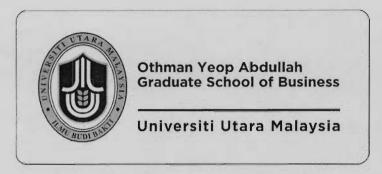
# FACTORS AFFECTING THE EFFECTIVENESS OF EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM (EPMS): A STUDY ON THE MALAYSIAN PUBLIC SERVICE

By
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# **ABSTRACT**

The effectiveness of Employee Performance Management System (EPMS) is important because it measures the performance of employees, which is useful in enhancing organizational performance. Hence, the aims of this research is to study strategic alignment, employee-involvement, continuous feedback, procedural justice, interactional justice and distributive justice as the predictor of EPMS satisfaction. Respondents for this study comprised 250 of Public Servants from four ministries in Putrajaya, specifically Ministry of Education, Ministry of Natural Resources and Environment, Ministry of Internal Affairs and Prime Minister Department. Multiple regressions were used to determine the strength of the relationship and results showed that the employee involvement, procedural justice and distributive justice is significantly relationship to EPMS satisfaction. Thus, it is recommended that existing EPMS in Malaysian Public Service needs to upgrade certain aspects such as employee involvement, procedural justice and distributive justice in order to increase its effectiveness of the EPMS.

# **ABSTRAK**

Keberkesanan Sistem Pengurusan Prestasi Pekerja (EPMS) adalah penting kerana ia mengukur prestasi pekerja, yang berguna dalam meningkatkan prestasi organisasi. Oleh itu, tujuan kajian ini adalah untuk mengkaji penjajaran strategik, penglibatan pekerja, maklum balas yang berterusan, keadilan prosedur, keadilan interaksi dan keadilan pengedaran sebagai peramal kepuasan EPMS. Responden bagi kajian ini terdiri daripada 250 penjawat awam dari empat kementerian di Putrajaya, khususnya Kementerian Pendidikan, Kementerian Sumber Asli dan Alam Sekitar, Kementerian Hal Ehwal Dalam Negeri dan Jabatan Perdana Menteri. Analisis regresi berganda digunakan untuk menentukan kekuatan hubungan dan keputusan menunjukkan bahawa penglibatan pekerja, keadilan prosedur dan keadilan pengedaran mempunyai hubung kait dengan kepuasan EPMS. Oleh yang demikian, adalah disyorkan bahawa EPMS sedia ada dalam perkhidmatan awam Malaysia perlu ditambahbaik dalam aspek-aspek tertentu seperti penglibatan pekerja, keadilan prosedur dan keadilan pengedaran bagi meningkatkan keberkesanan EPMS.

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# LIST OF ABBREVIATIONS

JPA - Jabatan Perkhidmatan Awam

PSD - Public Service Department

EPMS - Employee Performance Management System

SA - Strategic Alignment

EI - Employee Involvement

CF - Continuous Feedback

PJ - Procedural Justice

IJ - Interactional Justice

DJ - Distributive Justice

ß - Beta Value

# **APPENDICES**

Appendix A - Questionnaire

Appendix B - Descriptive

Appendix C - Correlation

Appendix D - Regression

# CHAPTER 1

#### 1.0 Introduction

EPMS effectiveness is important to minimize the feeling of in justice in the performance appraisal among the civil servants. Most EPMS in the Malaysian public service have been criticized by the employees and unions due to the subjectivity for example of marks given in the Laporan Penilaian Prestasi Tahunan (LNPT). Due to this subjectivity of the performance appraisal system, it is important that EPMS is important to be properly planned, designed and implemented in order to achieve the objective and justice performance appraisal process. Hence this chapter discuss on Strategic Alignment (SA), Employee Involvement (EI), Continuous Feedback (CF), Procedural Justice (PJ), Interactional Justice (IJ), Distributive Justice (DJ) and problem related to the EPMS in the Malaysia Public Service. This is followed by the discussion on the gaps in the literature relation to the issue. Finally, the objective of the study is presented.

# 1.1 Background Of Study

In the context of public service in Malaysia, performance management system that been used by the public servant nowadays is based on the Service Circular No. 4 / 2002 – *Implementation of Sistem Saraan* Malaysia (SSM) *Bagi Anggota Perkhidmatan Awam Persekutuan*. In conjunction with the implementation of SSM, the existing performance management system has been upgraded and added value in the context of methods, processes and dimension of evaluation. The history of performance management has started from a range of approaches. From the Malaysian perspective, performance management has been developed since the era of the British colonial in Malay political and economic since 1896. All the administration matters are control by British

and centered at London. After Malay Independence in 1957, performance management system and salary schemes for the government officers are based from the Laporan Kabinet 1976 (JKK). After that, New Remuneration Scheme (SSB) replaced the JKK since 1992 and started using salary scheme based on the performance. In 1992, Malaysia Remuneration Scheme (SSM) been developed and replaced the SSB with the introduction of new method of examination known as PTK (Penilaian Tahap Kecekapan). After about 10 years of SSM, the new scheme of Public Service New Remuneration Scheme (SBPA) been introduced and the new remuneration takes place. But the SBPA been reviewed back and the still using the existing performance management system that been stated in the PP 4/2002 Lampiran A2 and Circular Letter of SSP 3/2009. The problems still arise among the civil servants due to the subjectivity of the evaluation, biasness towards certain criteria and many others. Public Service Department (JPA) still in the progress of studying and planning for the best performance management system for the betterment of 1.4 million of civil servants in Malaysia.

#### 1.2 Problem Statement

Performance management system in Malaysia been perceived by many of the civil servants as unreliable because of the elements of subjectivity and biasness of the appraiser. It has been confronted with a great deal of criticism and comments from the workers and the workers' unions. The main issue is about the fairness of the evaluation decision. A survey by the CUEPACS shows that 90 per cent of civil servants were not happy with the implementation of the NPAS (BERNAMA, 2000). One of the reasons given, is that the raters do not seem to be knowledgeable and have enough skills (Abdul Hamid, 1996; BERNAMA, 2000; Foo, 1998; Mohd Zin, 1998). The issue of subjectivity also arises when it comes to implementation. Raters, as human beings, tend to be biased, not fair, and not objective (Abdul Hamid, 1992; Abdul Manap, 1996). There are many complaints from the civil servants about their evaluation marks given by their superior which create dissatisfaction. The appraiser is said to be bias, full of subjectivity, only evaluate at the end of the year not the during the period and incompetent. Due to the limited post available for higher grades, the low marks on Laporan Penilaian Prestasi Tahunan (LNPT) given by the appraiser will affect the chances of any promotion to higher grades, Anugerah Perkhidmatan Cemerlang (APC) awards and any secondment to Government Linked Company (GLC) or international agencies. According to the former Ketua Pengarah Perkhidmatan Awam KPPA, Dato' Dr. Mazlan Ahmad in his speech of "Kronologi Reformasi Pentadbiran Awam di Malaysia: Dulu, Kini dan Akan Datang" in Universiti Utara Malaysia (UUM), the government was not sure whether to review back the performance evaluation form of LNPT or the people who fill up the form (Utusan Malaysia, 2001). All these statements shows that the civil servant performance management system could be problematic are and this could lead to its ineffectiveness. In fact, the Malaysian government also do not know how effective is

the LNPT and there is a need to ensure the effectiveness of the LNPT. Currently there are many literatures that emphasize the importance of effective EPMS. These literatures discusses on the importance of Strategic Alignment (Gagnon & Michael, 2003), Employee Involvement (Wallace, Butts, Johnson, Stevens & Smith, 2013), Continuous Feedback (Ahmad & Ali,2004), Procedural Justice (Schappe, 1996), Interactional Justice (Cynthia & Peter 2002) and Distributive Justice (Quick, 2014) for effective EPMS (Agunis, 2009). However, most of these literatures did not provide empirical evidence on the link these variables and EPMS. Nonetheless, the literatures proposed that all these variables have a positive impact on EPMS. Therefore, the effect of these variables on effective EMPS must be studied.

# 1.3 Research Questions

Several research questions are addressed:

- i. Is there any significant relationship between strategic alignment and EPMS satisfaction?
- ii. Is there any significant relationship between employee involvement and EPMS satisfaction?
- iii. Is there any significant relationship between continuous feedback and EPMS satisfaction?
- iv. Is there any significant relationship between procedural justice and EPMS satisfaction?
- v. Is there any significant relationship between interactional justice and EPMS satisfaction?
- vi. Is there any significant relationship between distributive justice and EPMS satisfaction?

# 1.4 Research Objectives

Based on the problems discussed, the objectives of this study are:

- To examine whether there is a positive relationship between strategic alignment and EPMS satisfaction;
- To test whether there is a positive relationship between employee involvement and EPMS satisfaction;
- iii. To test whether there is a positive relationship between continuous feedback and EPMS satisfaction;
- iv. To test whether there is a positive relationship between procedural justice and EPMS satisfaction;
- v. To test whether there is a positive relationship between interactional justice and EPMS satisfaction; and
- vi. To test whether there is a positive relationship between distributive justice and EPMS satisfaction.

# 1.5 Significance Of The Study

This study will provide empirical evidence on the relationship all the variables with EPMS satisfaction. Practically, this study also may provide new insights into the design and administration of performance management system. This will help Public Service Department (JPA) in improving the existing EPMS. With relevant findings and recommendations, the JPA or even other individuals can use this study as references of any research on EPMS.

# 1.6 Scope Of The Study

The scope and locations of the study is four ministries in Putrajaya which is Ministry of Education, Ministry of Internal Affairs, Ministry of Natural Resources and Environment and Prime Minister Department. The questionnaires would be distributed to 400 government officers that involve in the performance management system process using the Borang Penilaian Prestasi Tahunan (LNPT). The study focuses on the variables towards the EPMS satisfaction, it would deal with two constructs only. Two constructs are independent variables which are strategic alignment (SA), employee involvement (EI), continuous feedback (CF), procedural justice (PJ), interactional justice (IJ) and distributive justice (DJ). One construct is a dependent variable that is EPMS satisfaction.

# 1.7 Definitions Of Key Terms

The definition of all the key terms used in this study presented as Table 1-1 below:

Table 1-1

Definitions of Key Terms

No. Terms		Definition	References	
1	Employee Performance Management System (EPMS)	EPMS is the way of letting an employee know how his or her performance compares with the supervisor's expectations and to identify areas that require training or development	Boice and Kleiner (2007)	
2	Strategic alignment	Linkage between the goals of the business, the progress of the implementation of the strategy toward the vision, the goal of each key contributor, including groups, divisions, business units and departments	Abraham (2006)	
3	Employee involvement	Degree to which four key elements are moved down to the lowest level in the organization. They are information about the performance of the organization, rewards that are based on the performance of the organization, knowledge that enables employees to understand and contribute to organizational performance, and power to make decisions that influence organizational direction and performance.	Lawler (1998)	
4	Continuous feedback	Information that addresses past behavior or results, presented with primary intent to provide insight into how an employee might grow personally or professional	Fleenor and Prince (1997)	
5	Procedural justice	Fairness of policies or processes used to make or implement decisions and distribute outcomes	Colquitt (2001)	
6	Interactional justice	Perception that the interpersonal treatment that is received from one's coworker, supervisor is fair. Interactional justice is generally exchange between the supervisor and the employees	Cynthia and Peter (2002)	
7	Distributive justice	The justice which deal with perceived fairness of the outcomes or allocations that individuals in organization receive	Folger and Cropanzano (1998)	

# 1.8 Organization Of The Thesis

This study consists of three chapters. The first chapter represents the introduction of the study, background of the study, problem statement, research questions, research objectives, the significance of the study and scope of research, definitions of key terms and organization of the thesis. The second chapter details out the literature review of the key areas which indicate the state of knowledge with respect to the research objectives and research questions in the chapter one. The theories of the variables are discussed in this chapter. Based on the literature review, afterwards this chapter discusses the theoretical framework and hypotheses developed for this study. The third chapter discusses the research methodology that includes research design, variables measurement, population and sample, data collection method and instrument development.

# **CHAPTER 2 - LITERATURE REVIEW**

# 2.0 Introduction

This chapter continues the discussion on the previous chapter which focuses on the background of the study. It also discuss the general overview literature of definition and concept of performance management, performance management system, EPMS and four stages of EPMS such as planning, design, implementing and result.

# 2.1 Employee Performance Management System (EPMS)

Several researchers have attempted to define performance management differently. Banner and Graber (1985) defined performance management as the basic and systematic way and process of determining how an individual employee is performing in the organization. Cintrón, Corresponding, Flaniken and Ed (1990) defined that performance management system is the way and processes through which appraisal is carried out in an organization. However, other studies such as done by Boice and Kleiner (1997) explain that performance management is the way of letting an employee know how his or her performance compares with the supervisor's expectations and to identify areas that require training or development. In addition, Redman & Snape (1992) state that it is management's most important tool in both controlling and maximizing the contribution of their human resources in the organization.

Performance Management is a tool of measuring employees during performing his duties in a year. The superior needs to evaluate their employees because of the employees' benefits such as incentives, rewards and promotion in the organization. It is also expected to develop the

leadership capabilities of managers and job performance of employees (Tjosvold & Halco, 2001).

Performance management system usually consisted of the appraiser, the employee and the appraisal form. All those three elements are the important in the performance management system. Performance appraisal is usually conducted throughout the year. For example, the performance management system in the Malaysian Public Service Department is a continuous process of evaluating every employee's performance which begins in January and ends in December every year.

Spinks, Wells, and Meche (1999) indicate that the overall purpose of performance management system is to increase organizational effectiveness and productivity. The organizational effectiveness and productivity can be increase by the proper evaluation of employees which can develop the best talent in the future and minimize mistakes at the same time in order to achieve organizational goals. Kondrasuk (2012) on the other hand explained that the purpose is to use help administrative decision making such as increase in pay, training and test validation criteria. With the help of performance appraisal, the superior or manager can identify the strengths and weaknesses of the employees and focus on the development process such as training, workshop and others. This also been agreed by the another study by Redman and Snape(1992) that explain performance management also is often a building block for programmes other than performance improvement example of salary administration, training, promotion and demotion. It has been argued that this process cannot be performed effectively unless the line manager or person providing feedback has the interpersonal interviewing skills to provide that feedback to people

being appraised (Prowse & Prowse, 2009). Performance management is conducted as a means to enhance the job performance of each individual employee and as a mean to improvement of the organizational effectiveness and overall operation of the organization (Rahman, Shah, Sciences, & Pakhtunkhwa, 2012). The key performance areas need to be identified, assigned priorities and stated in quantifiable terms whenever possible. The mutual goal-setting process between a manager and subordinate associated with Management by Objectives is a particularly beneficial way to foster acceptance and internal motivation on the part of the employee (Rankin & Kleiner, 1988).

Employee performance management system been discussed by the scholar as a continuous process of identifying, measuring, and developing the performance of individuals and team aligning performance with the strategic goals of the organization (Aguinis, 2009). Other studies also highlighted the performance management as a process for establishing a shared understanding about what is to be achieved and how it is to be achieved, and an approach to manage people that increase the probability of achieving success (Weiss & Hartle, 1997). In order to achieve the organizational goals, EPMS is important element that will improve the business performance from time to time.

The employee performance management system can only be considered operating effectively only if it helps to identify the superior performers. Performance rewards is not the critical component of a performance management system. The critical component of a EPMS is a robust employee performance management system (Gopinath, 2009). In addition, EPMS also focuses on the overall achievements of an organization by ensuring that the activities of an organization,

a department, employees or the process involved are linked to the organization strategic direction (Tovey, 2010). A study by Becker, Antuar and Everett (2011) also stated that EPMS is an employee performance, and as employee performance is a major wildcard in any organization's performance, therefore it has to be constantly monitored and managed.

#### 2.1.1 EPMS Satisfaction

The issue of EPMS effectiveness has caught the attention of many researchers because it is one topic in human resource management that is highly contentious (Becker et a, 2011). Most argued that the element of effectiveness is intangible, difficult to define. However they are too many factors that contribute to individual performance and it is highly likely that the effect of EPMS on if is rather minimal. Furthermore, a study by Sogra, Shahid and Najibullah (2009) indicated that employees' negative and positive perception of performance management is related to the employees' job satisfaction, organizational commitment and intention to quit from the organization. Therefore, it is undeniable that employee satisfaction with EPMS is a valid measure of EPMS effectiveness because it has a direct effect on various organizational success indicators.

There are various studies that supported the idea that employee satisfaction with EPMS is an indicator of its effectiveness. Study by Chompukum (2011) discuss that it is said to be found that attitudes towards EPMS directly related to perceive EPMS effectiveness. Other studies have shown that employee satisfaction with EPMS can affect individual performance such as productivity, motivation and organization commitment (Cawley, Keeping & Levy, 1998).

# 2.2 Strategic Alignment

Strategic Alignment (SA) can be defined as the linkage between the goals of the business, the progress of the implementation of the strategy toward the vision, the goal of each key contributor, including groups, divisions, business units and departments (Abraham, 2006).SA is important for the effectiveness of EPMS because when SA exists, the EPMS that is developed is aligned with the organizational goals (organizational mission and vision). As a result of this alignment, the employee performance will increase because they have better understanding of the organization (Stringer, 1996). Gagnon and Michael (2003) also discussed that SA is when employees have knowledge of the organization's strategic goals and purpose which is coupled with the understandings of their job responsibilities and how they can contribute to the organization's strategic goals. In essence, the effective execution of SA can ensure that organizational goals are met and success achieved.

# 2.3 Employee Involvement

Employee Involvement (EI) can be defined as the employees playing a greater role in the decision making process and they are given the opportunity to influence management decisions and to contribute to the improvement of the organizational performance (Armstrong, 2006). EI also is a way to increase organizational productivity and profitability and to gain competitive advantage (Carolyn, 1991). According to Lawler (1998), EI relates to the degree to which four key elements are moved down to the lowest level in the organization. These four elements are information about the performance of the organization, rewards that are based on the performance of the organization, knowledge that enables employees to understand and contribute to organizational performance, and power to make decisions that influence organizational direction and performance.

A study by Pooyan and Eberhardt (1989) also discussed that EI is when the employees have greater knowledge and understandings of performance management system because of their greater involvement in the EPMS itself. According to Towne (2006), a working environment in the organization which encourages the employees to tell their supervisors about their ideas and thoughts will be greatest effect on the effective EPMS. Employees will felt that free flow of information and they get enough information to do their job, and as a consequence they are able to perform their jobs well. When this happens we can say that EI have a positive effect on the effectiveness of the performance management system.

# 2.4 Continuous Feedback

Continuous Feedback (CF) can be defined as the information that addresses past behavior or results, presented with primary intent to provide insight into how an employee might grow personally or professional (Fleenor & Prince, 1997). In addition, Alders (2000) also discussed that CF is a key component in learning and motivation that is prerequisite for effective employee development and performance improvement within the organization. In relation with the performance management system, there is a study by Jones and Bearley (1996) discussed that CF also often used as a mean in the performance management system. The study by Weatherly (2002) discussed that in the performance management system, for employees to develop and improve in their performance, they need to know the adequate insight of information and feedback about their strengths and weaknesses. There is one study by Lam (2002) highlighted that CF is important through the EPMS because of the important information that employees have about the performance management system is actual rating they receive, because it affect on recognition, status, and future prospect in organization. In addition Goodman (2004) also

discussed that effective EPMS must have the CF characteristic of specific and timely. CF to employee should include specific information on past behaviours that need improvement, along with ways to correct the performance. All of these can increase the effectiveness of the EPMS.

# 2.5 Procedural Justice

According to the Stephen and Timothy (2013), Procedural Justice (PJ) can be defined as the perceived fairness of the process used to determine the distribution of rewards. There are two key elements of PJ are process control and explanations. Process control is the opportunity to present our point of view about desired outcomes to decision makers. Whereby explanations are clear reasons management gives for the outcomes. Therefore, the employees will see a process is fair, and feel that have some control over the outcome and were given an adequate explanation about why the outcomes occurred. PJ also been defined by Colquitt (2001) as the fairness of policies or processes used to make or implement decisions and distribute outcomes. Ghulam (1993) explained that PJ focused on the appraiser behavior, the two way communication during interview, the ability to challenge evaluation, appraiser familiarity with an employee's work and consistent application of standards. According to Bies and Moag (1986), PJ been highlighted as the fairness of procedures used to arrive at a decision. Other studies also discuss that PJ is concerned with the fairness of the means, namely, the methods, mechanisms, and processes used to determine organizational outcomes (Greenberg, 1990). Hence, PJ is also important to ensure the effectiveness of the performance management system. In relation to EPMS, Bhatnagar (2013) found that PJ as one of organizational justice was significantly related to the EPMS. The fairness of EPMS does affect employees' satisfaction and employees' reaction towards the EPMS. Cremer (2005) discussed that PJ is one of the important variables that also can influences cooperation among employees to perform better in organization and enhance EPMS. According to Yu (2008), employees with supervisor high in PJ will affect the EPMS effectiveness. Other study by Colquitt (2001) highlighted that PJ has significant positive relationship with the employee engagement that will enhance EPMS effectiveness. Daly (1997) also discussed that the more internal attributes of individual made regarding the EPMS, the greater the degree of perceived PJ. According to Ghulam (1993), PJ as the perceived fairness of the EPMS is more strongly related to the process by which the outcomes are obtained. Other study by Landy, Barnes and Murphy (1978) discussed that PJ were highly correlated with the existence of the EPMS.

# 2.6 Interactional Justice

Interactional Justice (IJ) can be defined as the quality of interpersonal treatment received during the enactment of organizational processes (Byrne & Cropanzano, 2011). Cynthia and Peter (2002) defined IJ as the perception that the interpersonal treatment that is received from one's coworker, supervisor is fair. IJ is generally exchange between the supervisor and the employees. The example of IJ is when supervisor telling the raise in salary to their employees with nice and complimentary. IJ also can be defined as an extension of PJ that deals with the human side of justice. It is the way the decision makers react towards the recipient of justice and how they interact. The recipient of justice should be treated with dignity and respect in order for IJ to be perceived (Cohen-Charash & Spector, 2001). Bhatnagar (2013) found that IJ as one of organizational justice was significantly related to the EPMS. The fairness of EPMS does affect employees' satisfaction and employees' reaction towards the EPMS. Other study by Chonpukum (2011) highlighted that IJ tends to lead to perceived EPMS effectiveness. The IJ involves

interpersonal and informational components, it is occur in the coaching process. In other words, when supervisor engage in coaching processes, it leads to IJ and enhance EPMS effectiveness. Other studies by scholar such as Strom (2010) highlighted that IJ and transformational leadership towards producing engaged employees and performs well in order to react with the EPMS effectiveness. Heathcote (2006) discussed that IJ been associate closely with the PJ that will makes employees perform better in organization and enhance the EPMS effectiveness.

# 2.7 Distributive Justice

Distributive Justice (DJ) can be defined as organization's reward system, or outcome of the decision making process (Williams, Pitre & Zainuba, 2002). DJ also been defined Folger and Cropanzano (1998) as the justice which deal with perceived fairness of the outcomes or allocations that individuals in organization receive. In addition DJ also deals with the decision been made at the end of the appraisal process (Tang & Sarsfield-Baldwin, 1996). Other study also related DJ with the salary and pay such as Stephen and Timothy (2013) defined DJ as the organizational commitment and satisfaction with outcomes such as pay. The employee's perceived fairness of the amount rewards among individuals and who received higher and lower rewards. This pay to performance is closely related to the equity theory in reward allocation. The example of DJ in the organization is that when the employee feel deserved to get the raise in salary due to the effort. According to Colquitt (2001), DJ can be defined as the fairness of outcomes or final decisions in comparison to what others receive. In relation to the EPMS, Bhatnagar (2013) discussed that DJ as one of organizational justice was significantly related to the EPMS. The fairness of EPMS does affect employees' satisfaction and employees' reaction towards the EPMS. In addition, Palaiologos, Papazekos and Panayotopoulou (2011) highlighted

that DJ was strongly related to the EPMS effectiveness. Cremer (2005) also studied whether the widely known interaction between procedural and DJ influences cooperation among employees in organization that will increase the employee satisfaction and enhance the EPMS effectiveness. Colquitt (2001) also discussed that DJ has significant positive relationship with employee engagement that will enhance the EPMS effectiveness.

# 2.8 Hypothesis Development

# 2.8.1 Relationship between SA with EPMS satisfaction

In general, the findings of previous literatures emphasize the importance of SA in enhancing the effectiveness of EPMS (Stringer, 1996). Hence, it is proposed that:

Hal: There is significant relationship between SA with EPMS Satisfaction.

# 2.8.2 Relationship between EI with EPMS satisfaction

Many studies and literature of previous literatures emphasize the importance of EI in enhancing the effectiveness of EPMS (Pooyan & Eberhardt, 1998). Hence, it is proposed that:

Ha2: There is significant relationship between EI with EPMS Satisfaction.

# 2.8.3 Relationship between CF with EPMS satisfaction

Next, many studies and literature of previous literatures also emphasize the importance of CF in enhancing the effectiveness of EPMS (Lam, 2002). Hence, it is proposed that:

Ha3: There is significant relationship between CF with EPMS Satisfaction.

# 2.8.4 Relationship between PJ with EPMS satisfaction

In general, the findings and literature of previous literatures also emphasize the importance of PJ in enhancing the effectiveness of EPMS (Bhatnagar, 2013). Hence, it is proposed that:

Ha4: There is significant relationship between PJ with EPMS Satisfaction.

# 2.8.5 Relationship between IJ with EPMS satisfaction

Many studies and literature of previous literatures emphasize the importance of IJ in enhancing the effectiveness of EPMS (Chonpukum, 2011). Hence, it is proposed that:

Ha5: There is significant relationship between IJ with EPMS Satisfaction.

# 2.8.6 Relationship between DJ with EPMS satisfaction

The findings and literature of previous literatures also emphasize the importance of DJ in enhancing the effectiveness of EPMS (Colquitt, 2001). Hence, it is proposed that:

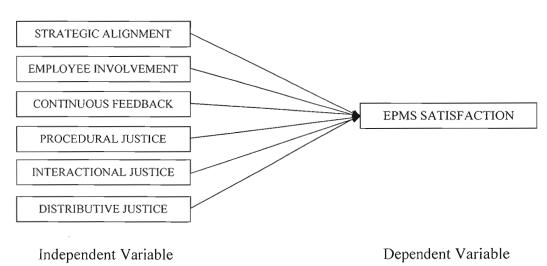
Ha6: There is significant relationship between DJ with EPMS Satisfaction.

# 2.9 Conceptual Framework

Based on the discussion in section 2.8 above, the conceptual framework shown in table 1 is proposed:

Table 2-1

Theoretical Framework



# **CHAPTER 3 - RESEARCH METHODOLOGY**

# 3.0 Introduction

Basically this chapter covers the description of research activities before the sample is recruited, study population and its sample and the method used in order to achieve research objectives. Each method used in accordance to the research objectives and it is explained in details in this chapter.

# 3.1 Research Design

This research is an explanatory research which to identify the relationship between SA, EI, CF, PJ, IJ and DJ and the effectiveness of the EPMS. This study used the quantitative research method as the research approach. Basically, the quantitative research design is used to enable the researcher to test the relationship between the research variables (Kreuger & Nueman, 2006). In addition, by using the quantitative research, the questions about the relationships among measured variables with the purpose of explaining, predicting and controlling phenomena can be answered (Leedy, Ormod, 2005). In this study, the quantitative research design is suitable due to the main objectives are to identify whether there is a relationship between SA, EI, CF, PJ, IJ and DJ that allow to test relationship among variables using statistical method. The unit of analysis in this study is at the individual level and primary data is collected through distribution of questionnaire. In the questionnaire, the correspondents asked to answer about their perception and experiences towards performance management been conducted throughout the year with following the dimension of the given variables.

# 3.2 Population and Sampling

The target population of this study is the government civil servants who worked in area of Putrajaya. The sampling design used in this study is simple random sampling. This sampling design is used because of respondents have equal chances of being selected in this study. With this sampling design it can represent the whole population in order to achieve research objectives.

Sampling is the process of selecting a sufficient number of elements from the population, so it will be possible to generalize the characteristics to the population (Sekaran, 2000). A sample is a subset of the population and comprises of some members selected from it (Sekaran, 2003). By studying the sample, the researcher should be able to draw conclusions that would be generalized to the population of interest. In the study, the researcher would use the random sampling method. Only government officer from four ministry at Putrajaya would be given the survey forms, since they are the seniors' officer and with the assumption that they can understand and answer the questionnaires easily. The selected four ministries been chosen because of the majority of civil servants worked at that particular ministries and easy to get the respondents. The four ministries are Ministry of Education, Ministry of Internal Affairs, Ministry of Natural Resources and Prime Minister Department. Accordingly to Public Service Department, population of the government officer is 1.4 million and 10,200 are working at Putrajaya up to March 2014. There are 1 million or 87% government officer is under Federal Government responsibility and the rest 0.4 million or 13% under State Government. Since the study is feasible with random sampling, a sample of population is sufficient to study a population since it is able to draw conclusions that can be generalized to the population of interest (Sekaran, 2003). This study was conducted by using the

simple random sampling which are been assumed that 70% of the total civil servants population consist of Kumpulan Pelaksana (officers grade 1-40) and balance 30% is Kumpulan Pengurusan dan Profesional (officers grade 41 – 54). Firstly, the questionnaires been given to the four respective ministries' representatives and arrange accordingly based on their group of 70% and 30%. Then the questionnaire been distributed based on the random appointed respondents by the ministries. Based on studies by Chua (2008) and Krejcie and Morgan (1970), the researcher had determined the sampling size of a population as 384 government officers at Putrajaya. Therefore, 400 questionnaires been distributed across the ministries. Table 3-1 below shows the sampling frame of the government officers.

Table 3-1 **Distribution of Questionnaire** 

Types of Ministries	No. of Employees	No. of Sample
Ministry of Education	410,922	319
Ministry of Internal Affairs	48,680	37
Ministry of Natural Resources and Environment	13,389	12
Prime Minister Department	41,088	32
Total	514,079	400

Once the number of sample from each ministry has been determined, a random selection was conducted among the employees of each ministry. This random selection was done by using Microsoft Excel. Using this software, each employee name was assigned a random number, and after that the names were sorted from the smallest number to the largest. The respondents for this

study are those at the top of the list that has been sorted. For example, the numbers of employees in the Ministry of Education are 410,922. Based on percentage, a total of 319 employees need to be selected as the respondent of this study. Once the names of the employees in this ministry have been sorted according to the random number assigned to it, the first 319 names were selected.

### 3.3 Design of Questionnaire

In developing the research instrument, close attention was given to the purpose of the study, the research questions and the plan for data analysis. In an attempt to answer the research questions posed in Chapter 1, a quantitative survey method was selected. Therefore, a questionnaire was developed for this purpose.

## 3.3.1 Measurement and Development of Instruments

Basically, this study has seven main variables, which are SA, EI, CF, PJ, IJ, DJ and EPMS satisfaction. The dependent variable for this study is EPMS satisfaction and the independent variables are SA, EI, CF, PJ, IJ and DJ.

The questionnaire consisted of four major sections. The first section measures respondents' SA. Next was the section that measures the EI. The third section measures the CF. The next are PJ, IJ, DJ and EPMS satisfaction. As suggested by Lindell and Whitney (2001) the last section was used to collect the respondents' demographic information. All measures use a five-point Likert scale for measuring each item. The Likert scale is designed to examine how strongly the respondents agree or disagree with a certain statement, which represent an item of a

measurement scale (Sekaran, 2003). With a five-point Likert scale, this study used 1 to represent 'strongly disagree', 2 to represent 'disagree', 3 to represent 'neither agree nor disagree', 4 to represent 'agree', and 5 to represent 'strongly agree'. The measurement scale for each variable is presented in Table 3-2. This table also includes the conceptual definition of the variable and the source of each measurement scale.

Table 3-2 **Sources Measurement Instruments** 

No.	Variables	Definition	Items	Sources
1	Strategic alignment	Strategic alignment is a initial planning of a PMS carefully done in order to achieve strategic purpose, it must be align to the overall strategic plan	<ol> <li>Our strategy planners are aware of the firm's objectives, strategies and long term goals;</li> <li>Our organization plan provide clear directions;</li> <li>Our supervisor participate in strategic planning;</li> <li>Our strategic plan is independently developed;</li> <li>Our planners interact closely in the formulation of the strategic plan;</li> <li>Our strategy is derived from business planning; and</li> <li>Our strategy are fully integrated and developed together.</li> </ol>	Ness (2005)
2	Employee involvement	Involvement of employees in early stage of planning and designing EPMS	<ol> <li>I feel like my opinion is valued;</li> <li>It is useless to give your opinion because no one will listen;</li> <li>If you say that you think, it has a good chance of coming back to bite you; and</li> <li>Decisions are made at this organization without employee input.</li> </ol>	Majahan, Bishop and Scott (2012)

3	Continuous feedback	Continuous feedback from the employee	<ol> <li>2.</li> <li>3.</li> </ol>	developmental feedback; My supervisor provided me with	Zhou (2003)
				useful information on how to improve my performance on my work;	
			4.	Today I asked my core team members about my performance on our assignments;	
			5.	Today, I asked my core team members if I am fulfill my task	
			6.	requirements in the team; and Today, I directly asked my core team members for feedback about my	
4	Procedural justice	Perceived fairness of process used to	1.	work in team  Job decisions are made by the supervisor in an unbiased manner;	Niehoff and
	justice	process used to determine outcome	2.	My supervisor makes sure that all employee concerns are heard before	Moorman (1993)
			3.	supervisor collects accurate and	
			4.	complete information; My supervisor clarifies decisions and provides additional information	
			5.	requested by employees; All job decisions are applied consistently across all affected	
			6.	employee; and Employees are allowed to protest or appeal to any job decisions made by the supervisor.	

	Interactional	Paragivad damas to	1	When decisions are made about my	Niehoff
5	Interactional justice	Perceived degree to which one is treated with dignity and respect	2.	When decisions are made about my job, my supervisor treats me with kindness; When decisions are made about my job, my supervisor treats me with respect; When decisions are made about my job, my supervisor is sensitive to my	Niehoff and Moorman (1993)
			4.	personal needs; When decisions are made about my job, my supervisor deals with me in a truthful manner;	
			5.	When decisions are made about my job, my supervisor shows concern for my rights as an employee;	
			6.	Concerning decisions made about my job, my supervisor discusses the implications of the decisions with	
			7.	me; My supervisor give adequate justification for decisions made about my job;	
				When making decisions about my job, my supervisor provide reasonable explanations; and My employer explains very clearly any decision made about my job.	
6	Distributive justice	Perceived fairness of outcome	2. 3. 4.	My work schedule is fair; I think that my level of pay is fair; I consider my workload to be fair; Overall, the rewards I receive here are fair; and I feel that my job responsibilities are fair	Niehoff and Moorman (1993)
7	Employee Performance Management System (EPMS)	EPMS is a employee performance, and as employee performance is a major wildcard in any organization performance and need to be constantly monitored and managed	<ul><li>2.</li><li>3.</li></ul>	I felt satisfied with the performance review session; Overall, i felt the performance review process was valuable; I have positive expectations for future performance review; and I agreed with my performance review result.	Dusterhoff (2014)

#### 3.4 Data Collection Method

A structured questionnaire is used as the main instrument in this study. The questionnaire was written using Malay and English for easy understanding. Questionnaire method is chosen because of the efficient data collection mechanism where the researcher knows exactly what is required and how to measure the variables of interest. In addition, it also offers some advantages such as quick response rate, cheap, easy to organize and well structured. The questionnaire is used to collect information on all the variables such as between SA, EI, CF, PJ, IJ and DJ and effectiveness of the EPMS. Respondents were on a voluntary basis and no incentive for completion was rewarded. For collecting the actual data for this study, questionnaires were sent to the Head of Human Resource Department or the individual assigned to help the researcher. These packets were to be distributed to the civil servants who working on the ministries or agencies. Each questionnaire packet contains the questionnaire booklet and a letter of introduction (Appendix A). A total of 400 sets of questionnaires would be distributed personally by hand by the researcher to the representatives of the various ministries. The respondents were being advised to give their response that best described their agreement to the statements in the questionnaire. They were given a maximum of one week to complete the questionnaire at their convenience. The primary data was collected through the survey method and the questionnaires were developed for such purpose. With this method, data can be collected within a short period of time, less hassle, and the respondents were motivated easily to take part in the survey (Sekaran, 2003). The cover letter of the questionnaire also stated the purpose of the study. This was done to make the respondents know that their cooperation was needed and were assured that their responses would be confidential.

#### 3.5 Pilot Study

Before, the questionnaires were sent to the actual respondents, a pilot study was conducted. There are many reasons for conducting a pilot study, but in this case it is mainly to test the adequacy of the research instrument and to determine whether the instrument is suitable to be used in the Malaysian context. Hence, the questionnaires were distributed to the researcher's acquaintances and friends who are mostly civil servants from two ministries which are Ministry Of Education and Ministry of Internal Affairs. A total of 50 questionnaire booklets were distributed, and 20 of them were returned.

# 3.6 Data Analysis Procedure

The data accumulated from the survey were analyzed using the Statistical Package for Social Science (SPSS 12.0). For the purpose of data analysis, several statistical techniques were applied, mainly descriptive statistics, correlation analysis, and regression analysis.

#### 3.6.1 Descriptive Statistics

Frequencies and percentages were used to calculate demographic variables in order to understand the demographic characteristics of the sample, such as gender, age, grade, service scheme, working experiences, level of education, department, and average LNPT marks.

## 3.6.2 Correlation Analysis

In general, the correlation analysis is to show the strength of the association between the variables involved. Hence, inter-correlations coefficients (r) among the variables were calculated by means of Pearson's Product Moment. As suggested by (Cohen, 1988), r ranging from +0.10

to +0.29 may be regarded as indicating a low degree of correlation, r ranging from +0.30 to +0.49 may be regarded as indicating a moderate degree of correlation and r ranging from +0.50 to +1.00 may be regarded as a high degree of correlation.

## 3.6.3 Regression Analysis

For the purpose of this study, multiple regression analyses were employed to examine the influence of SA, El, CF, PJ, IJ and DJ on EPMS satisfaction. Nonetheless, prior to this procedure the four assumptions of multiple regression, mainly linearity of the relationship, constant variance of the error term, normality of the error term distribution and independence of the error term must be met (Hair, et al., 1998). Based on Hair et al. (1998), linearity of the relationship is examined through partial regression plots. The residuals should roughly be rectangular distributed, with most of the scores concentrated in the center. The randomized pattern of the scatter plot indicated the linearity assumption was met. Next, is the assumption of constant variance of the error term. According to Hair et al. (1998), unequal variances (heteroscedasticity) are one of the most common assumptions violations, and this is diagnosed using the residual plots. As long as the residuals scatter plot also did not indicate any pattern of increasing or decreasing residuals, which means the assumption of homoscedasticity is not violated. Normality of the error term was evaluated with a visual examination of the normal probability plot of the residuals. The probability plot of the regression standardized residuals should show that all points lie in a reasonably straight diagonal line from bottom left to top right. With that, the residuals are considered to represent a normal distribution.

# 3.7 Hypothesis Testing

Researchers generate hypothesis to be tested empirically, based on available research data. Hair et. al. (2006) stated that hypothesis testing is a process of testing hypothesis by establishing null or alternative hypotheses, collecting sample data, calculating statistics from the sample, and applying numerical methods to derive conclusive findings on the hypotheses. Testing hypotheses is required because hypotheses are unverified statements (Malhotra, 2004). Malhotra further stated that it is unfeasible to prove hypotheses as true but they can be supported or not supported by the research data. Hence, this study presents the following hypotheses and intends to test the six hypothetical statements to be supported or not supported by the survey data. Therefore, the purpose of this study is to analyze the relationship between SA, EI, CF, PJ, IJ and DJ to EPMS satisfaction. In order to analyze the variables in the model, the following hypothesis have been drawn to make the analysis easier to be tested. The proposed hypotheses for this study are as follows:

- Hal: There is significant relationship between strategic alignment and EPMS satisfaction
- Ha2: There is significant relationship between employee involvement and EPMS satisfaction
- Ha3: There is significant relationship between continuous feedback and EPMS satisfaction
- Ha4: There is significant relationship between procedural justice and EPMS satisfaction

Ha5: There is significant relationship between interactional justice and EPMS satisfaction

Ha6: There is significant relationship between distributive justice and EPMS satisfaction

#### 3.8 Conclusion

In short, this chapter describes the methodological approach used to collect and analyze the information relevant to the research questions. Basically, the research is a cross sectional field study, in which questionnaires were used to collect data required for the analysis. Therefore, this chapter identified the population from which the sample for the study was selected, and the method utilized in selecting the sample. Besides that, the chapter also discussed the development of the survey instrument, and finally it described the process of data collection.

#### **CHAPTER 4 - DATA ANALYSIS AND FINDINGS**

#### 4.0 Introduction

This chapter contained the results produced from the methods of analysis as stated earlier in the previous chapter. The sequences of the results and discussions are in accordance to the objectives of this study. After the survey completed within three weeks, the total number of respondents are 243 out of 384 sample civil servants who worked across Putrajaya.

# 4.1 Response Rate

A total of 400 questionnaires were distributed in the fourth week of October 2014. The potential respondents were given until November 3<sup>rd</sup>, 2014, to complete the questionnaires and return them to the researcher. However, only 243 were returned to the researcher. This equals to 60.75 percent response rate. No more questionnaires came back after that date. According to Lambert and Harrington (1990), a response rate of 20 to 30 percent is a typical response rate and it is considered a good response rate.

### 4.2 Respondents Profile

Table 4-1 represents the civil servants demographic variables involved in this study which describe the demographic characteristics, educations and working characteristics. Demographic characteristics contain three basics civil servants' information which is gender and age. Education level also been asked and lastly is the working characteristics such as grade, service scheme, working experience, department and average of LNPT marks.

Table 4-1 *Respondents Profile* 

, and the second		Frequency	Percentage
Gender	Male	110	45.3
	Female	133	54.7
Age	18-25	6	2.5
	26-35	133	54.7
	36-45	79	32.5
	46-55	19	7.8
	>56	6	2.5
Grade	52-54	15	6.2
	45-48	52	21.4
	41-44	110	45.3
	22-40	22	9.1
	1-17	44	18.1
Service scheme	M	73	30.0
	DG	70	28.8
	J	5	2.1
	N	53	21.8
	DS/DU/DM/DH	13	5.3

	F	1	.4
	W	7	2.9
	Others	21	8.6
Working Experience	>25	17	7.0
	21-25	18	7.4
	16-20	19	7.8
	11-15	43	17.7
	6-10	94	38.7
	1-5	52	21.4
Education level	PhD	5	2.1
	Masters	49	20.2
	Bachelor	141	58.0
	Diploma	18	7.4
	Certificate	7	2.9
	SPM	23	9.5
Working place	Ministry	118	48.6
	Agency	11	4.5
	Department	72	29.6
	School	23	9.5
	University	13	5.3

		Others	6	2.5
Average marks	LNPT	90 and above	139	57.2
		85-89	85	35.0
		80-85	19	7.8

Table 4-1 indicates that in general the majority of the respondents are female (n=133) representing 54.7% of the sample and male (n=110) is 45.3. The range started from the years of 18 until 56 and above the possible years of pension. The Malaysia civil servants compulsory pension age is at 60. In this study, the range that been asked are 18 until 25 years old, 26 until 35 years old, 36 until 45 years old, 46 until 55 years old and above 56 years old. All of these five ranges scored the 2.5%, 54.7%, 32.5%, 7.8% and 2.5% respectively. In this study, there is five range of grade that been collected which are from the grade of 1 until 17, 22 until 40, 41 until 44, 45 until 48 and 52 until 54. The result shows that the grade 41 until 44 is the majority respondents in this study comprises if 45.3% and the lowest is a grade 52 until 54 scored only 6.2%. this grade 52 until 54 is already consider the top management of the government public service which holds many top management post such as Director of department, Setiausaha Bahagian (SUB) of the department and others top position. Grade 45 until 48 scored second best majority with 21.4%. Table 4-1 also indicates the types of scheme in Malaysia Public Service. In this study, there are seven schemes option to choose in the study which are M (Administrative and Diplomatic Officer), DG (Teacher), J (Engineer), N (Clerical Officer), DS/DU/DM/DH (Lecturer), F (Information System Officer), W(Accountant / Finance Officer) and other schemes.

From the data been collected, it shows that scheme M is the majority respondent with the 30%, DG second with 28.8% and N is 21.8%. Whereby, the remaining schemes such as DS/DU/DM/DH, W, J, F and others are 5.3%, 2.9%, 2.1%, 0.4% and 8.6% respectively. In this study, there are six ranges of years which are 1 to 5 years, 6 to 10 years, 11 to 15 years, 16 to 20 years, 21 to 25 years and above 25 years. The result shows that the 6 to 10 years of working experience is the majority respondents in this study comprises if 38.7% and the lowest is a above 25 years scored of 7%. Others are 1 to 5 years, 11 to 15 years 16 to 20 years and 21 to 25 years with 21.4%, 17.7%, 7.8% and 7.4% respectively. The types of education level of respondents are six options to choose which are PhD, Masters, Bachelor, Diploma, Certificates and SPM. From the data been collected, it shows that Bachelor level is the majority respondents with the 58%, Masters second with 20.2%. Whereby the remaining options such as PhD, Diploma, Certificates and SPM are 2.1%, 7.4%, 2.9%, 0.4% and 9.5% respectively. In this study, there are six options of working place to choose which are Ministry, Agency, Department, School, University and others. From the data been collected, it shows that Ministry is the majority respondents working place with the score of 48.6%. Second is Department with 29.6%. Whereby, the remaining options such as Agency, School, University and others are 4.5%, 9.5%, 5.3% and 2.5% respectively. Lastly, Table 4-1 also indicates that the average marks of LNPT among respondents. In this study, there are three options marks such as 90 and above, 85 until 89 and 80 until 85. The result shows that the majority range LNPT mark among respondents is 90 and above with score of 57.2%. Second is mark 85 until 89 with score of 35% and lastly is 80 until with only 7.8%.

## 4.3 Reliability Test

The reliability of a measure is established by testing for both consistency and stability. From the pilot study on 20 civil servants, the value of overall reliability is 0.965 by calculating the correspondence Cronbach's Alpha. Frayers (2000) suggested coefficient above 0.70 are generally regarded as acceptable for psychometric scales, although it is often recommended that values should be above 0.80 (good) or even 0.90 (excellent). Among the seven variables, there are three variables have excellent value of Cronbach's Alpha with IJ (9 items) has the highest value of 0.962, DJ (5 items) and PJ (6 items) have 0.948 and 0.917 respectively. There are also two variables with good Cronbach's Alpha which is greater than 0.8 which are SA (4 items) and EPMS Satisfaction (4 items) with the value of 0.892 and 0.881 respectively.

In general, the widely acceptable value of Cronbach's Alpha is 0.70 or higher (Frayers et al., 2000). The remaining domains which are CF and EI and have Cronbach's Alpha values of 0.781 and 0.750 respectively which said to be acceptable. Overall realibility across all variables (41 items) indicates excellent internal consistency with Cronbach's Alpha value of 0.965.

Table 4-2 *Reliability Test* 

	Cronbach's Alpha Value
Strategic Alignment	0.892
<b>Employee Involvement</b>	0.750
Continuous Feedback	0.781
Procedural Justice	0.917
Interactional Justice	0.962
Distributive Justice	0.948
EPMS Satisfaction	0.881

## 4.4 Descriptive Analysis

For the purpose of understanding the variability and interdependence of the subscales derived from the factor analysis, the means, standard deviations and intercorrelations for each factor were computed. It should be noted that responses to all items of the understanding variables were in the form of Likert scale of 1 to 5, where 1 represent 'strongly disagree' and 5 represent 'strongly agree'. Therefore, the mean scores indicate the level of agreement of the variables, in which any scores that was below the midpoint (3.00) can be considered as low agreement and scores between 3.01 to 4.00 can be considered as moderate agreement and scores of above 4.01 can be considered as strongly agree.

In reference to Table 4-3 that displays the means and standard deviations of all variables, it can be seen that all variables have a mean that is more than 3.00. However, the standard deviations

for these variables were less than 1.00. The results shows that all of the variables been agreed by the respondents. Refer to Appendix B for the detail of the SPSS output.

Table 4-3

Mean and Standard Deviation of all Variables

	Mean	Standard Deviation
Strategic Alignment	3.66	0.62
Employee Involvement	3.25	0.79
Continuous Feedback	3.52	0.62
Procedural Justice	3.51	0.79
Interactional Justice	3.59	0.72
Distributive Justice	3.40	0.80
EPMS Satisfaction	3.73	0.68

# 4.5 Correlation Analysis

Table 4-4 shows all the correlations between the variables included in the study. Intercorrelations coefficients (r) were calculated by means of Pearson's Product Moment. According to Cohen (1988), r ranging from 0.10 to 0.29 may be regarded as indicating a low degree of correlation, r ranging from 0.30 to 0.49 may be regarded as indicating a moderate degree of correlation, and r ranging from 0.50 to 1.00 may be regarded as a high degree of correlation. According to Table 4-4, indicates that all variables are significant relationship with the EPMS satisfaction, with the correlation coefficient of SA (r=0.313), EI (r=0.378), CF (r=0.468), PJ (r=0.575), IJ (r=0.595) and DJ (r=0.622). It also shows that the DJ that has the highest

correlation with EPMS satisfaction (r=0.622, p<0.01) and SA has the lowest significant correlation (r=0.313, p<0.01).

Overall, the results of the correlation analysis implied that all the variables, if the respondents have higher perceptions regarding those variables which are SA, EI, CF, PJ, IJ and DJ, they tend to have higher satisfaction towards EPMS. Furthermore, the correlations among the predictor variables did not exceed 0.7, hence the problem of multicollinearity is not a concern (Nunally, 1978).

Table 4-4

Correlations of Variables

		Strategic Alignment	Employee Involvement	Continuous Feedback	Procedural Justice	Interactional Justice	Distributive Justice	EPMS Satisfaction
Strategic Alignment	Pearson Correlation	1						
	Sig. (2-tailed)							
Employee Involvement	Pearson Correlation	.317**	1					
	Sig. (2-tailed)	.000						
Continuous Feedback	Pearson Correlation	.545**	.401**	1				
	Sig. (2-tailed)	.000	.000					
Procedural Justice	Pearson Correlation	.469**	.367**	.609**	1			
	Sig. (2-tailed)	.000	.000	.000				
Interactional Justice	Pearson Correlation	.480**	.344**	.635**	.745**	J		
	Sig. (2-tailed)	.000	.000	.000	.000			
Distributive Justice	Pearson Correlation	.386**	.273**	.438**	.521**	.634**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
EPMS Satisfaction	Pearson Correlation	.313**	.378**	.468**	.575**	.595**	.622**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

# 4.6 Regression Analysis

For the purpose of answering the research questions, multiple regression analysis was performed. In order to conduct multiple regression analysis, several assumptions about the relationships between the dependent and the independent variables must be met; mainly normality, linearity, constant variance of the error terms and independence of the error terms (Hair et al., 1998). The aim of this study is to find out whether all these variables have a significant impact on the EPMS satisfaction. Firstly for the SA and EPMS Satisfaction (Hypothesis 1), the result indicates that

SA is not significantly related to the EPMS satisfaction. Next is for EI and EPMS satisfaction (Hypothesis 2), the result shows that EI is low degree significantly related to the EPMS satisfaction. When increase 1 unit in EI, there is increase of 0.125 in EPMS satisfaction. For the CF and EPMS satisfaction (Hypothesis 3), the result indicates that CF is not significantly related to the EPMS satisfaction. However, for the PJ and EPMS satisfaction (Hypothesis 4), there is low degree significant relationship to the EPMS satisfaction. When increase 1 unit in PJ, there is increase of 0.190 in EPMS satisfaction. For the IJ and EPMS satisfaction (Hypothesis 5), the IJ is not significantly related to the EPMS satisfaction. Lastly, the relationship between DJ and EPMS satisfaction (Hypothesis 6), the table indicates that DJ is moderate significant relationship to the EPMS satisfaction. When increase 1 unit in DJ, there is increase of 0.330 in EPMS satisfaction.

After the regression analysis has been done, the Table 4-5 shows the different results that there are only three variables are significantly relationship with the EPMS satisfaction which are EI, PJ and DJ. Whereby the others three variables of SA, CF and IJ did not significantly related with the EPMS satisfaction.

Lastly, the R square value in this study (50.6%) shows that for every variables that been studied, there is 50.6% that can influence the dependent variable of EPMS satisfaction. The other 49.4% was explained by other factors that were not involved in this research.

Table 4-5 *Regression Analysis* 

Model	В	Std Erro	r Beta	T	Sig.
(Constant)	1.155	.215		5.364	.000
Strategic Alignment	097	.062	087	-1.567	.119
Employee Involvement	.125	.043	.146	2.907	.004
Continuous Feedback	.076	.072	.069	1.064	.288
Procedural Justice	.190	.062	.218	3.074	.002
Interactional Justice	.128	.074	.136	1.726	.086
Distributive Justice	.330	.050	.386	6.548	.000
				Std. E	error of the
R	R Square		Adjusted R Square	Es	stimate
.712 <sup>a</sup>	.506		.494		48638

Table 4-6
Summary of Hypothesis Testing

	Results	
Hal:	There is significant relationship between SA and EPMS satisfaction	Not supported
Ha2:	There is significant relationship between EI and EPMS satisfaction	Supported
На3:	There is significant relationship between CF and EPMS satisfaction	Not supported
Ha4:	There is significant relationship between PJ and EPMS satisfaction	Supported
Ha5:	There is significant relationship between IJ and EPMS satisfaction	Not supported
На6:	There is significant relationship between DJ and EPMS satisfaction	Supported

## 4.7 Conclusion

In this chapter all the statistical analysis performed on the data collected has been discussed. The results obtained indicated that some of the hypotheses tested in this study were supported, while some others were not. Table 4-6 is a summary table on the findings of this study.

#### **CHAPTER 5-DISCUSSION**

#### 5.0 Introduction

In this final chapter, the major findings of the study will be discussed. Other than that the implication of the findings theoretically and practically for management practices, contributions of the current study, the limitations of the present study, and directions for future research will also be discussed.

## 5.1 Relationship between Strategic Alignment (SA) and EPMS Satisfaction

Firstly, the finding shows that there is no significant relationship between SA and EPMS Satisfaction. The result of this study is contradict with other previous study related with SA and the EPMS satisfaction by Gagnon and Michael (2003). One possible explanation to this finding is that the civil servants agree their supervisor act and doing on any related strategic planning did give any impact on the EPMS satisfaction among them. In other words, whether there is a SA between EPMS and the overall strategic planning of the organization does not any effect on the satisfaction towards EPMS. As an implication, theoretically this study provides that empirical evidence for SA and the EPMS satisfaction that is not related to each other.

Practically, with this finding, it can be said that it is possible that the employees either did not even care about the SA of the EPMS and the strategic planning of the organization, or they to not know there is a SA between EPMS and organizational stategic plan. This is can be unhealthy for the organization since everything that an employee do contributes to the achievement of the organization strategic goals. Therefore, the emloyees need to be made aware regarding the SA between EPMS and organizational stategic plan, and consequently the SA of their own

performance to the strategic plan. This can be done in various ways such as through training or posters, or during annual performance review activity.

### 5.2 Relationship between Employee Involvement (EI) and EPMS Satisfaction

Next, the finding shows that there is a significant relationship between EI and EPMS Satisfaction. The result of this study is consistent with other previous study related with EI and the EPMS satisfaction by Lawler (1998). Our civil servants agree that their supervisor need to valued their opinion, be empathy to them and encourage them in any decision making process in order to get best input from the lower level of management. As an implication, theoretically this study provides that empirical evidence for EI and the EPMS satisfaction. Practically, with this finding, it can be suggested thatin existing Performance Management System in Malaysian Public Service, what we can do is to encourage more involvement of the employees in the SKT planning during SPS meeting. For instance, in every ministries and department SPS participation is just for the top level management. The suggestion that can be suggested next is to add more participants from the low level management in order to have their opinion and say during the ministries or department SKT's planning for that particular year. For example it can be suggested that add a representative from the grade 40 and below such as Chief Clerk grade 22, or even Executive Officer grade 27 and above for own units and department. This suggestion also can be suggested through PYD (Pegawai Yang Dinilai). Suggestion of encourage them to participate, give the opinions, and ideas on how to improve job in order to achieve the SKT in year end. In existing PMS, there is a mid year review or also known as Kajian Semula Pertengahan Tahun. During this session, all the impossible KPI's and unachieve target needs to review back and maybe been dropped for certain acceptable reason. The supervisor can encourage their PYD in

this session and get all the feedbacks. All of these recommendations will increase up the EPSM Satisfaction among civil servants as EI had been prove empirically has the significant relationship with the EPMS Satisfaction.

## 5.3 Relationship between Continuous Feedback (CF) and EPMS Satisfaction

In addition to that, the finding shows that there is no significant relationship between CF and EPMS Satisfaction. The result of this study is contradict with other previous study related with CF and the EPMS satisfaction by Weatherly (2002). This finding showsthat our civil servants agree that receiving continuous feedback a doesn't contribute much in the EPMS satisfaction. This is probably because they do not exactly receive any form of feedback from their superiors. Or even if they did, they do not see as a form of feedback to improve their performance. Instead, it is possible that they perceived it as their superiors' dissatisfaction in relation to their jobs. As an implication, theoretically this study provides that empirical evidence for CF and the EPMS satisfaction. Although the findings indicate that there is no significant relationship between CF and EPMS satisfaction, it does not mean CF should not be implemented. Instead, this means that to be effective, currently we need to change the civil servants perception regarding CF. Practically, in existing Performance Management System in Malaysian Public Service, it can be suggested that encouragement more feedback and innovative opinions of the employees that can be done through our existing Kumpulan Inovasi dan Kreatif (KIK) convention. Next is to encourage more participants and change the existing rewards into more attractive. Public speaking program can be made in order to build the confidence level of employees, encourage more participants on knowledge sharing program such as Sesi Pengkongsian Ilmu (SPI) in the department. Although there is no significant relationship with the EPMS satisfaction, but with all

of these recommendations, CF can create more harmony and knowledgeable employees through knowledge sharing program and others related.

## 5.4 Relationship between Procedural Justice (PJ) and EPMS Satisfaction

In the PJ, the finding shows that the significant relationship between PJ with the EPMS Satisfaction. The result of this study is consistent with other previous study related with PJ and the EPMS satisfaction by Bhatnagar (2013). This is because the civil servants agree that in performance management they need to be justice in appeal of any dissatisfaction of their performance marks or even anything related to their work. As an implication, theoretically this study provides that empirical evidence for PJ and the EPMS satisfaction. Practically, in existing Performance Management System in Malaysian Public Service, the PYD already given the chance to appeal and ask from the supervisors on their performance appraisal marks or LNPT marks after review session with their supervisor. But what been a practice nowadays, the supervisor tend to keep the secret of the LNPT marks in order to avoid any dispute, dissatisfaction or even arguement with the PYD. Although there is a rule stated in the circular of Pekeliling Perkhidmatan Bilangan 4 Tahun 2002 Lampiran A, but the level of awareness among the supervisor and PYD still in low level. The PYD also didn't know their rights to know their performance throughtout the year. As a recommendation, the particular responsible department such as Jabatan Perkhidmatan Awam need to plan the best medium on how to educate the civil servants about the performance management satisfaction and rights and justice of the PYD as PJ is significantly related to the EPMS satisfaction. With the high level of awareness about the procedure and rights, it will boost the satisfaction in the performance management among employees.

## 5.5 Relationship between Interactional Justice (IJ) and EPMS Satisfaction

With regard to IJ, the finding shows there is no significant relationship between with the EPMS Satisfaction. The result of this study is contradict with other previous study related with IJ and the EPMS satisfaction by Chonpukum (2011). This is due to the IJ itself is not strongly stand as in the organizational justice that consists of PJ, IJ and DJ. The IJ alone did not given much effect on the EPMS satisfaction. Next, The civil servants agree that in performance management, the IJ that took place and the way supervisor treats their employees with kindness, respect, sensitive to employees' need and rights did not effect the EPMS satisfaction. As an implication, theoretically this study provides that empirical evidence for IJ and the EPMS satisfaction. Practically, the particular responsible department such as JPA need to plan the best medium on how to educate the civil servants about the performance management system satisfaction and rights and justice of the PYD as IJ is significantly related to the EPMS satisfaction. With the high level of awareness about the procedure and rights, it will boost the satisfaction among employees.

### 5.6 Relationship between Distributive Justice (DJ) and EPMS Satisfaction

In relation to DJ, the finding shows the significant relationship between with the EPMS Satisfaction. The result of this study is consistent with other previous study related with PJ and the EPMS satisfaction by Palaiologos, Papazekos and Panayotopoulou (2011). The civil servants agree that the higher the DJ, the higher the level of EPMS satisfaction. DJ can be in form of remuneration scheme with better salary, pensions and allowances. With higher standard of living among civil servants, they tend to perform better in the public service. As an implication, theoretically this study provides that empirical evidence for DJ and the EPMS satisfaction. Practically, in existing Performance Management System in Malaysian Public Service, the ideas of giving the annual salary increment (Kenaikan Gaji Tahunan KGT) while implementing Saraan

Baru Perkhidmatan Awam (SBPA) can be implement in the future due to this finding. JPA can set the minimum LNPT marks that get the KGT instead of giving to everybody although the civil servants did not perform in their task during that particular year. For example of, just giving the KGT to the civil servants that get LNPT marks of 70% and above only. This will increase the EPMS satisfaction and higher the level of productivity and competitive advantage among them.

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