

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

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Othman Yeop Abdullah
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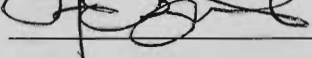
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ABSTRACT

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
β	- Beta Value

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- Appendix A - Questionnaire
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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

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