Current Contractor's Performance Appraisal System in Malaysian Construction Industry: Perception Amongst Construction

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Abstract: ***Performance assessment system is one of the most vital components in ensuring the employee's quality of performance, and this assessment is usually implemented not only for mid-workers and subordinates, but also among top management. This is to ensure that the skills and effectiveness of the organization's workforce are enhanced. It is an obvious fact that an excellent performance of the construction players affects the project management as well as the project delivery. Their commitment, attitude and compliance for instance, are very essential to avoid any problems in the construction site. Hence, with the performance appraisal existence, it is believed that the system could improve their performance. The purpose of this paper is to investigate the perception of build players on the performance evaluation system of the contractor. A set of questionnaires has been distributed to 157 construction players and analysis in the form of frequency index, mean value and standard deviation is carried out. This study found that construction players have sufficient understanding of the performance assessment system of the current contractor and claimed that they benefit from the system, but some improvement measures should be taken.***

I. INTRODUCTION

In 2012, the Construction Industry Development Board (CIDB) launched the Contractor's Capability and Capacity Assessment Program (SCORE), Quality Assessment System in Construction (QLASSIC) and Safety and Health Assessment System in Construction (SHASSIC) with the aim of assessing the capacity and capacity of the construction contractor before the project is granted. It turns out that in selecting the right contractor for the right project, these systems and programs are very helpful.

Revised Manuscript Received on May 28, 2019..

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This is in line with the Construction Industry Transformation Program (CITP) to develop the building industry's capacity and capacity by improving quality, safety and professionalism, sustainability of the environment, productivity and internationalization. CIDB is more likely to choose a results-oriented approach with Objective Management (MBO) [1][2].

On the other hand, CIDB provides the construction player with a few training to overcome any weaknesses encountered in the assessment. However, these systems and programs will not be successful and effectively implemented without sufficient understanding on the evaluation system [3]. This paper therefore seeks to investigate the perception of construction players on the performance assessment system of the contractor.

II. LITERATURE REVIEW

There are few major parties involved in the construction industry: project owners, consultants, contractors and authorities. Financial support will be provided by the project owner, consultants will play their role in the design stage, while contractors are the key players in construction. Furthermore, the authorities will ensure that the construction process follows local and national standards to ensure that the project is safe to use and in accordance with the quality expected.

Performance assessment is of vital importance to the organization that seeks to improve the performance of its employee, as the employer may know what is missing through the performance assessment system. As a matter of fact, performance assessment in the context of human resource management directly affects the job satisfaction of employees and the level of organizational commitment to successful construction project [4].

[5] Claim that employees with poor perception of performance assessment were more likely to be unhappy with their job, less committed to the organization, and more likely to consider leaving the organization. Eventually, these low-estimated employees will affect the poor performance of the construction industry as well as have a bad impact on

the inspiration of the government to ensure the successful achievement of the National Key Resource Area (NKRA). In addition, enhancing performance

assessment system understanding will improve performance quality [6].

First, determining the rationale for implementing the performance assessment is important. As for the purpose of this paper, this performance appraisal in done to select contractors in undertaking the government construction project. Subsequently, the appraiser to appraise the performance needs to be determined, whereas per this paper is the government authorities. The third important aspect is to determine whose performance is to be appraised, where apparently for this paper, the appraiser will be the contractors. Finally, the fourth important aspect is to determine what aspects to be appraised.

[7] add that these four aspects should be carefully reviewed before starting the assessment process as its preparation is crucial to ensuring that the assessment carried out is fair and transparent. It is due to the issues arise regarding the implementation of conducted performance appraisal, such as the fairness of the implemented appraisal and perception of the appraiser about the appraisal. Hence, a proper preparation is the best solution as an endeavour to implement a transparent performance appraisal.

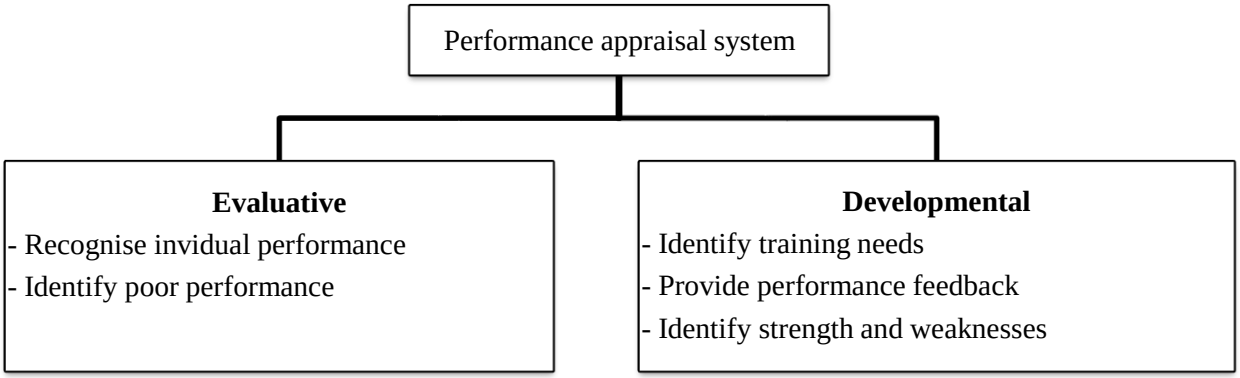

Fig. 1 Performance appraisal system

Source: Adopted and modified [5].

In this regard, [8] two typical performance assessment systems are examined: evaluative and developmental as shown in Figure 1. The evaluative function includes using performance assessment to recognize individual performance and identify poor performance, while developmental function includes identifying individual training needs, providing performance feedback, and identifying individual strengths and weaknesses [8].

In addition, [9] suggest that in providing feedback, managers or supervisors should allow employees to point out their insights concerning their own performance. Hence, through this process, it encourages an open communication between the managers and subordinates, which will be assisting the development of the subordinates appraised.

III. METHODOLOGY

10% of the sample expected was distributed as a pilot study [10]. A pilot study is conducted on 15 respondents through the web-based survey prior to the actual questionnaire survey, with the aim of examining the understanding of the questionnaire by the respondents, apart from determining whether the questionnaire is sufficiently comprehensive to obtain the information for the paper.

This is supported by [10], which claimed that the pilot study was conducted before the questionnaire was distributed to test the feasibility of the intended questionnaire to be conducted and to perfect the concepts and wording of the questionnaire.

Nevertheless, the Cronbach alpha method is used to determine the reliability of the data where the Cronbach alpha coefficient of minimum 0.6 is expected for the reliability of the questionnaire in order to avoid correction or elimination of certain variables in the content [12]. A questionnaire survey was subsequently conducted on 157 respondents registered with the Construction Industry Development Board (CIDB) consisting of all types of contractor classes (G1, G2, G3, G4, G5, G6, and G7). The result then finalised by the frequency, mean and standard deviation (SD).

IV. FINDING AND DISCUSSION

Reliability Test

Table 1 shows the results of the pilot study, the total value of Cronbach's alpha higher than 0.6, shows the high internal consistency in the data set of the questionnaire. Based on [13], if the alpha value of the Cronbach exceeds 0.9, the level of reliability is excellent. Consequently, data gained from the pilot study indicates that testing is reliable and the set question must be retained in the continuation of this study.

Table. 1 Reliability test results

Number of questions	Number of respondents	Cronbach's alpha
70	15	0.98

4.2 Perception of Construction Player on Contractor's Performance Appraisal System in Malaysian Construction Industry

Since the purpose of this paper is to investigate the perception and understanding of the construction player on the performance assessment system of the existing contractor in the construction industry, the results are shown in Table 2 to achieve this goal. All criteria have mean values

greater than 3, indicating that respondents have sufficient understanding of this evaluation system and a good perception of its implementation in the Malaysian construction industry.

Table. 2 Perception and understanding on the current contractor's performance appraisal system in the construction industry

Perception of construction player on contractor's performance appraisal system in Malaysian construction industry.		Frequency					Mean	SD
		5	4	3	2	1		
1	Increase performance of contractor	61	64	32	0	0	4.2	0.8
2	Increase contractor's motivation	53	86	18	0	0	4.2	0.6
3	Increase contractor's awareness of safety aspects	64	80	13	0	0	4.3	0.6
4	Motivate contractor to provide adequate supply of resources	38	70	49	0	0	3.9	0.7
5	Reduce accidents	76	47	34	0	0	4.3	0.8
6	Reduce destructions to the environment	55	53	49	0	0	4.0	0.8
7	Increase quality of the project	73	56	28	0	0	4.3	0.8
8	Make the project more organised	56	68	33	0	0	4.2	0.7
9	Discipline the construction players	60	73	24	0	0	4.2	0.7
10	Increase the competencies of construction players	58	75	24	0	0	4.2	0.7
11	Increase the skill of construction players	50	74	33	0	0	4.1	0.7
12	Increase the experience of construction players	54	76	27	0	0	4.2	0.7
13	Increase the capability of contractor's site management	57	69	31	0	0	4.2	0.7
14	Increase trust and confidence between construction players	64	68	25	0	0	4.3	0.7
15	Good performance appraisal system should apply judgmental approach (a method that approves or denies of the achievement)	34	66	57	0	0	3.9	0.8
16	Good performance appraisal system should apply absolute standards approach (a method that compares the performance against standards established by the authorities)	34	64	59	0	0	3.8	0.8
17	Good performance appraisal system should apply results-oriented approach (a method that defines the objective, finds capable people to implement and motivate others in achieving the objective)	56	52	49	0	0	4.0	0.8
18	Performance appraisal system should be continued	52	47	58	0	0	3.7	0.8
19	Improvement should be taken in contractor's performance appraisal system should	55	69	33	0	0	4.14	0.7

V. CONCLUSION AND RECOMMENDATION

As a summary, the mean values of 19 criteria range from 3.80 to 4.3. Most of the respondents suggested improving the performance assessment system of the current contractor. This is due to the fact that construction failure cases are still occurring. To sum up, respondents agreed that the performance assessment system of the current contractor in Malaysia would result in good results for the construction industry. 19 criteria are investigated and analyzed that demonstrate a good understanding of the performance assessment system of the current contractor. All mean values are higher than 4, which are high and only four are low.

VI. ACKNOWLEDGEMENT

The authors would like to express their sincere gratitude to the Ministry of Education Malaysia, Universiti Teknologi Malaysia (UTM) and the Research Management Centre (RMC) of UTM for providing the financial support for this paper to be published. This paper is financed by the Grant of Research University under Cost Centre No. R. K130000.7740.4J290.

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