



UNIVERSITI TEKNOLOGI MARA

EFFECTIVENESS OF THE PERFORMANCE  
MANAGEMENT SYSTEM IMPLEMENTED IN  
EON BANK BERHAD

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## EXECUTIVE SUMMARY

This is a study on the Performance Management System (PMS) introduced by EON Bank Berhad and factors which eventually affected the level of satisfaction among the EON Bank Berhad employees towards the Performance Management System.

This study was carried out only at EON Banks' Perak branches and the results obtained from these branches is hoped to represent the overall sentiment of all the other 216 branches and centre throughout the country.

The Performance Management System (PMS) is an organizational and management system that relates performance objectives to organizational goals and objectives. The introduction of PMS in EON Bank Berhad however led to resentment among the employees as they felt threatened especially with regard to their seniority and career development.

As such the general objective of this study is to determine the factors affecting the level of satisfaction among employees towards Performance Management System as a tool for performance appraisal in EON Bank Berhad. The identified factors with the highest satisfaction level will show that the PMS implementation is benefiting both the organization and its employees. A high satisfaction level would indicate that the system is effective for the management and accepted by the employees whereas factors with low satisfaction level would indicate otherwise.



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## CHAPTER I

### INTRODUCTION

#### 1.0 Background of the Study

The performance management system (PMS) is an organizational and management system that relates performance objectives to organizational goals and objectives. It is aimed to ensure that all employees understand how their jobs contribute to the success of the organization. PMS is used by corporate organizations to inculcate a performance base culture among its employees and where the old method of performance appraisal is considered redundant. The days employees have to wait for their turn for promotion according to seniority and the number of years in service is no longer relevant.

The shift towards a performance base culture is a move to manage employee's performance based on equity and not inequity. In addition, the implementation aims to reward them according to their performance/contribution to the organization. The Performance Management System design involves the process of:

- i. Setting required specific goals and targets to be set with measurable success criteria such as Key Performance Indicator. The process involves planning and evaluation of each employee's performance expectations and developmental needs as they relate to the overall effectiveness of the organization (Furnham A, 2004).

