

Chapter 3

Survey Study on Job Performance Management

Over the past few years, there has been some research studies conducted on the area of Human Resource Management (HRM) in Thailand. Wongrattanapassorn (2000) describes the study of human resource problems in the information technology (IT) industry in Thailand. Esichaikul and Baum (1998) did a research study on government involvement in human resource department in the Thai hotel industry. Similar studies comprise of study of strategic role transition of HRM to firm competitiveness (Siengthai and Bechter, 2005); study of the promotion systems and career development in the Siam Cement Public Company Limited in Thailand (Wailerdsak and Suehiro, 2004).

Some surveys have been performed in this field as well for example: Ogunlana et al (2002) did a survey study on factors and procedures used in matching personnel (project managers) to jobs (construction projects) in Thailand; another survey was conducted by Kittiruangcharn (1998) to study the impacts of job and organizational satisfaction and organizational commitment on turnover intention among engineers in the Thai public sector; on a similar note Boliko (1996) conducted a survey among SME (small- to medium-sized enterprise) entrepreneurs in Thailand and came to the conclusion that HRM is the most significant factor that affects the productivity of SMEs.

Sisavath and Siengthai (2005) performed study on HRM systems and performance management in hotels in Bangkok. They interviewed the human resource managers and general managers of sample hotels in Bangkok to obtain the information about performance management. Jaturanonda et al (2006) interviewed human resource managers of Thai company to study the weights of decision criteria for job rotation in public and private sectors. For their survey, the target respondents were human resource managers of medium and large-sized Thai organizations. A study on problems and prospects of using the 360-degree feedback system in Thai companies by Roongrerngsuke and Cheosakul (2002) was also conducted on Thai managers' perceptions, attitudes and experiences regarding the system. It can be seen that although several studies have conducted in Thailand on HRM issues, most of the research studies have been focused on other functions of HRM rather than job performance management and job reassignment. There has been very little or almost no studies conducted to learn about how the performance management systems are being performed and the job reassignment systems are being conducted in Thai companies. A survey with larger sample size on the practice of job performance management and job reassignment system has never been conducted; therefore, resulting in very limited knowledge on these issues.

Therefore, a survey study on the practice of job performance management and job reassignment systems is conducted in various organizations in Thailand. This chapter will focus on the survey conducted about job performance management systems in Thai companies. The purpose of this chapter is to describe the study of employees' perception on employers' awareness on importance of job performance management in Thailand. This is done in order to learn whether the employees feel that the employers are concerned about efficient performance management being an important issue in organizations. The purpose of the survey was also to find out about the current feedback, training, and any computer systems being used for job performance management system. Through the survey, we also tried to get various comments and suggestions from employees concerning

their job satisfaction, performance management and job evaluation systems. We can use the knowledge we have learnt from this study to improve employees' performance efficiency through increase in employers' awareness of importance of performance management and job reassignment systems.

3.1 Survey Method

A sample of 300 employees of all levels was considered for the survey. Organizations in two sectors – government and private sectors were used for this study. Sixty organizations were chosen in total. Five questionnaires were sent to each company (for five employees) making it a total of 300 questionnaires sent to 60 companies. Out of 60 companies, 30 (50%) were government agencies in Bangkok which were chosen randomly from *Thai Government Directory* published by the Public Relation Department, Office of the Prime Minister. Another 30 (50%) companies were private companies which were randomly chosen from the list in *Thailand 1996/1997 Company Information* (Kompass, 1996). The questionnaire was created in Thai language to make it easy and convenient for the Thai employees to answer. The questionnaire is designed to collect information about the practice of job performance management system in Thailand.

3.1.1 Questionnaire

The questionnaire consisted of 15 main questions and 10 sub-questions. Each questionnaire was accompanied by a cover letter explaining the objective of the survey and confirming the confidentiality of the answers.

The first five questions were concerned about the general information about the respondent and the organization. These questions were asked to know the basic information about the respondent such as gender and age and about the organization such as business type of organization, number of employees, etc. The first five general questions were as follows:

1. Age
2. Gender
 - Male
 - Female
3. Position
4. Range of salary (Thai Baht per month)
 - < 10,000
 - 10,000 – 25,000
 - 25,001 – 50,000
 - 50,001 – 80,000
 - > 80,000
5. Types of Organization:
(Number of employees)
 - < 100 workers
 - 100 – 500 workers
 - 501 – 2500 workers
 - > 2500 workers

(Organization form)

- Government Agency
- Private Company

The next three questions were about the employee's working years in that company.

6. The number of years and months the employee has been working in the company
7. The number of years and months the employee has been working in the current position.

The next few questions were concerned about the satisfaction level of the employees regarding their own knowledge/skills, about the ability of the top management level and about the feedback systems.

The level of satisfaction is expressed using the five-point Likert scale ranging from 1 = 'not satisfied' to 5 = 'very happy with it' for the following questions.

8. Satisfaction level for the following issues:
 - 8.1 The ability of the top management in the company.
 - 8.2 The company's vision/mission.
9. Satisfaction level for the clarity of the top management in following issues:
 - 9.1 Explanation of instructions about the unit and company goals to the employees.
 - 9.2 Discussing ways and creating processes to accomplish the goals
 - 9.3 Following through to see that the employees are working towards obtaining desired outcomes.
10. Satisfaction level for the clarity of the employees' understanding on their individual and company goals
11. Satisfaction level for the use of skills and abilities of the employees in their job
12. Satisfaction level for the current career path of the employees
13. The regularity of receiving feedback (positive and negative) on employees' performance from their peers/supervisors/customers
 - Annually
 - Semi-annually
 - Quarterly
 - Monthly
 - Others (Please specify)
14. Satisfaction level for the clarity of the pay/promotion/merit systems/reward decisions linked to the performance of the employees

The rest of the questionnaire deals with the questions about the job performance management system in the organization. The main aim is to learn about the existing performance management system, employees' satisfaction towards the performance management system, the training and the feedback systems. The questions were as following:

15. The availability of the performance management/appraisal system in the company for the evaluation of the employees

- Yes
- No

If Yes,

15.1 Who is the person responsible for conducting the performance appraisal

15.2 Any kind of computer system used for the purpose of conducting performance appraisal

- Yes
- No

If Yes,

(I) The kind of computer system used:

- Microsoft Excel Sheet
- Computer software (Please specify)
- Others (Please specify)

(II) The computer system used is

- Created by the company itself
- Purchased from other consulting firms
- Others (Please specify)

If No,

- Use paper forms
- Others (Please specify)

15.3 Is there any training provided for the managers/non-managers to conduct performance appraisal?

- Yes
- No

If yes,

- (I) The frequency of the training (in number of times in a year)
- (II) The average time period of the training (in number of days)
- (III) The person responsible of conducting the training
- (IV) The kind of training (please specify)

15.4 The rating on the effectiveness of the performance appraisal system on the scale from 1= 'Not very effective' to 5 = 'Perfect'

15.5 The availability of the feedback to the employees after the performance appraisal

- Yes
- No

If Yes,

- (I) The kind of feedback given
- (II) The person responsible for giving the feedback
- (III) Level of satisfaction about the feedback system (Rating in the scale of: 1= 'Not satisfied', 2= 'Okay with it', 3= 'Satisfied', 4= 'Very satisfied' and 5 = 'Very happy with it')

3.1.2 Data Collection

The postal mail service was used to collect the data. Among the 300 questionnaires mailed, five copies were undelivered (maybe because of the wrong address due to relocation). The total number of questionnaires delivered was 295 copies. The total number of responses received was 144 (48.81% response rate). Table 3.1 shows the number of responses for each organization type.

Table 3.1 Number of responses

Type of organization	Number of questionnaires		Proportion (%)
	Sent*	Responded	
Government Agencies	150	105	70.0
Private Companies	145	39	26.9
Total	295	144	48.8

*The *adjusted* number of questionnaires sent to Thai organizations (after accounting for the 5 questionnaires that were undeliverable).

3.2 Data Analysis

In order to adopt a grounded approach to this research, few hypotheses were formulated and tested. Through this survey, we have tried to find the employees' views about the employers' awareness on the importance of performance management issues. In this survey, a 5-point Likert scale, ranging from 1 (not very well) to 5 (perfect), was used for rating. The purpose of this analysis is to check whether the employees' satisfaction level is above the average value (3) in the 5-point scale. Therefore, we set the value of expected satisfaction level at 3.5 for the statistical testing. To facilitate our understanding on employees' perception on the above mentioned issues, we formulated the following hypothesis.

Hypothesis 1: According to employees' perception, their level of satisfaction is significantly below the expected level (3.5) for the following elements:

- The top management explaining and giving clear instructions about unit and company goals to the employees
- The top management discussing ways and creating processes to accomplish the goals
- The top management following through to see that employees are working towards obtaining desired outcomes

We performed statistical test (one-sample t-test) on the data collected from the survey. The obtained result is shown in Table 3.2.

Table 3.2 Result of t-testing on hypothesis 1

The employees' level of satisfaction is significantly below the expected level for:	Mean¹	Standard Deviation	p-value²
The top management explaining and giving clear instructions about unit and company goals to the employees	3.15	1.03	0.000
The top management discussing ways and creating processes to accomplish the goals	2.94	0.98	0.000
The top management following through to see that employees are working towards obtaining desired outcomes	3.00	0.90	0.000

$\mu = 3.5$

¹Ratings from 1 = 'not very well' to 5 = 'perfect'

²Significant at $\alpha = 0.01$

At the expected satisfaction level of 3.5, all the criteria showed strong significant below the satisfaction level at significance level of 0.01. This suggests that the employees feel that the top management is not so concerned about explaining the goals to the employees. Similarly, the statistical data suggest that the employers are not so concerned about discussing ways and creating processes to accomplish the goals and following through to see if the employees are working to achieve those goals.

According to Noe *et al* (2007), almost one-third of the companies do not evaluate their performance management systems at all, and many that do evaluate do not consider the effect of the system on their bottom line. From our survey, only about half of the employees (55.1%) answered that their company uses performance measurement/appraisal system for evaluation. Moreover, among the companies that use performance measurement/appraisal system, 55.3% of them mentioned that they do not use any computer system for conducting the appraisal. More than half of the employees (53.8%) stated that the company does not provide any training for the managers/non-managers to conduct performance appraisal. This illustrates that Thai companies do not give much importance to training systems for the performance management.

The employees were asked to rate on the clarity with which the performance management is linked to the pay/promotion/reward decisions. They were also asked to rate their satisfaction level for the feedback system and the effectiveness of the existing appraisal system. In this study, a 5-point Likert scale, ranging from 1 (not satisfied) to 5 (very happy with it), was used. The purpose of this analysis is to check whether the employees' satisfaction level is above the average value (3) in the 5-point scale. Therefore, we set the value of expected satisfaction level at 3.5 for the statistical testing. In order to learn about the employees' perception on the above issues, we formulated the following hypothesis:

Hypothesis 2: According to employees' perception, their level of satisfaction is significantly below the expected level (3.5) for the following elements:

- The understanding of the link between the performance management and pay/promotion/reward decisions
- The understanding of their individual and company goals
- The feedback after the performance appraisal
- The effectiveness on the existing appraisal system

We performed statistical test (one-sample t-test) on the data collected from the survey. The obtained result is shown in Table 3.3.

Table 3.3 Result of t-testing on hypothesis 2

The employees' level of satisfaction is significantly below the expected level for:	Mean¹	Standard Deviation	p-value²
The understanding of the link between the performance management and pay/promotion/reward decisions	2.62	1.07	0.000
The understanding of their individual and company goals	2.83	0.96	0.000
The feedback after the performance appraisal	2.86	0.75	0.000
The effectiveness on the existing appraisal system	2.55	0.97	0.000

$\mu = 3.5$

¹Ratings from 1 = 'not satisfied' to 5 = 'very happy with it'

²Significant at $\alpha = 0.01$

Applying the significance level of 0.01, it is apparent that the employees are not satisfied with the feedback system and the effectiveness of the performance appraisal system. This can help make the employers aware about the current situation of the feedback system and performance appraisal system. From the result we can also see that in most Thai companies, the performance measurement system is not very transparent as the employees do not see the connection between their performance score and any reward.

From the statistical analysis of the results, it is fairly apparent that the employees in Thailand feel that they are not satisfied with the top level management of the companies on issues regarding performance management. It also shows that the employees do not feel like they understand the individual and company goals very clearly. This data can help increase the awareness among the employers to improve the goal setting systems in the companies. From the perspective of the employees, there is not enough concern from the employers regarding an efficient performance management system, feedback system, and training methods. The employers' inadequate attention to the employees' views can lead to miscommunication between the employers and the employees. This could create dissatisfaction among lot of employees about their jobs which can hamper their performance, reduce their productivity and eventually harm the organization.

3.3 General Findings

One purpose of the survey was also to know what kind of performance appraisal system is being used in the Thai companies currently. When asked about if there was any computer system used to conduct the performance appraisal in Thai companies, the response was as shown in Table 3.4.

Table 3.4 Use of computer system for performance appraisal

Type of Organization	Yes		No	
	Frequency	%	Frequency	%
Government Agencies	39	30	60	46
Private Companies	19	15	13	9
Total (N=131)	58	45	73	55

More than half of the employees (54.7%) responded that their companies do have a system for conducting performance appraisal. However, more than half of them (55%) also mentioned that there is no proper computer system to perform the appraisal process. Most companies use paper formats or simple Microsoft Excel sheets to carry out the appraisal process. This shows that most Thai companies are still using the traditional paper-work of appraisal system.

Employees were also asked if their company provides proper training or workshops to educate them about the appraisal system: how to conduct the appraisal for the managers and how to understand their own evaluation for the employees. The result of the response is shown in Table 3.5.

Table 3.5 Training provided for the managers/non-managers to conduct performance appraisal

Type of Organization	Yes		No	
	Frequency	%	Frequency	%
Government Agencies	38	29	59	45
Private Companies	22	17	11	9
Total (N=130)	60	46	70	54

This shows that more than half of the employees (54%) replied that there is no proper training system available or provided by the company to train the managers or non-managers to conduct the performance appraisal. As we can see from the table, out of the total employees who responded from government agencies, majority of them mentioned that the trainings regarding performance appraisal are not available in their companies. On the other hand, most of the employees among the respondents from private companies replied that their companies do provide training for managers and non-managers concerning the performance appraisal. This data supports the statement of Jaturanonda *et al* (2006) who have mentioned that in Thailand private organizations provide necessary technical trainings to their employees most of the time whereas government organizations do not normally offer official trainings to their employees. It is important for all managers to be trained on how to perform the appraisal for their employees. This training can be done by someone from inside the company who is knowledgeable about the field or some outside trainers can also be hired from consulting companies to provide this training. Even a short training can come a long way in making the managers to be aware of what steps to go through, what to focus on and what mistakes to avoid while conducting the appraisal.

3.4 Implications of the Findings

This survey study has given insights to the practice of job performance management systems in Thailand. The results of the data analysis show that from the viewpoint of the employees, they feel that the employers do not show enough concern about the performance management system in the organizations. The employees do not seem to be very satisfied with the management abilities of the employers regarding issues like explaining the goals and following through to see whether the employees are working towards achieving the goal. The employees also seem to be not very satisfied with the current performance appraisal system, about the clarity of the appraisal system linked to

reward decisions. The employees have lower than average satisfaction level for understanding the goals of the company. The feedback system after the performance management also received low satisfaction level among the employees. This illustrates that from employees' perspectives, the employers in Thai companies are not aware of the importance of efficient performance management systems. From the employees' point of view, the employers do not seem to be aware of the importance of making the employees understand the individual and company goals.

The results of the study show that most of the companies do conduct job performance management for the employees. However, most of the companies limit their performance management to a paper based evaluation forms. Paper based evaluations can be a lot tedious manual work, not secure, limited, and subjective in nature. The companies also do not provide enough training systems to conduct the performance appraisal.

A vast array of studies have shown that traditional performance appraisals are often not just useless but counterproductive (Dessler, 2005). Among many kinds of appraisal methods, the essay appraisal method requires that the evaluation describe an employee's performance in written narrative form. They become difficult to compare. The writing skill of the appraiser can also affect the appraisal. An effective writer can make an average employee look better than the actual performance warrants (Byars *et al*, 2003). Interview with the Thai employees have revealed that this kind of problem occurs often in Thai companies. According to Thai culture, people do not feel comfortable about writing any negative comments about anyone and hence will not provide true evaluation which could hamper the improvement of the employee.

Based on the survey and personal interview with few employers, the problems regarding job performance management in Thailand are summarized as shown in Table 3.6.

Table 3.6 Problems about job performance management in Thailand

<u>Problems about job performance management system</u>
<ul style="list-style-type: none"> • Paper-based job evaluation form • Employers are not so aware of the importance of employees' understanding of goals • Employers are not so aware of the employees' satisfaction on the effectiveness of the system • Employers are not so aware of the importance of the training system • The system is not transparent (no clear link between performance and the reward) • Unable to recognize true abilities of the employees • Time consuming and tedious manual work • Not flexible, Limited criteria • Subjective in nature

It can be seen that there is a need of better performance management system in Thailand. There are various methods to make the employers aware of the importance of this system. There can be campaigns, workshops, or trainings provided to the employers to make them aware of these systems. However, we have tried to make the employers know about this in another way which is by making the performance management system more systematic. We have developed a performance evaluation system to make the employers perform the evaluation in an organized computer system which will help them achieve a better and more efficient performance management system. The details of this system will be discussed in chapter five.

