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TEACHERS' PERCEPTION OF
THE IMPLEMENTATION OF
THE EXCELLENT SERVICE AWARD IN
THE NEW REMUNERATION SYSTEM

BY

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ABSTRACT

The objective of this study is to look at teachers' perception towards the Excellent Service Award under the New Remuneration System (NRS). Since its implementation in 1992, many civil servants in particular teachers, were not satisfied with the system especially in selecting the most eligible candidate for the excellent service award (ESA). Teachers were also not satisfied because they felt that the second evaluator possesses absolute power in determining the candidate. It is due to this weakness that teachers felt the assessment system was biased and unjust. Several studies related to the New Remuneration System (NRS) have been carried out. However, they focused more on the salary and other benefits such as allowances. This study involved two hundred teachers from the Pudu Zone secondary schools in Kuala Lumpur. Questionnaires were distributed to teachers to find out their perception toward the implementation of the Excellent Service Award. The findings indicate that many teachers were not satisfied with the existing assessment system. They felt that the vertical and diagonal pay increment should be abolished and the system returned to the horizontal increment. However, they felt that the existing incentives should be sustained with additional incentive for equal benefit so as to be at par with their counterparts in private sectors.

ABSTRAK

Tujuan kajian ini adalah untuk melihat sejauh mana persepsi guru terhadap pelaksanaan Anugerah Perkhidmatan Cemerlang di bawah Sistem Saraan Baru (SSB). Semenjak pelaksanaannya pada tahun 1992, ramai kakitangan awam khususnya guru, tidak berpuashati dengan sistem yang ada terutamanya dalam menentukan calon yang benar-benar layak untuk menerima anugerah tersebut. Mereka tidak berpuas hati kerana mereka percaya bahawa penilai kedua mempunyai kuasa mutlak dalam menentukan seseorang calon. Situasi begini menjadikan guru berpendapat bahawa sistem penilaian yang dibuat di sekolah dianggap berat sebelah dan tidak adil. Beberapa kajian berkaitan Sistem Saraan Baru (SSB) telah dijalankan. Walau bagaimanapun kajian tersebut hanya tertumpu kepada soal gaji dan kemudahan lain seperti elaun. Responden kajian ini terdiri daripada dua ratus orang guru sekolah menengah sekitar Zon Pudu, Kuala Lumpur. Soalselidik dikemukakan kepada guru untuk mendapatkan persepsi mereka terhadap pelaksanaan Anugerah Perkhidmatan Cemerlang. Hasil daripada kajian ini mendapati bahawa ramai guru merasa tidak puashati dengan sistem penilaian yang ada, dan mereka juga berpendapat bahawa kenaikan gaji secara melintang dan menegak patut dihapuskan dengan memberi kenaikan sama rata. Mereka juga berpendapat, insentif yang sedia ada dikekalkan tetapi ditambah dengan lain-lain imbuhan yang lebih menarik supaya pendapatan mereka setanding dengan rakan-rakan mereka di sektor swasta.

APPROVAL PAGE

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizations in Malaysia, both in public and private sectors have been directed to create a performance culture, which is characterized by a search for strategies to improve the contribution of individuals to the overall success of the organization. These efforts are being channelled toward identifying, planning and implementing plans and programs to achieve a world-class civil service. A change in culture is never easy or smooth sailing. It requires patience and involves reviewing existing paradigms and exploring new ones. It is a continuous search for newer and better solution to old problems.

In order to improve its civil service, the Malaysian government has implemented various strategies in the past few years. The endless complaints from trade unions such as the Congress of Union of Employees in the Public and Civil Service (CUEPACS), give little choice for the authority but to review the civil service salary scheme from time to time (Memorandum CUEPACS, 1990). In fact, after receiving complaints from public unions and other several unions for salary adjustment in 1990, the government decided to extend the

restructuring exercise to other services, that a comprehensive study of the public sector be carried out and completed not later than the end of 1991. Finally, a new salary structure was constructed and the New Remuneration System was introduced in the following year. The government also promised that the salary of civil servants would be revised every five years, as stated in CUEPACS memorandum.

In 1995, the salary of the civil servants were revised for the first time since NRS was introduced in 1992 as promised (see Appendix A and B). The civil servant gets their basic salary and allowances increment. Again in the year 2000 promised (see Appendix C and D), the government increased the salary and other allowances of civil servants by 10 percent (Pekeliling Perkhidmatan 1/2000). 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 before providing for their compensation and welfare. For any review in salary would be tantamount to severe implications in the financial expenditure of the government in the form of emoluments and pensions.

As the model employer, the government has to be fair to its employees in providing salaries, which should be competitive as those of their counterparts in the private sector. In this respect, there have been

several official reports on salary scheme in the history of the Malaysian Civil Service prior to the introduction of the New Remuneration System (NRS) in 1992. These could be traced to as far back as the early 1940s with the introduction of the Trusted Report in 1947; followed by the Benham Report in 1950; the Suffian Report in 1970; the Aziz Report in 1970; the Haron Report in 1970; the Sheikh Abdul Report in 1972; and the Cabinet Committee Salary Scheme Report in 1976 (CCSS 1976).

A number of principles were presented by the government as a framework for the development of teachers' performance assessment that enhances evaluation of teacher's quality and productivity. The teachers union supported these principles. The principles drew on earlier measures taken to upgrade the civil service, their aims and their relevance to the New Remuneration System.

1.2 Research Problem

The question of how to motivate workers has always been a difficult one for managers to answer. This is partly due to the fact that both researchers and practitioners have assumed for a long time that the force influencing individuals to act are only situational. Despite the fact that fundamentals of the NRS have been correctly identified and put in place, the results of its practice are still questionable. A teacher's productivity is difficult to measure through tangible terms.

Here, more qualitative instruments base on subjective opinion need to be used as a measure (Tan Lee Yin, 1994). If a norm-referenced approach instead of a criterion reference-approach were used to evaluate teachers then the evaluation would be considered inaccurate and condoned to bias. It is believed that the new Annual Performance Appraisal System (APAS) has eroded teamwork in schools (Memorandum National Union of Teaching Profession, 1996). Observations revealed that the APAS has given rise to squabbles among teachers (*The New Straight Times*, February 16, 1997).

Since the NRS was implemented in 1992, the pay increase is solely based upon the performance appraisal reported by supervisors of their subordinates. It has created a lot of complaints and grievances among employees in the public sector, especially teachers (*The Star*, August 24, 1996). In the year 1999, statistics showed that there were about 273,421 teachers in the civil service of which 78,722 were graduate teachers and 194,699 non-graduate teachers (*Utusan Malaysia*, May 13, 1999). These teachers represented 31% of the public servants in Malaysia. The Malaysian government has tried to provide the best financial compensation for their employee. However its depends on the certain condition including the nation's economic performance in order to satisfy all the needs of the public servants. The new salary structure however created some dissatisfactions among the public servants.

Among the problems cited by employees regarding the implementation of the NRS were the lack of fairness, favouritism in the choice of candidate for fulfilling the vertical and diagonal quota, too much paper work, unrealistic annual work target (AWT), and the decline of teamwork. Teachers strongly felt that the raters were biased. It was believed that the APAS has eroded teamwork in schools. The APAS has been accused of causing peer competition (National Union of Teaching Profession (NUTP), 1996).

This study is an attempt to understand what the principles design of awards of the Excellent Service Award (ESA) constitute, its ability to overcome the limitation of all earlier awards formats, what it offers in the form of remuneration for able civil servants and its ultimate contributions in achieving organizational goals and world class standard.

Findings from previous research disclosed that in a majority of the schools, the outcome of the appraisal was not transparent (Memorandum NUTP, 1996). Teachers lack knowledge of their strengths and weaknesses. Finally, they do not know whether they were still on the right track. The appraisal system was designed in such a manner that the majority of teachers were destined to receive normal pay progression, and thus they perceived that the APAS was

demotivating them from improving their performance (Primala Dewi, 1998).

The Ministry of Education constantly refutes these allegations and feels that this is the best system to be implemented so far (*Utusan Malaysia*, June 16, 1997). This study intends to provide a status report of teachers' perception towards the implementation of the Excellent Service Award in the teaching profession.

This study is based on a survey conducted among secondary schools teachers within the Federal Territory of Kuala Lumpur. Interest in this study arose from the researcher's experiences with the new Annual Performance Appraisal System (APAS) since its introduction. The APAS was perceived to be a possible solution to upgrading and evaluating individual performance but has met with several views both, pros and cons.

The implementation of the Excellent Service Award, which is an award for those who achieved their work performance, was based on the APAS. The new APAS is a tool to evaluate the work performance of public servants. It is the same as used for teachers. Teachers who are selected are honoured with this reward called Excellent Service Award. The Panel for the Coordination of Performance Evaluation and Salary Movements under the NRS mandatorily made the decision of

recipient's selection. A public servant who has been selected as the winner of the ESA will received certain gifts and incentives such a diagonal or horizontal increment, certificate, souvenir with a value not exceeding RM300.00, a bonus which is equivalent to one month's salary, and seven days full pays unrecorded leave. In secondary schools, the principal, senior assistants and senior head teachers lead the panels.

1.3 Research Question

The objective of the study is to determine teachers' perception toward the implementation of the Excellent Service Award. In particular, this study would like to answer the following research questions: -

1. Do teachers perceive the Excellent Service Award as a motivation factor?
2. Do teachers perceive raters' biases in the selection of the Excellent Service Award?
3. What is teacher's level of support for Excellent Service Award?
4. Do variables such as age and gender affect the level of support for Excellent Service Award?

1.4 Significant of the Study

The findings of this study would be useful to the Ministry of Education because it could provide some insights as to whether sufficient aspects have been examined in the existing award scheme. Thus, it

could become the basis for reviewing the present performance appraisal, which should consider every aspect of teachers' grievances. The study could also provide further understanding regarding performance appraisal within the teaching profession. Respective personnel can use any weaknesses or strengths of the performance appraisal found in the study in planning for a more effective and efficient system that will serve as an asset in improving the performance of teachers.

1.5 Limitation of the Study

This study involved the Pudu Zone secondary schools teachers in the Federal Territory of Kuala Lumpur. The findings in this study do not necessarily reflect that of the population of teachers in Malaysia. The survey was conducted using a previous and self-constructed questionnaire, which was done by other researchers. This finding might result in some falsification of information due to the underreported or over reported nature of the actual value inherent in the teacher's perception of the implementation of this kind of award.

1.6 Definition of Terms

- a. **Perception** refers to a stable cluster of feelings, beliefs and behavioural intentions toward specific objects, people and institution. It consists of evaluative component (How you feel?), cognitive components (What do you believe?) and behavioral

components (How you are predisposed to act), (Greenberg J. & Baron.1997).

- b. **Excellent Service** is a merit given to selected public servant for an excellent service rendered which exceed expectations and the normal responsibilities of job (Pekeliling 02/93).
- c. **New Remuneration System (NRS)** refers to the current remuneration system implemented by the Public Service Department of the Government of Malaysia.
- d. **Matrix Salary Schedule (MSS)** refers to pay structure arranged by various steps and levels under NRS. Each pay structure has three levels and certain step.
- e. **Performance Appraisal** refers to the process of determining employee's job relevant strength and weakness (Cascio, 1992).
- f. **Cabinet Committee Salary Scheme 1976, (CCSS 1976)** refers to the CCR 1976 which implemented on July 1st 1977, and the principles in formulating the salary structure.
- g. **Annual work target (AWT)** refers to the written statement of goals by an employee, which is to be accomplished within 6 months as stated in the Form.

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 definitions of major terms. Chapter Two is divided into four main sections. The first section describes the history of excellent service award in brief. The second section touches on the principles or guidelines and characteristics of awards. The third section discusses the process of APAS and its main principle designs. The final section reviews critical issues related to the practice of new APAS. Chapter Three presents the research methodology that was used in the collection and 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 policy makers. This chapter ends with some suggestions for policy and future research into this area.

CHAPTER TWO

REVIEW OF LITERATURE

This chapter presents a literature review on excellent service, the principle guideline and characteristics of the New Remuneration System (NRS) and the new Annual Performance Appraisal System (APAS). The final section discusses various issues related to the implementation of excellent service award in Secondary Schools.

2.1 Literature of the Excellent Service Award

The government expects public servants to strive continuously to develop a high quality and an excellent Public Service. Various measures have been taken to ensure the fulfillment of this aim. Giving recognition and appreciation to excellent services rendered, through the Excellent Service Award as provided for under the General Circular Letter No. 2 of 1983 is one of such measure to provide motivation. It serves as an example to public servants in order to improve their performance, in line with the aim of providing quality services and give their best at all times.

The government intends to continue to implement the Excellent Service Award. It takes into account current developments and changes in the quality of service including the implementation of the

New Remuneration System (NRS). It aims to establish an award system, which is orderly and easy to implement. The government hopes that this system will foster healthy competition leading to improvement in the quality of service rendered by public servants.

In the view of the Public Service Department, services rendered by a public servant, which exceeds expectations and the normal responsibilities of the job, is considered to be an excellent service. Such an exemplary service can be act as a catalyst to spark diligence and creativity among other public servants.

2.1.1 System of Selection of Recipients for the Excellent Service Award

According to the General Circular Letter No.2 of 1983, a selection panel is to be established by the Head of a Department whose function is to select recipients for the Excellent Service Award within that department. The evaluation is carried out based on the form for the selection of candidates specified by the General Circular Letter.

Under the New Remuneration System, the system of the selection of recipients of the Excellent Service Award uses the new annual performance appraisal system (APAS). The selection of recipients is carried out every year based on the work performance evaluation

report. Only those public servants that have achieved the level of excellence in work performance and received a diagonal salary movement are eligible to receive the Excellent Service Award.

The civil servants performance appraisal under NRS is being used as a tool to reward teachers with promotion, reassignment and excellent service award. A part from that, performance appraisal is also being used as a mechanism to plan, train and develop, and place staff based on their potentials and to improve and motivate (General of the implementation of the performance appraisal system for Malaysian Civil Servant, 1992).

Table 2.1

Salary quota as Performance Appraisal Marks

Quota (%)	Type of salary movement	Performance appraisal (%)
2	Diagonal	90 – 100
3	Vertical	80 – 89.9
90	Horizontal	50 – 79.9
5	Static	49.9 and below

With reference to the guidelines for the implementation of the performance appraisal system for Malaysian Civil Servants 1992, under the merit principle of the performance appraisal system, the salary movement of an individual could be diagonal, vertical, horizontal or static based on the performance appraisal marks.