Designing Digital Employee Performance Management System for PT. Kreasi Edulab Indonesia

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Abstract
This study aims to examine the implementation of the employee performance management system at PT. Edulab Indonesia, identify its main weaknesses, and analyze organizational needs and challenges in managing employee performance. The findings reveal that the current system is still managed manually using Google spreadsheets with quarterly performance recapitulation, leading to inefficiencies, low transparency, subjective evaluations, and limited audit trails, which ultimately hinder effective monitoring, data-driven decision-making, and alignment between actual performance and strategic objectives. In response, the study highlights the need for clear goal alignment across organizational, divisional, and individual levels; real-time performance monitoring; standardized and objective evaluation mechanisms; continuous and documented feedback; and stronger integration between performance evaluation outcomes and employee competency development, while also acknowledging challenges such as uneven digital literacy, resistance to change, lack of a continuous feedback culture, and infrastructure limitations. This research employs a qualitative approach through in-depth interviews and document analysis, with data analyzed using NVivo to identify key themes related to system weaknesses, organizational needs, and implementation barriers. The system design is guided by the Technology–Organization–Environment (TOE) framework and the ADKAR change management model to ensure alignment with organizational readiness, technological capability, external environment, and human factors. As a result, the study proposes step-by-step to Design Digital Employee Performance Management System (DEPMS) based on continuous feedback, comprising five core modules: digital goal setting and alignment, real-time performance monitoring dashboards, standardized digital performance evaluation, continuous feedback mechanisms, and audit trail–based reporting. The proposed system is shown to enhance performance management effectiveness by improving objectivity and transparency, accelerating decision-making, strengthening accountability, and directly linking performance evaluation outcomes to employee development, thereby supporting a more agile and data-driven organizational culture.
Keywords: Employee Performance Management System; Digital EPMS; Continuous Feedback; Performance Evaluation; Change Management.

1. Introduction

Increasingly competitive industry competition encourages companies in various sectors to improve organizational performance achievements, including the education and tutoring industry, which must continue to innovate in improving service quality. The education sector in Indonesia has shown a significant growth trend in recent years. Based on data from the Databoks, Katadata Insight Center (2023), the transaction value in this sector has continued to increase by 52% in a period of five years from IDR 546 trillion in 2017 to IDR 828 trillion in 2022, and is projected to reach IDR 1,207 trillion in 2027. This condition reflects the great potential of the education industry as one of the strategic sectors in the national economy. Simultaneously with the long-term expansion of the market, the Indonesian government has shown a consistent commitment to supporting the development of the education sector by increasing the allocation of the education budget.

In 2024, the education budget reached IDR 655 trillion, up 9.3% from the previous year. This budget continues to increase to IDR 724 trillion in 2025 with a growth of 10.5%. This positive trend has been experienced to 2026 where the education budget has increased to about IDR 758 trillion. This budget increase shows the government's focus on improving the quality of education in Indonesia. With increasing financial support, it is hoped that the education sector can increasingly contribute to preparing superior and globally competitive human resources.

Over the past eight years, the Indonesian education sector has undergone significant changes influenced by the rapid growth of technology and the dynamics of globalization, where education serves as the primary foundation of national development, in line with the Indonesia Emas 2045 Vision outlined in the National Long-Term Development Plan (RPJPN), which emphasizes the importance of strengthening human resource quality though a high-quality education system and equitable access. However, the success of these developments depends heavily on the effectiveness of implementation at the educational unit level, making the challenge of managing employee performance one of the critical issues affecting the competitiveness of educational institutions.

PT. Kreasi Edulab Indonesia is a company engaged in the field of education with vision to become the biggest and best education consultant in Indonesia by providing personalized services to achieve future quality education. However, amid the rapid development of the education industry and increasingly fierce competition from conventional educational institutions and digital learning platforms, the company still relies on manual performance evaluation processes using spreadsheets. This method has a high potential for subjectivity, process inefficiency, lack of real-time feedback, and limited support for employee engagement, which ultimately hinders effective monitoring, data-driven decision-making, and sustainable performance development. In line with Aguinis (2019) and Armstrong (2020), organizations need a performance management system that is not only able to evaluate individual and team achievements but also encourages continuous human resource development aligned with strategic goals. Therefore, digitizing the performance management system through the development of a Digital Employee Performance Management System (DEPMS) with real-time monitoring and continuous feedback becomes a strategic priority to strengthen objectivity, efficiency, transparency, and organizational competitiveness.

2. Method
Research Design

This study employs a qualitative research approach with a case study design focusing on PT. Kreasi Edulab Indonesia. Selecting an appropriate research methodology is essential to ensure valid and meaningful results, as a well-designed methodology supports the development of a logical research plan, appropriate data collection methods, and suitable analytical techniques. A qualitative approach is considered appropriate because the design of a Digital Employee Performance Management System (DEPMS) with continuous feedback requires not only technical analysis but also an in-depth understanding of organizational conditions, employee perceptions, and managerial experiences. Data collection was conducted through in-depth semi-structured interviews with management and employees, direct observation of internal business processes, and analysis of relevant company documents related to employee performance management.

Data Analysis Method

This study adopts a qualitative analytical framework to obtain a comprehensive and contextual understanding of the research problem. Data analysis was conducted using thematic analysis supported by NVivo 15 software to identify key themes related to system weaknesses, organizational needs, and implementation challenges. Interview data were analyzed through a deductive thematic coding process to capture recurring patterns and meaningful insights derived from participants' experiences and perspectives regarding the existing performance management system.

Qualitative Analysis

The qualitative data analysis process was guided by the ADKAR framework (Awareness, Desire, Knowledge, Ability, and Reinforcement), which was used as the primary analytical lens to assess organizational readiness for digital performance management implementation. The use of the ADKAR model enables the identification of behavioral, knowledge, and capability-related factors that influence system adoption and sustainability. In addition, the Technology–Organization–Environment (TOE) framework was adopted to ensure that the proposed Digital Employee Performance Management System aligns with technological readiness, organizational capacity, and external environmental factors influencing successful digital transformation. The integration of empirical findings and relevant literature ensures contextual relevance and practical applicability of the proposed system design.

3. Result and Discussion

Analysis

This section presents the results of a qualitative analysis based on in-depth interviews with 17 managers and supervisors from various divisions at PT. Kreasi Edulab Indonesia. The analysis focuses on respondents' perceptions, experiences, and organizational readiness for transforming the manual employee performance management system into a Digital Employee Performance Management System (DEPMS). To assess organizational readiness for digital performance management implementation, the interview data were analyzed using the ADKAR framework.

ADKAR Stage	Result
Awareness	Interview results indicate a high level of awareness among managers and supervisors regarding the limitations of the manual performance evaluation system, including data inconsistency, delayed recapitulation, and low transparency. Respondents also recognize the strategic need for a modern system to support accurate decision-making related to promotion, competency development, and performance assessment.
Desire	Most respondents express a strong willingness to adopt a digital performance management system, believing that it can improve objectivity, efficiency, and collaboration. However, concerns related to system complexity and team readiness remain.
Knowledge	At the knowledge stage, respondents highlight significant training needs, as most lack prior experience with digital performance systems. Practical, role-based training, clear guidance materials, video tutorials, and mentoring during early implementation are considered essential for effective system adoption.

Ability	Findings show varying levels of digital ability among employees, with younger staff adapting more quickly while others require intensive mentoring. Challenges include consistent data input and regular updates, emphasizing the need for gradual capacity building through training, onboarding, and coaching.
Reinforcement	Respondents emphasize the importance of leadership support, continuous evaluation, and integration of performance data into reward and development systems to ensure sustainable system adoption.

In addition to organizational readiness across the ADKAR stages, the feedback system emerges as a critical component of EPMS design. Respondents emphasize the need for structured, consistent, objective, real-time, and documented feedback supported by performance history, response features, coaching, appreciation, and constructive criticism.

Overall, the ADKAR-based analysis indicates a high level of organizational readiness for DEPMS implementation at PT. Kreasi Edulab Indonesia. However, strengthening knowledge and ability through practical training and mentoring, leadership role modeling, and continuous reinforcement is essential. The integration of a continuous feedback system across all ADKAR stages is key to building an adaptive, transparent, and sustainable digital performance management ecosystem.

Business Solution

Based on the research findings, ADKAR analysis, and NVivo thematic coding results, this study proposes a business solution for PT. Kreasi Edulab Indonesia in the form of designing and implementing an integrated Digital Employee Performance Management System equipped with a Continuous Feedback mechanism. This proposed solution differs from the previously used manual performance management system and is structured using the Technology–Organization–Environment (TOE) framework to ensure that digital system adoption considers technological readiness, organizational capacity, and external environmental factors influencing the success of digital transformation. The TOE framework is selected because it provides a holistic perspective on the implementation of technological innovation within organizations and is appropriate for addressing the transition from a manual performance management system to a digital system that requires not only technical readiness but also structural and cultural alignment.

Technology Dimension
From the technology dimension, the proposed business solution focuses on designing an integrated Digital Employee Performance Management System that supports digital goal setting and alignment, real-time performance monitoring, standardized digital performance evaluation, continuous feedback, audit trail–based records, and linkage between performance evaluation results and competency development in a structured and sustainable manner.
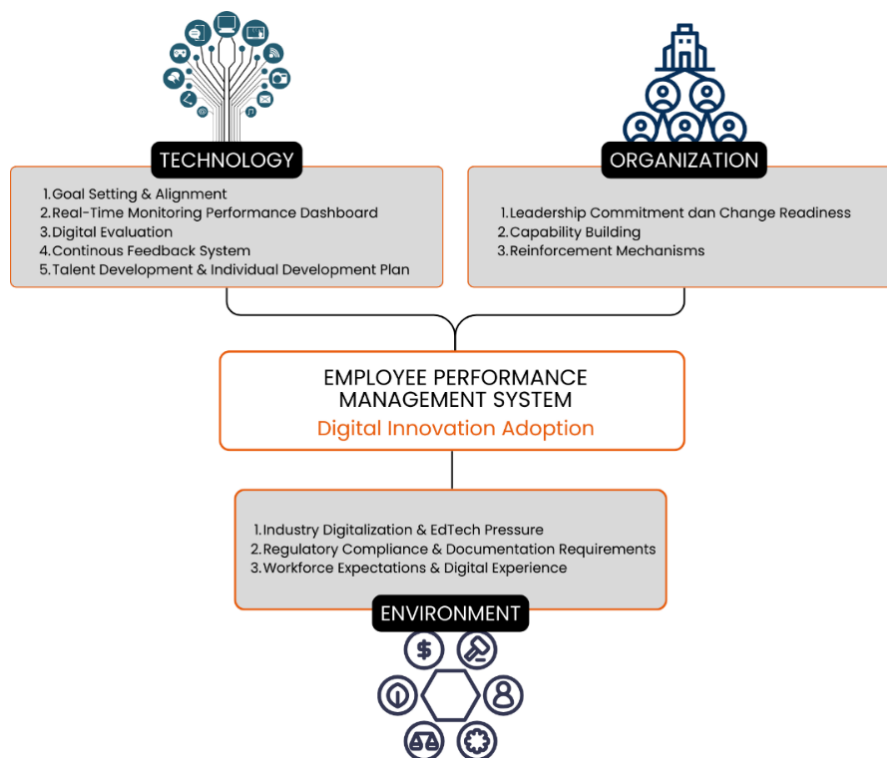
Organization Dimension

From the organizational dimension, the proposed business solution emphasizes organizational readiness supported by leadership commitment, capability building through structured training and mentoring, and reinforcement mechanisms through continuous evaluation and integration of performance data into reward and employee development systems to ensure sustainable system adoption.

Environment Dimension

From the environment dimension, the proposed business solution considers increasing digitalization in the education and EdTech sectors, external demands for efficiency, transparency, accountability, and regulatory compliance, which require accurate and auditable performance records through a digital performance management system.

4. Conclusion

Conclusion

1. **Current Implementation of Employee Performance Management at Edulab**

   The study finds that Edulab's employee performance management system is still implemented manually using Google spreadsheets with quarterly recapitulation. NVivo analysis identifies several key weaknesses, including data vulnerability and inconsistency across units, time-consuming evaluation recaps, low transparency due to the absence of audit trails, subjective and evidence-poor evaluations, and incidental rather than continuous feedback. These limitations reduce monitoring effectiveness, weaken data-driven decision-making, and create misalignment between actual performance and strategic objectives, indicating an urgent need for digitalization.

2. **Needs and Challenges in Managing Employee Performance**

The main needs identified include clear goal alignment from organizational to individual levels, real-time performance dashboards, standardized assessments to reduce bias, regular and documented feedback, and integration between performance evaluation and competency development. The key challenges include uneven digital literacy (Knowledge and Ability gaps in ADKAR), weak continuous feedback culture, initial resistance to change, and limited infrastructure and unstructured historical data. While Edulab requires a more objective, fast, and development-oriented system, organizational readiness must be strengthened through training and change management.

3. **Steps to Design a Digital Performance Management System Based on Continuous Feedback**
Using the TOE and ADKAR frameworks, the study formulates a Digital EPMS consisting of five core modules: (a) Digital Goal Setting and Alignment, (b) Real-Time Performance Dashboard, (c) Objective Digital Evaluation based on competencies and evidence, (d) Continuous Feedback with regular check-ins and coaching, and (e) Talent Development and Individual Development Plans (IDP). This design aligns with user expectations for ease of use, transparency, objectivity, career development, and open communication.

4. **Support for Improving Performance Management Effectiveness**
The proposed Digital EPMS enhances effectiveness by improving objectivity and accuracy, accelerating decision-making through early warning dashboards, increasing transparency and accountability via audit trails, strengthening continuous feedback culture, and integrating evaluation results with employee development programs. Overall, the system functions as an integrated platform that improves performance management quality while fostering an agile and data-driven work culture.

Recommendation
1. **Establish EPMS as the Core Performance Management System**
EPMS should serve as the central platform for goal setting, monitoring, evaluation, and individual development to ensure consistency, proper documentation, and decision traceability.
2. **Improve Digital Competency Through Structured Training**
Role-based training, digital tutorials, and post-implementation mentoring are essential to address variations in user capability and strengthen the Knowledge and Ability components of ADKAR.
3. **Cultivate Continuous Feedback as a Standard Work Practice**
Regular check-ins, data-driven coaching, and formal feedback documentation should be embedded into daily work processes.
4. **Optimize Leadership Roles in Driving Change**
Leaders must act as role models in EPMS usage, ensure goal alignment, and foster a culture of accountability and openness to feedback.
5. **Conduct Continuous System Evaluation**
Regular monitoring through user surveys, audit trails, and periodic updates is required to maintain system relevance and responsiveness to organizational needs.

For future research, studies may focus on:
1. Technical aspects of EPMS design and integration (UI/UX, security, HRIS integration).
2. Quantitative evaluation of EPMS impact on productivity, engagement, and retention.

3. Comparative studies of EPMS implementation across organizations.
4. In-depth analysis of digital feedback culture, including psychological and generational factors in technology adoption.

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