

ABSTRACT

In order to face the global challenges and to adjust the post-transformation conditions, Yayasan Pendidikan Telkom (YPT) try to enhance the employees' commitment and performance by improving the employee satisfaction. Based on YPT's employee satisfaction data on 2012-2015, it is known that "Appreciation and Recognition" has always been a dimension with the lowest satisfaction index. Management decisions related to the indicators in this dimension are entirely based on the result of performance appraisal. Thus, it is necessary to examine more about performance appraisal satisfaction and to find the determinant factors in the performance appraisal satisfaction.

The objective of this study is to investigate the determinant factors of employee satisfaction in the field of performance appraisal. By knowing the significant factors that determine employee satisfaction in performance appraisal, then the strategy to improve employee satisfaction is expected to be better. High satisfaction is expected to produce a better performance for organisation development.

Data were collected through questionnaire distributed to 865 permanent employees of Yayasan Pendidikan Telkom's employee which consist by 554 lecturers and 311 academic supporting staff. The sampling method used is Proportional Quota Non-random Sampling. Data processing was performed with SPSS 20 for Windows.

Based on the results of data processing by Factor Analysis method, from 11 factors contains 45 items statement is formed 5 significant factors that determines the employee satisfaction in performance appraisal. Those factors are Performance Monitoring, Coaching and Counselling, Planning and Setting Performance Targets, Employee Development, and Flexible Performance Targets. In addition, it is known that the level of employee satisfaction in the performance ratings reached 67% which can be categorized as satisfied.

By these results, Yayasan Pendidikan Telkom is expected to be able to evaluate the existing performance appraisal policy. The determinant factors are already included in the existing performance appraisal policy, but still need to reinforce the sanctions for appraiser who skip the appraisal step. Management also needs to take the advantage of information systems to disseminate policy and to simplify the appraisal implementation itself. But the job descriptions of employees should be clarified and disseminated first.

Keywords : *Performance appraisal, Employee Satisfaction, Factor Analysis*