

ABSTRACT

Ministry of Defense is most likely to be concerned about military pay and benefits when the military services are having problems with recruiting or retention, or military personnel are reportedly paid at a level that force them and their families to live at a much lower standard of living. Some of the factors believed to be responsible for recruiting problems compare with the private-sector job, is the increasing desire and availability of a rising living standards that put military lifestyles at a disadvantage.

In responding, Ministry of Defense was mindful of the decreased military personal quality, mostly because of low pay. Consequently, Ministry of Defense responded with pay raises, increased special incentives and bonuses, recruiting more resources, and planned military retired pay reductions for future retirees. Still at issue is what additional pay and benefit increases that are best suited for military personnel. Of particular interest is cash compensation on the one hand and improvements in benefits such as housing, health care, and installation services on the other. The military pay discussed each year relate to military basic pay. A key issue in determining the annual percentage increase is whether a pay appraisal effect on the quality of service.

The study was carried in the following manner: firstly the research framework was established then the questionnaire was designed followed by identifying measurement methodology and the respondents, then the data collection and describes and finally statistical analysis were carried out using SPSS.

This description highlights demographic and other factors that may affect the financial situation of military personal and also to examine whether military status has a significant effect on pay problems. The results analysis whether military members are facing any financial problems varies with demographics and family situation for his quality of service.

For the data collection the respondents were surveyed for their perception on pay appraisal whether its usage, satisfaction and benefits. A total 300 questionnaires were planned to distribute. However, in conducting this study the limitations we are facing as follows: firstly due to time constrains the survey conducted was only can confined to respondents from area covering Melaka. The numbers of respondent planned for data collection were limited to 258 and the duration of study was short. Secondly, limited financial allocation prevented an extensive research to be conducted throughout the army organization. Thirdly, the composition of the respondents was chosen based on convenient without taking into consideration of their demographic profile and rank structure.