

**LEVEL OF SATISFACTION ON THE IMPLEMENTATION OF PERFORMANCE  
APPRAISAL AMONG NON ACADEMIC STAFF**

**ZAHARAH MOHAMED**

**UNIVERSITI UTARA MALAYSIA**

**2011**

**LEVEL OF SATISFACTION ON THE IMPLEMENTATION OF PERFORMANCE  
APPRAISAL AMONG NON ACADEMIC STAFF**

**BY:**

**ZAHARAH MOHAMED**

**A project paper submitted to the College of Business in partial fulfillment of the  
requirements for the degree of Master of Human Resource Management**

**Universiti Utara Malaysia**

**© 2011, Zaharah Mohamed. All right reserved**



KOLEJ PERNIAGAAN  
(College of Business)  
Universiti Utara Malaysia

PERAKUAN KERJA KERTAS PROJEK  
(Certification of Project Paper)

Saya, mengaku bertandatangan, memperakukan bahawa  
(I, the undersigned, certify that)

**ZAHARAH MOHAMED (801925)**

Calon untuk Ijazah Sarjana

(Candidate for the degree of **MASTER OF HUMAN RESOURCE MANAGEMENT**)

telah mengemukakan kertas projek yang bertajuk  
(has presented his/her project paper of the following title)

**LEVEL OF SATISFACTION ON THE IMPLEMENTATION OF PERFORMANCE APPRAISAL**  
**AMONG NON-ACADEMIC STAFF**

Seperti yang tercatat di muka surat tajuk dan kulit kertas project  
(as it appears on the title page and front cover of the project paper)

Bahawa kertas projek tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan.

(that the project paper acceptable in the form and content and that a satisfactory knowledge of the field is covered by the project paper).

Nama Penyelia : **EN. ABDULLAH BIN OMAR**

Tandatangan  
(Signature)

Tarikh : **14 FEBRUARY 2011**

## **PERMISSION TO USE**

In presenting this thesis as partial fulfilment of the requirements for a postgraduate degree from University Utara Malaysia, I agree that the University Utara Malaysia may make it freely available for inspection. I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor, or in their absence, by the Dean of College of Business. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to University Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Request of permission to copy or to make other use of material in this thesis, in whole or in part should be addressed to:

**Assistant Vice Chancellor**

**College of Business**

**University Utara Malaysia**

**06010 Sintok**

**Kedah Darul Aman**

## **ABSTRACT**

The study was conducted to identify the level of satisfaction among non academic staff of one of the public universities located in Northern Malaysia on the implementation of performance appraisal system.

The aims of the study were to: (i) measure the level of satisfaction on the implementation of the performance appraisal system; (ii) to investigate the relationship between independent variables (rater's competency, evaluation process, compliance to rules & standard practices, employees' participation and dependent variable (level of satisfaction); and (iii) to measure the influence of rater's competency, evaluation process, compliance to rules & standard practices and employees' participation on the level of employees' satisfaction on the implementation of the performance appraisal system.

Data were gathered through questionnaires distributed to 377 respondents comprising of officers in the category of management and professional, support staff I, and support staff II. However, only 178 questionnaires (47 per cent) that were returned found to be useable for further analysis. The data were analyzed using Statistical Package for Social Sciences (SPSS) software, version 17.0.

The level of satisfaction was found to be at medium level, with a mean score of 2.89. All variables showed presence of a positive and significant relationship, with a value of correlation coefficients between 0.291 and 0.386.

The value of Adjusted R Square, however, amounted to only 0.141 which indicates that there was only 14.10 per cent change in the level of satisfaction that can be explained by the four (4) independent variables which are rater's competency , evaluation process, compliance to rules & standard practices and employees' participation. The remaining 85.90 per cent was due to other factors which were not considered in this research.

Generally, the findings indicate that the level of satisfaction, as measured along the given four independent variables, support the hypothesis that there is positive and significant relationship between the variables. The findings also show that the organization should focus more on the factors that are linked with employees' satisfaction.

## **ACKNOWLEDGEMENT**

I would like to convey my gratitude to Allah S.W.T for giving me the drive and motivation to complete this study. Without the help and support I received from the following people I would never have completed this program:-

My project supervisor, Mr Abdullah Omar for his invaluable efforts and time in providing proper guidance, assistance and effortless support throughout the entire process. From this, I learnt skills, patience and endurance in completing the project paper. My sincere appreciation is also due to the management of USM for granting me permission to carry out this study.

My special thanks to the respondents who have contributed significantly by participating in the study and answering questionnaires. My beloved mother, Hajjah Zainab Haji Tahir for her love and compassion who made me who I am today. I am also grateful for the encouragement that I have received from members of my family. They have been extraordinary in supporting of my quest for knowledge and personal advancement.

Not forgetting my kids, Nazrul Abu Zhar, Siti Qadhijah Nazirah and Sara Saffiyya Nazirah, for whom I am so appreciative for all the joy, confusion and general frustration that you all have put up over the years. And also to my younger brother Ahmad Martadha Mohamed and his wife Haslinda Ibrahim, who have generously extended their immeasurable amount of advices and encouragement throughout the entire process.

Lastly, I would like to present my humble appreciation and gratefulness to all the people who made this journey possible.

## TABLE OF CONTENTS

	Page
CERTIFICATION OF PROJECT PAPER	ii
PERMISSION TO USE	iii
ABSTRACT	iv
ACKNOWLEDGEMENTS	vi
TABLE OF CONTENTS	viii
LIST OF TABLES	xii
LIST OF FIGURES	xiii

## CHAPTER ONE : INTRODUCTION

1.1 Introduction	1
1.2 Research background	2
1.3 Problem Statement	5
1.4 Research Questions	6
1.5 Research Objectives	7
1.6 Significance of the Study	7
1.7 Limitation of Study	8
1.8 Operational Definition	9

## **CHAPTER TWO : LITERATURE REVIEW**

2.1	Introduction	11
2.2	Performance Appraisal Process	11
2.3	Rater's Competency	15
2.4	Evaluation Process	18
2.5	Compliance to Rules & Standard Practices	21
2.6	Employee Participation	23
2.7	Employee Satisfaction Relating to Performance Appraisal System	25
2.8	Theoretical Framework	27
2.9	Hypotheses	29

## **CHAPTER THREE : METHODOLOGY**

3.1	Introduction	30
3.2	Research Design	30
3.3	Population	31
3.4	Sampling Technique and Size	32
3.5	Research Instrument	33
3.6	Pilot Test	34
3.7	Data Collection Procedures	36
3.8	Data Analysis Techniques	36

3.8.1	Descriptive statistics	37
3.8.2	Inferential Statistics	37
(a)	Pearson's Correlation	37
(b)	Multiple Regression	38

## **CHAPTER FOUR : RESEARCH FINDINGS**

4.1	Introduction	39
4.2	Rate of Response	39
4.3	Demographic Profile of the Respondents	40
4.4	Analysis Mean and Std Deviation for Variables	42
4.5	Analysis of Relationship Between Variables	45
4.5.1	Pearson Correlation Coefficient	46
4.5.2	Summary of Hypothesis Testing	48
4.5.3	Multiple Regressions	49
4.6	Conclusion	51

## **CHAPTER FIVE : DISCUSSION, RECOMMENDATION AND CONCLUSION**

5.1	Introduction	52
5.2	Discussions	52

5.3	Conclusion	55
5.4	Recommendation for Future Research	55

## **REFERENCES**

## **APPENDICES**

- I      Research Questionnaires
- II     Data Analysis Using SPSS
- III    Form for Annual Target & Performance Appraisal Report
  - (a)   Management & Professional
  - (b)   Support Staff I
  - (c)   Support Staff II

## **LIST OF TABLES**

Tables		Page
Table 1.1	Employees Feedback	4
Table 3.1	Population (N) and Appropriate Sample Size (S)	32
Table 3.2	Brief Description of the Questionnaire	34
Table 3.3	Alpha Coefficient for Each Variable	35
Table 4.1	Rate of Response	40
Table 4.2	Demographic Profile of the Respondents	40
Table 4.3	Mean Scores and Standard Deviations for Variables	43
Table 4.4(a)	Adjusted Level of Agreeableness	44
Table 4.4(b)	Category of Level of Agreeableness	44
Table 4.4(c)	Category of Level of Agreeableness for All Variables	45
Table 4.5	Correlations between Dependent and Independent Variables	46
Table 4.6	Summary of Hypothesis Testing	49
Table 4.7(a)	Results of Regression Analysis for Variables	50
Table 4.7(b)	Multiple Regression for Variables (Model Summary)	51

## **LIST OF FIGURES**

Figures	Page
Figure 1.1    Process Flow of the Public Sector Appraisal System	14
Figure 2.1.    Theoretical Framework	28
Figure 3.1    Staff Population	31

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Introduction**

Performance appraisal is one of the core activities in human resource management function. It provides great input for other human resources decisions and more importantly as an indicator or determinant for salary raises, career advancement, employee development and other benefits offered by the management. To individual employees, appraisal is always being viewed as an instrument which has far reaching implications in their career path. It is therefore, the level of objectivity, transparency, and integrity of not only the system but also the raters that are crucial to ensure the acceptable level of fairness is preserved. If the employees perceived that they are being appraised appropriately and fairly, then the chances of eliminating the feeling of distrust are great which leads to higher level of satisfaction among employees. In such a case, both employees and organization will get the benefit of a motivated work force.

However, the organization will be negatively affected if irregularities, unfairness and oppression are involved in the process of appraising employees' performance. As a result, employees feel dissatisfied and this could badly impact on the smooth running of an organization and its efficiency would be seriously impaired.

The contents of  
the thesis is for  
internal user  
only

## REFERENCES

Abdul Aziz, Y. (1999). *Performance appraisal: Concepts and applications*. Kuala Lumpur. Sinaran Bross.

Abdul Hamid, A.S. (1996). *The civil service: Towards a new era*. Kuala Lumpur. Pelanduk Publications.

Abdul Manap, N. (1996). *Performance evaluation: Finance and non-finance*. Unpublished Master's Thesis, School of Management, Universiti Utara Malaysia (UUM), Malaysia.

Armstrong, M. and Baron, A. (1998). *Performance management: The new realistic*. Institute of Personnel and Development, London.

Ary, D., Jacobs, L.C. & Razaveih. (1990). *Introduction to research in education*. (4<sup>th</sup> Edition). Orlando. Holt, Rinehart & Winston Inc.

BERNAMA. (2000), *Government Reviewing SSB* – Dr. Mahathir, Kuala Lumpur. BERNAMA.

Black, J.S., & Gregersen, H.B. (1997). Participation decision making : An integration of multiple dimensions. *Human Relations Journal*, 50, 859-878.

C. C. Yee, Y.Y.Chen. (2009). *Performance appraisal system using multifactorial evaluation model*, World Academy of Science, Engineering and Technology.

Cardy, R.L. and Dobbins, G.H. (1994). *Performance appraisal, Alternative perspectives*, Southwestern Publishing, Cincinnati, OH.

Cook, J and Crossman, A. (2004). Satisfaction with performance appraisal systems. *Journal of managerial psychology*, 19(5), 526-541.

Dessler, G. (2005). *Human resource management* (10th ed.). Upper Saddle River, NJ: Prentice Hall.

Dev Kumar. (2005). Performance appraisal : The important of rater training . *Journal of the Kuala Lumpur Royal Malaysia, Police College*.

Frederik Anseel, Filip Lievens, Eveline Schollaert. (2009). *Reflection as a strategy to enhance task performance after feedback.* 23 – 35.

Gary E. Robert & Tammy Reed. (1996). PA participation, Good setting and feedback. *The Influence of supervisory style*. Review of Public Personnel Administration.

Greller, M.M. (1998). Participation in the performance appraisal review : Inflexible manager behavior and variables worker needs. *Human Relations*, 51(8) .

Guilford, J.P. (1956). *Fundemantal statistics in psychology and education*. NY: McGraw Hill.

Ivancevich, J.M. (2001). *Human Resource management*. 8th Ed. New York . McGraw-Hill Irwin. Irmgard Schweiger, Glenn E. Sumners.(1994). *Optimizing the value of performance appraisals*. 3 -7.

Jabatan Pengurusan Bukit Aman. 2003. *Arahan Bahagian Perkhidmatan /Perjawatan Bil. 8/2003 – Panduan Pelaksanaan Laporan Penilaian Prestasi Tahunan Sistem Saran Malaysia*. KPN (PR) 105/9.

Judith M.O'Donnell. (1990). *The effects of performance appraisal purpose training on rating errors and accuracy*. 2, 167–177.

Jones L. Pearce, Lyman W. Porter. (1986). *Employee responses to formal performance appraisal feedback*. 211-218.

June M.L. Poon. (2002). *Effects of performance appraisal politics on job satisfaction and turnover intention*. 322-334.

Kavanagh, P., Benson, J., and Brown, M. (2007). Understanding performance appraisal fairness. *Pacific Journal of Human Resources* , 45(2), 132-150.

Korsgaard, M.A. and Roberson, L. (1995). Procedural justice in performance evaluation: the role of instrumental and non-instrumental voice in performance appraisal discussions. *Journal of Management*, 21, 657-69.

Larry M. Coutts and Frank W. Schneider. (2003). Police officer performance appraisal systems : How good are they, An international. *Journal of Police Strategies & Management*, 27(1), 67-81.

Latham, G.P., Winters, D.C., & Locke, E.A. (1994). Cognitive and motivational effects of participations. *Journal of Organizational Behaviour*, 15, 49-63.

Locke, E.A. (1968). Towards a theory of task performance and incentives. *Organizational Behavior and Human Performance*, 3(2), 157-89.

Longenecker, C.O. (1997). Why managerial performance appraisals are ineffective: causes and lessons. *Career Development International*, 2(5), 212-218.

Mero, N.P., Guidice, R.M., and Brownlee, A.L. (2007). Accountability in a performance appraisal context: The effect of audience and form of accounting on rater response and behavior. *Journal of Management*, 33(2), 223-252.

Pallant, J. (2007). *SPSS survival manual . A step by step guide to data analysis using SPSS for windows* (version 15). (3rd edition).

Pang Ching Ching. (2005). *The effectiveness of the performance appraisal system in department of Civil Aviation (DCA)*. Kuching, Sarawak. Tesis Sarjana Muda Sains dengan Kepujian, Fakulti Sains Kognitif dan Pembangunan Manusia, UNIMAS, Sarawak.

Public Service Department. (1996). Rearrangement of New Performance Appraisal System in the Malaysian Public Service. *Service Circular Number 7*, Year 1996, Kuala Lumpur, National Printing Department.

Porter, L.W & Lawler, E.E. (1968). *Mangerial attitudes and performance*. Homewood, IL: Irwin – Dorsey.

Sekaran, U. (2000). *Research for business" a skill building approach* (3 ed). New York : John Wiley.

Siti Alia Mahmood. (2005). *Faktor-faktor yang mempengaruhi penilaian prestasi dan kaitannya terhadap prestasi kerja. Tesis sarjana muda sains dengan kepujian*, Fakulti Sains Kognitif dan Pembangunan Manusia, UNIMAS, Sarawak.(Unpublished).

Suseela Malakolunthu dan Noaziyan Malek. (2008). Sistem penilaian prestasi guru: realiti dan cabaran. *Jurnal Pendidikan*, 31(1).

Torrington, D. & Hall, L. (1991). *Personnel management: a new approach*. 2nd Ed. New York: Prentice Hall.

Wendy, R. Boswell,I., and Boudreau, J.W. (2001). *Employee satisfaction with performance appraisals and appraisers: The role of perceived appraisal use*. 11(3), 283 – 299.

Yong, Alex K.B. (1996). *Malaysian human resource management*. Kuala Lumpur. Institute of Management.