it does not depict actual value. Therefore, the employee performance appraisal process should not show that the judgment is only a formality or to abort the execution of a rule. Employee performance appraisal system in Malang Medium Tax Office although need to be evaluated, do not need to be replaced. What needs to be done is how to conduct a behavioral evaluation based on the 360° method and performance achievement of BSC based employee really in accordance with rule and performance appraisal rules, that is by way of:

1. For behavioral assessment by training the assessor, since the assessor must have sufficient ability and knowledge to carry out a performance appraisal.
2. For Employee Performance Achievement, the contents of the performance contract in the form of KPIs that must be realized are really agreeable and realistic.
3. Employee rankings based on employee performance appraisal results, grouped according to the category of work and supervisor (direct superior) the same.

V. Conclusions And Suggestions

5.1 Conclusions

Based on the results of research and discussion of employee performance analysis based on 360° and Balanced Scorecard method in Malang Medium Tax Office, it can be concluded as follows :

The performance appraisal system of Malang Medium Tax Office employees has been in accordance with the regulated mechanism. However, employee performance appraisal results are less reliable for human resource management decision making due to factors such as the ability and objectivity of assessors that are still lacking, resulting in bias and targeting cascading which is given. Evaluation should be made especially against:

- a. The ability of the assessor, the assessor must have sufficient ability and knowledge to carry out a performance appraisal to avoid bias.
- b. Targeting of KPI target, targeting of KPI should be an agreement between superiors and subordinates and considering organizational performance management proposal.
- c. Employee rankings based on performance appraisal results should be grouped according to the same category of work and supervisor. So that the results of the appraisal more effective and can be used as a basis in making human resource management decisions
- d. System changes are not currently required. The existing system is referring to the rules and mechanisms of employee performance appraisal. Behavioral evaluation based on 360° method is a good thing because behavioral appraisal is done by some parties not only by the direct supervisor so that the subjectivity of the appraiser can be reduced. While the employee performance achievement appraisal based on Balanced Scorecard also been in accordance with the vision and mission of the organization.

5.2 Suggestions

Based on the results and discussion in the previous chapter, the researcher gives the following suggestions:

- a. Malang Medium Tax Office must immediately hold or propose to the Directorate General of Taxation to conduct appraisal training. It is expected that with this training all employees understand and have caring, so employees not only paradigm only about the obligation but the assessment is valid. Given a large number of employees, at least summon a number of staff to be trained and the employee can re-train other trainees.
- b. Evaluation of performance management including management, performance dialogue, coaching and counseling and monitoring, should be done in the following year and documented in e-performance applications.
- c. Conducting a review of KPI target setting, so that KPI targeting is an agreement between superiors and subordinates and considering organizational performance management proposal.
- d. A behavioral appraisal is not only done by superiors, peers or subordinates, need to develop self-assessment of employees (self-assessment). With self-assessment, it is expected that employees will be more careful in giving value so as to be close to the real situation. Employees can also reveal the potential of self and obstacles/constraints faced in achieving the targets charged. The appraisal is also biased to be used as a comparison with the results of the behavioral appraisal of superiors, peers, and subordinates as well as achievements performance employees. These results can be used as an evaluation material during the performance dialogue.
- e. To complete the performance appraisal that has been done by Malang Medium Tax Office and for more objective assessment at least need to be done assessment or assessment from an independent party.

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APPENDIX

ST : Strategic target

KPI : Key Performance Indicator

V : Validity, The validity of KPI is determined based on the degree of proximity (representation) of KPI measurement of Strategic Target achievement

C : Control, The degree of control over KPI is determined by the ability of a unit / employee to control / manage the achievement of KPI targets

A : Activity, KPI which generally measures inputs from activities in a unit that are still far in relation to the success of Strategic Target achievement.

E : Exact, KPI which measures directly the success of the Strategic Target. Achieving the KPI (measurement method) has represented the overall achievement of the Strategic Target and generally measured the output or outcome of a unit.

P : Proxy, KPI which indirectly measures the success of Strategic Target achievement. Achieving the KPI

(measurement method) represents only a portion of Strategic Target achievements and generally IKU only measures the processes performed by a unit.

M : Moderate, Achieving IKU targets is affected equally by KPI owners and parties other than KPI owners

Max : Maximize, The higher the actual value / realization of IKU against the target, the better the performance achievement. Example: The amount of state revenue