ABSTRACT

Construction of Employee's Performance Assessment System and Incentive System with competency base is an alternative that occurred to identify the real performance achievement of the employee and give proportional reward for that achievement. This research based on Spencer's Competency Directory that divide it in six cluster that are: Act and Achieve, Help and Service, Impact and Influence, Managerial, cognition, also Personal Effectiveness.

The research's object is Technical Administration Division of PT. Merpati Nusantara Airlines. It used Analytical Hierarchy Process (AHP) method with Expert Choice 9.0 software. Data has collected with questioner that spread to the respondents who are Engineering Director, General Manager of Technical Administration Division, Manager of Technical HRD, Manager of General Support, Manager of General Affairs and Manager of Cash & Bank.

The result shows that by competency approach, the performance of employee's achievement identified more completely and incentive system is hoped more motivate them to reach a better achievement.

Keywords: Employee's Performance Assessment, Incentive, Competency Management, Analytical Hierarchy Process (AHP).