

THE EFFECTS OF FRIENDSHIP  
TOWARDS PPR ASSESSMENT SCORES IN 360° EVALUATION  
AT UNIVERSITI TEKNOLOGI MALAYSIA

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## **DEDICATION**

For my family whom giving full understanding.

For my supervisor and lecturers whom sharing knowledge and allowing room for  
improvements.

For everyone who cheers me up during the rainy days.

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Finally, for my family whom give me their full support emotionally with their endless love and understanding.

## **ABSTRACT**

The management was raising the issue that the non-academic staff performance scores do not reflect their real performance. There are many excellent staff, of course, but the score was higher for the majority of the PPP group. 360° Evaluation is one of the components for Staff Performance Evaluation. Under this component, the staff performance scores were given by the First Assessor (PPP), Second Assessor (PPK), Peers Assessor (PPR) and an additional Subordinates' Assessors (PPS) for Management and Professionals group. This research will explore on the Peer Assessment (PPR) where the effects of friendship towards Peer Assessment scores in 360° evaluations for Professional, Managerial and Support Staff (PPP) Group will be measured. This research will look into three research questions on how close the friendship between an employee with their PPR, the friendship effects to PPR scores and the intervention process applicable. This research is expected to contribute to the organization and the industry to improve their performance management, especially in 360° Evaluation feedback, to optimize the integrity measures in the evaluation process by using the same or improvised interventions and can be used by any sectors which do not implemented the 360° Evaluation yet, to start an analysis to develop the same evaluation system. Both qualitative and quantitative data collection methods were implemented via interviews and questionnaires for this research. For intervention, this research will apply the 'facilitated PPR selection session to the employees' while choosing their PPR, which will be conducted by the Human Resource Unit. Research findings show that the relationship between level of friendships and PPR scores in 360° Evaluation were not significant. However, it might shows high professionalism practices by the employees.

## ABSTRAK

Pengurusan organisasi telah membangkitkan isu tentang prestasi markah staf bukan akademik yang tidak menggambarkan prestasi kerja sebenar mereka di pejabat. Sudah pastinya terdapat ramai staf yang cemerlang, tetapi markah prestasi majoriti daripada kumpulan staf Pengurusan dan Profesional serta Staf Pelaksana (PPP) adalah sangat tinggi. Penilaian 360° merupakan salah satu komponen di dalam Penilaian Prestasi staf. Di bawah komponen ini, skor prestasi staf diberi oleh Pegawai Penilai Pertama (PPP), Pegawai Penilai Kedua (PPK), Pegawai Penilai Rakan (PPR) dan tambahan Pegawai Penilai Subordinat (PPS) bagi Kumpulan Pengurusan dan Profesional. Sehubungan itu, penyelidikan ini akan mengkaji kesan hubungan persahabatan terhadap markah Pegawai Penilaian Rakan (PPR) di bawah Penilaian 360° bagi kumpulan Pengurusan dan Profesional dan Staf Pelaksana. Penyelidikan ini akan melihat tiga soalan kajian tentang sejauhmana hubungan persahabatan antara seorang pekerja dengan PPRnya, kesan persahabatan terhadap skor PPR dan proses intervensi yang bersesuaian. Penyelidikan ini dijangka akan menyumbang kepada organisasi dan industri untuk menambahbaik pengurusan prestasi terutamanya dari sudut maklumbalas Penilaian 360°, untuk mengoptimumkan integriti dalam proses penilaian dengan menggunakan proses intervensi yang sama atau ditambahbaik dan boleh digunakan oleh mana-mana sektor yang masih belum menggunakan penilaian 360° ini untuk memulakan langkah membina sistem penilaian yang sama. Kedua-dua kaedah kutipan data secara kualitatif dan kuantitatif melalui temubual dan soalselidik akan dilaksanakan bagi kajian ini. Bagi intervensi, penyelidikan ini akan menggunakan 'sesi pemilihan PPR secara berfasilitasi' semasa staf memilih PPR mereka yang akan dikendalikan oleh Unit Sumber Manusia jabatan masing-masing. Dapatan kajian mendapati perkaitan antara tahap persahabatan dan markah PPR yang diberikan adalah tidak signifikan. Walau bagaimanapun ia mungkin menunjukkan tahap profesionalisma yang tinggi di kalangan staf dalam melaksanakan penilaian ini.

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## LIST OF ABBREVIATIONS

CPD	-	Continuous Performance Development
CUEPACS	-	Congress of Union of Employees in the Public and Civil Services Malaysia
eLNPT	-	Academic Staff Performance Evaluation System
eLPPT	-	Non Academic Staff Performance Evaluation System
HR	-	Human Resource
KAI	-	Key Amal Indicator
PETRONAS	-	Petroleum Nasional Berhad
PPP	-	First Assessor
PPK	-	Second Assessor
PPR	-	Peers Assessor
PTK	-	<i>Penilaian Tahap Kecekapan</i>
PYD	-	<i>Pihak Yang Dinilai</i>
TM	-	Telekom Malaysia Berhad
UKM	-	Universiti Kebangsaan Malaysia
UTM	-	Universiti Teknologi Malaysia

## LIST OF SYMBOLS

°	-	Degree
%	-	Percent
$\alpha$	-	Alpha

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter will discuss further on the problematic situation or the problem statement of the study in general and specific. It will also be stating the Research Questions (RQ) of this research. It will also discuss the significant of this study in the area of Theoretical Contribution, which elaborated on previous studies and as references for problem solving methods as well as Practical Contribution to companies and industries. Finally, it will also have a Methodology Contribution value which can be as a reference for Qualitative and Quantitative data approaches.

#### **1.1 Case Company/ Institution Information**

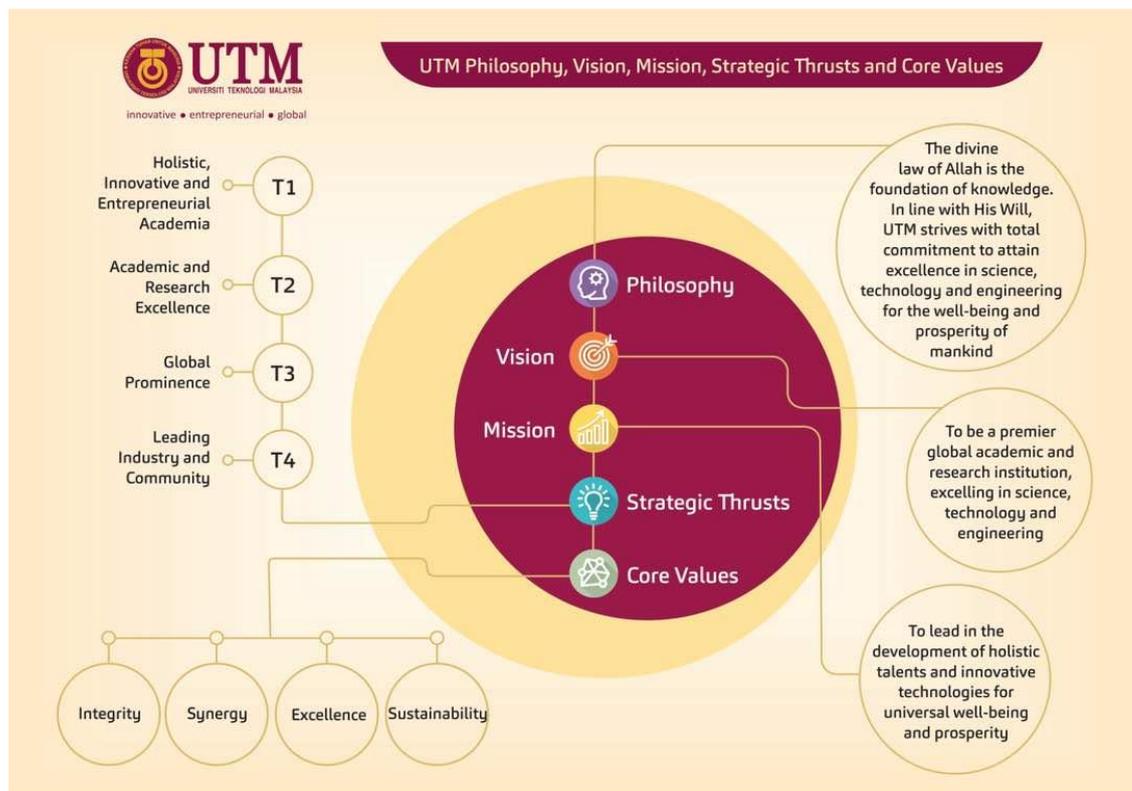
Under this topic, the researcher be reporting on the company history background and information, some statistics on staffing, its vision and mission and core values.

##### **1.1.1 Background of the Company**

Established in 1972, UTM is a Malaysian Public University (statutory body status) with approximately 24000 student population (Universiti Teknologi Malaysia, 2019). It has 1670 Academic staff and 3247 administrative staff (Hanafiah, 2019).

UTM is focusing on Undergraduate and Postgraduate Studies, which has the roles to prepare graduates students for distinguishing careers. Apart from that UTM also has the platforms for Diploma level studies through Kolej SPACE and for part time students pursue their dreams through Executives and part time programme offering through the School of Professional and Continuing Education (“SPACE”). However, as a research University, research remains as the top focus for UTM and always placing it among the top five Universities nationwide at all times.

Its vision is to be a premier global academic and research institution, excelling in science, technology and engineering (<https://www.utm.my/about/vision-mission/>, 2019). UTM has a mission to lead in the development of holistic talents and innovative technologies for universal well-being and prosperity (Universiti Teknologi Malaysia, 2019).



**Figure 1.1: UTM Philosophy, Vision, Mission, Strategic Thrust and Core Values**

From figure 1.1, it shows that UTM has the Strategic Thrust which are Holistic, Innovative and Entrepreneurial Academia, Academic and research Excellence, Global

Prominence and Leading Industry and Community. Meanwhile, its Core Values are Integrity, Synergy, Excellence and Sustainability. These core values guide the manpower to strive together in order to support its vision and mission.

## **1.2 Problem Statement**

The problem statement of this research will be explained in general and in specific. The problem is then will be discussed further using the Porter's Five Forces under item 1.2.3.

### **1.2.1 General**

Generally, the problem starts when the management was raising the issue that the Administrative staff performance scores does not reflect in their real performance. There are many excellent staff, of course, but the score was higher for the majority of the PPP group. Components for staff performance are '*Key Amal Indicator*' ("KAI"), 360° Evaluation, Knowledge and Skills, Work Outputs, Activities and Contributions, Continuous Professional Development ("CPD") Attendance Record and an additional 10% Bonus marks. 360° Evaluation will contribute a portion of employee's overall performance scores. For Management and Professionals group it will be contributed 20% and 15% of the staff from Support Group.

In this context, employee performance cannot be limited into Human Resource management or development scopes only. In facts, it will affect the whole organization systems including marketing, branding, delivery and many more aspects which in the ends reflected into organization image and reputations. Even though UTM is a public University, which some will assume it will have a special place and title, it does not come that way. Continuous effort in all aspects is still needed to make UTM remains relevant in the education industry.

In managing its employee's performance evaluation, UTM has two online systems which cater both academic staff and administrative staff, which also known as Management and Professionals and Support Staff ("PPP"). Academic Staff Performance Evaluation System ("eLPPT") was designed for academicians and Non Academic Staff Performance Evaluation System ("eLNPT") for administrative staff.

This study will look into the Peer Assessment under 360° Evaluation for administrative or non-academic staff. Under this evaluation, the staff performance scores were given by the First Assessor ("PPP"), Second Assessor ("PPK") and Peers Assessor ("PPR"). There will be an additional Assessor for Management and Professionals group which will have Subordinates' Assessors ("PPS"). The employee himself or herself were called '*Pihak Yang Dinilai*' ("PYD") or Self Assessor and has to do a self-evaluation as well, but his or her score is not counted for the overall 360° Evaluation's scores.

**Table 1.1: PPR Score Range for Management and Professionals Group**

<b>SCORE RANGE</b>	<b>NUMBER OF STAFF</b>	<b>PERCENTAGE (%)</b>
≤5	1	0.19
5.01-10.00	7	1.33
10.00-≤15	39	7.39
15.01-20.00	481	91.10
<b>TOTAL</b>	<b>528</b>	<b>138</b>

According to the data obtained from the Department of Registrar, 91% out of 528 employees from the Management and Professionals Group obtained the scores in the top first quartile of the 360° Evaluation for the year 2018 which is between 15.01 to 20 (full marks). That means only 8.1% obtained the scores from 1 to 14.99 out of 20. The data are shown as in Table 1.1.

**Table 1.2: PPR Score Range for Support Staff Group**

<b>SCORE RANGE</b>	<b>NUMBER OF STAFF</b>	<b>PERCENTAGE (%)</b>
≤5	4	0.15
5.01-10.00	28	1.03
10.00->15	2685	98.75
15.01-20.00	2	0.07
<b>TOTAL</b>	<b>2719</b>	<b>100</b>

Meanwhile, Table 1.2 shows the PPR Score Range for Support Staff Group. From the data, it shows that 98.75% out of 2719 employees from the Support Staff group obtained the highest scores between 10.01 to 15.00 (full marks). 1.18% obtained 1 to 10 out of 15. Meanwhile, only two staff obtained between 15 to 20 marks where it included the PPS score, which are not compulsory for the supporting Staff Group.

These 15 to 20 marks of total scores will contribute to 5% from the total 100% of an employee's annual Performance Scores. Relatively, PPR gave the employees the highest score with the average of 4.67 out of 5.00 points in average for Management and Professionals group compared to 4.62, 4.49 and 4.44 respectively from PPP, PPK and PPS. Meanwhile, for the Support Staff group, PPR also contributed the highest scores with 4.61 out of 5.00 and 4.56 and 4.55 respectively for PPP and PPK. These scores shows that PPR contributed to the most marks to most of the employees under 360° Evaluation.

### **1.2.2 Specific**

In 360° Evaluation, the system will choose the PPRs randomly within the same departments. So, it will ensure that only peers' whomever works with the employee can evaluate him/her through the Peer Assessors' role (PPR). Initially, a total number of 20 PPRs will be automatically generated and can be accessed through the eLNPT system. The PYD then should check the list and processed the list via the system and the system will finally choose 5 PPR as the finalists.

However, the PYD may amend their PPR using the ‘add’ and ‘delete’ functions in the system. So, there is a possibility that the PYD may have chosen their close friends as Assessors under the PPR category which may lead to bias and inaccuracy in the scores obtained by the employees which in the end reflected in the overall performance evaluation scores that year. This may lead to the higher scores for the majority of the staff as stated in para 1.2.1.

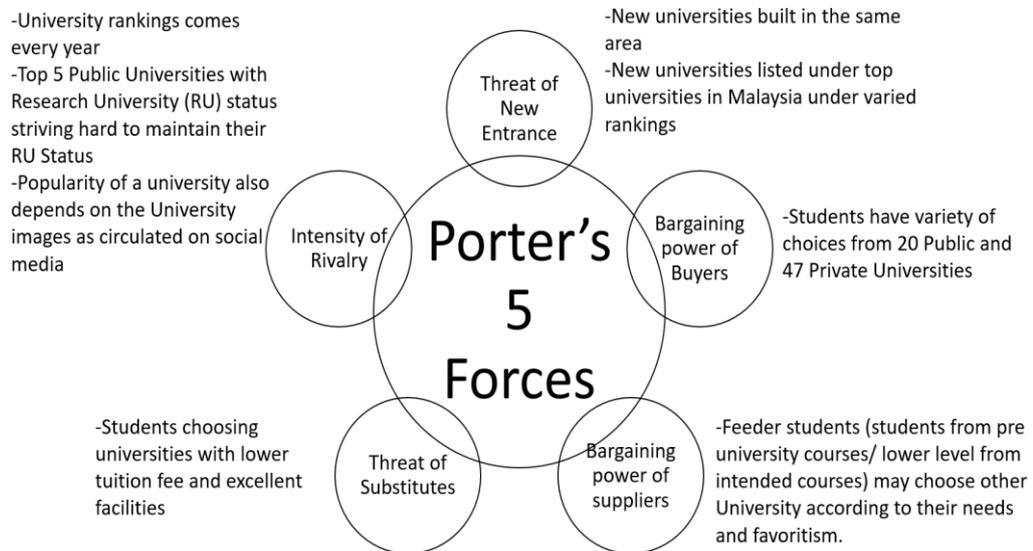
This ‘add’ and ‘delete’ function is actually meant for the PPR whom not suitable for a PYD. For an example, a PPR has just been transferred to the same department with the PYD and he does not have work long enough with the PYD. So the PYD may eliminate him from his PPR list. At the same time, if a PPR has no working relations with the PYD even though they were in the same department, he can be eliminated too using this function.

### **1.2.3 Porter’s Five Forces**

Porter's Five Forces are a model that identifies and analyzes five competitive forces that shape every industry and helps determine an industry's weakness and strengths. Five Forces analysis is frequently used to identify an industry's structure to determine corporate strategy. Porter's model can be applied to any segment of the economy to understand the level of competition within the industry and enhance a company's long-term profitability. The Five Forces model is named after Harvard Business School professor, Michael E. Porter (Scott, 2020).

This model is used to identify the problem with this organization according to the impact of the identified problem which can be expected. Figure 1.2 shows the Porter’s Five Forces, which adapted in the organizational context which supported the effects of the problem towards the organizational business. In the challenging education world, UTM is competing with 19 more local Public Universities (UA), 48 Private Universities plus 6 of its branch campuses, 33 private university colleges plus 4 of its branches, 10 foreign university branch campuses and 345 other colleges (*Jabatan Pendidikan Tinggi*, 2019). Not mentioning thousands of universities and

colleges in Southeast Asia, Asia and worldwide. So UTM has the responsibility to ensure that its manpower has the ability to support its business and reputation.



**Figure 1.2: Porter’s Five Forces for UTM Identified Case**

UTM is facing the **Threat from New Entrance** when new universities built in the same area with the development of EduCity Iskandar, Asia’s first multi campus education city with 305-acres of Universities, higher education institutions, research and development centres, EduCity Village, EduCity Hub as well as EduCity Sports. The threat also comes from new universities listed under top universities in Malaysia under varied rankings such as QS World Ranking and THE World University Ranking.

Another force comes from **Bargaining Power of the Buyers**. In the context of education sector, buyer can be interpreted as students. Students have a variety of choices from 20 Public and 47 Private Universities to enroll. Even though the competition to enroll in Public Universities might be tough, top students, postgraduate students and international students have these powers to bargain and choose according

to the quality of services, tuition fees, facilities, support services and many more criteria.

Under the **Bargaining Power of Suppliers**, feeder students (students from pre university courses/ lower level of intended courses) as suppliers may choose other Universities according to their needs and favoritism. UTM cannot lose this to ensure that the university receiving top students for its enrollments whom may affect its academic achievement and scores in varied competitions and rankings at national and international level.

For **Threat of Substitutes**, many students are choosing universities with lower tuition fee, excellent facilities and services but with considerable equivalent qualities. Even though UTM has the name and popularity, substitutes can simply take over the place if qualities and services are not maintained.

The **Intensity of Rivalry** force comes when University rankings come every year at national and international levels. UTM as one of the top 5 Public Universities with Research University (RU) status should strive hard to maintain its RU Status through audits and good reputations. In this digital era, the popularity of a university also depends on the University good images and achievements circulated and shared on social media.

From these 5 forces which discussed above, the researcher found that the problem as discussed in para 1.2.1 and 1.2.2 above may affect the university good qualities and reputations through staff work deliveries towards its stakeholders and performance. Performance Appraisal System (PAS) is a good strategy that has been implemented to ensure this as it moves faster in the working environment in the Malaysia's public sector (Fei et. al., 2019).

### **1.3 Research Questions (RQ) and Objectives**

The research questions and research questions are stated as in para 1.31 and 1.32 below.

#### **1.3.1 Research Questions (RQ)**

This study will answer three research questions as follows:

RQ1: How close the friendship between employees with their PPRs?

RQ2: Did the friendship affects the PPR scores?

RQ3: To what extent the intervention process effective?

#### **1.3.2 Research Objectives (RO)**

This study will support three research objectives as follows:

RO1: To investigate the level of friendship between employees and their PPRs in University Teknologi Malaysia.

RO2: To investigate and understand whether friendship affects the PPR scores in University Teknologi Malaysia.

RO3: To analyze the effectiveness of the intervention process towards PPR selection by employees in University Teknologi Malaysia.

### **1.4 Researcher's Role**

For this study, the researcher has been discussing about the problematic situation happening in the organization with the Department of Registrar. After the discussion, the researcher understands the problems faced by the department as the policyholder for Human Resource Management and Development. However, in order

to tackle the problem, there were many elements should be looked into. So the researcher is recommended to do the research for peer assessment under 360° Evaluation since the evaluation of the first and the second assessor were quite straightforward.

In this research, the researcher will analysed the data provided by the department to know the situation deeper, finding the literature reviews from previous and contemporary studies as benchmarks and references, preparing the research framework, conducting the data collection, managing the interventions, performing the data analysis and reflections as well as making conclusions and providing recommendations.

## **1.5 Significant of Study**

This topic will discuss further on the significance of this research in theoretical, practical and methodological contributions.

### **1.5.1 Theoretical Contribution**

The history of 360° Evaluation has come out many years ago. Upward appraisal and peer appraisal did receive some attention in the 1970s and early 1980s, but it was not until the 1990s that 360° feedback *per se* gained currency (McCarthy & Garavan, (2001). So, we can say that this evaluation has still gone through the improvement process from time to time.

This research can be used as a reference to measure level of friendships and the effect of that relationship towards the peer assessment scores. It can also become the benchmark to study the effectiveness of the intervention effects of in 360° Evaluation

work process. It can be used by other researchers to gain information on this scope of study to do research in similar or in wider scopes and context.

### **1.5.2 Practical Contribution**

The findings can also be used by the organization and any other departments to improve their performance management especially in 360° Evaluation feedback. Since there are many ways of an organization managing this evaluation, this study can be used as a benchmark case to be practised, implemented and future improvement. The findings from this study can also be used by any sectors which do not implement the 360° Evaluation yet, to start an analysis to develop the same evaluation system for their intended purpose of their company.

Specifically, this study may assist the Department of Registrar, UTM as the policy holder to optimize the integrity measures in the evaluation process by using the same or improvised interventions.

### **1.5.3 Methodology Contribution- Qualitative and Quantitative**

This study also has Methodology Contribution value which can be as reference for Qualitative and Quantitative data approaches. The method used in this study can be adapted to conduct a similar or improvised research work.

This study will use both qualitative and quantitative methods which are:

#### **1.5.3.1 Interviews:**

This research is using a semi structured interview with a set of 10 interview questions, involves 10 interviewees from related sections such as Performance Unit, Human Resource Management Unit and a few more from selected departments. The

interviews will also be conducted with a few staff and potential PPRs to get their views on the practices of 360° Evaluation.

An interview has been made with an officer to get the case background in general. More interviews will be conducted to a few Head of Departments as well as to some respondents.

### **1.5.3.2 Surveys:**

The surveys will contain 3 sections. Section A is Demographic Information which consists of gender, age, a group of service, years of service in UTM and number of departments served. Section B will measure the weightage of the relationship of an employee with his or her PPRs. Section C will measure their opinion on friendship effects towards PPRs scores involving 19 respondents. Respondents will be selected randomly among employees in a department. However, this 360° Evaluation only involves non-academic staff, which are from Professional and Management as well as support staff group.

## 1.6 Definitions of Key Terms

The definitions of key terms used in this research are as in Table 3.1 below.

**Table 1.3: Definition of Key Terms**

Concepts and Definitions	Reference
<p><b>Performance Evaluation</b></p> <p>Also known as performance appraisal which is the method in measuring human achievement. It is a process designed to improve organizational, team and individual programmes and it is driven by line managers. However, it can be a difficult process for both managers and employees.</p>	<p>Agyen-Gyasi and Boateng, (2015)</p>
<p><b>360° Evaluation</b></p> <p>One of the most common HR practice that leads to global use challenges. It is a tool to provide leaders with feedback geared toward performance development or improvement that allows various sources of data, including subordinates.</p> <p>360° Evaluation has been introduced with two primary assumptions that this method will increase self-awareness from mutual multi-level evaluations. This will develop responsibility to accomplish the performance evaluation and each employee will be given feedbacks on their strength and weaknesses which may enable them to develop positive values towards competency improvements.</p> <p>360° evaluation analyses individuals' performance from all sides, from their supervisor's point of view, from their subordinates' point of view, from customers' perspectives and</p>	<p>Gillespie, (2005)</p> <p>Yusof, (2014)</p>

<p>from their peers’ perspectives. In this regard, 360° performance evaluation is also known as team appraisal.</p>	
<p><b>Peers</b></p> <p>Peers are a group of people who have almost the same interest, age, background and social status. Peers in this research context are those coming from the same management groups whom can be appointed as the evaluators under Peers Category or ‘<i>Pegawai Penilai Rakan</i>’ (PPR). Peers can be someone who works within the same or different departments with the PYD.</p> <p>Peer Assessment is one of the main parts of the 360° evaluation to put balance in the assessment. However, this peer appraisal has its own challenges which include, personal biases and personality conflicts which can affect how individual employees rate their peers</p>	<p>Agyen-Gyasi &amp; Boateng, (2015).</p>
<p><b>Biases</b></p> <p>Bias is a situation when something or someone put their injustice weightage or preferences towards certain people or something with unreasonable causes. Bias may lead to inaccuracy in decisions towards something or someone which may lead to greater effects which may not be predicted by the person whom practicing it.</p> <p>Individual performance evaluation (“PE”) has a connection between individual performance and organizational performance. There are also proofs that performance appraisals might be influenced by assessor’s attitudes toward the person evaluated.</p>	<p>Javidmehr and Ebrahimpour, (2015)</p>

## **1.7 Summary of Chapter**

In summary, the background and problems faced by Department of Registrar have been identified and elaborated. There are assumptions on the friendships which affects the PPR scores. It will be elaborated more in Chapter 2 thorough Industry and Problem Diagnosis.

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