



الجامعة الإسلامية العالمية ماليزيا
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA
بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

ATTITUDE OF TEACHERS TOWARDS
THE NEW PERFORMANCE APPRAISALS
UNDER THE NEW REMUNERATION SYSTEM

BY

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A PROJECT PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENT
FOR THE DEGREE OF
MASTER OF MANAGEMENT

MANAGEMENT CENTER
INTERNATIONAL ISLAMIC UNIVERSITY
MALAYSIA

OCTOBER 1997

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ABSTRACT

This study investigates the attitude of teachers towards the New Performance Appraisal System (NPAS) under the New Remuneration System introduced by the Government in 1992. A set of questionnaires was distributed to the teachers of selected schools in the District of Petaling in the state of Selangor. The sample involved 148 teachers randomly selected from ten schools. The findings reveal that the NPAS was modestly supported by the teachers. There was no association between the level of support for NPAS and demographic characteristics of the respondents. There was no relationship between the level of support for the NPAS and teachers who were awarded merit pay. However, the level of support for the NPAS was significantly related with work attitudes of teachers. Merit pay was not significantly related with both motivation and work related attitudes of teachers. Merit pay was also not significantly related to demographic factors except for age and experience. The number of teachers awarded a merit pay increased with age and experience. The study also revealed that the teachers wanted the Performance Approach instrument and the implementation of the NPAS improved to a greater extent compared to the rater. There was evidence of perceived rater biases from teachers. The teachers feel that many deserving teachers were not awarded merit pay in their organization. The majority of teachers wanted the result of the appraisals to be discussed with the evaluators.

APPROVAL PAGE

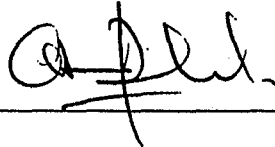
TITLE OF PROJECT PAPER: ATTITUDE OF TEACHERS TOWARDS
THE NEW PERFORMANCE
APPRAISALS UNDER THE NEW
REMUNERATION SYSTEM

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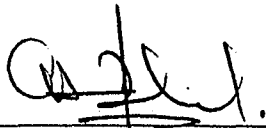
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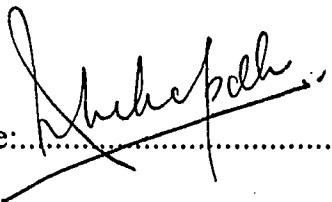
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DECLARATION

I hereby declare that this project paper is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by reference notes and a bibliography is appended.

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ACKNOWLEDGMENT

Many thanks to everyone who helped complete this project paper from the proposal stage to the finished product in your hands. Though my name adorns the front cover, credit for the paper belongs to many people. I am highly grateful to my supervisor, Dr. Ahmad Zohdi Bin Abdul Hamid for his endless support, encouragement, feedback and ideas throughout the process. His understanding nature and continued support was fuel to my diminishing confidence. Infact, it was his effort that sparked my interest that kept me going till the end. Appreciation is also extended to Dr. Selamah Abdullah whose wisdom, constructive suggestions and guidance paved the initial route towards the completion of this paper.

I am indebted to the Ministry of Education and Institut Aminuddin Baki for the opportunity to pursue this master's degree. Special appreciation is extended to the teachers in the Petaling District of Selangor for their responses and suggestions during the study. A sincere thank you is extended too all those unmentioned who have helped directly and indirectly and in their own special ways to make this study possible.

Finally my greatest thanks goes to my supportive wife who held the fort during the whole programme, patiently read through my drafts as well as assisted in the typing and proof-reading.

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CHAPTER 1

INTRODUCTION

1.1 Background of the Study

In recent years, the efforts of many organizations, both in the public and private sectors have been directed towards creating a *performance culture* which is characterized by a search for strategies that improve the contributions of individuals to the overall success of the organization. These efforts are being channeled into identifying, planning and implementing plans and programs to achieve a world class civil service (Ahmad Sarji, 1994). The change in effort is never easy nor smooth sailing. It tests patience, and involves reviewing as well as exploring existing and new paradigms. It is a continuous search for new solutions for old problems.

In the constant purpose of improving the civil service, the government has implemented various strategies in the past. The endless pressure from trade unions such as the Congress of Union of Employees in the Public and Civil Service (CUEPACS) gives little choice for the authorities but to review the civil service salary scheme from time to time. However, the government being the single largest employer in the country, employing about 880,000 or 12.9% of the total work-force of 6.8 million (1991) people (Cabinet Committee Report, 1992) has several factors to consider. As any review in salaries would be tantamount to severe implications in the

financial expenditure of the government in the form of emoluments and pensions. The rate of inflation which may arise may offset the increase in real terms. Any increase in remuneration should therefore be followed by an increase in productivity.

According to Handy, in today's marketforce, profits and productivity are best created by half the workforce, which is paid twice as much, and it produces three times as much (Dzulkifly, 1995) The formula offered by Handy highlights the components for achieving productivity challenging targets, effective processes, manpower and rewards. Halving the workforce represent the efforts towards improving work efficiencies. Business process of re-engineering, Total Quality Management (TQM) and Continuous Improvement programs have to be fully employed. Paying twice as much can include initiations like attractive variable rewards, recognition and excess time row pay structures. Producing three times as much imply aggressiveness of targets, which may not have been possible in the past.

Nevertheless, as a model employer, the government has to be fair to its employees in providing salaries which are competitive with their counterparts in the private sector. In fact, there are several reports on salaries in the history of the Malaysian Civil Service prior to the introduction of the New Remuneration System. They could be retraced to as far back as 1947 which began with the introduction of the Trusted Report 1947; followed by the Benham Report 1950; Suffian Report 1970; Aziz Report 1970; Harun Report 1970; Sheikh Abdul Report 1972; and the Cabinet Committee Salary Scheme 1976.

In this paper, a number of principles are presented as framework for the development of the New Performance Appraisal System that enhance the evaluation of quality and productivity of teachers. The principles draw on the earlier measures taken to upgrade the civil service, their aims and their relevance to the New Performance Appraisal System which is actually a spin-off from the New Remuneration System (NRS).

This paper is based on a survey conducted among Secondary Schools teachers within the Petaling District of Selangor. This research was prompted by the researcher's experience with the New Performance Appraisal System (NPAS). The NPAS was perceived to be a possible solution to upgrading and evaluating individual performance and it has met up with several views both, for and against. The aim of this paper is to shed further light into the effectiveness and appreciation of the NPAS in general.

This paper is an attempt to understand what the principle designs of the New Performance Appraisal System constitute, its ability to overcome the limitations of all earlier appraisal formats, what it offers in the form of remuneration for the able civil servants and its ultimate contributions in achieving organizational goals.

1.2 Research Problem

Despite the fact that the fundamentals of the NRS have been correctly identified and put to place, the results are still questionable. It will only come through effective practice of these fundamentals and full commitment to these ideals. The teacher's productivity is difficult to be measured through tangible terms. Here, more qualitative instruments based on subjective opinion need to be used as a measure. Again, if norm- referenced approach instead of criterion-reference approach is used to evaluate teachers then the evaluation would be considered inaccurate and condoned to be biased.

Critics of the NPAS view that the rater, instrument and the implementation need to improved¹. They strongly feel that the raters are biased. Besides that, it is believed that the NPAS has eroded teamwork in schools. Observations reveal that the NPAS has given rise to squabbles among teachers.² The NPAS has been accused of causing peer competition and what was once an honorable profession is now beleaguered by 'back stabbing' and 'switching'.³ Findings disclose that in the majority of the schools, outcome of the appraisals are not transparent. Thus, teachers lack knowledge of their strength and weaknesses, and they do not know how to improve. Since the system is designed in a manner where the majority of the teachers are destined to get only normal pay progression, it is also perceived that the NPAS

¹ Memorandum NUTP

² The Star. 1996. August 25

³ New Straits Times. 1997. August 5

demotivate teachers from improving their performance. It is also widely speculated that the NPAS does not contribute to positive work-related attitudes of teachers.

The Ministry of Education constantly refutes these allegations and feels that it is by far, the best system to be implemented. This study intends to provide a status quo report of the attitude of teachers towards the NPAS in the Malaysian Secondary Schools.

1.3 Research Objective

The study intends to accomplish the following objectives:

- a. To examine the level of support for the NPAS and merit pays amongst secondary school teachers with respect to demographic characteristics identified such as sex, ethnicity, age, academic qualifications and teaching experience.
- b. To seek teacher's opinion as to which aspects of the NPAS should be improved.
- c. To assess the extend of perceived rater biases in the NPAS by teachers.
- d. To determine the level of support for the NPAS in-terms of pay progression.
- e. To determine whether the NPAS has caused stress among teachers.
- f. To determine whether the NPAS enhances motivation among teachers.
- g. To determine how teachers perceive the NPAS as being able to improve their performance.

1.4 Significance of the Study

Specifically, the findings of this study can, to some extent, be useful to the Ministry of Education in Malaysia because they provide some insight as to whether sufficient attention has been specified in the existing NPAS. Thus, it becomes the basis for reviewing the present performance appraisal to accommodate every aspect of the teachers satisfaction and also their dissatisfactions. The empirical data of the study also provide further understanding regarding the present performance appraisal within the teaching profession. They reveal weaknesses or strengths within the performance appraisal which can be used by the respective personnel in planning a more effective and efficient system that will serve as an asset in improving the performance of the teachers.

In the process of enlightening the related parties on the impending issues of the NPAS, its popularity has been rarely discussed in the open. As the inclusion of the NPAS programme in the NRS is fairly new, it is appropriate that the programme be regularly reviewed to keep abreast with present needs.

In the process of devising better appraisal systems that are both objective and humanistic, teachers and principles have to be aware of the differences between quality, quantity and job excellence and learn to reward teachers accordingly. In addition, this study can also provide a basis for further research related to the NPAS.

1.5 Limitation of the Study

This study does not claim to cover the New Performance Appraisals System for all those employed in the education field. It merely sets out to identify the scenario within the secondary school teachers. The study constitutes both graduates and non-graduates teachers. Furthermore, it does not cover non teaching staffs in the administrative position such as the Principals, Senior Assistants, Afternoon School Supervisors and Subject Heads. It does not, set out to become an intensive study into the New Remuneration System but merely focus into the New Performance Appraisal System.

The study is limited by the sample size of one hundred and forty eight teachers confined to ten randomly selected secondary schools within the Petaling District in Selangor.

1.6 Definition of Terms

For the purpose of the study, specialized terms are defined as follows:-

1. **Annual work target (AWT)** refers to the written statement of goals by the employee which is to be accomplished within 6 months.⁴
2. **Attitudes** refer to stable clusters of feelings, believes and behavioral intentions toward specific objects, people and institutions. It consists of

evaluative components (How you feel?), cognitive components (What do you believe?) and behavioral components (How you are predisposed to act) (Greenberg.J., 1997).

3. **Cabinet Committee Salary Scheme 1976**, (CCSS 1976) refers to the salary scheme prior to the implementation of the NRS.

4. **Matrix pay structure** refer to pay structure arranged by various steps and levels. Each pay structure has three levels and a certain step.⁵

5. **New Remuneration System (NRS)** refers to the current remuneration system implemented by the public service department.

6. **Peer Competition** refers to rivalry among colleagues to achieve a vertical or diagonal pay progression or promotion.

7. **Performance Appraisal** refers to the process of determining employee's job relevant strength and weakness (Casco, 1992).

8. **Salary progression** refers to increment in salary in the matrix salary structure based on four situations that is static, horizontal, vertical and diagonal⁶.

A. static - No increment from the present salary

B. horizontal - Increment based on same level but to a different step.

C. vertical - Increment based on a different level but on the same step.

D. diagonal - Increment based on different level and different step.

⁴ Cabinet Committee Report , 1992

⁵ Cabinet Committee Report, 1992.

⁶ Ibid

9. Work related attitudes refer to lasting feelings, beliefs and behavioral tendencies towards various aspects of the job itself, settings to which the work is conducted and the people involved (Greenberg.J, 1997).

1.7 Organization of the Study

This study is organized into five chapters. Chapter One presents an introduction and background of the study, research problems, research objectives, significance of the study , limitations of the study and definition of major terms. Chapter two is divided into four main sections. The first section describes the history of performance appraisals and its uses in brief. The second section touches on the principles and characteristics of the NRS and the NPAS. The third section discusses the process flow of the NPAS and its main principle designs. The final section reviews the critical issue related to the practice of the NPAS. Chapter three presents the research methodology that was used in the collection and the analysis of the data. Chapter four reports the results of the data collection and analysis. Chapter Five concludes this study by discussing its major findings and implications for both practitioners and academicians. This chapter ends with some suggestions for future research in to this area.

CHAPTER TWO

REVIEW OF LITERATURE

This chapter presents the literature review on performance appraisals, the principles and characteristics of the New Remuneration System (NRS) and the New Performance Appraisals (NPAS). The final section discusses various issues related to the implementation of the NPAS in Malaysian Secondary Schools.

2.1 Literature on Performance Appraisals

The history of performance appraisals can be traced to the Wei Dynasty of the third century. It was used to grade Imperial employees (Murphy, 1991). The appraisal of industrial employees became popular after World War I and the appraisal of managers was not practiced until after World War II. As cited by Murphy (1991), performance appraisal was widely used in organizations since 1950. Early appraisal methods evolved from subjective appraisals such as trait and essay approaches to psychometric sophistication. The trend later changed into behavioral and result oriented approaches such as Ranking Method, Behaviorally Anchored Rating Scales (BARS) and Management by Objectives (MBO).

Today, hybrid and system approaches are practiced with the use of computer software for generating appraisal results. The controversial Electronic Performance

Monitoring using video display terminals and cameras are leading trends in appraisal processes (Adler and Tompkins, 1997).

The use of performance appraisals has further changed organizations in the last 30 years. Early users of the performance appraisals were focused on administrative decisions such as promotions, salary increases and dismissals. In the 1960's and 70's, performance appraisals were used for employee development, feedback, corporate planning, legal documentation, system maintenance and research (Murphy, 1991).

Another significant development in performance appraisals is the proponent of Total Quality Management (including the late Edward Demmings) which generally argue for the elimination of performance appraisals (Dessler, 1997). They argue that the organization is a system of interrelated parts and employee performances are a function of factors like training, communication, tools and supervisions, rather than his or her own motivation. They feel that performance appraisals can cause unanticipated consequences like lack of customer focus, continuous improvement and undermining team work. Barriers such as annual merit ratings may rob employees of their pride of workmanship.

However, many organizations feel that it is not practical to eliminate performance appraisals. These organizations have applied TQM principles to design a TQM based Performance Management System. The appraisal system does not

force managers to give false or misleading measurements but facilitate open, job related discussions, instilling vigorous education and self-employment (Boudreaux, 1994).

2.2 Performance Appraisals and Pay for Performance

Traditionally, compensation has been linked to a particular job description and span of control with senior employees being higher paid at all levels. Today, compensation is being linked with achieving organizational objectives. New global competition and changing labor force spell the need for creative human resource strategies, especially with regards to compensation. This has brought the concept of "New Pay Approach" or "Strategic Pay" to total compensation (Stoner, 1995). Total compensation involves base pay, variable pay or incentive pay and indirect pay (benefits). Base pay is matched with labor market conditions to competitively price labor force in order to hire and keep the best people. Variable pay is used to reward performance improvement and contributions to organizations. It is directly linked with outcomes of performance appraisals. Indirect pay have been made to flexible benefit packages that allow organizations to manipulate a particular situation. Pay for performance are supported by various cognitive theories on motivation such as Adam's Equity Theory and Vroom's Expectancy Theory. Besides that, Reinforcement Theory on motivation also relates rewards to positive reinforcement (Stoner, 1995).