



Faculty of Administrative Science & Policy Studies

Universiti Teknologi MARA

**Performance Appraisal Practice in
TM Melaka Berhad**

Mohd. Izzuddin Bin Ibrahim (2009921533)

Mustaqim Bin Mohd. Wazir (2009132275)

JULY 2012

CLEARANCE FOR SUBMISSION OF THE RESEARCH PROPOSAL BY THE SUPERVISOR

I have reviewed the final and complete research proposal and approve the submission of this report for evaluation.

MR. MOHD ZULHILMI BIN MOHD YUNUS

Date:

LETTER OF TRANSMITTAL

Mohd. Izzuddin bin Ibrahim
Mustaqim bin Mohd. Wazir
Bachelor of Administrative Science (Hons)
Faculty of Administrative Science and Policy Studies,
UiTM Melaka City Campus

Mr. Mohd Zulhilmi bin Mohd Yunus
Research Project Supervisor
Faculty of Administrative Science and Policy Studies,
Universiti Teknologi Mara,
Kampus Bandar Melaka
110 Off Jalan Hang Tuah
75300 Melaka

Dear Sir,

SUBMISSION OF APPLIED RESEARCH REPORT

In regards to the above subject matter, we hereby submit our research report entitled **“Performance Appraisal Practice in TM Melaka Berhad”** as the requirement for the completion of **Applied Research (ADS555)** subject for your kind perusal and retention.

Thank you.

Yours sincerely,

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Mohd. Izzuddin bin Ibrahim
2009921533
Bachelor of Administrative Science (Hons)

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Mustaqim bin Mohd. Wazir
2009132275
Bachelor of Administrative Science (Hons)

Acknowledgement

Alhamdulillah, our highly grateful to Allah S.W.T. for giving us strength to complete this research. We also would like to express our compliments to Rasullullah S.A.W..

We have taken efforts in completing this research. However, it would not have been possible without the kind support and help of many individuals. I would like to extend my sincere thanks to all of them.

I am highly indebted to Assoc. Prof. Hj. Shawal bin Kaslam for the guidance and lesson given for the research preparation process. In addition, we would like to thank Mr. Mohd Zulhilmi bin Mohd Yunus for the encouragements and constant supervision as well as for providing necessary information regarding the project.

We wish to avail ourselves of this opportunity, express a sense of gratitude and love to our parents for their encouragement, motivation, financial support, and for everything. The research is nothing without them who contribute for this research.

Last but not least, our thanks and appreciations also go to our friends and classmates as they give useful information and knowledge regarding our research on performance appraisal. Our thanks also go to people who rendered their help with their abilities whether directly or even indirectly during the period in completing this research.

Wassalam.

ABSTRACT

Performance management has developed from a very operational focus to a more strategically oriented concept, i.e. where it plays an integral role in the formulation and implementation of strategy (Scott-Lennon, 1995). It is this strategic impetus which differentiates it from performance appraisal. Performance management seeks to align a number of processes (e.g. performance related pay systems) with corporate objectives (McKenna and Beech, 2008). Theoretically it involves a shared process between managers, individuals and teams where goals are agreed and jointly reviewed. Further, corporate, divisional, departmental, team and individual objectives should all be integrated. Performance appraisal is a crucial element of the performance management process, involving a formal review of individual performance. It is contended that performance management represents possibly the greatest opportunity for a human resource (HR) system to make a telling contribution to organizational performance (Sparrow and Hiltrop, 1994). It represents a system that can inform how the firm's human resources contribute to the organization's strategic objectives. Unfortunately the extent to which it is an effective and useful system in practice remains open to question. Yet, this research has resulted in very few specific recommendations about designing and implementing appraisal and performance management systems whose goal is performance improvement. The researchers believe that a reason for this is that appraisal research became too interested in measurement issues and not interested enough in ways to improve performance, although some recent trends in the area have begun moving the field in the right direction. The researchers review these trends and their genesis, and propose a motivational framework as a means of integrating what the researchers have learned and generating proposals for future research that focus on employees' performance improvement.