

CHAPTER 3

CURRENT PRACTICE OF PERFORMANCE MANAGEMENT IN THE ARMY

INTRODUCTION

This chapter gives an overview of the performance management in the Malaysian Army, which the emphasis is on the appraisal system. It will include an insight of the Malaysian Army Organization paying particular attention to the Officers rank and holding strength. The Army adheres to pay regulations and requirements inline with the Public Service Department instructions. This chapter will also provide details to the requirement of the Public Service Department in relation to the Annual Work Target that is a prerequisite of Malaysian Remuneration System (Sistem Saraan Malaysia).

3.1 BACKGROUND OF THE PERFORMANCE MANAGEMENT SYSTEM IN THE MALAYSIAN ARMY

The Malaysian Army is part of the overall public sector organizations that is a non-profit organization in the country. Although it has own peculiarities but nevertheless it requires a self-supporting system in order to cater for its needs encompassing operational, administrative and logistical. The greatest asset of the Army is the human resource. The Army is a portion of the overall Malaysian Armed Forces under the Ministry of Defense. This automatically qualifies the Army to adhere to all the administrative and logistic instructions just like all other

government department. The organization mission is the core in the defense of the Malaysian sovereignty. The organization primarily subscribes to a high degree of discipline amongst its Officers and soldiers that makes it different from the other organization. The soldiers are constantly trained to be physically and mentally fit to meet the challenges during wartime. Training is expected to build the knowledge, skill and attitudes of the personnel in order to perform the job satisfactorily. The training requirement involves both career and functional courses, which are conducted locally and some abroad. Officers training emphasizes on leadership qualities and the other traits that are prudent and of utmost importance. Officers will lead their subordinates to fulfill any given mission during conflict situation. It is of paramount importance that the Officer is better in all aspects, which include physical, mental, knowledge, attitude and skill, compared to the subordinates.

This also hinges around an effective human resource management with the view to increase productivity and excellent performances are expectations that will decide the direction of the organization. One of the important factors that will assist in sustaining productivity and performance of an individual is motivation. Basically, people want to know their performance level and if it is in tandem with the organizational targets. Therefore, the performance management system is the essence for meeting this perception. The inherent effort of performance management system undertaken by the Army Human Resources Department is the current traditional Performance Appraisal, which has been in

implementation since the 80s. The existing traditional appraisal system in the Army is used more for recognition and merit for career enhancement.

3.2 A BRIEF ON THE MALAYSIAN ARMY ORGANIZATION

The Malaysian Army is organized into 15 Corps, with each corps specializing in their own field of competence. For example, the Royal Armour Corps is armored biased which has regiment specializing in tank/armored warfare whilst the Royal Signals Corps consist of regiments that is responsible for both static and mobile field communications in the theatre of war. All the Corps has respective mission, organization, roles and tasks, which ultimately concurs to the overall Army mission. The respective Corps management headed by its respective Director plans the career progression and development of each officer. The Malaysian Army, Human Resources Department at the Army Headquarters that oversees all the Corps in terms of human resources planning, monitors the overall planning of the officer's promotion and career advancement closely.

Presently there are approximately 2730 officers in the Army appointed as the mid level leaders in the various Chains of Command. The breakdown of ranks with the strength is shown below at Table 3.1. They are officers from the rank of Lieutenant Colonel down to Captain. The Commanding Officers (CO) in regiments and battalions are in the rank of Lieutenant Colonel whilst Officer

Commanding (OC) of squadrons and company are in the rank of Major. Therefore the mid level leaders in the Army will basically involve the Major's who will evaluate the performance of the Captains and Lieutenants under his/her chain of command and also the Lieutenant Colonel who is superior do the evaluation for Majors. Captains will evaluate the Other Ranks who are actually the first line managers and the workforce.

TABLE 3.1

DISTRIBUTION OF RANKS APPOINTED AS MID LEVEL LEADERS IN THE ARMY

RANK STRUCTURE	TOTAL
LIEUTENANT COLONEL	280
MAJOR	1250
CAPTAIN	1200
TOTAL	2730

3.3 MALAYSIAN ARMY PERFORMANCE APPRAISAL SYSTEM

There are many approaches to a performance appraisal system utilized by various organizations regardless whether profitable or non profitable. The method used to evaluate performance varies based on the objectives and goals

of that organization. In the case of the Malaysian Army, performance appraisal is used in assessing the overall performance of an individual that includes both Officer and Other Ranks. The main concentration of the Malaysian Army performance appraisal is planning the individual development and for administrative purposes. The developmental aspect is focused towards career progression whilst the administrative criteria for planning and decision-making encompass merit, promotion, confirmation on appointment cum rank and other training aspects such as determination of future career courses.

The existing appraisal of Officers in the Army is based on the performance reported (more commonly known as the Confidential Report) on an annual basis. There are two types of forms namely the BAT D 11A (Serial Number Code) which covers reports for Lieutenant Colonel and above whilst the BAT D 11B covers for Majors and below. The annual Confidential Report is used in determining promotion, salary scales, transfers of commission, for career course selection, medal awards and gauges other requirements as and when required by the higher authorities. All confidential reports follow the chain of command before it reaches the Human Resource Department.

It is prepared in the month of September of the evaluation year and expected to reach the final destination by early November. An immediate superior officer will complete the Confidential Report of his subordinates who have been evaluated and later forward this report to be authenticated by an

approving officer Level 2 and Level 1. This level could be within the regiment or even involves the endorsement of the immediate Brigade and Divisional Commanders. It is then submitted to their respective Directorate and finally is kept by the Human Resources Department at the Army Headquarters for the future reference. As mentioned the process ends at the Army Human Resource Department, which is the hierarchy responsible for administration. The Army Human Resources Department analyzes all reports on a macro level to evaluate the effectiveness of the overall human resource planning in the Army.

The only time the evaluated individual views and provided with the critiques of his/her performance report is eventually during the interview session with the superior who originated the report. It is the only time for the individual to actually request for further elaboration and additional details to clarify any ambiguity. There are no feedbacks after the report completes the cycle. The evaluation system is based on a typical rating system and culminates performance evaluation, personality trait, additional task and sporting activity. Some shortcomings of the system (Nixon, 2002) that has been in existence are the argument of the interrelationship and the priorities to measure productivity between the personality trait criterion and performance evaluation.

3.4 THE MALAYSIAN REMUNERATION SYSTEM (SSM)

A Special Committee for the public sector remuneration system conducted a review of the inherent salary system and in the 1989 introduced a personnel performance management system, which can enhance the capabilities of the civil servants to achieve quality via Total Quality Management (TQM). This new system basically adopts the "Management by Objective" concept whereby employees are rewarded for their performance. The government accepted the recommendation and materialized the introduction of the NRS or commonly known as the SSB. The featured system emphases were on two elements that were flexibility and motivation. This was aimed to enhance productivity and the provision of a quality service.

In November 1993, as highlighted the Army implemented the new system (SSB) and the present appraisal system is in accordance to the requirements of the New Remuneration System (SSB). The SSB provides a range of pay increases thorough its matrix structure along three levels of competency scales. Personnel with excellent performance enjoy annual pay increase diagonally, above average personnel vertically and average personnel horizontally. Meanwhile, those who do not perform accordingly may find that there would be no increase or remain static in their current pay. The award salary increments are

based on a designated quota set by the government. The merit are determined thorough the current appraisal system, which is the Annual Confidential Report.

However, the SSB was further reviewed in line with new dynamic approach of the Public Service Department. The outcome of the review was accepted by the government and immediately restructured the SSB and replaced it with the Malaysian Remuneration System (SSM) in 2002. The SSM is an upgraded version of the SSB with the pertinent concentration was the review of the performance assessment system, introduction of a new pay grade, which encompasses review of the pay and allowance structure and enhancement of the service regulations. The SSM focuses on the advancement of the employee knowledge and to uplift the ability of the employee. This system is customer focus orientated fulfilling the employees' expectations. The evaluation includes the personnel competency and appraisal system.

3.5 PUBLIC SERVICE DEPARTMENT GUIDELINES OF THE PERFORMANCE EVALUATION SYSTEM

These guidelines (SSM Guidebook, 2003) are to be used by all government departments especially the Human Resource Branches to ensure the preparation and outcome of an objective, fair and transparent performance evaluation. The performance evaluation system will assist the management to react, be considerate and help in the decision-making with regards to employee career progression and management. The principal of the performance

evaluation system is for the evaluation to be conducted with objectivity, fairness and transparent. The evaluation will also cover the employee's production of work and behavior is in line with the achievement of the organizational objectives. Finally, the report is to inculcate healthy and positive competition amongst employees to enhance quality and productivity. The characteristics of the performance evaluation system is (1) the setting of the Annual Work Target and its mid year review, (2) evaluate performance with objective, fair and transparent, (3) acknowledgement of activity or contribution out of official duty, (4) establish rating system in accordance to the performance evaluation befitting with the role of every officer group, (5) utilizing 5 types of annual performance evaluation format according to the officers group and finally, the role of the Development Committee of Human Resource Branch to ensure the adherence of the mentioned characteristics.

Nevertheless, the inherent appraisal system in the Army will be retained until further instructions are received from the Public Service Department. The excellent service awards for the nominated nominees will not involve any pay increment as practiced before during SSB. The pay scheme is reviewed into only two levels, which is prepared together with the appraisal system. The appraisal report will be used together with the annual work target. The process of the performance evaluation system practiced as elaborated by all government departments is as follows:

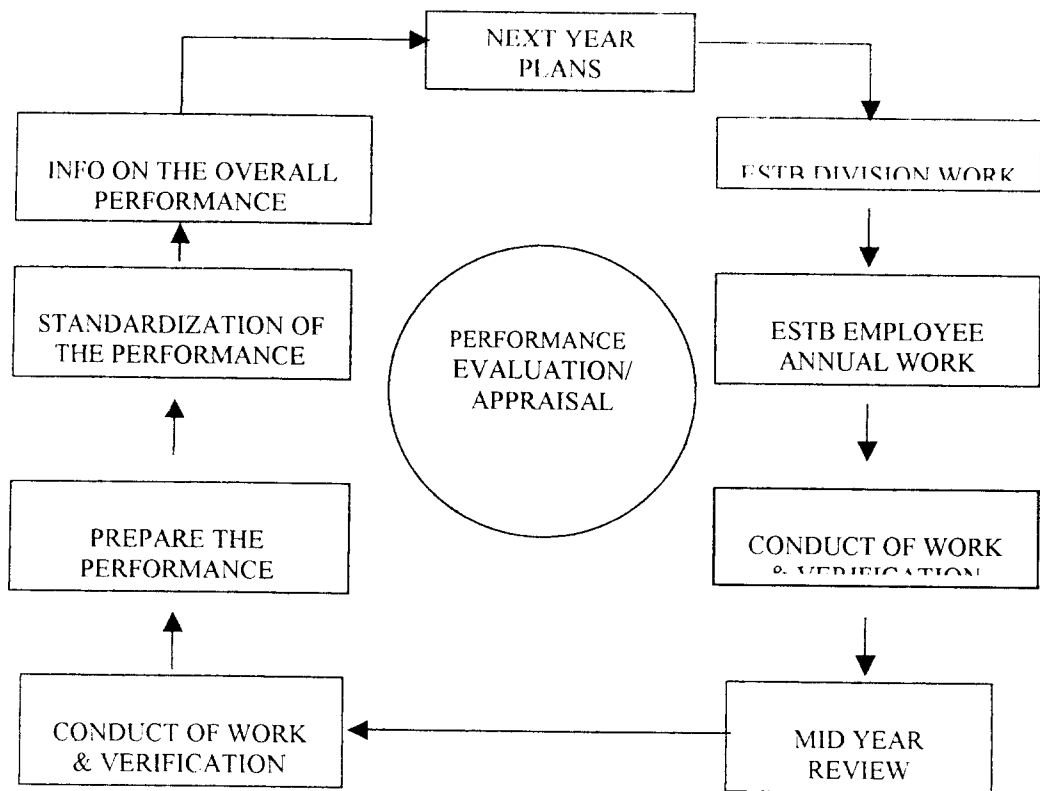


Figure 3.1 Performance Management Model adopted by the Public Service Department

3.6 ANNUAL WORK TARGET

The Annual Work Target (AWT) is synonymous with the performance Report as it also emphasizes the quality and productivity of an individual work in relation to the organizational objectives for a particular year. It was introduced together with the performance appraisal for the assessment of an individual. Annual Work Target (AWT) relates to an individual's performance in achieving organizational objectives as set during the beginning of the year. The annual

work targets are based on policies and tasks issued and discussed in detail between the superior and employee. It aims to identify and set important task, which are job related and to be accomplished in an allocated time frame. The tasks designated will be in conjunction with the operational and human resources requirements supported by the organizational available logistic. Both the superior and employee then review these work targets at mid term to monitor on the progress and subsequently discuss relevant matters pertaining to the enhancement of the work performance.

Head of Department and immediate superior officers work closely to achieve the evaluation by the tasks and standard of measurement. The Public Service Department in its directive has clearly defined the method of preparing the AWT that generally consists of the setting organizational and departmental objectives for the year, setting individual objectives and performance target, conduct and observation, mid year review and the preparation of the actual performance report. This AWT is describe in general in the confidential report and does not carry any weight towards the score of overall mean. It merely requires the appraiser to record whether the employee has fulfilled all work targets set for the year. Although the two processes are aimed at the achievement of quality and effective performance of an individual in the organizations, they seem to be conducted in isolation and not merged for a single purpose.

The mid term review is important as it ensures that appraisal is carried out through the performance of the subordinates with regards to the objectives set. This will be in relation to advice as how to go about accomplishing objectives set and also assistance in overcoming any problems that may be impeding the attainment of these objectives.

The Malaysian Army Performance report combines the SSM and AWT when evaluating the performance of an officer. However the AWT is done annually together with the performance appraisal and no reviews are conducted throughout the period of evaluation. Nevertheless, the AWT is done to review the performance of primary and secondary task allocated at the beginning of the year and is not measured as per the annual performance appraisal report. Possibly the mismanagement of the AWT in the Army is due to the lack of understanding the actual process of preparing the document because of no proper practice, instruction or even training.