



Analysis of the Effectiveness of HR Performance Measurement Using the Management by Objectives Approach at PT. Riseloka

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Abstract

This study aims to analyze the effectiveness of the implementation of Human Resources (HR) performance measurement at PT. Riseloka Bandung by using the Management by Objectives (MBO) approach. Data was collected through interviews with managers and employees, as well as analysis related to the evaluation of employee and team performance. The results showed that the implementation of MBO at PT. Riseloka gave positive results in improving HR performance, especially in setting clear, measurable, achievable, relevant, and strategy-based goals. However, there are some challenges such as goals that are sometimes too ambitious or less relevant to external conditions, less in-depth evaluation at some operational levels, and unequal access to development opportunities. This article concludes that MBO is effective in managing and improving HR performance at PT. Riseloka, but requires continuous adjustment and improvement of feedback systems and development access for all employees for optimization.

Keywords: HR Performance Measurement, Management by Objectives (MBO), Effectiveness, Employee Development

1. Introduction

In the era of globalization and rapid development of information technology, companies are required to adapt and enhance their performance in order to remain competitive. Effective and efficient Human Resource (HR) management has become a crucial aspect, as human resources are the main asset that determines a company's success in achieving its strategic goals. Therefore, measuring and managing HR performance is essential to ensure that each individual contributes optimally in line with the set targets.

Management by Objectives (MBO) is one of the widely used management methods to improve the effectiveness of HR performance. MBO emphasizes the establishment of clear and measurable goals that are mutually agreed upon by both management and employees. This approach provides direction and specific targets for each individual, making evaluation easier and more focused. In addition, MBO encourages active employee participation in planning and goalsetting, which can enhance motivation and work commitment.

PT Riseloka, a digital platform and dropshipping product sales company established in 2021, focuses on empowering resellers with thousands of products and comprehensive

marketing support. The company faces challenges in managing HR performance effectively amid market dynamics and changing customer needs. The implementation of MBO at PT Riseloka is highly relevant for improving coordination and team effectiveness in facing the intense competition in the e-commerce business. It is expected that MBO can help PT Riseloka set specific goals for each division and individual, thereby increasing employee focus on achieving targets, productivity, and overall company performance. MBO can also facilitate better communication between management and employees, as well as provide regular constructive feedback, enabling the company to quickly adjust its strategies and operations in response to market changes and consumer needs.

Performance generally refers to the level of success of an individual, team, or organization in achieving predetermined goals. However, performance is not only about the final results (output), but also includes the processes, behaviors, and quality of the work performed.

According to Armstrong and Baron (2005), “Performance management is a strategic and integrated process aimed at improving individual and team performance to contribute to the overall effectiveness of the organization.” This view highlights the importance of linking individual performance with organizational goal achievement.

Objectives of Performance:

- To measure the current level of performance.
- To identify factors that influence performance (both positively and negatively).
- To evaluate the effectiveness of interventions or performance improvement programs.
- To provide a basis for decision-making related to human resource management, organizational, development, and business strategies.
- To predict future performance.

According to Shi (2024), Management by Objectives remains an effective strategic methodology for enhancing organizational effectiveness, based on mutual agreement between management and employees.

2. Research Methodology

This study aims to analyze the effectiveness of Human Resource (HR) performance measurement implementation at PT Riseloka Bandung using the Management by Objectives (MBO) approach. The research method employed is qualitative, with data collected through the following techniques:

2.1 Type of Research

This research adopts a qualitative approach using a case study design. The choice of a qualitative approach is based on the research objective to gain an in-depth understanding of the effectiveness of HR performance measurement using the MBO approach at PT Riseloka. A qualitative approach allows the researcher to explore phenomena in their natural context and understand the research subjects’ perspectives descriptively. This type of research aims to explore and understand the meaning individuals or groups assign to a social or human problem (Creswell, 2018).

2.2 Research Location

The research was conducted at PT Riseloka Global Mandiri, a company engaged in digital platform services and dropshipping product sales, located at M-Square Commercial Suites, Jl. Cibaduyut No. 142, Cangkuang Kulon, Dayeuhkolot Subdistrict, Bandung Regency, West Java.

2.3 Data Collection Techniques

The data collection techniques used in this research include:

a. Interviews

Conducted using a list of pre-prepared questions to ensure consistency in the information obtained. With the interviewee's permission, the interviews were recorded to facilitate the data analysis process.

b. Data Analysis

The data analysis technique used in this study involves processing information obtained from field observations and interviews. The collected data will be systematically analyzed by linking it to relevant theories and concepts derived from literature review. This process aims to identify patterns, trends, and relationships relevant to the context of compensation management at PT Riseloka. Once the analysis is complete, the results will be compiled into a structured research report, presented in the form of a scientific article. As such, this report is expected to provide a clear and comprehensive overview of the research findings.

3. Results and Discussion

3.1 Overview of the Research Object: PT. Riseloka Global Mandiri

PT Riseloka Global Mandiri is the result of a rebranding from Bandros.co.id, which has been operating since 2018. In 2021, the company underwent a name and system transformation aimed at improving services for both resellers and customers. Despite the changes, the company has maintained its core mission of empowering micro, small, and medium enterprises (MSMEs), as well as individuals who wish to start an online business through a reseller and dropshipping model.

Headquartered in Bandung, PT Riseloka primarily focuses on the dropshipping and reseller business model, particularly in fashion products, raincoats, herbal goods, and daily necessities. The company offers a stockless business system, technical training, and automated features such as shipping labels and transaction recording.

PT Riseloka also facilitates product distribution to major online marketplaces through a white-label system and provides a mobile application to help resellers manage their businesses more effectively. However, several negative user reviews highlight challenges such as difficulties in contacting customer service and discrepancies between promised mentorship programs and actual support received.

3.2 Description of Research Findings

The implementation of Management by Objectives (MBO) at PT Riseloka has shown positive results in improving human resource (HR) performance, although several challenges remain. Most employees and managers demonstrate a solid understanding of fundamental MBO principles, particularly the establishment of SMART goals (Specific, Measurable, Achievable, Relevant, and Time-bound). These goals are generally aligned with the company's strategic direction and serve as a motivational tool for individuals.

Goal setting has been largely successful, helping employees clarify expectations related to sales targets, service quality, and operational efficiency. However, challenges arise when goals are overly ambitious or not entirely aligned with external factors such as market shifts or economic fluctuations.

The MBO performance evaluation process at PT Riseloka is structured, with managers providing feedback on achievements and areas for improvement. Nevertheless, at certain operational levels, the evaluations tend to lack depth, and the feedback provided is often too general, lacking the specificity needed for individual improvement.

Employees who meet performance targets are offered tailored training and development opportunities. These programs aim to enhance competencies and prepare individuals for higher roles. However, not all employees perceive equal access to development opportunities, particularly those at lower levels, indicating disparities in program implementation.

Another challenge lies in the misalignment between goals and the dynamic market environment, which makes some objectives unrealistic and difficult to achieve with the available resources. In addition, the MBO implementation is inconsistent across divisions some managerial units apply the approach more systematically, while others conduct evaluations more routinely and with less depth.

Overall, the MBO system at PT Riseloka is effective in measuring and enhancing HR performance. However, to optimize outcomes, the company must continuously adjust objectives in response to external changes and ensure more specific performance evaluations. Additionally, greater equity in access to development opportunities across all employee levels are essential.

3.3 Performance Measurement (MBO) to Achieve PT. Riseloka Corporate Goals

Human resource performance measurement at PT Riseloka utilizes the Management by Objectives (MBO) approach by aligning individual employee goals with the company's strategic objectives, ensuring that every HR activity directly contributes to the company's vision and mission. The systematic stages are as follows:

- **Setting Strategic Corporate Goals:** PT Riseloka establishes long-term strategic goals such as increasing productivity, improving cost efficiency, and enhancing customer satisfaction. These objectives include optimizing logistics, ensuring timely deliveries, reducing operational costs (including labor, transportation, and warehousing), and expanding market share. These goals form the foundation for setting targets at the unit and individual levels.
- **Translating Goals to Department and Individual Levels:** The company's strategic goals are translated into specific objectives for each department and employee. Employee involvement in this process is essential to foster a sense of ownership and responsibility. Examples include: the Logistics Department aiming to reduce delivery lead time by 15% within six months; the Training Department providing partner- focused training and enhancing industry-relevant competencies; the HR Department developing a performance-based HR management system and implementing MBO performance appraisals for all employees; and the Finance and Operations Department ensuring financial stability and operational cost efficiency.
- **Establishing Measurable Key Performance Indicators (KPIs):** PT Riseloka sets specific KPIs for each unit and position within the HR department. These KPIs are designed to measure individual achievements and ensure that every HR operational activity supports the company's medium- and long-term business strategies.
- **Regular Monitoring and Evaluation Process:** Performance monitoring and evaluation are integral components of MBO to ensure the achievement of goals. PT Riseloka conducts periodic evaluations (quarterly or semi-annually) to assess accomplishments and to serve as a medium for continuous learning.
- **Employee Feedback and Development:** Following evaluations, constructive feedback is provided to employees, highlighting areas for improvement. Development programs are tailored based on evaluation results to enhance competencies and prepare individuals for higher roles. Employees are also encouraged to acquire new skills and stay updated with industry trends.
- **Goal Monitoring and Adjustment:** The agreed-upon goals are regularly reviewed to ensure their relevance and feasibility. If there are changes in company priorities or market

conditions, objectives must be adjusted accordingly. Continuous evaluation and strategic adaptation are essential for long-term sustainability.

3.4 Employee Perceptions of the MBO System at PT Riseloka

The Management by Objectives (MBO) system at PT Riseloka focuses on setting clear and measurable goals for each employee, aiming to align individual efforts with corporate objectives. Employee perception plays a crucial role in the successful implementation of MBO. Based on surveys and interviews, various insights have emerged:

- **Clarity of Goals and Objectives:** Most employees reported a significant improvement in goal clarity after the implementation of MBO. This clarity has helped them better understand company expectations and has increased their sense of responsibility. However, some employees felt that certain goals were overly ambitious or difficult to achieve within the given timeframe and did not always reflect real field conditions.
- **Employee Involvement in Goal Setting:** Goal-setting processes at PT Riseloka involve discussions between supervisors and subordinates to ensure that goals are realistic and achievable. This involvement fosters a sense of ownership, strengthens work commitment and motivation, and enhances working relationships. Nevertheless, some employees felt that final decisions were still dominated by managers, which diminished appreciation for their input.
- **Transparency in Performance Evaluation:** MBO-based performance evaluations at PT Riseloka are perceived as highly transparent. Evaluation results are communicated openly and clearly, detailing achievements against set goals. This transparency fosters a sense of fairness, as performance is measured objectively, which in turn motivates employees to meet their targets.
- **Managerial Support and Feedback:** Managers play a vital role in providing constructive feedback. Employees generally felt that they received useful input to help improve performance and identify areas of development. However, some feedback was considered too general, lacking specific guidance for actionable improvement.
- **Challenges in MBO Implementation:** A major challenge lies in the rigidity of the MBO system, as employees expressed a need for more dynamic goal adjustments to reflect the rapidly changing work environment. The implementation of MBO at PT Riseloka has had a significant impact on employee motivation and performance. MBO's focus on setting clear, measurable, and structured goals has great potential to influence employee behavior, both in terms of internal motivation and external performance.

Impact of MBO on Employee Motivation and Performance:

- **Increased Ownership and Commitment:** Employee involvement in the goal-setting process is a key aspect of MBO, positively influencing motivation. When employees actively participate in defining goals relevant to their roles, they feel more valued and develop a stronger sense of ownership. This sense of ownership drives them to strive for success, as they view these goals as a joint effort rather than mere top-down instructions.
- **Improved Goal Clarity:** One of the main drivers of motivation is clarity in expected outcomes. When employees clearly understand what is required of them, they are better able to focus on achieving those objectives. A well-structured MBO system enables employees to feel more confident and motivated in pursuing their goals. Employees with a clear understanding of their responsibilities tend to work with greater enthusiasm and experience less confusion or uncertainty, often found in poorly structured performance evaluation systems.

- **Enhanced Positive Feedback:** MBO encourages two-way communication, enabling employees to receive regular feedback. Constructive and positive feedback from managers significantly enhances employee motivation. When employees are recognized for their achievements, they feel appreciated and are more driven to maintain or improve performance. Moreover, feedback that highlights both strengths and weaknesses provides opportunities for self-improvement and professional development.
- **Motivating Challenges:** While some employees perceive certain targets as too ambitious, others find such challenges motivating. Employees who are driven by challenges feel more energized to exceed expectations, especially when they see these challenges as opportunities for personal growth and achievement.

3.5 The MBO System for Enhancing Company Performance

To optimize the implementation of the Management by Objectives (MBO) system at PT Riseloka Bandung and improve the accuracy, relevance, and effectiveness of Human Resource (HR) performance measurement, each component of MBO must be examined in greater depth. The implementation of this system requires a holistic and structured approach, involving multiple steps that focus on improvement at the individual, team, and organizational levels.

To support goal achievement within the MBO framework, PT Riseloka must apply a fair and transparent reward system. Rewards should be based on the attainment of predefined goals, whether at the individual or team level. These rewards should include not only financial incentives but also non-financial recognition, such as public acknowledgment or career development opportunities. An effective reward system can enhance employee motivation and serve as a strong incentive for employees to remain focused and work diligently toward goal attainment. Fairly distributed rewards help employees feel valued for their contributions, ultimately boosting their performance.

Technology can play a crucial role in optimizing MBO at PT Riseloka. The use of digital or cloud-based performance management systems enables managers and employees to track goal progress in real time. This facilitates direct communication and performance evaluation, and allows for quicker corrective actions when

necessary. With digital tools, PT Riseloka can collect and analyze performance data more efficiently, reduce administrative burdens, and ensure that performance measurement is based on more objective and data-driven methods. Furthermore, digital platforms can enable immediate feedback, accelerating employee development and performance improvement.

In addition, the goal-setting process should not be limited to top-down directives; it must involve employees in the discussion and formulation of their objectives. When employees are actively engaged in setting their own goals, they are more likely to accept and understand those objectives. This involvement fosters greater motivation, as employees feel personally responsible for achieving the agreed-upon targets. Aligning individual and organizational goals is also essential to ensure that every employee's effort directly contribute to the company's strategic objectives. Employees must clearly understand how their contributions impact the overall success of the organization.

In the implementation of MBO, PT Riseloka must also be capable of adjusting objectives in response to internal or external changes. For instance, if market conditions shift or there are significant changes in company policies, established goals must be revised to remain relevant. These adjustments are crucial for keeping goals realistic and aligned with current conditions. Revisions may also be necessary when evaluations

reveal that certain goals are overly ambitious or difficult to achieve. Any such adjustments must be carried out transparently and openly to ensure that employees do not feel disadvantaged or lose direction in their work.

4. Conclusion

The implementation of Management by Objectives (MBO) at PT Riseloka has proven to be effective in managing and enhancing human resource (HR) performance. MBO enables the company to set clear and measurable goals for each employee, which directly influence their focus and direction at work. This process helps align individual efforts with the broader strategic objectives of the organization.

Moreover, MBO has fostered improved communication between managers and employees. Through joint goal-setting discussions, employees feel more valued and involved in the process, fostering a sense of ownership and enhancing motivation and commitment toward target achievement. MBO also provides a clear and objective framework for performance evaluation. Employee performance is assessed based on the achievement of goals established at the beginning of the period, allowing for more fair and transparent appraisals. These evaluations form a solid basis for career development planning, promotions, and reward distribution.

Although challenges in implementation still exist, the MBO approach offers a systematic and measurable framework for achieving corporate objectives. Overall, the application of MBO at PT Riseloka has proven effective in managing and improving HR performance. With ongoing evaluation and continuous improvement, MBO can remain a powerful tool for performance management at PT Riseloka.

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