

Why Indonesian Start-up Fail: An Overview of Performance Management Systems

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Abstract: - The era of globalization and disruption demands the development of an increasingly competitive business world. Companies present are expected to provide sustainability strategies to increase performance, which is one of the performance management strategies. But the facts show that start-up companies in Indonesia have not been able to improve their performance, even though they are mostly bankrupt. The objective of this study is to explain the obstacles faced by most start-up in Indonesia in implementing performance management in their respective companies during the period 2020–2023. This research paradigm uses a constructivist paradigm with a case study approach. The research began with collecting secondary data through initial interviews involving the key 10 human resources informants of start-up companies. The sampling methods used are purposive and quota sampling. Primary data was obtained from interviews with 16 managers and 12 human resources managers, observations of 12 start-up in 12 cities in Indonesia, and documentation studies. Data is analyzed through manual data analysis procedures using thematic inductive approaches to generate memos and ultimately build a conceptual framework of obstacles to performance management processes. The study reveals that the human resource competence standards, systems, effective performance management standards, and leadership competencies directly related to performance management in 2020–2022 are not available and are not optimally implemented in start-up

Key-Words: - Human resources competence; Systems; Performance Management Standards; Leadership Competence

Received: February 19, 2024. Revised: August 16, 2024. Accepted: September 11, 2024. Published: October 15, 2024.

1 Introduction

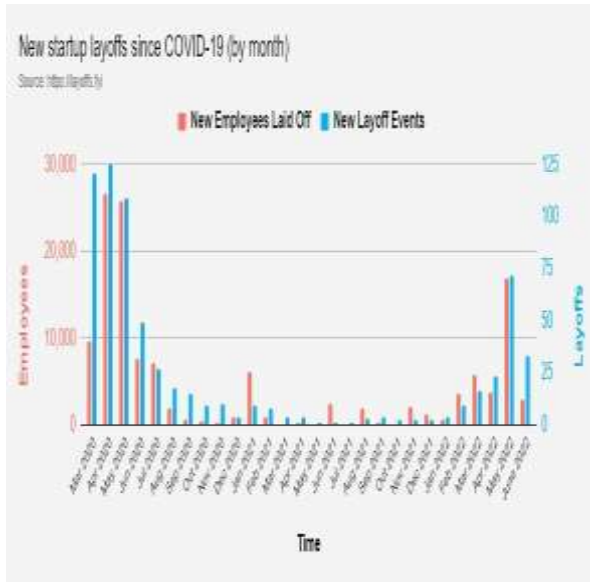
Performance is the level of achievement or success achieved by an individual or organization in carrying out a job over a certain period. Systematic and effective performance management helps organizations identify the characteristics of talented human resources that can improve the business performance of an organization and create more optimal business sustainability because performance management is a continuous communication process through planning that aligns performance with company goals, development of individual and team performance in an organization [1].

In performance management, there is a measurement of strategic steps that add value to the overall organization strategy, so performance management is a blend of work program and human resource development strategy that is fundamental to the organization [2]. In its activities, it identifies strengths to develop future performance, as well as identifies weaknesses as a means of correction and feedback process [3]. In the process of managing employee performance, leaders communicate to

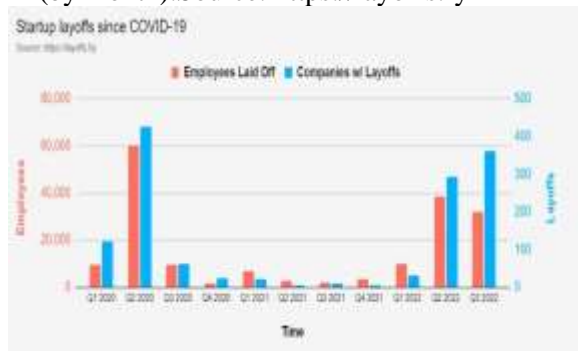
their teams from work planning, organization of work, work execution, and work supervision, to obtaining results from work as well as evaluating existing shortcomings to achieving the goals set from the start, therefore this process is ideally carried out by leaders and facilitated by human resources managers [4].

Nevertheless, companies in Indonesia, including start-up, have not yet implemented a performance management strategy, despite the significant growth in the number of digital start-up in the country. Unfortunately, many start-up in Indonesia have experienced employee layoffs and financial difficulties, particularly during the post-Covid 19 period from 2020 to 2022. This circumstance instills skepticism in many individuals regarding the viability and prospects of the startup business in Indonesia [5].

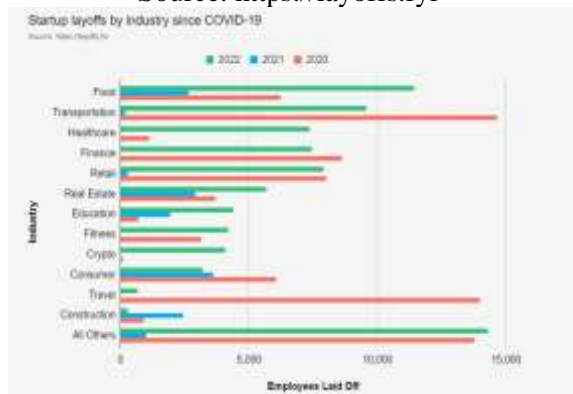
Here are the data collected by the researchers from the source:



Picture 1. New Startup Layoffs Since Covid-19 (by month).Source: <https://layoffs.fyi>



Picture 2. New Startup Layoffs Since Covid-19 Source: <https://layoffs.fyi>



Picture 3. New Startup Layoffs by Industry Since Covid-19

Source: <https://layoffs.fyi>

Based on statistics obtained from the Layoffs.fyi website, a total of 1.193 startup worldwide have terminated the employment of some of their staff members during the past two years. A total of 176.481 startup have reported job losses.

The emergence of the laid off start-up storm became evident in the initial quarter of 2020. Based on the chart, a minimum of 9.628 employees from 121 start-up have been impacted by laid off. The

number of job losses increased in the second quarter, with 60.122 individuals from 427 organizations being affected. It is important to mention that the termination of this job relationship occurred due to the global imposition of limits caused by the high severity of the epidemic.

During the third quarter of 2020, there was a significant decrease in the number of laid offs, which reached the same level as the first quarter of 2022. However, in the second quarter, there was a global increase in the number of THKs. A total of 33.000 people across 294 enterprises experienced job losses, which persisted until the third quarter of 2022. Subsequently, about 3.000 employees from 362 startup were also let go. This phenomenon highlights that several start-up are no longer inundated with investment.

During a separate event, Rama Mamuaya, the CEO of Daily Social.id, delivered a paper titled 'Startup Paper 2022: Towards a More Sustainable Startup Ecosystem in Indonesia'. The research highlighted that layoffs in the startup industry primarily affect larger firms rather than smaller ones. Rama suggests that the firm is at risk of experiencing layoffs due to its insufficient financial fundamentals. (15/03/2023) [6]

Adrian Gunadi, Chairman General of the Fintech Financing Association with Indonesia (AFPI), states that the reason for bankruptcy or failure in startup is the absence of benchmarks for their achievements. He highlights that start-up companies in Indonesia lack performance measurement using the Integrated Performance Measurement System (IPMS) approach. The focus is primarily on raising business or financial capital, rather than assessing the capabilities and output of human resources [7].

The findings from prior research on the application of successful performance management systems in businesses remain constrained. Much of the research conducted in recent years has focused on organizational performance, with a greater emphasis on work outcomes rather than performance management. This study aimed to investigate and elucidate the causes, methods, and reasons behind the adoption of performance management tactics at Start Up Indonesia, which ultimately led to financial losses and bankruptcy for the organization.

The employed research methods encompassed qualitative research approaches and case studies. The interviewees are human resources managers from 20 start-up enterprises located in various cities across Indonesia. The company has a minimum of 300 employees, and it is currently facing a financial

loss for the period of 2020-2022. The survey findings suggest that startup have yet to include integrated performance management. They are doing partial performance evaluations. Put simply, they make judgments without reaching a clear agreement on what criteria to use for evaluation. The process of evaluating the work and the rationale behind the assessment are not well-defined. It highlights the deficiencies in communication and performance management systems that are not functioning optimally [8], [9].

In order to properly disclose and elucidate, the researcher restricts and forms three subordinate areas of investigation. The selection of these three subs focus of research is based on the findings from interviews, initial observations, and literary analyses. It is crucial to understand these difficulties to provide informed recommendations for future business startup. Three specific areas of attention are: Factors that lead to an ineffective performance management strategy running, The competencies that leadership needs to implement performance management strategies, Preparedness of the performance management system in the company

2. Literature Review

2.1. Performance Management in the Organization

Performance management is the systematic process of overseeing and assessing the performance of individuals, groups, or entities to successfully and efficiently accomplish the company's objectives and aspirations. Performance management often is the process of devising and establishing objectives that articulate the desired accomplishments of an employee or team within a specific timeframe. The objectives must adhere to the SMART criteria, which stands for Specific, Measurable, Achievable, Relevant, and Time-bound goals. Performance monitoring is an ongoing procedure where personnel observe and assess their performance to achieve a specific objective [10].

During the monitoring process, there is a feedback activity in which the management provides regular feedback to employees regarding their performance, encompassing both positive aspects and areas that require improvement. Receiving a large quantity of input simultaneously is a technique that empowers staff. Furthermore, there is an assessment of employee performance after each annual term, when their performance is evaluated according to the established objectives. Subsequently, firms offer further training or professional development opportunities to enhance

employees' performance, as determined by the evaluation [11].

2.2. Performance Management Strategy Positions in the Organization

The implementation of a performance management strategy is an essential component of human resource management, since it enhances an organization's ability to meet its business objectives with greater efficiency. The significance of performance management strategies is seen in multiple facets 1) Enhancing individual productivity and performance [12]. By implementing a systematic approach to evaluating performance, firms can effectively pinpoint the areas of excellence and areas for improvement among their staff. 2) Alignment with organizational objectives. It guarantees that every employee is dedicated to accomplishing the objectives of the entire firm. 3) Enhancing employee motivation and engagement. Implementing equitable and clear performance evaluation procedures can enhance employee motivation. Granting acknowledgment and incentives for exemplary performance can effectively sustain staff engagement and commitment levels [13]. 4) Facilitates the identification of training and development requirements. Through the evaluation of employee aptitudes and deficiencies, firms can formulate suitable training initiatives to augment staff competencies and expertise. 5) Evaluating the alignment of organizational team performance can provide an assessment of the overall performance of the team. This aids in comprehending how the enhancement of collaboration among team members can lead to the attainment of shared objectives. 6) Performance data obtained from the performance management process can be utilized to enhance decision-making. Objective data can be used by organizations to strategically plan human resources policy, promotion, and development. 7. Through the implementation of a performance management strategy, firms can effectively pinpoint employees whose performance falls below expectations and implement appropriate actions, such as offering supplementary training or delivering constructive feedback, to address and rectify unsatisfactory performance [14].

2.3. Performance Management System Implementation Obstacles

Performance management is the process by which a corporation assesses and oversees the performance of its employees to ensure the achievement of the organization's objectives.

Implementing performance management in a corporation is a challenging task. Organizations encounter various challenges in performance management, which hinder the effectiveness of performance management processes. These challenges include the mindset of leaders, communication methods, specialized competencies in coaching performance, mentoring, and feedback skills [11].

Coaching sessions can assist employees in identifying areas for improvement and offer support to enhance the necessary abilities. It aids in optimizing individual capacity. Coaching fosters increased engagement by demonstrating a focus on employee growth and achievement. Workers who perceive a sense of support are more likely to exhibit higher levels of commitment and involvement in their job responsibilities [15].

Coaching engages employees in the processes of problem-solving and decision-making. It fosters a sense of accountability and autonomy, enabling employees to perceive themselves as actively involved in overseeing their own performance. Coaching skills encompass the capacity to engage in active listening and pose probing inquiries. Coaching can assist individuals in effectively handling disagreements and issues that may arise in the workplace. It can improve the process of resolving conflicts and sustain harmonious relationships [16].

Coaching can enhance motivation by acknowledging accomplishments, assisting in overcoming challenges, and aiding staff in establishing attainable objectives. Leaders with proficient coaching abilities can effectively develop other leaders throughout the entire organization. They possess the ability to impart coaching skills to other leaders, fostering a holistic culture of learning and development. By incorporating coaching techniques into performance management, firms can enhance their ability to accomplish organizational objectives while simultaneously fostering stronger employee relationships.

Developing a cognitive framework for comprehending performance management within a firm is an essential stride toward attaining peak performance and guaranteeing that all individuals within the organization grasp and acknowledge the significance of performance management. Ensure that the performance management process is clear and easily understood. Employees must comprehend the decision-making process and how their performance directly impacts the organization's success. Conduct regular assessments to measure the efficacy of performance management strategies.

Grant acknowledgment and incentives to employees who achieve or surpass performance objectives. It can generate a favorable increase and provide an illustration of the company's appreciation for performance management.

2.3. Leadership and Performance Management

Performance management involves effectively managing performance based on a well-defined vision and mission, by setting measurable and evaluated performance objectives. Performance management encompasses the enhancement of skills and capabilities as a fundamental aspect of enhancing individual performance. Effective performance management facilitates the identification of both strengths and shortcomings, serving as a foundation for the creation of individual and group growth strategies [17].

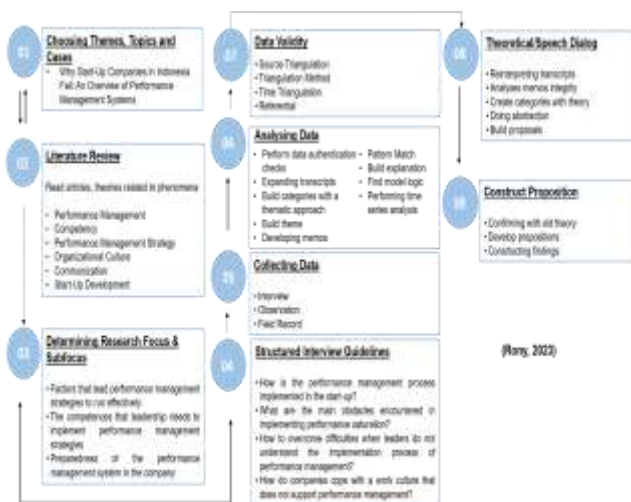
Leadership and performance management are key components that contribute to the success of a business. Both individuals fulfill the same function, which involves leaders possessing a distinct vision and effectively conveying the vision and objective of the firm to all team members. Furthermore, leaders can encourage and ignite their team members' enthusiasm and commitment towards achieving optimal performance. Leaders are accountable for overseeing and cultivating human resources, guaranteeing that the team possesses the requisite expertise and understanding [18].

Furthermore, it is anticipated that both the leadership and staff can effectively and transparently communicate, ensuring that the employees possess a comprehensive comprehension of the objectives and requirements. This facilitates a mutual understanding of performance expectations among all stakeholders. Leaders and their teams prioritize the cultivation of team members' skills and competencies [19]. Leaders additionally guarantee that the performance evaluation procedure is impartial and easily understood, fostering progress and advancement. An additional crucial responsibility is to offer constructive comments to enhance the motivation and performance of team members.

When leadership and performance management are closely aligned, organizations have an increased likelihood of attaining their objectives, so promoting their long-term health and sustainability. The combination of leadership elements and the system establishes a robust basis for achieving organizational success. Both are not mutually compatible [20].

3 Methodology/Materials

The study employs a qualitative research technique utilizing a case study approach [21] to examine the phenomenon of implementing performance management strategies in Indonesian start-up between 2020 and 2022. To obtain a thorough understanding of this research and to broaden and deepen their knowledge, researchers actively seek out relevant research and study literature to substantiate the robustness of their findings. The selected sampling methods are purposive sampling and quota sampling. The informants chosen consist of 20 human resources managers and 20 direct superiors who are directly involved. Data dilution was achieved through conducting interviews, making observations, and facilitating group conversations [22], [23].



Picture 4. Research Flow

3.1. Research Procedure

Research procedures encompass the various stages of the research process. The following stages are included: 1) Identifying issues pertaining to the execution of the start-up performance management strategy in Indonesia, 2) Engaging in the process of reviewing and choosing relevant literature and prior research pertaining to performance management, 3) Determining the primary and secondary areas of investigation, 4) Administering semi-structured preliminary interviews with informants, 5) Ensuring the comprehensiveness of the interview findings; each interview is documented using audio and video recordings, with the informant's consent, 6) The findings from field records, interviews, and observations pertaining to the performance management process are collected and documented, 7) Analyzing the transcript and carefully reviewing the video recordings, 8) Data analysis is conducted with MDAP (Manual Data Analysis Procedure), 9)

doing FGD (Focus Group Discussion) with the informants [24].

3.2. Interview Guidelines

Interviews are a flawed method employed to get data. When utilizing this activity effectively, certain questions are organized, while the responses from the participants may change, prompting researchers to provide partially organized or even unorganized questions. Structured questions are divided into three sub-categories within the realm of research: Qualitative research distinguishes itself from the quantitative method in terms of the approach used to identify and select informants. The methodology for determining the required number of informants in a qualitative study varies from the methodology proposed by [25]. The preliminary stage involved conducting interviews with 12 key informants, comprising senior executives with extensive expertise in leading firms, as well as 20 informants who are human resources managers from 20 distinct start-up in 12 Indonesian cities that had experienced bankruptcy. The informants for this study were selected using a combined strategy of purposive and quota sampling. They were chosen based on their expertise in leading and managing personnel in a start-up company.

3.2. Data Analysis

To meticulously assess the qualitative data, the researchers calibrated the measurement tool employed to get study findings that align with the research objectives. Data analysis is conducted through the utilization of MDAP (Manual Data Analysis Procedure) as outlined by [26]. This approach involves generating a reality by interpreting the data gathered in the field [21]. The responses of the informants are categorized, analyzed, and subsequently organized using a theme coding manual. The researchers examined the transcripts to verify their consistency throughout time, organized the main ideas, and transformed them into written notes to create a collection of preliminary study reports. Each of these stages is executed meticulously, particularly with a case study methodology. The employed qualitative methodology is based on subjective observations and factual evidence. Before compiling the initial research report, the confirmation of the results is ensured through targeted group discussions that involve essential sources of information.

3.2. Data Validation

Triangulation is employed to augment the reliability and accuracy of data. The outcomes of

group discussions support the findings obtained from interviews and observations, as proposed by [25]. The informants were provided with the opportunity to examine the recurring patterns that arose during the interview. The researchers transcribed all of the interview material by hand following the informers' responses to targeted inquiries regarding their perceptions of the obstacles to executing performance management. The outcomes of the validation procedure have been consolidated into thematic categories. Theoretical underpinnings provide the necessary basis for all of the highlighted discoveries. Individuals lacking a theoretical basis perceive the findings as raw data and a cognitive structure that identification of barriers to the execution of performance management techniques in Indonesian start-up.

4. Results and Findings

4.1. Findings

4.1.1 Factors That Cause Performance Management Strategies to Run Ineffective

Based on informant responses, it seems that the typical start-up company operates with a small crew, resulting in the need for multitasking to complete duties. Organizational structures are intentionally created to be streamlined and efficient. The selection of the organizational structure is based on the constraint of having a restricted number of human resources available. Human resource managers claim that smaller companies, with a staff size not exceeding 300 employees, are more manageable, leading to a potential oversight in the construction of an effective performance management system. The readiness of owners and human resources managers to accommodate change and respond to evolving responsibilities has not counterbalanced the comparatively swift expansion of start-up in Indonesia.

Moreover, start-up frequently encounter hindrances in decision-making while they await the verdict of the company's proprietors, particularly when the founders lack the experience or comprehensive comprehension of business and risk management. The issue of procrastination manifests in numerous forms and ultimately hinders optimal productivity. The primary issue lies in the owners' exclusive concentration on business plans, without a comprehensive understanding of the appropriate

human resource development methods that align with their organization's requirements.

Additional data reveals that the majority of start-up in Indonesia possess a restricted infrastructure, lacking essential software or platforms, such as performance evaluation software, for the purpose of managing and assessing employee performance. However, it is worth noting that software or performance assessment platforms are crucial tools for effectively managing and evaluating employee performance. The constraint of acquiring or creating this software hinders the ability to efficiently monitor and oversee staff performance. Insufficient measurement methods and ambiguous criteria make it challenging to accurately assess employee performance, as performance measurements are uneven. Several technology-focused start-up in Indonesia lack the technical infrastructure to support performance management. The low availability of data is attributed to the absence of sufficient performance evaluation software or platforms, resulting in restricted access to employee performance data. This hinders human resource managers from doing thorough analysis of employee performance and finding areas in need of improvement.

4.1.2. The Competences That Leadership Needs to Implement Performance Management Strategies

The informants recognize that managing employee performance is a task that entails communication to enhance the emotional bond between the leader and team members. However, it is a reality that the majority of leaders lack the necessary proficiency to effectively oversee the performance management process, resulting in an inefficient management of performance management. The majority of leaders lack the necessary expertise to guide business processes, which includes instructing their staff on developing derivative plans that align with the organization's immediate job objectives. Leaders have the task of fully embodying the organization's vision and mission, yet many leaders struggle to explain how to create performance measurements that are both relevant and

successful. Human resource managers receive feedback from their employees indicating that they are still struggling to establish explicit objectives and establish practical, quantifiable, and pertinent targets aligned with the organization's aims. When a leader fails to establish goals that are unrealistic or cannot be measured, it can result in team members feeling frustrated and lacking motivation.

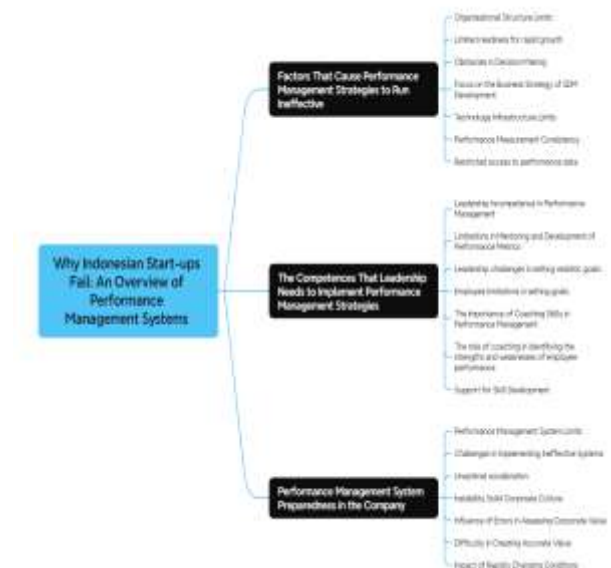
In addition to strategic planning and mentoring, coaching is another ability that remains limited. Coaching skills are crucial in the performance management process as they contribute to the establishment of a more efficient working environment, enhance employee engagement, and facilitate individual growth. Coaching abilities are highly essential in performance management for several reasons: Coaching facilitates the identification of employees' strengths and limitations, while also offering support to enhance their performance. Employees can enhance their skills more efficiently by receiving constructive criticism and guidance.

4.1.3 Performance Management System Preparedness in the Company

Many start-up operate performance management systems that do not align with the company's business needs and strategy due to technology limitations and the mindset of leaders who perceive performance management systems as relatively unimportant to the organization. Based on interviews with informants, it has been shown that there exist performance management systems that are not readily comprehensible to employees, resulting in a lack of emphasis on efficiently implementing performance management in areas such as performance planning, development, and evaluation. Informants reported that the socialization was influenced by a sense of urgency. However, according to the human resource managers, the delivery of the information was effective. The only issue was that the leaders in each department failed to adequately explain and express aspects of performance management that were not clear to the employees. This creates an obstacle for staff

to promptly and accurately apply performance management systems.

In addition, the lack of a vibrant corporate culture and the owners' inability to establish a robust company culture contributed to their failure. Effective values are crucial for the company's design, but faults in establishing these values might impact the start-up's management of staff performance. Given the difficulties and circumstances associated with rapid change, start-up founders have not yet established appropriate business values and redirected their attention, both of which might impact cultural coherence. The integrity of a startup's culture may be compromised due to several reasons that can impact the organization's dynamics.



Picture 5. Memos

4.2. Results

Every business possesses distinct dynamics, necessitating the customization of performance management strategies to align with the cultural environment and objectives of each firm. Performance management at certain Indonesian start-up is ineffective and does not align with company goals due to a multitude of intricate and diverse elements. The insufficient description of the organization's aims and goals adversely affects the productivity of a limited number of personnel. The program deemed

significant proved to be incongruous with the actual conditions. The absence of comprehension regarding the significance of performance management, along with inaccuracies in establishing key performance indicators, an incapacity to differentiate between immediate and long-term priorities and a lack of execution in implementing performance management [27].

Furthermore, the program plan has not been adequately assessed. Some CEOs develop these initiatives without taking into account infrastructure and conducting an analysis of the amount and quality of human resources, leading to employee dissatisfaction and a lack of clarity among staff members. Imposing irrelevant and unreasonable goals for one's duties and obligations leads to erroneous work and diminishes employee motivation. This demonstrates the alignment between employee expectations and performance requirements [28].

The evidence suggests that the planning has been ineffective and there is a lack of employee engagement in goal-setting and performance management measures. It is increasingly important for human resources managers and leaders to collaborate effectively to reduce errors in creating individual goals. A leader's absence of optimism in inspiring can diminish an employee's perception of self-reliance towards their organization [29]. Employees are urged to exhibit passivity. The active participation of these individuals can foster the development of the organization as a dynamic and organic organism, rather than a mechanistic and rigid system. Proactive employees who demonstrate high levels of engagement and take initiative without being instructed are focused on the future. They willingly provide suggestions for enhancement and proactively generate ambiguity. Individual drive and proactive conduct are crucial for gaining a competitive edge and achieving organizational triumph [30].

Furthermore, the absence of regular or planned meetings and a dearth of transparent performance-related communication among employees can engender ambiguity and bewilderment. Effective performance

management necessitates transparent and unambiguous communication between management and employees. Communication within the process is not mere casual talk, but rather a deliberate kind of communication to enhance performance. Consequently, leaders must possess the necessary skills to provide constructive criticism. Certain employees require constructive feedback that specifically emphasizes their growth and development, rather than only providing critical evaluations [31].

Consistent feedback and acknowledgment of accomplishments have the potential to enhance employee motivation. Employees who possess clear expectations and obtain constructive comments regarding their performance are often more inclined to enhance their work performance [32]. Leaders might utilize a 360-degree approach, wherein colleagues and superiors provide direct feedback to staff.

Enhanced communication in performance management takes place during the performance review process, facilitating dialogue between employees and addressing any obstacles that hinder a clear understanding of expectations and requirements from both the employees and the leadership [33], [34]. Moreover, the performance evaluation process can pinpoint specific areas for improvement in individuals and provide appropriate training or education. Utilize basic technologies, such as spreadsheets, to monitor and consolidate staff performance, while establishing a regular evaluation timetable.

A fledgling company Companies lack sufficient training and development programs, which might impact employees' ability to reach performance objectives [35]. The constraints on training and development arise from management's perception that technological advancements and the widespread availability of knowledge make learning possible at any time and place [36]. However, it is important to acknowledge that not all employees possess a strong inclination for curiosity, which hinders both individual and organizational performance.

Startup frequently undergo exponential expansion. Expeditious expansion can result in

alterations to the organizational framework, the recruitment of fresh personnel, and the presence of pre-established cultural norms. Startup frequently have teams that exhibit significant diversity in terms of their origins, values, and experiences [37]. The wide range of differences among individuals can pose a difficulty in establishing a uniform culture. In addition, startup frequently need to adjust to dynamic market conditions and competitive landscapes. Business priorities might lead to a cultural transformation to accommodate changing requirements. In addition, there is the presence of performance pressure and a sense of uncertainty [38].

Furthermore, a fiercely competitive and ever-changing business landscape can generate significant performance demands. Under these conditions, companies may prioritize outcomes over cultural advancement, with the primary concern being the ambiguity surrounding key principles. Startup that face uncertainties in establishing fundamental values or concepts that form the foundation of their organizational culture often lack stability. In addition, an ineffective management system will adversely affect the management of firm expansion [39].

The owner's overall competency has not fully manifested. Their primary objective in establishing a firm is to get funds. Businesses expand due to substantial capital ownership. The company's reliance on its founders is so significant that decision-making authority is delegated to the company's owner without considering their skill and thorough comprehension of organizational performance management [40].

To address cultural disparities inside startup, it is crucial to have leaders who are dedicated to constructing and fostering a shared set of beliefs and principles, as well as actively overseeing the evolution of these values over time [41]. Therefore, culture can serve as a robust basis for the expansion and enduring prosperity of a company.

5. Conclusion

The effectiveness of performance management in certain start-up in Indonesia is hindered by various intricate circumstances, resulting in a misalignment with corporate objectives. Several issues arise, such as ambiguous objectives, unsuitable initiatives, inaccuracies in establishing key performance indicators (KPIs), and the failure to differentiate between immediate and long-term priorities. Inadequate programming and insufficient attention to infrastructure and human resources result in employee discontent.

Lack of clarity in staff communication is also an obstacle. The need for improved collaboration between SDM managers and leadership is evident due to inadequate planning and limited employee participation in goal formulation. The lack of leadership in inspiring employees serves as a catalyst for non-proactive and distancing actions, resulting in decreased employee commitment and increased loyalty towards the organization.

Ineffectiveness in performance management can be attributed to closed communication, passive and unconstructive feedback, and unannounced meetings. The boundaries of leadership competency entail offering positive comments, while employees impede the growth of their colleagues. Essential tools are required, such as employing a comprehensive 360-degree approach to get feedback from many viewpoints. The examined start-up have failed to devise an efficient strategy and performance management system, neglecting the distinctiveness of the local culture and business environment, as well as the organizational objectives. The absence of a comprehensive grasp of the cultural background, organizational objectives, and growth dynamics has hindered the development of a performance management mindset in start-up companies. Feasible measures to be applied encompass effective communication, comprehensive personnel training and development, active engagement in goal-setting, and a focus on individual growth.

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Contribution of Individual Authors to the Creation of a Scientific Article (Ghostwriting Policy)

The authors equally contributed in the present research, at all stages from the formulation of the problem to the final findings and solution.

Sources of Funding for Research Presented in a Scientific Article or Scientific Article Itself

No funding was received for conducting this study.

Conflict of Interest

The authors have no conflicts of interest to declare that are relevant to the content of this article.

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