



University of Bergen, Norway

Department of Administration and Organization Theory

**INSTITUTIONALIZATION
OF PERFORMANCE
APPRAISAL SYSTEM:
A CASE STUDY OF THE
MALDIVIAN PUBLIC SERVICE**

Mohamed Faizal

**A Thesis submitted to the Department of Administration and Organization Theory
in partial fulfillment of
Master of Philosophy in Public Administration**

Spring 2005, Bergen

ABSTRACT

The public sector in most countries is going through profound restructuring in the face of environmental constraints that force the sector to become more efficient and effective. In this respect, one of the most popular tools used in the contemporary reform programme is the application of performance appraisal systems. However, since appraising is considered to be a particularly controversial management practice anywhere it is being practiced, the successful institutionalization of such a system faces numerous challenges and obstacles.

The purpose of this study is to explore *‘the degree of institutionalization and how different factors influence the extent of institutionalization of the Performance Appraisal System’* in the Maldivian Public Service. A comparative approach, where the President’s Office and the Public Service Division are selected as the two units of analysis, will be used to find the possible similarities and differences which eventually will be used to make generalizations for the entire public service. In order to carry out this qualitative study, data were collected from different sources including interviews, documents and observations. The study derived its theoretical orientation based on eight independent variables classified into cultural, organizational and political factors that may influence the institutionalization process.

The study revealed that the extent to which the appraisal system has been institutionalized in the public service is very low, and although there are many factors inhibiting the institutionalization process, it was the lack of political accountability that appears to be the most important factor. Furthermore, having supportive leaders at the organizational level, formulation of a Public Service Act, provision of valuable rewards and extensive training were also considered important prerequisites that are of necessity for creating a professional public service. The absence of these factors has resulted in the failure to create the appropriate atmosphere needed to fruitfully institutionalize the performance appraisal system.

ACKNOWLEDGEMENTS

First and foremost I would like to thank the Norwegian Quota Programme for funding my studies. Secondly I acknowledge the invaluable and significant support and contribution from my supervisor, Associate Professor Isthiaq Jamil. I am grateful for his invaluable advice and intellectual guidance and supervision, which cannot be exhaustively substantiated and also which has been a source of inspiration to me throughout the whole thesis writing process.

I also acknowledge the invaluable guidance provided by all the course professors of the Masters Programme. I sincerely appreciate and thank the administration staff for their genuine help and support throughout my study period. I am also grateful for my colleagues in the Masters Programme for their invaluable support and contribution during the dissertation seminars and also the thesis writing process. Their constructive comments have always been a motivating factor in improving my work.

I want to take this opportunity to thank my work colleagues at the President's Office and the Public Service Division for their continuous support and assistance during my field work and also during my whole study period. I greatly appreciate their time and support.

I want to express my deepest appreciation and thanks to Ahmed Nazif (studying for Master of Arts in Applied Language Studies at the University of Carleton, Ottawa, Canada) for the priceless contribution he has made in going through my draft and correcting the language imperfections.

Last but not least, I want to express my heartfelt thanks to my family for their dearly care and encouragement throughout my study period. Their everlasting support has played an enormous contribution in making my stay away from home a rewarding experience.

Mohamed Faizal

Spring 2005

Bergen

TABLE OF CONTENTS

<u>ABSTRACT</u>	<u>I</u>
<u>ACKNOWLEDGEMENTS</u>	<u>II</u>
<u>LIST OF TABLES.....</u>	<u>VI</u>
<u>LIST OF FIGURES.....</u>	<u>VII</u>
<u>LIST OF ANNEXES</u>	<u>VIII</u>
<u>ABBREVIATIONS USED.....</u>	<u>IX</u>
<u>CHAPTER ONE: INTRODUCTION - PERFORMANCE APPRAISAL IN PUBLIC SECTOR ORGANIZATIONS.....</u>	<u>1</u>
1.1 INTRODUCTION	1
1.2 COUNTRY PROFILE	3
1.3 THE PURPOSE STATEMENT OF THE STUDY	3
1.4 THE PROBLEM STATEMENT OF THE STUDY	4
1.5 THE MALDIVIAN PUBLIC SERVICE	5
<i>1.5.1 A HISTORICAL OVERVIEW</i>	<i>5</i>
<i>1.5.2 BEGINNING OF THE MODERN ERA</i>	<i>6</i>
<i>1.5.3 MALDIVIAN ADMINISTRATIVE SYSTEM TODAY</i>	<i>7</i>
1.6 PERFORMANCE APPRAISAL IN THE MALDIVIAN PUBLIC SERVICE	8
<i>1.6.1 THE FIRST SYSTEM: 1996-1999</i>	<i>8</i>
<i>1.6.2 THE CURRENT SYSTEM: 2002 TO DATE</i>	<i>9</i>
1.7 THE RESEARCH QUESTIONS OF THE STUDY	10
1.8 THE HYPOTHESIS OF THE STUDY	10
1.9 THE SIGNIFICANCE OF THE STUDY	11
1.10 THE CONTENT OF THE THESIS.....	11
<u>CHAPTER TWO: METHODOLOGY</u>	<u>13</u>
2.1 INTRODUCTION	13
2.2 RESEARCH DESIGN.....	13
<i>2.2.1 WHY CHOOSE A CASE STUDY?.....</i>	<i>14</i>
2.3 COMPARATIVE APPROACH.....	14
2.4 DATA COLLECTION TOOLS	15
2.5 DATA ANALYSIS.....	20
2.6 EXPERIENCES IN DATA COLLECTION.....	20
2.7 LIMITATIONS OF THE STUDY	21
<u>CHAPTER THREE: THEORETICAL FRAMEWORK.....</u>	<u>22</u>
3.1 INTRODUCTION	22
3.2 NEW PUBLIC MANAGEMENT (NPM) AND PERFORMANCE APPRAISAL.....	22
3.3 BRIEF HISTORY OF PERFORMANCE APPRAISAL.....	24
3.4 CONSEQUENCES OF PERFORMANCE APPRAISAL	24

3.5 THE DEPENDENT VARIABLE	26
3.6 THE INDEPENDENT VARIABLES	28
3.7 CULTURAL ELEMENTS	28
3.7.1 <i>CONFLICT AVOIDANCE AND SUBORDINATE/SUPERIOR RELATIONSHIPS</i>	29
3.7.2 <i>MOTIVATION AND REWARD</i>	30
3.8 ORGANIZATIONAL ELEMENTS	37
3.8.1 <i>COMPETENCY AND DISPOSITION OF IMPLEMENTERS</i>	37
3.8.2 <i>LEADERSHIP</i>	40
3.8.3 <i>SOCIALIZATION, IDENTITY FORMATION AND COMMITMENT</i>	41
3.8.4 <i>HISTORY OF LEARNING</i>	44
3.9 POLITICAL ELEMENTS	46
3.9.1 <i>SYMBOLISM AND POLITICAL WILL</i>	46
3.9.2 <i>SEPARATION OF POWERS AND POLITICAL ACCOUNTABILITY</i>	48
3.10 CONCLUSION	51

CHAPTER FOUR: PERFORMANCE APPRAISAL AND ITS APPLICATION IN THE MALDIVIAN PUBLIC SERVICE **53**

4.1 INTRODUCTION	53
4.2 THE FIRST APPRAISAL SYSTEM (1996 – 1999)	53
4.2.1 <i>THE APPRAISAL FORM</i>	54
4.2.2 <i>THE PERFORMANCE APPRAISAL PROCESS</i>	55
4.2.3 <i>OBSERVATIONS AND PROBLEMS</i>	55
4.2.4 <i>TERMINATION OF THE APPRAISAL SYSTEM</i>	56
4.3 REVIEWING THE PERFORMANCE APPRAISAL SYSTEM	56
4.4 THE NEW APPRAISAL SYSTEM (2002 TO DATE)	57
4.4.1 <i>A BRIEF OVERVIEW OF THE APPRAISAL SYSTEM</i>	59
4.5 CONCLUSION	62

CHAPTER FIVE: DESCRIPTION OF THE TWO CASES **64**

5.1 INTRODUCTION	64
5.2 THE PRESIDENT’S OFFICE (PO)	64
5.2.1 <i>THE OBJECTIVE OF THE PRESIDENT’S OFFICE</i>	64
5.3 ESTABLISHMENT OF THE PUBLIC SERVICE DIVISION (PSD)	65
5.3.1 <i>OBJECTIVES OF PSD</i>	65
5.3.2 <i>MODERNIZATION AND PLANNING UNIT</i>	66
5.4 PUBLIC SERVICE DIVISION AND THE NATIONAL REFORM AGENDA	66
5.5 NATIONAL PLANNING HIERARCHY	68
5.5.1 <i>VISION 2020</i>	68
5.5.2 <i>NATIONAL DEVELOPMENT PLAN 2001 -2005</i>	70
5.5.3 <i>STRATEGIC PLANNING</i>	70
5.6 PRESIDENTIAL COMMITMENT TOWARDS PUBLIC SECTOR REFORM	71
5.7 CONCLUSION	72

CHAPTER SIX: COMPARATIVE ANALYSIS ON HOW CULTURE INFLUENCES THE INSTITUTIONALIZATION OF THE PERFORMANCE APPRAISAL SYSTEM **73**

6.1 INTRODUCTION	73
6.2 ORGANIZATIONAL CULTURE AT THE PRESIDENT’S OFFICE (PO) AND THE PUBLIC SERVICE DIVISION (PSD)	73
6.3 CONFLICT AVOIDANCE AND SUBORDINATE/SUPERIOR RELATIONSHIP	75

6.4 MOTIVATION AND REWARD	81
6.5 CONCLUSION	90

CHAPTER SEVEN: COMPARATIVE ANALYSIS ON HOW ORGANIZATION INFLUENCES THE INSTITUTIONALIZATION OF THE PERFORMANCE APPRAISAL SYSTEM..... 92

7.1 INTRODUCTION	92
7.2 COMPETENCY AND DISPOSITION OF IMPLEMENTERS	92
7.3 LEADERSHIP	98
7.4 SOCIALIZATION, IDENTITY FORMATION AND COMMITMENT	103
7.5 HISTORY OF LEARNING.....	110
7.6 CONCLUSION	114

CHAPTER EIGHT: ANALYSIS ON HOW POLITICS INFLUENCES THE INSTITUTIONALIZATION OF THE PERFORMANCE APPRAISAL SYSTEM..... 116

8.1 INTRODUCTION	116
8.2 SYMBOLISM AND POLITICAL WILL	116
8.3 SEPARATION OF POWERS AND POLITICAL ACCOUNTABILITY	120
8.4 CONCLUSION	123

CHAPTER NINE: CONCLUSION 124

9.1 INTRODUCTION	124
9.2 FACTORS INFLUENCING INSTITUTIONALIZATION OF PERFORMANCE APPRAISAL IN THE MALDIVIAN PUBLIC SERVICE.....	124
9.2.1 THE INDEPENDENT VARIABLES.....	125
9.2.2 MOST IMPORTANT FACTORS NECESSARY FOR SUCCESSFUL INSTITUTIONALIZATION	128
9.3 PERFORMANCE APPRAISAL SYSTEM IN THE PRESIDENT’S OFFICE, THE PUBLIC SERVICE DIVISION AND THE GENERAL PUBLIC SERVICE	128
9.4 FUTURE OF PERFORMANCE APPRAISAL IN THE MALDIVIAN PUBLIC SERVICE	129
9.5 CONCLUSION	130

BIBLIOGRAPHY..... 132

LIST OF TABLES

<i>Table 1: List of Interviewees</i>	<i>17</i>
<i>Table 2: Differences between PO and PSD on the issues related to the variables of conflict avoidance and subordinate/superior relationship</i>	<i>81</i>
<i>Table 3: Differences between PO and PSD on motivational factors</i>	<i>90</i>
<i>Table 4: Differences between PO and PSD on the cultural variables.....</i>	<i>91</i>
<i>Table 5: Differences between PO and PSD and the generalization on public service based on the competency and disposition of implementers</i>	<i>98</i>
<i>Table 6: Differences between PO and PSD on leadership</i>	<i>103</i>
<i>Table 7: Customer Service Projects</i>	<i>112</i>
<i>Table 8: Differences between PO and PSD on the organizational variables</i>	<i>115</i>
<i>Table 9: Summary of the Study.....</i>	<i>131</i>

LIST OF FIGURES

<i>Figure 1: Relationship between culture, reward, motivation and performance</i>	<i>31</i>
<i>Figure 2: Link between separation of powers & political accountability with institutionalization of PA system</i>	<i>48</i>
<i>Figure 3: Variables used in the study</i>	<i>51</i>
<i>Figure 4: Conditions required for successful institutionalization</i>	<i>52</i>
<i>Figure 5: The performance appraisal process cycle.....</i>	<i>55</i>
<i>Figure 6: How marks are allocated in the Professional and Managerial category</i>	<i>61</i>
<i>Figure 7: How marks are allocated in the Support Group 1 category</i>	<i>61</i>
<i>Figure 8: How marks are allocated in the Support Group 2 category</i>	<i>61</i>
<i>Figure 9: Performance Appraisal Process Chart</i>	<i>63</i>
<i>Figure 10: Different dimensions of planning function.....</i>	<i>68</i>
<i>Figure 11: Marks allocation at PO</i>	<i>79</i>

LIST OF ANNEXES

<i>ANNEX I: INTERVIEW GUIDE</i>	141
<i>ANNEX II: FACTORS THAT MAY AFFECT SUPERIOR-SUBORDINATE RELATIONSHIPS</i>	144
<i>ANNEX III: TYPOLOGY OF REWARDS / INCENTIVES</i>	146
<i>ANNEX IV: APPRAISAL FORM</i>	149
<i>ANNEX V: ORGANIZATION CHART AND THE MAIN TASKS OF DIFFERENT SECTIONS AND UNITS OF THE PRESIDENT'S OFFICE</i>	157
<i>ANNEX VI: FUNCTIONAL CHART OF PSD</i>	161

ABBREVIATIONS USED

Commonwealth Fund for Technical Co-operations	CFTC
Faculty of Management and Computing	FMC
Gross Domestic Product	GDP
Management by Objectives	MBO
National Development Plan	NDP
National Institute of Public Administration	INTAN
National Office of Personnel and Administrative Reform	NOPAR
New Public Management	NPM
Organization for Economic Co-operation and Development	OECD
Performance Appraisal	PA
President's Office	PO
Public Service Division	PSD
Public Service Training Group	PSTG
United Nations Development Programme	UNDP

CHAPTER ONE: INTRODUCTION - PERFORMANCE APPRAISAL IN PUBLIC SECTOR ORGANIZATIONS

1.1 INTRODUCTION

The public sector in most countries, small or big, are going through profound restructuring, trying to provide improved services while at the same time having to drastically downsize in the face of major fiscal constraints. “A significant element of such reforms in the public sector is the initiatives underway to reform public administration, to *reinvent government* to use a popular expression” (Mayne and Zapico-Goni, 1997:3). This process of reforming public administration is seen as necessary to meet the dual challenges of improved services with fewer resources. One of the most popular tools used for reform activities at present is Performance Appraisal Systems. “Strengthening government performance – improving the productivity, quality, timeliness, responsiveness, and effectiveness of public agencies and programs – is important to all, as beneficiaries of public service and as taxpayers” (Wholey, 1989:1) However, as Wholey has also suggested, a number of political, bureaucratic, and technical obstacles constrain government performance. Furthermore, Performance Appraisal (PA) is considered to be a particularly controversial management practice anywhere it is being practiced.

At this point it is essential to provide few definitions of what performance appraisal means in the reform context. With the growing amount of literature on performance appraisal, so has the definitions increased over the years. Therefore, the following definitions have been chosen which could be regarded as most relevant to this study.

Performance appraisal today is the assessment of an employee’s job performance. It has two purposes:

- *First appraisal serves an administrative purpose. It provides information for making salary, promotion, and layoff as well as providing documentation that can justify these decisions in court.*
- *Second, and perhaps more importantly, performance appraisal serves a development purpose. The information can be used to diagnose training needs, career planning, and the like. Feedback and coaching based on appraisal information provide the basis for improving day-to-day performance. (Robins & Couter, 1999)*

Performance appraisal is defined as evaluating an employee's current or past performance relative to his or her performance standards. The appraisal process therefore involves:

- *Setting work standards;*
- *Assessing the employee's actual performance relative to these standards; and*
- *Providing feedback to the employee with the aim of motivating that person to eliminate performance deficiencies or to continue to perform above par. (Dessler, 2000)*

Performance appraisal is "the process of identifying, evaluating and developing the work performance of employees in the organization, so that the organizational goals and objectives are more effectively achieved, while at the same time benefiting employees in terms of recognition, receiving feedback, catering for work and offering career guidance". (Lansbury, 1988:46)

In the Maldives, the first Performance Appraisal System which was introduced for the whole of Public Service during 1996 was halted in 1999. The official reason for suspending the system was that the objectives of introducing the system were not being achieved. After reviewing the system, a new Appraisal System was introduced and conducted as a pilot project during 2002 and 2003, in selected government organizations. In April 2004 all government organizations was directed to implement the system across the board. Even so, from the experience of the previous two years and from the experience of the first appraisal system, it is beyond doubt that the current system will face fundamental obstacles to be institutionalized across the public service. Although performance appraisal is an incentive for production, for innovation, for adequate accountability and reinforces an organization's external orientation, there is another side of the coin (de Bruijn, 2002: 21). Performance Appraisal creates a large number of perverse effects as well. This has been greatly evident in a small society such as the Maldives. The reason behind the arguably low level of success faced with the use of Performance Appraisal in Maldivian Public Service is supposedly due to a number of cultural, organizational and political factors that have been influencing and arguably decrementing in certain aspects the degree of institutionalization of the system.

1.2 COUNTRY PROFILE

The Republic of Maldives is an island nation located in the Indian Ocean, with Sri Lanka and India as its closest neighbours. Out of approximately 1190 islands only 200 islands is inhabited, with the highest islands barely three meters above sea level. The archipelago which spans 822kms from north to south is divided into 20 administrative regions or Atolls¹, with the capital Male' being the hub of all government and economic activities. The population of the country is approximately 270,101 (Census 2000), with the capital harbouring a quarter of the population. Of the country's 200 island communities only 4 have a population of more than 4000. There are 100 inhabited islands with less than 1000 people and nearly one half of the communities have a population of less than 500.

Maldives has a long history of political independence and has remained an independent country throughout most of its history. There were two brief periods of foreign domination, firstly by the Portuguese from 1558-1573 and secondly by the Malabars² for roughly four months during 1767. From 1887-1965 Maldives was under the British Protectorate status. Despite this, Maldives developed and instituted its own system of self rule and administration of its internal affairs with some features which have no parallel elsewhere.

The country is governed by a written Constitution³ which abides a Republic form of government. Maldives has a representative form of government whereby the people elect their representatives to the legislative body, the People's Majlis. The body comprises of 50 members of which 2 members are elected from each of the 20 atolls and 2 elected from Male', and 8 are appointed by the President. The President is elected every five years by the people and is the Head of State and Chief Executive. In addition to the legislative and executive bodies, there is also the judicial branch.

1.3 THE PURPOSE STATEMENT OF THE STUDY

The purpose of this study is to examine the extent of institutionalization of the Performance Appraisal System in the Maldivian Public Service. In this endeavour an attempt is made to

¹ Atoll is referred by Webster's Dictionary as a ring-shaped coral island and its associated reef, nearly or quite enclosing a lagoon.

² Malabars came from South India and was based in Cochin.

³ The current Constitution came into effect in 1997. Currently this constitution is in a process of being changed drastically to incorporate Westminster style democracy.

determine which factors shape and influence the institutionalization of the Performance Appraisal System.

1.4 THE PROBLEM STATEMENT OF THE STUDY

The 1980s and 1990s witnessed a new managerial approach which has been referred to by writers under different terms – ‘managerialism’ (Pollitt, 1993), ‘new public management’ (Ferlie *et al.*, 1996; Hood, 1991; Kaboolian, 1998), ‘market-based public administration’ (Lan and Rosenbloom, 1992) and ‘entrepreneurial government’ (Osborne and Gaebler, 1992). Nonetheless, the most popular term which is New Public Management (NPM) will be used for the purpose of this study. Some of the components of NPM include explicit standards of performance; greater emphasis on output control; deregulation; customer service orientation; and private sector management techniques (Christensen and Lagreid, 2000). The reform agenda of performance appraisal intends to strive on these aspects.

Although the need for establishing a formal Performance Appraisal System for the Maldivian Public Service has been felt since the launch of various administrative reform programmes in 1979, it was not until 1996 that a formal Performance Appraisal System came into effect. This system was linked with a reward given each year in the form of a salary increment. However, after 3 years it was evident that the objectives of implementing the system had not been achieved which prompted the cabinet to decide on halting the system and do a full review.

After studying the appraisal system used in the Malaysian Public Service, a new performance appraisal system that fits to the Maldivian context was formulated. From the experience gained from the previous appraisal system, the government decided that the new system should be first tested on a pilot basis. As a result, starting from 2002, the new system was implemented in a number of Government Offices, including the Public Service Division (PSD), which is the architect of such administrative reforms of the Maldivian Public Service. Since 2002 an annual year-end evaluation was carried out to determine whether the Performance Appraisal System should be introduced to the whole of the Public Service.

In April 2004, all government organizations were directed to implement the new Performance Appraisal System across the board. During the two years of the pilot there was very limited success in the few selected organizations that implemented the appraisal system. Therefore,

from the experience of those two years, it was evident that there lay enormous obstacles to institutionalize the performance appraisal system in the whole of public service. In other words, the institutionalization process of the appraisal system was facing several hurdles. It meant that the ongoing efforts to improve the services provided to the public and making the public service ‘mission-oriented’ were not being properly evaluated in the form of individual performance appraisal.

These difficulties to proceed with modern reform agendas are perhaps linked to the administrative culture of the Maldivian Public Service. This is made further complicated by organizational and political factors that have been affecting positively and negatively towards the progress of modern reform initiatives such as the Performance Appraisal. Although the degree to which each factor affect such reforms vary, it has to be recognized that without the appropriate environment (i.e. accountability, full support and commitment of the executives and the general public servants with all necessary resources required for implementation), where all these factors are contributing in a positive manner, the extent to which reform initiatives like Performance Appraisal succeeds will be limited.

1.5 THE MALDIVIAN PUBLIC SERVICE

1.5.1 A Historical Overview

The Public Service in the Maldives is a local evolution of hundreds of years, without much direct interventions into, or imposition upon it by a foreign ruler. The Sultans⁴ and Sultanas of the past were advised and assisted by appointed nobles and ministers based in the capital, Male’, and occasionally by regional advisers called *Kangathi Beykalun* in the atolls. These nobles shared not only power and authority with the rulers but also the wealth of the country. The Atolls were governed by *Atholhuverin* or governors appointed by the sovereign. Atholhuverin was, and still is a very senior and powerful position to which the appointments are made by the head of state.

In none of the instances when the sovereignty of the country was interrupted by foreign occupation, the external power made any impact on the local administrative system.

⁴ Sultan is the ruler of a Muslim Country. Sultan is used for men and Sultanas is used for women. A total of 76 Sultans and 3 Sultanas ruled Maldives until 1968 when the country transformed to a Republic.

Therefore, unlike most of the countries in the region, the Maldives did not inherit a civil service system from a colonial master, nor did it copy one from abroad. This is a statement of fact rather than a matter of pride or shame. Some scholars describe the Maldivian state of affairs as: “A number of institutions and practices which formed an important part of the administrative system in many other countries were found lacking. The system that evolved was an outgrowth of long heritage and culture and was essentially traditional in outlook” (Salleh and Othman, 1992:74). However, this is not to say that there is no commonality in the Maldivian system with systems overseas. It is only to emphasise that the basic design of the system is locally born and bred. The public service of the Maldives may be described as a unique system that has evolved out of tradition and cultural practices (Latheef, 1993:8).

1.5.2 Beginning of the Modern Era

After the resumption of office by His Excellency President Maumoon Abdul Gayoom in 11 November 1978, a series of reform initiatives were undertaken in the Maldivian Public Service. In his address to the Public Servants on the 1st of January 1980, he outlined the general conduct expected from the public servants and also the future directions of reform initiatives. In his speech he spoke of the importance of accepting responsibility by the staff and also of the need to cater for the customers in sincere and acceptable manner.

The following years saw structured efforts by the Government to reform the public service with the establishment of the National Office of Personnel and Administrative Reform, NOPAR, on 1st December 1982. NOPAR, with the assistance of the United Nations Development Programme (UNDP) and the Commonwealth Fund for Technical Co-operations (CFTC), initiated several projects at reforming the government administration. Each project was generated by recognition of the need for new civil service structures and systems to cope with the increased size and complexity of the Government and to support more effectively the nation’s development efforts. One of the projects concentrated heavily on improvement of the personnel system. A number of very substantial planned outputs were produced, including the following:

1. A comprehensive Civil Service Code was drafted. It contained the principles, policies, and procedures, relating to staffing, human resources planning, training and

development, discipline, occupational health and safety, and related areas of personnel administration.

2. The basic organization structure and suggested missions of NOPAR in the President's Office were proposed.
3. A job classification and pay system was developed and steps were taken to implement the system. The system provided for a number of defined levels into which all civil service jobs would be classified and each level had its own proposed pay scale.

The immediate project that followed this was more broadly based towards improvement in Government organization and all administrative systems but with continuing emphasis on personnel administration. Prior to its revision, the original project document concentrated in those areas with due anticipation that the Organization and Methods Expert assigned would study, discuss, propose, and help install structural changes and revised administrative systems in each Ministry and Department and throughout the Government. More specifically, the anticipated outputs included (1) a new overall structure of the civil service (2) recommendations for effective and efficient organizations for all Ministries and Departments (3) new and improved administrative methods and systems, and (4) training of personnel in NOPAR. The general orientation of each of these projects was towards 'administrative reform'. The creation and operation of a central agency within the President's Office to provide staff leadership for 'personnel and administrative reform' was a core achievement of the project.

1.5.3 Maldivian Administrative System Today

The establishment of the Public Service Division (PSD) in 1999 marks the beginning of a new era in public sector reform in the Maldivian Public Service. The vision, mission and values laid out for PSD represents the commitment and drive of the President to take the public service to a new height matching world class organizations in terms of facilitating the modernisation process, and meeting the objectives laid out in the nations Vision 2020⁵.

⁵ "Vision 2020" is a National Plan which strives that by the year 2020 Maldives will be one of the top-ranking nations among middle-income developing countries. It is a vision of the progress that would be achieved in various spheres of national life in order to attain that level of development.

The size of the Public Service at the end of 2003 was 28,651 (Ministry of Planning and National Development, 2004).

It could be argued that the Maldivian Public Service reflects the distinguishing features evident in a small closely-knit community. Most public servants know each other and are related through several means, such as neighbourliness, community activities, friendship or blood relations. Latheef (1993:31) points it out as, “the probability of one becoming some form of acquaintance with, or close relation to a key player in a given situation is many times greater in the Maldives than in most societies”.

Another writer notes the unique level of cooperation that exists among public servants as a result of this closeness and personal contact. “Such closeness may also be considered as a facilitating force in bringing about better performance in public service organization” (Zameer, 1994:33). One of the objectives of this research will be to assess the extent to which such conclusions are true or not.

On the other hand it has to be cited about the negative aspects of having such a closely-knitted system. “Personal connections may contribute to inefficiency and corrupt practices in the functioning of the government. Closeness may also lead to difficulty in making objective assessments in the work place, and the reluctance of managers in taking any action that may disappoint fellow employees and staff” (Asim, 2002: 4).

1.6 PERFORMANCE APPRAISAL IN THE MALDIVIAN PUBLIC SERVICE

1.6.1 The First System: 1996-1999

According to the Government’s Guidelines for the implementation of the Performance Appraisal System, the main objectives of that system were:

To determine the suitability and eligibility of an officer for annual salary increment.....appraisal can also be used for other functions such as: to determine the eligibility and suitability for promotion; to identify and plan training needs; to determine suitability of placement; to select and reward top performer of the year (Government of Maldives, 1996:3).

In this system a higher weightage was given to work related aspects over other aspects to ensure a higher level of objectivity and fairness. The evaluation measures used in the system was; 1) Quantity of work, 2) Quality of work, 3) Timeliness in completing the work, 4) Knowledge of the job, 5) Supervisory skills, 6) Reliability and responsibility, 7) Leadership, 8) Personality (Government of Maldives, 1996:5-6).

During 1999, the government decided that the whole system had generated much dissatisfaction among employees and had failed to achieve its initially set objectives. Furthermore, since almost all government employees were receiving the salary increment, there were unexpected budgetary implications too. In addition, the sheer logistics of managing the system centrally also proved unworkable, as a result of which the system was discontinued.

1.6.2 The Current System: 2002 to date

The new Performance Appraisal System has been designed to evaluate the employee's performance based on the tasks assigned to each employee. The Strategic Plan and the Annual Plan of each organization is used to delegate specific tasks for each employee in the organization. Combining these tasks with individual job descriptions, each employee is assigned a maximum of five work targets for the year (i.e. to carry out a specific task in a pre-assigned time frame with a certain degree of efficiency and effectiveness. For example one work target could be to conduct 7 training sessions during the year and at the participant's evaluation after each session, the trainer should receive more than 80% satisfaction rating). A mid year review is carried out to assess whether the targets should be revised and also to review how the work is progressing, and at the end of the year a final evaluation will be carried out to determine the extent to which those targets was achieved. Based on the assessment, marks will be given on four major categories; 1) the extent to which the target was achieved, 2) Job knowledge and skills, 3) Characteristics expected from the employee, and 4) the extent to which the employee maintains good work relationship for the best interest of the organization. To differentiate between the different levels of employees, three separate forms are used, only with minor differences (note: The first level includes all employees at the level of Senior Administrative Officer and above. The second level includes all employees at the Administrative Officer level and below who are assigned an administrative task or needs a specific technical skill. The third level includes all employees who are unskilled or do not

need any technical skill). The majority of the points in the appraisal form are given to the first category of the form which is on evaluating the work targets. Since there are three forms used for three levels of employees, the points allocated for each category differ for each level (Figures 6, 7 & 8 in *Chapter 4*). In this respect the lowest level of employees received the highest percentage for the first category of the form (i.e. the completion of the targets) with the total points for that category slightly lower for the other two levels of employees. The rationale for such differentiation was that high level employees have greater responsibilities and needed other skills to a higher extent. These forms were also used to determine the extra training and education the employees needed (Government of Maldives, 2002). A more detailed analysis of the appraisal system will be undertaken in Chapter 4.

1.7 THE RESEARCH QUESTIONS OF THE STUDY

The main research questions to be pursued in this study are as follows:

- 1) How institutionalized is the Performance Appraisal System in the Maldivian Public Service?
- 2) What are the main factors that influence the institutionalization of the Performance Appraisal System?
- 3) How do those factors influence and to what extent do they determine the degree of institutionalization of the Performance Appraisal System?

1.8 THE HYPOTHESIS OF THE STUDY

As mentioned previously, the institutionalization of the performance appraisal system in the Maldivian Public Service is influenced by several factors which exert its impact in various ways. The broader areas to be studied in this research are thereby the cultural, organizational and the political elements that hinder or foster the institutionalization process. Thus the main research hypothesis of this study is as follows:

Cultural, organizational and political factors may affect the extent to which the performance appraisal system is implemented and have institutionalized.

1.9 THE SIGNIFICANCE OF THE STUDY

Although there has been countless studies undertaken on performance appraisal, its application in a small island state such as the Maldives has rarely been undertaken. The challenges faced in attempting to institutionalize a reform of this nature in such a small community could be said as a unique endeavour in many aspects. Therefore, this study will be a valuable contribution in analyzing the different facets of a modern reform such as the performance appraisal in the public service of a small nation. Furthermore, due to the growing emphasis on ‘good governance’⁶, government’s commitment to bring changes that are aligned with institutional reform are also growing. As a result, undertaking an academic research on one of the most important reform tools will be of great significance in analyzing the reform programme from an objective perspective. In the long run this study could also be a blue print of how to proceed further in attempting to institutionalize the appraisal system which has witnessed countless hurdles in achieving a comprehensive success.

1.10 THE CONTENT OF THE THESIS

The thesis will consist of nine chapters, including this chapter. The summary of the next eight chapters is given below.

Chapter 2 – Methodology – the second chapter will focus on the research methodology of this study. It will outline the research strategies used, how data were collected and how they will be analyzed. Furthermore, it will highlight on my experience during the field work and the limitations of the study.

Chapter 3 – Theoretical Framework – the third chapter provides the detail outline of the theoretical framework which is used for this study. After a brief history of performance appraisal, some of the positive and negative consequences of having such a system are highlighted which is followed by the role of New Public Management (NPM) in the modern reform agenda. The rest of the chapter comprises of detail discussion on the dependent variable and all the independent variables.

⁶ According to the United Nations Development Programme (UNDP) the aim of governance is to ensure that the three key players – the state, the private sector and civil society – are equally represented and valued as partners in the affairs of a country while ‘good governance’ should focus on making government participatory, accountable and transparent, and especially on ensuring that the voices of the poorest and most vulnerable are heard. (Minogue, 2002:119)

Chapter 4 – Performance Appraisal and its application in the Maldivian Public Service – the fourth chapter gives the detailed description on the past and present performance appraisal system used in the Maldivian Public Service.

Chapter 5 – Description of the two cases – this chapter is aimed to give the reader a general understanding and a description on the President’s Office (PO) and the Public Service Division (PSD). It also includes a brief overlook on the national reform agenda and how planning contributes to administrative reform. The chapter is concluded by some of the quotes of the President that show the government’s commitment towards such reforms.

Chapter 6 – Comparative Analysis on how Culture influences the institutionalization of the performance appraisal system – the sixth chapter is the first of the analysis chapters. The two cultural variables of; 1) conflict avoidance and subordinate/superior relationship, and 2) motivation and reward, will be analyzed in relation to the dependent variable. A comparison between PO and PSD will be made where applicable followed by a generalization towards the whole public service at the end of each section.

Chapter 7 – Comparative Analysis on how Organization influences the institutionalization of the performance appraisal system – the second analysis chapter is focused on analyzing the four organizational variables of; 1) competency and disposition of implementers, 2) leadership, 3) socialization, identity formation and commitment, and 4) history of learning. Once again a comparative approach between PO and PSD will be used where applicable, followed by a generalization towards the whole public service.

Chapter 8 – Analysis on how Politics influences the institutionalization of the performance appraisal system – the final chapter of analysis is based on the analysis of the two political variables of; 1) symbolism and political will, and 2) separation of powers and political accountability. Unlike the previous two chapters no attempt will be made here to pursue a comparison between PO and PSD in this respect. Since *politics* will be considered at the national level rather than the organizational level, the aim here will be to give a general idea on how the different political attributes related to the public service determines the path of the appraisal system and its successful institutionalization.

Chapter 9 – Conclusion – the final chapter of this research gives the general conclusions of this study. It will give a brief discussion on to what extent the current appraisal system is institutionalized, a concise overview of the different elements that foster and hinder the system, which factors influence the appraisal system most, and also a look at the future prospects of the appraisal system in the Maldives.

CHAPTER TWO: METHODOLOGY

2.1 INTRODUCTION

For any research, methodology shows how the topic should be approached and pursued. Therefore, in attempting to operationalize my research topic, I have initially explained the research design and why I have chosen the qualitative approach. The chapter also includes the reasons on why I am taking a case study perspective. As my research is based on comparing two cases within the Maldivian Public Service, the next section of the chapter highlights on why a comparative approach is selected. Followed is a discussion on the data collection tools that were used for the study. How the collected data are going to be analyzed will be next. The chapter will conclude on highlighting the positive and negative experiences faced during the data collection period and the limitations of the research.

2.2 RESEARCH DESIGN

The preferred approach for this study will be a qualitative design. According to Creswell (1994), one of the chief reasons for conducting a qualitative study is that the study is exploratory and the researcher seeks to listen to informants and build a picture based on their ideas. In other words, a qualitative study will allow for the in-depth analysis of comments and perceptions that individuals hold regarding the appraisal system. It will create a discussion among the researcher and the respondents which will allow gaining insight and direct understanding from the respondents. This is not possible in a quantitative study because the response will be mostly objective and the answers have to be quantified. Therefore, a qualitative study will allow finding what the respondents really think of different aspects of the appraisal system and provide arguments for those views. In such a study the researcher gathers information, asks questions, form categories, looks for patterns and finally develops a theory or compares the pattern with other theories. Eventually a model will be constructed that will show the different factors that influence the institutionalization of the performance appraisal system in the Maldivian Public Service.

In order to analyze the research questions of this study in a qualitative manner, a case study approach will be used. “A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon

and context are not clearly evident” (Yin, 1994:13). Case Study is preferred in examining contemporary events, but when the relevant behaviors cannot be manipulated.

2.2.1 Why choose a case study?

This study is about investigating a contemporary phenomenon in a real life context. It is about studying the extent of institutionalization of the performance appraisal system and the factors that influence it. In this endeavour when I went for data collection, I had some pre-assumed hypotheses regarding different issues about the performance appraisal in the Maldivian context. Such hypotheses were developed as a result of my past work experience in the field. For example, it was previously believed that most public servants did not want any performance appraisal system which could be used to find the defects and faults from the employee’s part. However, the data collection made me change a number of such pre-assumed hypotheses which in fact turned out differently from what I had assumed. From the interviews that I conducted, I found out that most employees were in favour of having an appraisal system as long as other aspects of the public service were transparent and fair to all employees. Therefore, choosing a case study approach allowed me to pursue in-depth analysis of different aspects and to find the reasons behind each of those.

Furthermore, in most instances, case study is focused on answering ‘*how*’ and ‘*why*’ questions. In this aspect, on the one hand, the case study strategy complements the general objective of this study, which is concentrated on exploring ‘*the degree of institutionalization and how different factors influence the extent of institutionalization of the Performance Appraisal System*’. Most of the questions presented in the interview guide (refer to *Annex I*) also focus on gaining the inside perspective of the respondent on the different issues presented. As such the responses received turned out to be different for every interviewee. Therefore, choosing a case study allows for the exploration of the limitless boundaries between the phenomenon and the context.

2.3 COMPARATIVE APPROACH

The study will use a comparative approach in examining the institutionalization of the Performance Appraisal System. The first unit of analysis is the Public Service Division (PSD) which is also the implementer and architect of the system. The second unit of analysis is the

President's Office (PO). Although PSD is part of the PO, due to the great autonomy given to PSD, this study will be based on the assumption that those two are independent bodies (refer to Section 2.7 for further details).

The aim of doing a comparative analysis is to interpret the differences the two organizations might depict in some of the independent variables selected for this research. For instance, by analysing different aspects such as the differences in the interpersonal relations among the staff, the degree of competency among the implementers, and leadership attributes, I will be able to explore the similarities and differences between both organizations.

Yin (1981:64) has expressed that "people are likely to react adversely whenever they are confronted with individualized data, but are likely to be more tolerant when confronted with aggregate data". It is believed that the appraisal system has been working relatively smoothly at PSD, while the system has faced numerous obstacles at PO. As a result, comparing two organizations will increase the likelihood that the analysis presented in this study will be accepted by both organizations.

By comparing these two organizations using the independent variables, this study will allow me to analyze the extent of institutionalization of the performance appraisal system in both organizations. Furthermore, the comparison will also allow me to generalize the extent of institutionalization of the appraisal system to the whole public service.

2.4 DATA COLLECTION TOOLS

The following was used as the tools for investigations during the data collection period of this study: (a) *interviews*, (b) *observation* and (c) *examination of secondary documents*.

Interviews: The interviews were carried out from 24th June to 8th August 2004. The procedure followed in getting interviews was to provide the potential interviewee with a small one page consent form. This form was formulated in the local language *Dhivehi*⁷. The form consists of the following information.

⁷ Spoken mainly in the Maldives (also spoken in Minicoy Islands of India), *Dhivehi* belongs to the Indo-European family of languages. It has numerous loanwords from Tamil, Malayalam, Singhalese, Arabic, Urdu, Hindi, Portuguese and English.

- Introduction of the researcher, the purpose of the research, the probable time taken for the interview, the confidentiality and anonymity⁸ aspect of the research.
- Name of the interviewee.
- Language to be used during the interview (either Dhivehi or English)
- Whether the interviewee would require the questions before the interview.
- Date and time convenient for the interviewee.
- Where the interview should be conducted (for the preference of the interviewee).
- Consent on recording the interview on a tape recorder.

At the beginning of the interview process, the respondents were introduced to the ongoing process of Performance Appraisal in their own organization. Then they were asked about the different aspects of the system necessary for the purpose of this study as mentioned in the Interview Guide (refer to *Annex I*). The interview sessions were conducted on one-to-one basis for each staff. For the convenience of the interviewee the time and place of the interview were chosen by the interviewee. As a result, a number of interviews were conducted on weekends and after-office hours. The underlying principle used in selecting the respondents from the PO was to select officials from different Sections of the organization who had different educational background and a wide range of work experience. The same basis was used even when selecting from PSD. Furthermore, as PSD is the implementer of the system, the specific staff who were directly responsible for the implementing the system for the whole public service was also interviewed. The reason for selecting a wide range of staff was to increase the likelihood of getting a wider range of view on the different aspects related to this research. The following is a table of the interviewees for the research.

INTERVIEWEE	JOB TITLE	ORGANIZATION
Interviewee No.1	Director General, Economic Policy Section	The President's Office
Interviewee No.2	Director, Cooperate Services Section	The President's Office
Interviewee No.3	Director, Cooperate Services Section	The President's Office
Interviewee No.4	Assistant Director, Economic Policy Section	The President's Office

⁸ Though the job title of the interviewees is presented in Table 1, when analyzing the data, no reference will be made to any specific interviewee in order to maintain the anonymity.

Interviewee No.5	Assistant Director, Strategic Communication Unit	The President's Office
Interviewee No.6	Senior Human Resource Officer, Cooperate Services Section	The President's Office
Interviewee No.7	Legal Officer, Judicial Affairs	The President's Office
Interviewee No.8	Secretary, Economic Policy Section	The President's Office
Interviewee No.9	Director General	Public Service Division
Interviewee No.10	Director	Public Service Division
Interviewee No.11	Director, Personnel Unit	Public Service Division
Interviewee No.12	Assistant Director, Modernization and Planning Unit	Public Service Division
Interviewee No.13	Human Resource Development Officer, Human Resource Development & Training Unit	Public Service Division
Interviewee No.14	Senior Secretary, Customer Services	Public Service Division
Interviewee No.15	Secretary, Personnel Unit	Public Service Division

Table 1: List of Interviewees

Observation: On 23rd June 2004 I participated as an observer at a meeting organized by the Public Service Division. PSD hosted this meeting for administrative staff in Government departments who oversee human resource issues. The objective of the meeting was to strengthen human resources administration issues in the Government. The discussions in the meeting focused on the recently published Third Edition of the Government Employees' Regulation Manual and on some of the challenges that were being faced in strengthening public administration.

A total of 83 government ministries and departments sent a total of 160 participants to this meeting. The participants discussed a number of challenges and problems that they face in administering their respective ministries and departments. As such this meeting was very

useful in gaining an objective view of the general feelings among the public servants. Furthermore, a question sheet was distributed among the participants where they could write any questions that they might have. Since the concept of Performance Appraisal was included in the Regulation Manual for the first time, the participants were given the opportunity to ask any question about the appraisal system as well. The questions received were also of great significance as it highlighted the practical problems that government organizations faced in implementing the appraisal system.

The following are some of the few questions and comments that were received regarding the performance appraisal.

- Just as favoritism is common in selection procedures, can there be any possibility of using such influence to divert allocating marks in the appraisal system? If so what can be done to prevent it from happening?
- Sometimes we have to do tasks which are immediate and sudden. Don't you think such aspects should also be written in the form as well?
- What is the link between promotion and performance appraisal?
- What will be the end result of performance appraisal?
- It is crucial that PSD gives intensive information about the appraisal system to the top level executives of the government offices.
- How do we know whether the organizational objectives are achieved?
- How much improvement can be achieved by appraising the performance of the employee?
- The lack of funds to train employees hinders the performance appraisal work. So more funds should be invested on training.
- I think the appraisal form is very difficult to implement. Especially for the bigger offices. I think we have to write too much. The form should be redesigned in a manner that we tick and give marks.

I also attended a workshop on "Effective Change Management in the Public Sector", organized by the Public Service Division and the Civil Service College of Singapore, with assistance from the Commonwealth Fund for Technical Cooperation, which was held from the 29th to 30th of June 2004. This two-day workshop was held for the members of the Network of

Senior Government Officials⁹, at the Faculty of Management and Computing (FMC). I also observed the group discussions that took place during the workshop.

Furthermore, I was also able to attend the meeting to convey information regarding the mid-year review of the performance appraisal forms for the staff of PSD which was held on the 29th of July 2004. The meeting was attended by 26 staff of the PSD. The Director General started the meeting by introducing the meeting to the attendees. According to him this meeting was held to give information regarding the mid-year review of the performance appraisal form and to answer any questions that the staff might have regarding the appraisal process. This meeting was quite interesting as there were no question from the attendees. A possible reason for such a response could be that everyone might have fully understood all aspects of the appraisal system or they did not understand at all and so were not willing to show their limited knowledge regarding the system. It also needs to be stressed that ideally the mid-year review should be carried out during May/June (Figure 9 in *Chapter 4*). In the meeting the staff of PSD were directed to complete the mid-year review by the end of the following week (i.e. by 5th August 2004). During some unofficial conversations that I had with some of the managerial staff at PSD after 5th August 2004, it came to my attention that most of supervisors had not been able to complete the review by that date mainly due to other work commitments.

Examination of secondary documents: Some of the documents that were studied during the field work include the official handbook of the two Performance Appraisal System of the past and present system, the official letters and circulars sent to government agencies by PSD, the cabinet papers regarding Performance Appraisal System, and the training materials used in the presentations of Performance Appraisal. In addition to that, information was also gathered from the evaluation reports regarding the appraisal system at PO, the annual reports of PSD, news articles regarding performance appraisal at the PO website, a number of legal documents, and some other relevant reports and websites.

⁹ Inaugurated on the 6th of February 2000, the Network comprises of senior officials from the main government ministries and departments. The objective of setting up such a network was to further strengthen and develop public administration and to establish a system for senior government officials for sharing and exchanging views on strategies for public services reform and modernisation.

2.5 DATA ANALYSIS

Creswell (2003) has suggested eight procedural perspectives to validate the accuracy of the research findings. They are different approaches used to analyze the data. Out of those eight, the two main approaches that will be used in this study will be;

- 1) *Triangulation* – Triangulation is broadly defined by Denzin (1978:291) as “the combination of methodologies in the study of the same phenomenon”. For this study, it involves the use of multiple methods to examine the same dimension of the research problem. For example, how leaders commit to the appraisal system can be studied by interviewing the leaders, observing his or her behaviours, and evaluating performance records. The focus always remains that of the leader’s commitment but the mode of data collection varies. In this regard Jick (1979:602) has mentioned that when multiple and independent measures are used and if they reach the same conclusions, it will provide a more certain portrayal of the phenomenon that is being studied. As such, information from different data collection methods will be gathered for the study. These information gathered from different methods will be examined and combined to build a coherent justification and possible answers to the research questions.
- 2) *Rich, thick descriptions* – This approach requires comprehensive and detailed explanations of the findings from the data collection. It is intended to make the reader feel the real experience through the researcher’s detailed and in-depth explanations.

The main reasons for choosing these approaches are due to their applicability for this study and the time constraint faced during the data collection period and the lack of in depth knowledge about the subject matter among the general public servants (which prevents the use of other techniques).

2.6 EXPERIENCES IN DATA COLLECTION

In general, my experience during the data collection period was very positive and fruitful. As PSD has been my workplace since I joined the public service, I have had very close and good relations with them. As a result, when I went on my field work, PSD provided me with a work space, a computer connected to the internet, a telephone, access to photocopying, access to the PSD library and all documentations that I might want to review. In addition to that, I was also invited to all the seminars and workshops that they conducted during my stay.

However, a number of obstacles were also faced during the data collection period. Firstly and the most serious challenge for me during the field work was from some of the junior staff. Several of them were very skeptical and reluctant to give interviews. In this regard, a number of junior staff declined interviews even after arranging time for the interviews. There could be a number of possible reasons for their refusal. One reason could be that they are not fully aware of the performance appraisal process. One of the staff who declined after seeing the questions of the interview said to me that his superiors would be in a better position to answer such questions. Another possible reason could be that they were hesitant to talk about such organization-culture related issues which they think could have negative repercussions on them. Such reluctance and hesitations show the lack of communication and openness in the organization and possibility of fear among the employees to talk about organizational problems and issues. To counteract these issues, I did try to convince the potential interviewees who declined that my area of interest is purely academic and anonymity will be maintained to protect them from any negative repercussions. The second problem was faced from some of the senior level staff. Most of the senior executives whom I approached for an interview agreed to give an interview. However it was a real challenge for them to find time for the interview. As a result, for their convenience several interviews were conducted during weekends and after-office hours.

2.7 LIMITATIONS OF THE STUDY

- 1) The data collection period was in the middle of the year, which means it was also the middle of the Performance Appraisal Cycle (Figure 9 on *Chapter 4*). This means that the actual target-setting and evaluation period which is planned for the beginning and end of the year respectively, was not witnessed by me during the field work. As a result, my past experience of working in the field and the records regarding the processes involved during that period were used in the study.
- 2) The two organizations chosen for the study have good work procedures and are considered as ‘better’ organizations compared to most government agencies. As a result, there is a possibility that choosing these two organizations might not clearly show the ‘real’ picture of the public service. The main reason why these two organizations were chosen is due to the easy accessibility and the time constraint.

CHAPTER THREE: THEORETICAL FRAMEWORK

3.1 INTRODUCTION

With the growing number of challenges faced today, there are now, more than ever, increased demands on managers and all other staff members to achieve higher levels of efficiency and productivity. The continuously changing nature of most public services today and the high expectations from the general public have increased pressure on public servants to re-evaluate their contributions in the workplace and the way in which they work. The introduction of performance appraisal systems has been one strategy adopted to meet these challenges.

This chapter provides a detailed discussion on the theoretical perspective that would be used in this study. First, I will present how the growth of New Public Management (NPM) resulted in the introduction of performance appraisal. Then a brief history of the performance appraisal is presented. Third, as performance appraisal is a continuously controversial topic in every arena, I will then present some of the positive and negative consequences of having an appraisal system. This is presented to show why there is an on-going debate on the issue of appraising employees. The rest of the chapter is based on explaining the different variables that will be used in this study. The explanation will include how the dependent variable is seen from the relevant perspective to this study and also will include detailed explanation of each of the independent variables. The Chapter will conclude with a framework of how these variables should be used in an ideal situation (*Figure 4* at the end of this chapter) to make a performance appraisal system institutionalized in a context such as the Maldivian Public Service.

3.2 NEW PUBLIC MANAGEMENT (NPM) AND PERFORMANCE APPRAISAL

As mentioned in Chapter 1, the public sector reform drive was initiated under several names, one of which is New Public Management (NPM). These reforms came into existence during the 1980s in the advanced capitalist democracies as a response to the economic constraints. Gregory (2001) highlighted five main factors that have led to this change in perspective. They are rebureaucratization; lack of trust in government; lack of legitimacy of the government; politicization of public administration; and redefining the recipients of service as customer of citizen. In addition to this, Lane (1997:2) has expressed on how the growing size of the public service contributes to these changes. According to him “in the early 1980s there was a

realization that the public sector had a profound problem in relation to how well its various programmes were operating, given the fact that the public sector had grown from below 25% to over 45% of GDP in a couple of decades as an OECD average”. The adoption of NPM means the application of private sector practices and solutions to the problems of the public sector.

Administrative Reform is a concept which is continuously being transferred from one state to another. At times it goes from developed countries to the developing countries, and at other instances vice versa. In this respect, Ingraham (1997) points out that, “western reform solutions have found their way onto the reform agendas of nations in Eastern Europe, Asia and Africa”. She further goes on explaining the commonality of such reform ideas across national boundaries. Dolowitz and Marsh (2000) too agree that over the past decade, the occurrences of such policy transfer have increased. In this respect, it is perhaps not surprising that administrative reforms¹⁰ which are accredited to the NPM found its way into the Maldivian context. Maldives being a small island nation does not exclude itself from the forces of globalization. Although it is generally accepted that small island states such as the Maldives are confronted with special constellation of economic problems and their capacities to overcome them are inherently limited, the tourism industry¹¹ in the country has raised the living standard enormously over the last couple of decades. With growth in economy and increasing living standards, the expectation from the general public also rises. People demand better services from the state. This forces the state to improve its performance without additional implications on the budget. Transparent policies are expected from the government. An effective and efficient bureaucracy is required to fulfill these demands. As such one of the popular tools used is the performance appraisal which evaluates individual performance. However, the question that rises at this stage is, how practical is to introduce a reform such as performance appraisal which has been developed in the more advanced western countries, into the Maldivian context without considering the cultural, organizational and political forces that could impede the institutionalization of such a reform. That will be the discussion that is presented from Section 3.5 to 3.9 of this Chapter. However, before that, it would be useful to

¹⁰ Administrative Reforms in this context means and includes “those efforts which call for or lead to major changes in the bureaucratic system of a country intended to transform the existing and established practices, behaviours and structures within it” (Khan, 1980:57).

¹¹ Tourism is the highest income earner for the state, sharing 30% of revenue in 2003 (Ministry of Planning and National Development , 2004)

take a brief look on the history of appraising and also why appraisal has continuously been a controversial topic anywhere it is practiced.

3.3 BRIEF HISTORY OF PERFORMANCE APPRAISAL

Although the use of performance appraisal has increased over the last few decades, the practice of formally evaluating employees has existed for centuries. As early as the third century A.D., Sin Yu, an early Chinese philosopher, criticized a biased rater employed by the Wei dynasty on the grounds that “the Imperial Rater of Nine Grades seldom rates men according to their merits but always according to his likes and dislikes” (Patten, 1997:352).

Systematic employee appraisal techniques came into prominence just after the end of World War I. During the war, Walter Dill Scott succeeded in persuading the United States Army to adopt ‘man-to-man’ rating system for evaluating military officers, although formal performance appraisal probably began in the United States in 1813 (Bellows and Estep, 1954) when army General Lewis Cass submitted to the War Department an evaluation of each of his men using such terms as ‘a good-natured man’ or ‘knave despised by all’ (Murphy and Cleveland, 1995:3).

Most of the merit rating plans from 1920 to the mid-1940s were of the rating scale type with factors, degrees and points. Indeed the analogy between a point plan of job evaluation and a rating scale plan of merit is very close. From the early 1950’s greater interest was devoted in the performance appraisal of technical, professional and managerial personnel. However it has to be pointed out that with the changing nature on the emphasis, the terminology has also been changing over the years. Some of the other terms currently being used include personnel appraisal, personnel review, progress report, service rating, and performance evaluation and fitness report.

3.4 CONSEQUENCES OF PERFORMANCE APPRAISAL

Haberstroh (1965:1182) drew two broad conclusions from his review of performance measurement research: “First, performance reporting is omnipresent and necessary so. Second, almost every individual instance of performance reporting has something wrong with it.” Performance appraisal remains omnipresent and problematic even today. In this regard, as

has been mentioned in Chapter 1, there are several positive and negative consequences of performance appraisal system. Mohrman Jr. *et al* (1989) has explained a number of such consequences. The following list consists of some of those in addition to a number of other positive and negative consequences relevant to the performance appraisal in the Maldivian context.

Some positive results of performance appraisal:

- The person whose performance is appraised may develop an increased motivation to perform effectively.
- The self-esteem of the person being appraised may increase.
- The job of the person being appraised may be clarified and better defined.
- Valuable communication can take place among the individuals taking part (that also include communication between the subordinate and the superior).
- Rewards such as pay and promotion can be distributed on a fair and credible basis. (Although the appraisal system in the Maldivian Public Service has yet not been linked to any formal reward under the current system).
- Organizational goals can be made clearer, and they can be more readily accepted.
- Valuable appraisal information can allow the organization to do better manpower planning, test validation, and development of training programmes.
- Better and timely service provision, thus greater citizen satisfaction.
- Makes bureaucrats more accountable for their actions. So it is a change of attitude from the old notions of public administration.

Some negative results of performance appraisal:

- The self-esteem of the person being appraised and the person doing the appraisal may be damaged.
- Large amount of time may be wasted.
- The relationship among the individuals involved may be permanently worsened thereby creating organizational conflicts.
- Performance motivation may be lowered for many reasons, including the feeling that poor performance measurement means no rewards for performance (i.e. biased evaluation including favouritism towards some employees).
- Money may be wasted on forms, training, and a host of support services.

3.5 THE DEPENDENT VARIABLE

The dependent variable of this study is the “*extent of institutionalization of the Performance Appraisal System*”.

According to Selznick (1957:16) “Institutionalization is a *process*. It is something that happens to an organization over time, reflecting the organization’s own distinctive history, the people who have been in it, the groups it embodies and the vested interests they have created, and the way it has adapted to its environment”. He further goes on to explain that “to institutionalize is to infuse with value beyond the technical requirements of the task at hand” (ibid). The process of institutionalization of performance appraisal system can also be viewed from that perspective. When institutionalization progresses, the appraisal system takes on a special character, and this means that it becomes peculiarly competent (or incompetent) in implementing the system effectively. To operationalize the concept and for the purpose of this research, institutionalization is meant to evaluate the extent to which the appraisal system is inculcated in the Maldivian Public Service in the following manner:

1. *Continuity and Persistent*: Regularly used within the organization with the full commitment, participation, support and ownership of everyone in the organization. By everyone it is meant to include all the leaders in the organization as well.
2. *Stability*: Is inculcated into the norms of the organization thereby achieving stability over the long term. Legitimacy needs to be achieved among the public servants.

In pursuing to explain the dependent variable in the current context, it could also be useful in highlighting the characteristics that should entail in the effective implementation of an appraisal system in another country. In this regard, the U.S. Office of Personnel Management has suggested a list of characteristics as providing a frame of reference for effective performance appraisal systems for federal employees. They are:

1. Performance is measured against established comprehensive standards which are written in a clear and explicit style and communicated to the employee at entry on the job and at the beginning of the appraisal period.

2. Performance appraisal information is used for specific purposes, e.g., to determine developmental needs, awards, and retention and not for vague abstract reasons, such as appraisal for promotion potential unrelated to a particular type of job.
3. Appraisal criteria and techniques are appropriate to the specific purposes for which the appraisal is being done.
4. The information produced is useful for work-related decisions.
5. Data are objective, reliable, and valid as possible.
6. Instruments for performance review and appraisal are easy for the participants to understand and use.
7. Supervisors are appraised in terms of how competently they perform their supervisory duties.
8. Employees are kept informed about methods and purposes of appraisals.
9. A process exists which allows for impartial resolution of complaints and review.
10. Employees are promptly notified in writing and preferably orally, too, of the results of their performance appraisal. To prevent misunderstanding about whether the appraisal was given or what the appraisal contained, each employee is asked to indicate by signature and date, the receipt of the appraisal, not agreement with it.
11. Employees' performance appraisals are kept current.
12. There is no attempt to satisfy all the management purposes of the appraisal at a single annual discussion of performance. Systems provide additional opportunity for supervisors and employees to discuss, improve, and plan for job performance.
13. Employees are informed about steps the agency will follow in using appraisal information to make decisions to reward, promote, reassign, train or demote employees (Vasu *et al*, 1990; Levinson, 1980; Perry *et al*, 1989).

In order to assess whether the appraisal system is being implemented in the above mentioned manner, the main independent variables used will be: 1) conflict avoidance and subordinate/superior relationships; 2) motivation and reward; 3) competency and disposition of implementers; 4) leadership; 5) socialization, identity formation and commitment; 6) history of learning; 7) symbolism and political will; and 8) separation of powers and political accountability. These variables have been divided into three main categories; cultural, organizational and political. Chapters 6, 7 and 8 will be focused on analyzing these variables in the Maldivian context to determine the extent of institutionalization of the appraisal system. However, the rest of this chapter will be based on the theoretical discussion of these variables.

3.6 THE INDEPENDENT VARIABLES

As mentioned in Chapter 1, there are a number of organizational, cultural, and political factors that have been influencing and arguably decrementing to some extent the degree of institutionalization of the performance appraisal system in the Maldivian Public Service. For each of these major factors, a number of sub factors can be identified. These sub factors, commonly referred to as variables in this study, can influence positively or negatively in determining the extent of institutionalization of the appraisal system. Therefore, the following discussion is based on each of the three main independent variables in a theoretical perspective with regard to the Maldivian context.

3.7 CULTURAL ELEMENTS

A focus on culture forces researchers to examine such vague notions as assumptions, values, beliefs, expectations, and shared meanings (Pepper, 1995:25). There are countless definitions that have evolved in the academic arena. However for the purpose of this study, the definition by Schein (1992:12) is used which explain the culture of a group as “a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problem”. Since this study is about comparing two organizations in the Maldivian Public Service, taking *culture* in its own sense is too broad. As a result, the concept of *organizational culture* also needs to come into the scene. Once again one is forced into the continuing argument of defining organizational culture. The two broad dimensions used in this respect are “Culture is what organization has” (Deal and Kennedy, 1982; Kanter, 1983; Ouchi, 1981; Peters and Waterman, 1982) and “Culture is what organization is” (Conrad, 1994; Schall and Shapiro, 1984). Jamil (1994) went on further to explain that if a culture is what organization *has*, then there will be several variations among different organizations in a given society. On the contrary, if culture is what organization *is*, then it is more likely that one will observe more variations across different societies. It will be argued that in the Maldivian context, it is a combination of these two dimensions that makes up the Maldivian Public Service.

The following discussion is focused on the exact variables that will be used in this study in respect to organizational culture.

3.7.1 Conflict avoidance and subordinate/superior relationships

“Societal values will have some impact on the nature of the relationship between superiors and subordinates” (Murphy and Cleveland, 1995:40). As such the closely-knitted community of the Maldivian society poses unique challenges for the Performance Appraisal System. According to the system, there needs to be close and continuous communication between the subordinate and the superior. As Asim (2002:4) has mentioned, due to the nature of the Maldivian Public Service it may “lead to difficulty in making objective assessments in the work place, and the reluctance of managers in taking any action that may disappoint fellow employees”. In other words, it could be generalized that the public service is arguably based on the principles of conflict-avoidance among the subordinate and the superior.

Among the four main cultural dimensions explained by Geert Hofstede (1991), individualism and collectivism express how the individual affiliates himself or herself to the society. According to Hofstede (1991:51) “individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestionable loyalty.” Although Maldives was not included in his research, Asian countries which have similar cultural attributes to that of the Maldives, were found out to be depicting traits of collectivism. As such it is highly likely that Maldives too will fall into this dimension.

It is believed that in a society characterized by individualism, there is more likelihood that individuals will distinguish between professional and individual life. In this regard, personal relations are less affected when performance appraisal is carried out based on professional norms. On the contrary, in collectivist societies, the professional and personal life are difficult to separate and therefore any formal evaluation may affect personal as well as professional relationships. Performance Appraisal, being a ‘western product’, may have difficulties to implement in more collectivist cultures. In most non-western communities, individual opinion could be examined as unfavorable, especially when they are critical of another individual. As Vallance (1999:81) has mentioned, in most non-western societies “it is important that an individual be allowed to save ‘face’ and to be protected from criticism”. To a certain extent

this is also applicable to the Maldivian Public Service. Therefore, having a harmonious relationship between subordinate and superior is given considerable importance.

One of the stereotypes about government employees is that they generally do not work very hard and that people can get away with failures because they cannot be fired (Ban, 1995:157). Although this is not entirely true, even in the Maldivian Public Service there is hardly any employee who is terminated, specifically due to low performance. This means that although an employee is not performing to the expected level, the manager or his superior is reluctant to recommend for the employee's termination. Any attempt by the manager to terminate the employee could be seen as extremely personal. As a result most supervisors refrain themselves from reporting the poor performance of an employee due to such culture related issues. This poses a number of challenges in the institutionalization of the performance appraisal system. Especially not being able to confront a low performing employee, results in the continuance of such low performance on the side of that specific employee. It maybe possible that some supervisors have decided that dealing with a problem employee is just not worth the trouble and that ignoring the issue has fewer costs. (note: A brief look at the factors that may affect superior-subordinate relationships is presented in *Annex II*)

3.7.2 Motivation and Reward

Motivation¹² is probably one of the major factors that influence the institutionalization of appraisal system. How motivated the employee is, how satisfied, how committed and how loyal the employee is to the organization directs to higher performance. However, motivation is determined mostly by the type of reward the individual receives. It could be argued that motivation and reward are organizational variables rather than cultural variables. Although this is true to some extent, this research will focus on explaining how culture influences motivation and how culture determines what values the individual places on different kinds of rewards.

The hypothesis used for this variable is summarized in the following figure.

¹² Robbins (1998:355) defines motivation as “the willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need”.

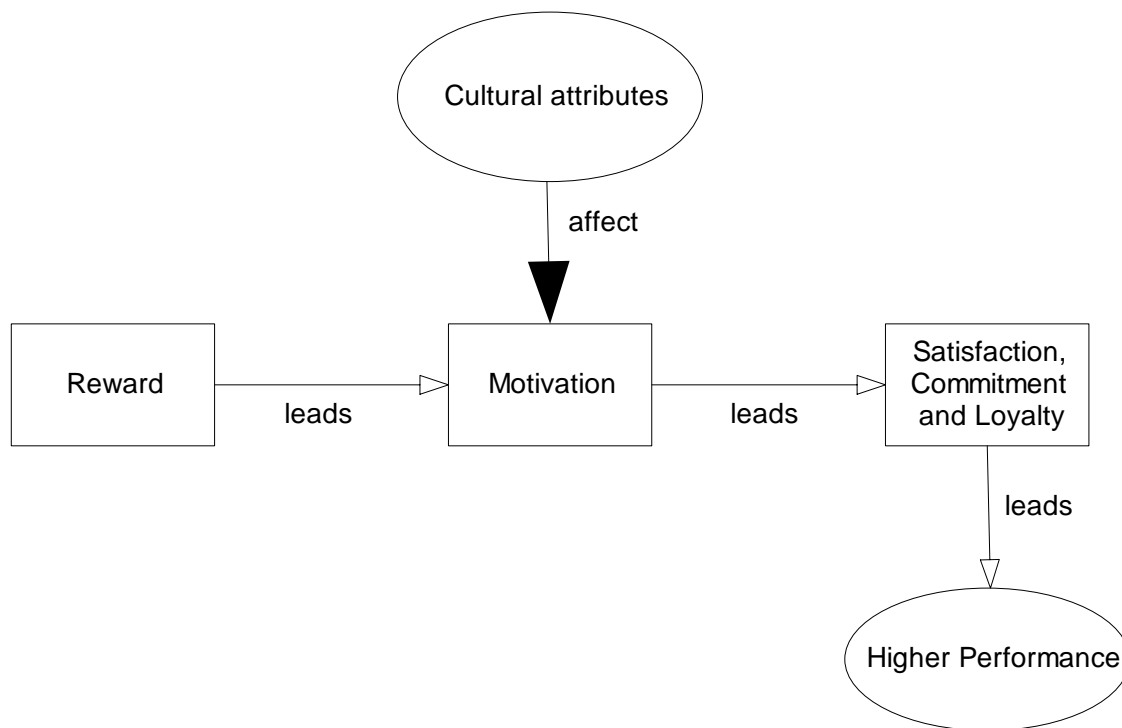


Figure 1: Relationship between culture, reward, motivation and performance

As the hypothesis suggest, motivation (intrinsic and extrinsic) is derived from reward (intrinsic and extrinsic). Motivation in turn results in greater satisfaction, commitment and loyalty to the organization (for the purpose of this research, “commitment” will be dealt as an organizational variable, mainly because of its greater relevance to organization). Greater satisfaction, commitment and loyalty mean that the individual will stay in the organization longer and will share the values and norms of the organization thereby striving to improve the performance of the organization. Higher organizational performance is achieved through higher individual performance. Therefore, as Figure1 has outlined, rewards leads to motivation which leads to satisfaction, commitment and loyalty which in turn means higher performance. This variable is focused on how some of the cultural attributes influence the motivational factors which can influence the performance of the individual (it will be assumed that the successful institutionalization of the performance appraisal system will lead to higher individual performance). In other words an attempt will be made to prove whether cultural attributes on motivation has any influence on institutionalizing the current performance appraisal system.

As mentioned in the previous variable of this chapter, Maldivian society can be generalized as a collective society. Some of the specific preconceived generalizations of cultural attributes in the Maldivian society are summarized below.

- Live in extended families. It provides a safety net for members of a family going through a difficult period. In addition to the parents, other members of the family also contribute in the care of children.
- Identity is based in the social network to which one belongs, thereby perceiving the world holistically.
- Most of the islands are very small, and all the households know each other well.
- The close-knit island communities practice mutual aid to survive difficult circumstances, such as in times of family deaths and natural disasters.
- Friendly, hospitable and peace loving people who try to avoid confrontations with anyone.
- At times reserved and in control of their emotions.
- Gives high priority to look presentable and to dress appropriately in public.
- Generally law-abiding citizens, possibly due to universal inculcation of Islamic piety and ideals, and fear of oppressive authority.
- Adherence to egalitarianism in most cases. That is people value equality, social justice, freedom, responsibility and honesty.
- Reconciliation and forgiveness at integral part of society.
- Higher education provides entry to higher status at work and society.
- Parents give utmost importance to provide better education to their children.
- High priority is given to rank status at work/profession.
- Working in the public sector considered as a matter of pride in most cases.
- Close interpersonal relations in work environment.
- Praising each other publicly is very rare.

Among the above mentioned attributes, conflict avoidance and interpersonal relationships in the organization has been explained previously in this chapter as a distinct variable mainly because of its direct impact on the institutionalization of the performance appraisal system. Therefore, in explaining how culture influences motivation, other attributes such as, lack of praising, the notion of pride to work in public sector, society's attitude towards higher education, and the importance placed on job status will be analyzed.

According to Pheysey (1993:99) culture affects motivation through preferences for extrinsic or intrinsic motivators. Deci (1975:61-62) explains that,

“...a person is intrinsically motivated if he engages in an activity to feel competent and self-determining in relation to the activity. There is no external reward; the reward is internal to the person and takes the form of feelings he has about himself. Human beings are organisms in constant interaction with their surroundings; they need to feel effective or competent in relation to their environment. This basic need is the essence of intrinsic motivation.”

In other words it refers to self motivation and so comes from within the person. In this respect, different people give value to different things and so place value to different degrees on different aspects. Extrinsic motivation, by contrast, comes through reward external to the job itself (Deci, 1980). It relates to the basic belief that people are naturally lazy, so that their behaviours have to be shaped by sanctions or penalties or by rewards of pay or benefits. In other words people are not self-motivated but have to be prodded by others. Extrinsic and intrinsic motivators will be the main two variables as far as motivation is concerned. However, it needs to be stressed that in most Asian countries the distinction between intrinsic and extrinsic motivation so pervasive in Western theories of motivation might be blurred (De Voe and Iyengar, 2004; Hernandez and Iyengar, 2001; Iyengar and Lepper, 1999, 2002).

Herzberg's two-factor theory can also give an additional perspective as regard to motivation. According to him motivation is derived from two dimensions. The first is the *dissatisfiers* or *hygiene* or *extrinsic* factors. If these conditions are present, they do not necessarily motivate employees but rather maintain at least a level of “no dissatisfaction”. Such conditions include; 1) salary, 2) job security, 3) working conditions, 4) status, 5) organization procedures, 6) quality of technical supervision, and 7) quality of interpersonal relations among peers, with superiors, and with subordinates (Ivancevich and Matteson, 1996). The second set is the *intrinsic* conditions when present can have a strong level of motivation that can result in higher performance. Job satisfaction is derived from these conditions and is therefore called as *satisfiers* or *motivators*. These conditions include; 1) achievement, 2) recognition, 3) responsibility, 4) advancement, 5) the work itself, and 6) the responsibility of growth (ibid).

In a study conducted by De Voe and Iyengar (2004), they examined the relationship between managers' perceptions of employee motivation and performance appraisal by surveying managers and employees in North America, Asia, and Latin America, within a single global organization. They found that Asian managers exhibited a holistic tendency in that they perceived their subordinates as equally motivated by intrinsic and extrinsic factors, and their perceptions of both motivations proved to be comparable predictors of performance appraisal. It shows that money can motivate *some* people under *some* conditions. Therefore, the issue is not really whether money *can* motivate. The most relevant question is: "Does money motivate most employees in the Maldivian Public Service today to higher performance?" The hypothesis is that although extrinsic factors are of great importance due to the societal norms (e.g.: look presentable in public, for which more money is required) of the Maldives, intrinsic factors (e.g.: recognition through praising, greater desire for achievement and advancement which results also from gaining higher education) are also a crucial ingredient for an increasing number of individuals as far as the successful institutionalization of the appraisal system is concerned.

Motivation depends on the kind of reward that the individual receives. In the meantime, it will be assumed that intrinsic motivation is a motivational force ultimately tied to intrinsic outcomes, while extrinsic motivation is a motivational force ultimately tied to extrinsic outcomes. Reward can come in different forms (A typology of rewards is presented in *Annex III*). However, the general distinction of rewards has been classified into *intrinsic rewards* and *extrinsic rewards*. Distinguishing between the two has found to be problematic. As Guzzo (1979:75) have alerted "this distinction has generated intense research efforts, highly energized debates, and numerous academic affrays." According to the hypothesis of this variable, rewards do not have a direct link with the cultural attributes. Therefore, no attempt will be made to go into the depth of analyzing the different definitions of intrinsic and extrinsic rewards. Whether rewards are extrinsic or intrinsic, it is very important to consider the rewards valued by the person since an individual will put forth little effort unless the reward has value. Therefore, the aim here is to study whether cultural attributes have any influence on the value put forth by the individual.

In the distinction made by Ivancevich and Matteson (1996), extrinsic rewards include salary and wages, fringe benefits, interpersonal rewards (status and recognition), and promotions. As far as extrinsic rewards in the public sector are concerned, it is crucial in deciding whether to

link performance to promotion. In this respect, Wilson (2002) has studied about the dilemmas of appraisal and one of them is to whether appraisal and promotion should even be linked (note: promotion leads to increase of salary). Also it is important to remember that the challenge of trying to reward, especially extrinsic rewards, to performance are even greater in many public organizations than in private ones (Rainey, 1991:140). Furthermore, Marsden, French and Kubo (2000) conducted a large-scale study of the effects on performance pay in the British Civil Services to explore its effects on motivation and work relations. According to their findings the performance related pay appears not to have motivated better performance, as the great majority of employees disagree that it raised their performance. In this regard the majority also believed that it had damaged workplace relations, lowering morale, causing jealousies and breeding distrust of management. In addition, Armstrong (2000:167) has alerted about the disadvantages of having a performance related pay system. According to him they include:

- It is not a guaranteed motivator;
- It has to be based on some form of performance assessment, usually a rating;
- Even so, it may be difficult to produce realistic performance measures, which means that ratings or assessments may be unfair, subjective and inconsistent;
- If there is undue emphasis on individual performance, teamwork will suffer;
- It can lead to pay rising faster than performance (pay drift) – in other words, it is not cost-effective;
- Performance related pay schemes are difficult to manage well, for they rely upon effective performance management processes, which many organizations will not have;
- It can produce poor-quality performance because people are concentrating on achieving quantitative targets;
- It can lead to ‘short-termism’ – the pursuit of quick results rather than paying attention to the achievement of longer-term strategic goals.

On the contrary Milkovich and Wigdor (1991) argued that there is evidence that pay-for-performance systems can have beneficial effects for the organization. Therefore, it is vital to analyze both sides of extrinsic reward in generalizing whether extrinsic reward will in fact lead to better performance in the Maldivian Public Service. The main reason for focusing on

these extrinsic rewards is because the Maldivian culture gives high priority to status. In the public sector, status is determined mostly by the job rank in the organizational hierarchy. Since striving continuously for promotion is the main approach to achieve status, it is important to highlight the issue of promotion as well.

Ivancevich and Matteson (1996) describes intrinsic rewards as completion (satisfaction derived from task completion), achievement (self-administered reward when a challenging goal is reached), autonomy (right and privilege to make decisions and operate without being closely supervised), and personal growth (expansion of one's own capabilities). In this respect, Swiss (1991:248) defines intrinsic rewards as the "psychological drives within an individual that are activated simply by performing the job". In a study conducted by Jurkiewicz *et al.* (1998), it was illustrated that within public organizations in particular, financial incentives rarely come first amongst sources of motivation, in comparison to the private sector. The study revealed that whilst managers in the private sector place the expectation of payment first, managers in the public sector first expect to make a contribution to decision-making, a stable future, the possibility of leadership role, to use their skills and to learn something. It also concluded that it would be more appropriate to offer civil servants other sources of motivation that better meet their expectations. This is further reinforced by the studies carried out by the OECD (1997) into dynamic remuneration for managers in the civil service that follows similar lines, stating that the appeal of financial rewards is not evident within the public services where the corporate culture tends to value other aspects. Furthermore, Emery and Giauque (2001) also found that non-monetary forms of remuneration, such as the organization of working hours, improvements in equipment and work resources and the development of skills, are appreciated by civil servants and correspond more to the public sector culture than purely monetary remuneration.

As mentioned earlier, the long established tradition among the Maldivian society is the lack of recognition and praising. This is also true in the work environment. Recognition can have considerable importance to many as it has been mentioned earlier that recognizing one's work can be an important intrinsic reward. In other words, positive behaviour reinforcement is a much more powerful motivator than negative feedback. Therefore, it will be analyzed later how important such factors are in the eventual successful institutionalization of the performance appraisal system.

3.8 ORGANIZATIONAL ELEMENTS

As government organizations are predominantly service providers, with additional burden of accountability and public responsiveness, the problem of creating performance criteria and implementing evaluation schemes are complex and difficult. As such, in understanding and judging the effectiveness or success of a performance appraisal system, the role played by the organization is crucial (Daley, 1992; Hyde, 1982; Gilbert, 1982; Murphy and Cleveland, 1990:47-72). Several factors influence how the individual perceives appraisal systems at the organizational level. These are considered as the organizational variables and the ones selected for this study are discussed below.

3.8.1 Competency and Disposition of Implementers

“A *competency* is a process or a collection of *skills*; and *behaviors* are what people regularly say and do to display the competencies they possess” (Galpin, 1997:77). Boyatzis (1982) defined competency as a capacity that exists in a person that leads to behaviour that meets the job demands within the parameters of the organizational environment and that, in turn, brings about desired results. As far as this study is concerned, the question that arises is how competent is PSD in facilitating the implementation process. Nilsen (1997) has studied the importance of central implementing agencies in Norway, United Kingdom and Canada. He concluded in his study that the advice and information from the central agency are crucial for the successful implementation. In this respect, the competency of PSD in terms of expert personnel required in the facilitation process needs to be adequate for the demand. In addition, the role of the Human Resource Section or Unit of the individual government organizations also plays a crucial role as they are responsible for implementing the system in their respective organization. Therefore, they also need to be adequately equipped in terms of personnel and need to be competent so that they can contribute to this process in addition to their normal daily routines.

The implementation of the appraisal system can be considered also as a *change* programme. Those responsible in implementing changes in the organization must possess or have access to a wide range of skills, resources, support and knowledge. Paton and McCalman (2000:36) have identified some of such attributes which are given below.

- Communications skills are essential and must be applied both within and outside the managing team.
- Maintaining motivation and providing leadership to all concerned is necessary.
- The ability to facilitate and orchestrate group and individual activities is crucial.
- Negotiation and influencing skills are invaluable.
- It is essential that both planning and control procedures are employed.
- The ability to manage on all planes, upward, downward and within the peer group, must be acquired.
- Knowledge of, and the facility to influence, the rationale for change is essential.

Therefore, the extent to which the managerial staff at PSD and the focal points at the government organizations acquire such attributes will determine how competent they are in contributing to the institutionalization of the appraisal system.

According to Van Meter and Van Horn (1975:472), the disposition of implementers is one of the most important components in the policy implementation process. In this respect “three elements of the implementers’ response may affect their ability and willingness to carry out the policy: their recognition (comprehension, understanding) of the policy, the direction of their response toward it (acceptance, neutrality, rejection), and the intensity of that response” (ibid). As far as the appraisal system is concerned, PSD acts as a facilitator in the implementation of the system. Therefore, to what extent the implementers at PSD accept, understand and commit to the PA system can have a direct bearing on the successful implementation of the system.

To what extent the appraisal system is accepted by the implementers also depends on the certainty and security of their job. In this regard one of the most salient changes in the labour market in the Maldives over the last decade has been the rise of unemployment¹³. Gallie *at el* (1998) studied the growth of employment insecurity in the recent decades in the Great Britain and concluded that men’s employment careers have become markedly less stable since the 1970s and although the decline of time spent in full-time housework and an increased use of maternity leave has led to greater overall continuity of employment for women, they too have become more vulnerable to unemployment. Therefore, with arguably the growing fear

¹³ The official unemployment figure according to Census 2000 is 1.9%. However, the “Vulnerability and Poverty Assessment Survey” conducted by the Ministry of Employment and Labour showed that at the moment one in every six people in the working age group does not have a job in the Maldives (source: www.haveeru.com.mv).

towards job security in the Maldivian Public Service, the introduction of PA and its effective institutionalization can have an impact on how the public servants view their job security. However, it should be stressed that performance appraisal is intended to enhance the organizational performance by building trust and confidence among the employees, not fear¹⁴ and insecurity. They should not feel that the appraisal will lead to their dismissal or be a barrier for their future promotions. It is the responsibility of the implementing agency and the top management of each organization to reduce fear or insecurity that the employees might feel as a result of using the appraisal system.

The involvement of government organizations in making decisions that shall affect them is crucial in achieving the ownership from the recipients. It is generally argued that positive participation of the implementers and the general public servants will enhance the effectiveness of administrative reforms. This shall imply even in designing and the implementation of the appraisal system. From the typologies used by Howlett and Ramesh (2003), designing means the policy formulation stage. The spectrum of actors involved at this stage could influence the degree of ownership among the whole public service. In other words, if more government organizations are involved in designing and reformulating the system, then it is more likely that those organizations will take greater ownership for the appraisal system. This applies to both at the inter-organization level as well as at the intra-organization level. As a result, it is important for PSD to involve other organizations and each organization itself needs to involve its own employees in the implementation process.

The concept of time is also a factor that influences the disposition of implementers. Not most of us spend as much time planning as we know we should, even though planning is crucial to using time effectively. The world is witnessing fast-moving change, and people's attitude towards time is not an exception given the changing roles of public administration. Performance Appraisal could be time-consuming for most as it requires considerable time to plan work. However, that occurs when the recipients see the appraisal work as something that is separate from their daily routine work. On the other hand, when appraisal is seen as something that is embedded into their daily work, such perceptions of viewing appraisal as a

¹⁴ Ryan and Oestreich (1991:21) define fear in the workplace as feeling threatened by possible repercussions as a result of speaking up about work-related concerns. These feelings of threat can come from four sources: 1) Actual experience in the current situation, or in a past similar situation; 2) Stories about others' experiences; 3) Assumptions and private interpretations of others' behaviours; 4) Negative, culturally based stereotypes about those with supervisory power.

separate entity will be limited. In the former instance, it means that time has to be made for appraising. The uniqueness about time is that, “time is not like other resources, because you can’t buy it, sell it, rent it, steal it, borrow it, lend it, store it, save it, multiply it, manufacture it, or change it. All you can do is spend it.” (Douglass and Douglass, 1980:3)

In this respect in the famous experiment conducted by Henry Mintzberg (1971), he identified the roles of a manager and how the manager uses time. He concluded that because of the different roles of a manager, there is a huge burden of responsibility on the manager and so the manager is called upon to perform his work at an unrelenting pace, work that is characterized by variety, discontinuity and brevity. As a result managers come to prefer issues that are current, specific, and ad hoc, and that are presented in a verbal form.

Therefore, it is vital that all these factors need to be taken into consideration when determining how the competence and disposition of the implementers affect the institutionalization of the performance appraisal system in the Maldivian context.

3.8.2 Leadership

According to Van Wart (2003:214), “effective leadership provides higher-quality and more efficient goods and services; it provides a sense of cohesiveness, personal development, and higher levels of satisfaction among those conducting the work; and it provides an overarching sense of direction and vision, an alignment with the environment, a healthy mechanism for innovation and creativity, and a resource for invigorating the organizational culture”. For successful institutionalization of the appraisal system, such leadership attributes can play a pivotal role in mobilizing and gaining the support of the staff members.

When the leaders are able to command the desired behaviour from organizational members, organizational goals and targets can be achieved in a more effective and efficient manner. In this regard, when the leaders are able to convince the employees that the implementation of the performance appraisal system is a prerequisite to achieve the organizational objectives, then the likelihood that the organizational members accept and take ownership for the appraisal system will be higher. To demand the desired behaviour for the successful institutionalization of the appraisal system, the leaders need to acquire certain qualities and show certain behaviours in order for others to follow the leaders. Although there are no

'must-acquire' set of attributes that certainly needs to be present in a leader, different leaders gain the support of the followers using different techniques and by showing different behaviours. Furthermore, such attributes can even vary from organization to organization or from country to country. A number of previous researches carried out by scholars in this respect are presented below. The aim is to analyze whether some or any of those attributes can influence the leadership behaviours in the process of institutionalizing the appraisal system.

In the research conducted by Blunt and Jones (1997:19), they made a comparison of a number of elements of the Western 'ideal' leadership with East Asian and African paradigms. The four dimensions that were used are: 1) Influences on leadership practices; 2) Managing authority; 3) Managing uncertainty and 4) Managing relationships. For instance, they described the East Asian leadership on the first dimension as "maintenance of harmony fundamental; attention to social networks; consensus valued; respect for seniority, age, experience; expectation that managerial authority will be exercised with moderation". This dimension along with the other three dimensions shall be used to analyze the leadership in the Maldivian context to determine how and whether it influences the effectiveness of the appraisal system.

Another set of approaches of describing leadership is given by Kouzes and Posner (1995:9) who identified five fundamental practices of exemplary leadership. They are; 1) challenge the process (i.e. challenge the status quo); 2) inspire a shared vision (i.e. have a vision for the future which is shared by everyone); 3) enable others to act (i.e. the ability to make others follow him); 4) model the way (i.e. leaders practice what they preach thereby showing an example to others); 5) encourage the heart (i.e. the ability to carry on even with challenges and hurdles). Such attributes are essential even in the implementation of reforms such as performance appraisal. As Lawler III (2001:394) has expressed "without leadership at the top, and a senior management group that models good performance appraisal behavior, it is impossible to have an effective performance management system". Therefore, the leaders' disposition and contribution towards the appraisal system can play a vital role in the success of the appraisal system.

3.8.3 Socialization, identity formation and commitment

When an employee joins an organization, adaptation to the new environment is not automatic and immediate. The employee initially goes through the phases of socialization. Depending on

the nature of how socialization has taken its effect on the employee, a certain identity is formed and portrayed by the employee which may eventually determine the level of commitment to the organization. There is a greater chance that a committed employee may take his or her job more seriously and thereby possibly fulfill the tasks more effectively and efficiently. Since the performance appraisal system stresses on these attributes, committed employees means that the likelihood of successful institutionalization of the appraisal system is greater. How this process can be developed is explained below.

Socialization commonly refers to the efforts of the organization to 'teach the ropes' to the newcomer (Pepper, 1995:115). In other words it involves the formal and informal practices of bringing new members into a group and the efforts of the newcomer to make sense of the experience (ibid, 118). "In its most general sense, organizational socialization is the process by which an individual acquires the social knowledge and skills necessary to assume an organizational role" (Van Maanen & Schein, 1979:211). In any organization, planned and unplanned socialization activities and programmes are carried out continuously. Planned socialization tools include official induction training. Such induction training will encompass different rules of the organization as well as expected behaviours in the work environment. Unplanned socialization occurs when the individual interacts with his or her colleagues thereby learning the norms and values of the organization. In this process the employee is bound to learn the positive as well as the negative norms and values of the organization. This is also the case of the Maldivian Public Service. Therefore, it is believed that organized socialization is necessary so that the legitimacy of the organization could be greater.

Van Maanen & Schein (1979) has expressed that socialization programmes are necessary to continue the organization's stability over the long run, by orienting newcomers to their expected roles. The question that arises is what is the importance of socialization to the institutionalization of the performance appraisal system? As newcomers join an organization, they are getting accustomed to a new environment. In order to create a performance oriented organization, it is crucial that these newcomers are aligned in the appropriate direction towards achieving those goals. Pepper (1995) calls this as 'creating the organization citizen'. The socialization process eventually formulates an identity of the employee. The greater the socialization, the greater chance the employee to be aligned with the norms of the organization. This eventually enhances the legitimacy. In the common language the

employees are then referred as bureaucrats¹⁵ or public servants¹⁶. Due to the nature of their work they need to work along with the elected politicians. Nonetheless the traditional distinction between administration and politics is being increasingly incorporated into each other thereby making it difficult to distinguish between the two. That is where the concept of *professionalization*¹⁷ of government institutions comes into the scene. Maldives does not have a Civil Service or Public Service Act at the moment. As a result it could be argued that there is no Public Service per se. Therefore, the main approach where the bureaucrats evolve and change is through *organizational learning*¹⁸. However, with the introduction of the performance appraisal system, there is a need for more professionalism among the civil servants. They need to be open for criticisms from their superiors in the face of low performance and take such feedback as a source for improving individual performance.

When the employee adapts to the organizational rules, norms and values through the socialization process and forms a specific identity, a certain level of commitment could be identified. In this regard a fundamental prerequisite for successful implementation of the appraisal system is the commitment from the public servants. So what is a committed employee? “Commentators typically describe the committed employee as one who stays with the organization through thick and thin, attends work regularly, puts in a full day (and maybe more), protects company assets, shares company goals, and so on” (Meyer and Allen, 1997:3). This means that committed employees are believed to be more likely to remain within the organization and to work towards organizational goal attainment. Even though commitment is

¹⁵ Max Weber (1971) identifies bureaucrats of having these features; 1) They are personally free and subject to authority only with respect to their impersonal official obligations; 2) They are organized in a clearly defined hierarchy of offices; 3) Each office has a clearly defined sphere of competence in the legal sense; 4) The office is filled by a free contractual relationship; 5) Candidates are selected on the basis of technical qualifications. In the most rational cases, this is tested by examination or guaranteed by diplomas certifying technical training, or both. They are appointed, not elected; 6) They are remunerated by fixed salaries in money, for the most part with a right to pension....The salary scale is primarily graded according to rank in the hierarchy....; 7) The office is treated as the sole, or at least the primary, occupation of the incumbent; 8) It constitutes a career. There is a system of ‘promotion’ according to seniority or to achievement or both. Promotion is dependent on the judgement of superiors; 9) The official works entirely separated from ownership of the means of administration and without appropriation of his position; 10) He is subjected to strict and systematic discipline and control in the conduct of the office.

¹⁶ The terms “bureaucrats”, “public servants” and “civil servants” will be used interchangeably for the purpose of this study.

¹⁷ Professionalization is derived from the word *profession*. Webster’s Dictionary defines profession as “a calling requiring specialized knowledge and often long and intensive preparation including instruction in skills and methods as well as in the scientific, historical or scholarly principles underlying such skills and methods, maintaining by force of organization or concerted opinion, high standards of achievement and conduct, and committing its members to continued study and to a kind of work which has for its prime purpose the rendering of a public service”. (Quoted from Burrage et al, 1990)

¹⁸ Organizational learning means the process of improving actions through better knowledge and understanding (Fiol and Lyles, 1985).

not the only factor influencing performance, as Mowday *et al* (1982:36) has expressed, it is expected that commitment influence the amount of effort an employee puts forth on the job and this effort should have some influence on actual performance.

A unique feature of the Maldivian Public Service could be that, most public servants work in part-time jobs¹⁹ as well. Although they are legally not allowed to do any work outside the normal job during the official working hours, it is not an uncommon practice that some individuals spend part of the official hours on part-time jobs. This surely highlights the question of commitment by individuals towards the public service and better performance. Therefore, it is vital that the socialization process is carried out effectively so that the process is seen as legitimate which may create a positive identity among the employee thereby increasing the probability of greater commitment towards the organization.

3.8.4 History of Learning

“Learning in organizations relates to how the organization deliberately changes and adapts over time in terms of structures, functions, values, attitudes and behaviour” (Barrados and Mayne, 2003:88). In this regard, past successes and failures in the field of administrative reform can also play a role in determining the future trends. In other words, organization learning inhibits or exhibits the future reforms of the organization. This is shown by changes in its structures, functions, values, attitudes and behaviour. As mentioned in the previous section, organizational learning involves improving the action through better knowledge and understanding. In the case of successful learning, the lessons drawn are thereafter stored in the organizational memory in the form of routines and procedures which are applied in the future. Once such rules and procedures are well established, they guide human behaviour as well as shape their preferences, which eventually lead to successful institutionalization.

Levitt and March (1988) argued that organizations learn by encoding inferences from history into routines that guide behavior. In this respect organizations learn from direct experience or from other’s experiences. They argued that routines and beliefs change in response to direct

¹⁹ A survey conducted by the Public Service Division among 16,992 public servants in January 2003 showed that only 7% was working in a part-time job. This figure is believed to be highly misleading and so is generally believed to be much higher. That is because in the “Household income and expenditure” survey conducted by the Ministry of Planning and National Development during 2002-2003 showed that one in three working people in Male’ occupies more than one job, and in the atolls 5% of the working population occupies more than one job (source: www.haveeru.com.mv).

organizational experience either through *trial and error experimentation* or *organizational searching*. As far as the Maldivian Public Service is concerned, the first appraisal system introduced during 1996 and later halted in 1999 is believed to have given several lessons which were used later in the introduction of the new appraisal system. The experience of that attempt is still fresh in most people's minds, and so it will not be a surprise even if most view the current system with skepticism. Although that was not a positive learning experience, the lessons learned from that experience gave valuable input on how such a reform should be handled and progressed in the future. Detail examination was carried out on what were the exact reasons of that failure. As a result, in designing and implementing the current appraisal system, PSD used the lessons from that failed initiative. Careful attention was given not to repeat the mistakes of that attempt such as linking the appraisal system to a monetary reward immediately. Furthermore, providing intense training was given high priority so that the system could be institutionalized more effectively prior to awarding a reward.

In addition to performance appraisal system, learning from other administrative reforms such as Strategic Planning, Professional Training and Customer-Oriented Service Projects, can also have its bearing on determining how much has been acquired in terms of knowledge. Levitt and March (1988) argued that positive learning enhances acceptance which thereby leads to institutionalization. Therefore, the degree of positive experience with such reforms would probably influence how the public servants accept future reforms in the field.

The common conception in the public sector organizations are that they do not admit to being wrong. Risk avoidance is the general practice and mistakes are downplayed or blamed on someone. It could be argued that organizations will not be able to learn from their past efforts unless they can learn from the mistakes. Organizations need to, as Michael (1993) has suggested, embrace errors. Barrados and Mayne (2003:100) have identified the kind of values needed to embrace such a culture. They include:

- Leadership from the top which demonstrates the values of learning;
- A free flow of information in a non-hierarchical way – transparency;
- Rewarding inquiry and learning, especially for mistakes;
- Political support for a learning public service;
- An accountability system which supports learning.

Such values are a necessity even in the Maldivian Public Service if it is to learn from the past. They need to learn from the past mistakes, failures and even successes, so that future reforms can be institutionalized more effectively.

3.9 POLITICAL ELEMENTS

How public managers respond to the political environments and how those environments influence public organization is of great importance as far as public sector reforms are concerned. For the purpose of this research two political factors are considered as independent variables which are discussed below.

3.9.1 Symbolism and Political will

“Politics is expressed through symbolism. Rather little that is political involves the use of direct force, and, though material resources are crucial to the political process, even their distribution are largely shaped through symbolic means” (Kertzer, 1988:3). The appraisal system can also be viewed from this perspective as it is a reform implemented from the highest organization in the country. If that is so then what is the role of symbols? According to Drescher *et al* (1982), they shape political discourse, and political struggle is partly a struggle to control such discourse. March and Olsen (1989:48) went on further to explain that in the political arena, “action is choice, choice is made in terms of expectations about its consequences, meanings are organized to affect choices, and symbols are curtains that obscure the real politics, or artifacts of an effort to make decisions.” Therefore, in the case of the appraisal system, the question that is raised has been whether the system is introduced and implemented as only to show political symbolism or does the state have a ‘real’ political will to implement the system to the limits.

According to Khan (2002), attempts to reform and overhaul South Asian²⁰ civil bureaucracies during the last 50 years have been met with little success. Although this conclusion is rather drastic and can be challenged he goes on to explain that “the experiences of such bureaucracies reveal that without committed political leadership, strong pressure groups favoring reform, and a democratic governance system premised on effective participation of

²⁰ South Asia is considered to include; Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

the citizens, major administrative reforms will not succeed”. It has been argued in Chapter 1 about the uniqueness of the Maldivian Public Service; nonetheless the above statement does contain the conditions that should be present even in the Maldivian context if reforms are to succeed. In the Maldives the number of public servants has been increasing rapidly²¹ along with a swelling government budget to meet the demands of the rising expectation of the citizens. With all these constraints in order to continue towards the successful institutionalization of the appraisal system, it is vital that there is a strong political will and backing from the government.

Reforms such as an appraisal system should not be just a tool for political symbolism to achieve legitimacy for the state. Legitimacy is established by showing that the decisions accomplish appropriate objectives or by showing that they are made in appropriate ways (Eriksen, 1987). In this aspect, making a decision and directing others to implement it without strong backing might not be enough in some situations. This is true to a greater extent in the Maldivian Public Service which has seen top-down implementation of administrative reforms in the past. Political backing could also be expressed in terms of rewards and penalties. This leads to the enforcement tools that are used by the state. Balch (1980:44-46) has analyzed four strategies that the government can use to try to enforce its policies; 1) information strategies (here the information about the appraisal system is disseminated to the government organizations in the form of manuals, circulars, etc), 2) facilitation strategies (here the enforcement agency, which is PSD in this situation, acts in a facilitative role by practically training and advising the government organizations, in addition to playing just an informative role) , 3) regulation strategies (here rules and regulations are formulated to ensure legitimacy and effective implementation of the appraisal system), and 4) incentives strategies (here rewards and penalties are set and enforced depending on the level of implementation of the appraisal system). The degree of the success in institutionalizing the performance appraisal system will rest on what strategy or a combination of strategies the government uses along with the extent of political will applied.

Therefore, the point to stress here is that reforms such as the appraisal system are at times initiated on the basis of symbolism because symbolism provides legitimacy for the actions of the state. So the question that is raised is whether these reforms are ‘real’ with sufficient

²¹ From the period of 1988-2003, the number of government employees has increased by 182.7%.

backing and political will to implement or whether they are just symbolic acts of the government.

3.9.2 Separation of Powers and Political Accountability

The hypothesis used for this variable is summarized in the figure below.

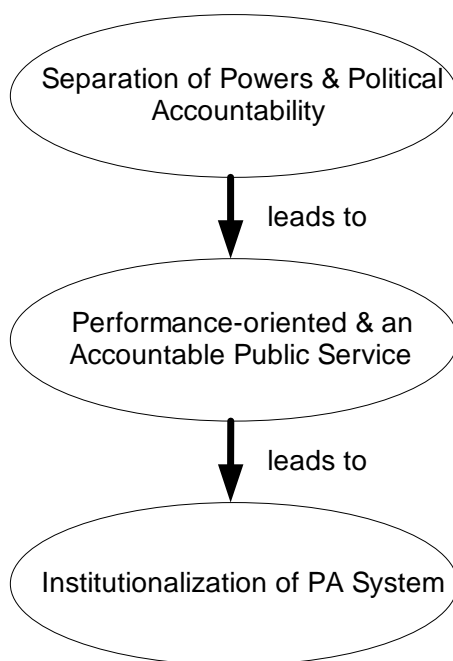


Figure 2: Link between separation of powers & political accountability with institutionalization of PA system

The system of government varies from country to country²². The most common types include the Presidential System, the Parliamentary System, or in many countries a combination of both. Regardless of the type of government, in a democratic system, there a number of values and practices that is adhered. One of the fundamental concepts under a democratic system is the separation of powers. As Persson *et al* (1997:1164) has expressed, “separation of legislative, executive and judicial powers is deemed essential to avoid usurpation and tyranny by the holder of these powers.” There is a check and balance mechanism among the three branches that ensure that the rules are complied, the constitution is upheld and the wishes of the people are implemented. The argument here is that separation of powers improves the accountability of elected officials, and thereby the utility of voters, but only under appropriate checks and balances. Separation of powers between the executive and the legislative bodies

²² Since Maldives is a Republic, *Executive* will mean to include the President and the Ministers, and *Legislative body* will be considered as the Parliament.

also helps to prevent abuse of power. Sometimes it can create a conflict of interest but ultimately both bodies need to agree on public policy. In a Presidential System or a Parliamentary System, the Executives have different powers. However, going into the depth of such differences is beyond the scope of this study and so will particularly focus on the type of system present in the Maldives where the President and Parliament are directly elected by the people in separate elections.

The introduction of New Public Management (NPM) and its tools such as performance appraisal intend to create a culture that aims to increase the efficiency and responsiveness of the public sector, to improve public service quality and to recover the confidence of citizens in the problem-solving capacities of government (Hood, 1991; Kettl, 1997, 2000; Ospina *et al* 2004). However, some authors have questioned the contention that NPM reforms and democratic governance are necessarily incompatible (Wise, 2002). They argue that due to the empowerment of non-elected civil servants, the democratic or political accountability diminishes. On the contrary others have argued that NPM's emphasis on result-based accountability has the potential to enhance representative democracy. Their argument is that the performance evaluation and the accountability systems will provide those delegating responsibility (e.g. the general public, their representatives) with the required information to better assess whether such responsibilities are being exercised (State Services Commission, 1999). In-depth analysis of these two perspectives is beyond the scope of this study. However, for the purpose of this research, the latter stand will be taken, that is NPM's tool such as performance appraisal will enhance democratic or political accountability.

Political accountability is about how “those who are charged with drafting and/or carrying out policy” owe explanations to the electorate (Glynn and Murphy, 1996:127). Due to the separation of powers, the executives are made accountable to the legislative body. In other words, the checks and balances mechanism creates a system where the public service can be scrutinized by the legislature. Means of achieving this include confirmation of top appointees to head government organizations, regular hearings on government activities, and extensive rules on the execution of laws the legislature passes. As a result of such acts, bureaucracy is made accountable for its actions. Government ministers are questioned, the budget needs to be approved, and furthermore, annual reports and audit reports of government organizations are scrutinized by the legislature in such a system. The legislative body who is the representatives of the people is obliged to continuously monitor the actions of the government. In return the

legislature is made accountable to its constituencies. The public use their powers in voting for or against the policies of the government. Therefore, the people who vote will be indirectly scrutinizing the executives.

The importance and significance of such accountability “stems from the prevailing theoretical contention that accountability forms the preliminary requirement of democratic governance as it assures the continuity of state legitimacy, control of financial resources, and public interests” (Ho, 1999:23). In this respect, the bureaucracy or the public service can be made accountable either formally or informally. Formal channels include those prescribed by the Constitution, statutory law, or administrative procedures. Examples include President’s powers to issue executive orders, parliament’s budget-making role, and the court’s prerogative of judicial review. On the other hand, informal channels have their origins in public preferences, individual ethical standards, and the many competing participants in the political process (Johnson, 1992). The argument here is that, one of the hallmarks of participatory and democratic system is the answerability to one’s actions and behaviours which makes bureaucratic accountability so important.

Public Service being accountable means that since its actions will be continuously monitored, there will be an increasing demand on them to be result-oriented. How the public funding is used will be scrutinized in a democratic system. Therefore, the public service needs to be performance-oriented as well. In other words, national and organizational plans needs to be implemented effectively and monitored appropriately. To achieve this goal, implementing and institutionalizing an individual performance appraisal system is also an important ingredient. That is mainly because, national and organizational plans are implemented at the organizational level and are carried out by the public servants themselves. Therefore, the performance of the public servants needs to be evaluated and monitored to ensure whether national and organizational goals are achieved effectively. As a result, it can be argued that successfully institutionalizing a performance appraisal system is of utmost importance in obtaining bureaucratic accountability or making public service accountable.

3.10 CONCLUSION

The following is a figure which depicts the above explained variables in a pictorial format.

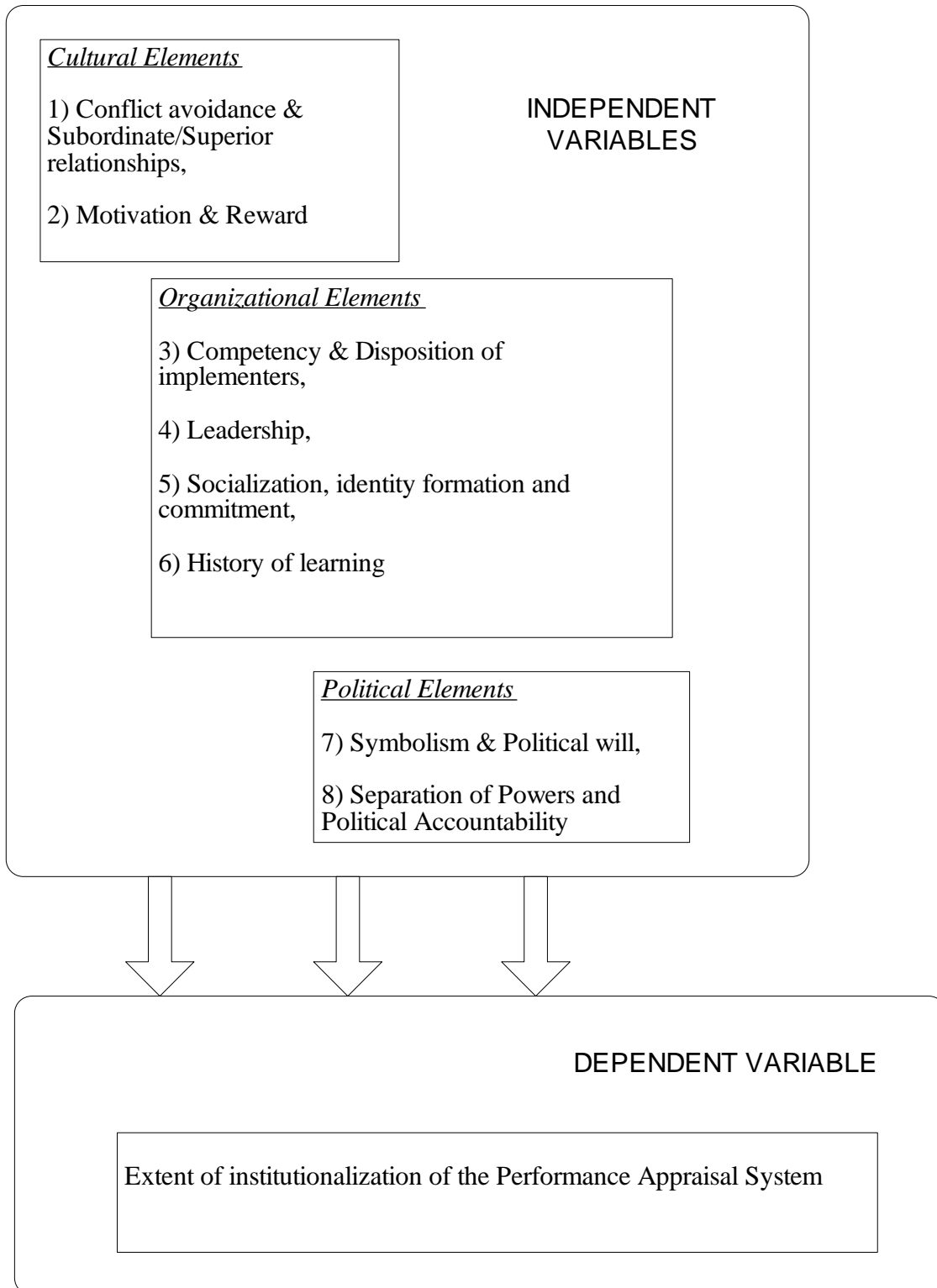


Figure 3: Variables used in the study

Successful institutionalization of the performance appraisal requires certain conditions to be fulfilled. The conditions vary from country to country. Since this study is concerned about a

small island nation, there are unique challenges that are faced. As a result, there are specific conditions that need to be fulfilled if a reform such as the performance appraisal system is to be institutionalized effectively in such a context. These conditions with regard to the above explained variables are shown in the following figure.

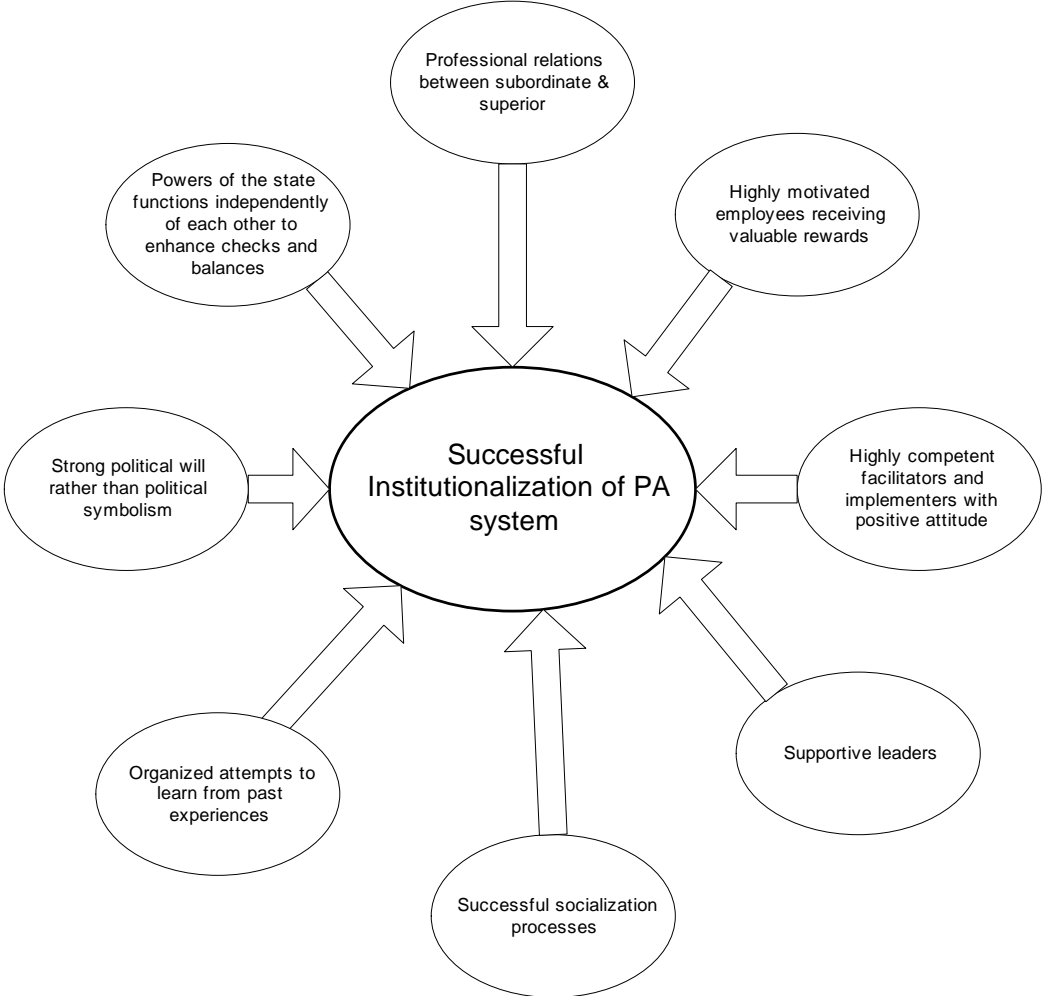


Figure 4: Conditions required for successful institutionalization

CHAPTER FOUR: PERFORMANCE APPRAISAL AND ITS APPLICATION IN THE MALDIVIAN PUBLIC SERVICE

4.1 INTRODUCTION

This Chapter gives an account of the history of performance appraisal in the Maldivian Public Service and how it has evolved over the years. It will be followed by an extensive explanation of the current performance appraisal system that is being used in the Maldivian Public Service.

4.2 THE FIRST APPRAISAL SYSTEM (1996 – 1999)

The need for establishing a Performance Appraisal System has been felt for several years in the Maldivian Public Service. Nonetheless it was not until 1996 that the first appraisal system came into effect. This performance appraisal system was used for the following purposes.

1. to determine salary increment
2. to determine the suitability and eligibility for promotion
3. to identify and plan training needs
4. to determine suitability of placement of an officer and career development relevant to the potential, abilities and talents
5. to improve and upgrade the officer's performance and motivation through counseling

(Source: Government of Maldives, 1996)

This appraisal system was implemented in the Public Service through three Presidential Circulars No.96/27 (14th April 1996); No.97/49 (20th August 1997); and No.98/28 (12th March 1998) which were sent to all government ministries and departments. The first two circulars were regarding awarding salary increments of 5 percent of monthly salaries to all employees who scored 60 points or higher in their performance appraisal forms. The third circular was on the setting up of an Employee Affairs Committee in government ministries and departments to overlook the appraisal process and to handle complains. In addition to these, PSD held a series of workshops for all government ministries and departments to introduce and educate the relevant focal points in each government organization.

4.2.1 The Appraisal Form

Two types of appraisal forms were formulated to recognize two major categories of officers within the Maldivian Public Service. The first category is the officers who perform the supervisory role and the second being the officers who do not perform any supervisory role.

The different aspects evaluated using the appraisal forms are as follows.

- *Quantity of work*: The number of unit of output produced by an officer during the reporting period.
- *Quality of work*: The standard of the output in terms of degree of accuracy, completeness, error rate etc. It also relates to the productivity in fulfilling the need of clientele such as speed, reliability, avoidance of errors and courteousness.
- *Timeliness in completing the work*: The ability of an officer to perform a task within a specified time period. This ability is seen in terms of the efficiency to complete the task, plan and schedule the work according to the priorities.
- *Knowledge of the job*: The knowledge and experience acquired formally and informally that enable an officer to carryout the duties.
- *Ability to organize*: The ability to plan, arrange, distribute and mobilize the resources such as labour, equipment, information and finance to implement the tasks of the organization.
- *Ability to make decisions*: The ability to examine and consider all relevant factors and views and make right decisions within a specified time.
- *Ability to solve problems*: The ability to identify, consider various alternatives and solve problems.
- *Communication skills*: The ability to convey messages, views and instructions orally and in writing in terms of accuracy, effectiveness, clarity and courteousness.
- *Reliability and respectability*: Honesty, trustworthiness, accountability and dedication (such as willingness to work extra hours).
- *Leadership*: The ability to supervise, manage and mobilize resources to implement the tasks of the organization. The ability in thinking and reasoning and having exemplary personal qualities.
- *Networking*: The ability to foster relationships and cooperation within and outside the organization.

- *Discipline*: The ability and willingness to follow rules and regulations.
- *Personality*: Courteousness and personal grooming.
- *Creativity*: The ability to generate new ideas, introduce innovation and resourcefulness.

4.2.2 The Performance Appraisal Process

The following figure shows the process that was followed during the implementation phase.

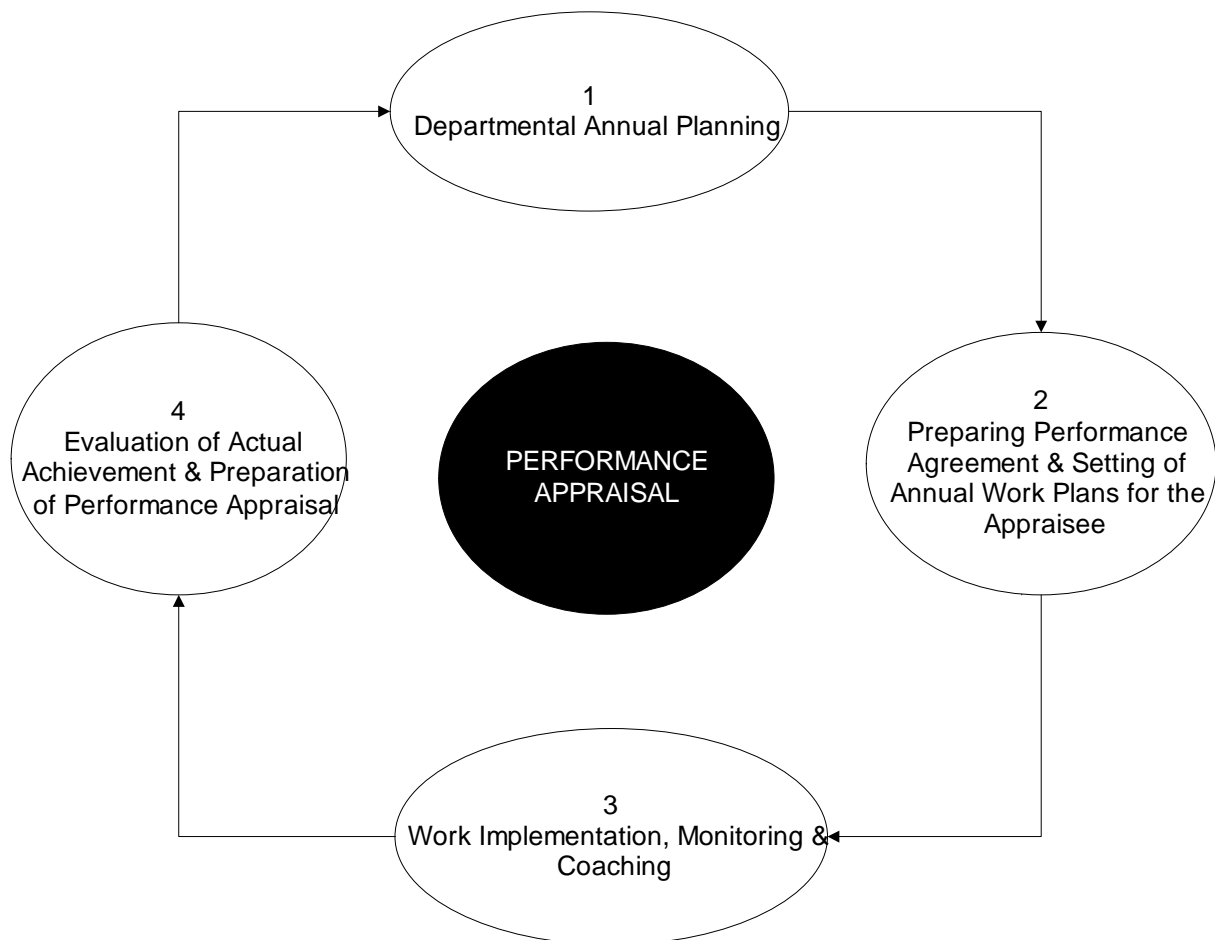


Figure 5: The performance appraisal process cycle

4.2.3 Observations and Problems

Asim (2001) has undertaken an analysis of the first appraisal system. His main observations are summarized below.

- There were no differences in the reward system of granting annual salary increments between high performers and those who barely reached the 60-point mark in the PA forms.
- Over the three years since the introduction of the PA system, almost all government employees had received an annual salary increment.
- Administrative problems associated in the implementation process itself, such as mistakes in the increment forms received by the PSD, reflecting inadequate training of employees in ministries and departments in filling out PA forms.
- Mistakes evident in the increment requests sent to PSD from the ministries and departments pointed out to poor record keeping on the part of the respective ministries and departments.
- The sheer logistics of centrally managing the system of providing annual increments to government employees based on the PA system proved unworkable due to the time, effort and resources on the part of the PSD.

4.2.4 Termination of the Appraisal System

On 24th May 1999, the cabinet was presented with a review report of the appraisal system. All the ministers agreed that the whole system had generated much dissatisfaction among employees and had failed to achieve its initially set objectives. As such the decision was made to terminate the appraisal system and the granting of salary increment effective from 1st August 1999. In this regard the decision was also made to review the appraisal system and strengthen the record keeping in the respective ministries and departments.

4.3 REVIEWING THE PERFORMANCE APPRAISAL SYSTEM

Following the cabinet decision to do further research on performance appraisal, two staff of PSD visited the National Institute of Public Administration (INTAN), Public Service Department, of Malaysia. Their study visit from the 19th February to 5th March 2001 was aimed at studying the Performance Appraisal System used in the Malaysian Public Service. A report was submitted at the end of the study trip and this report was forwarded to the

Ministerial Committee on Administrative Reform and Modernization²³. On 25th September 2001 the committee decided to implement the new performance appraisal system on a trial basis in ministries and departments that would volunteer to implement it.

4.4 THE NEW APPRAISAL SYSTEM (2002 to date)

The former system of evaluating the performance of government employees focused mainly on the employees' behaviour and their attitude. The main disadvantage of such a system was that the attitude of the supervisor towards the employee has a great influence in the completion of the Performance Appraisal Forms. Hence the degree to which the targets set by the organization were being achieved could not be fully evaluated using that system. As a result even though a system of evaluating the performance of government employees remained in existence, there remains the possibility that the targets set out by the organization were not fully attained. Furthermore, a considerable increase in the level of performance of employees was also not being achieved. Hence it was concluded that an evaluation system which is based on the assessment of the work assigned and completed by the employees would be more effective in evaluating the performance of the employees at the organizational level, rather than basing the evaluation on the assessment of the employees' attitudes and behaviour. As a result, the new system of evaluating the government employees aims in achieving the targets set by the organization, and providing the required training and education programmes for the employee for successful achievement of the set targets.

In short this new system mainly focuses on allocating and assigning work targets to the employee before the start of the year, evaluating the degree up to which those targets were achieved by the end of the year and identifying the areas where the employee requires further training and education for the successful completion of his or her job.

When relating to the modern academic arena, this appraisal system has particular similarities to the Management by Objectives²⁴ (MBO) concept. According to Swiss (1991:62), systems that set and track goals face to face are often termed MBO and such systems are most often

²³ An advisory committee was set up in 1999 to advise the President on public service reform. The main objective of this committee is to advise the President on reforming and modernising the public service in line with the objectives stated in Vision 2020.

²⁴ The heart of an MBO system is the contract negotiated between a top manager and a subordinate manager. This contract has five components. They are: 1) A major goal or objective with a completion date; 2) A resource statement; 3) A series of steps leading to that objective with completion dates for each; 4) Periodic meetings between the manager and the subordinate to monitor and discuss progress; 5) A year-end assessment. (Swiss, 1991)

used by managers whose outputs change from year to year. The Public Sector is a field where there is continuous change in the environment which forces the actors to be more flexible in implementing the state's policies. As such it could be argued that an appraisal system that is derived from the principles of MBO is of great relevance to the public sector.

Turning back to the Maldivian context, the implementation of performance appraisal as a pilot exercise continued during 2002 and 2003. At the end of year 2001, all government organizations were invited to participate in the pilot exercise through a letter sent from the President's Office. A total of 19 government organizations replied and requested to implement the system during 2002. Those organizations are; 1)Anti-Corruption Board, 2)Audit Office, 3)Hulhumale' Development Unit, 4)Maldives Customs Services, 5)Ministry of Communication, Science and Technology, 6)Ministry of Defence and National Security, 7)Ministry of Finance and Treasury, 8)Ministry of Fisheries, Agriculture and Marine Resources, 9)Ministry of Health, 10)Ministry of Justice, 11)Ministry of Planning and National Development, 12)Ministry of Trade and Industries, 13)Ministry of Transport and Civil Aviation, 14)Ministry of Women's Affairs and Social Security, 15)National Institute of Linguistic and Historical Research, 16)Office of the Commissioner of Elections, 17)People's Majlis Secretariat, 18)The President's Office, and 19)Public Service Division.

As PSD is the architect of all administrative reform, they provided performance appraisal training to all of the government organizations that requested for training sessions. These training sessions were mainly carried out at a location and time requested by the individual organization, and were conducted separately for each organization. As a result, more focused and customized training was formulated by the trainers. In addition to that a manual was published regarding the performance appraisal which was sent to all of the above mentioned nineteen organizations.

An evaluation was carried out at the end of 2002 to assess how the appraisal work had progressed in those 19 organizations. It was revealed that only 7 organizations implemented the appraisal system even to a satisfactory level. Those 7 organizations were; 1)Anti-Corruption Board, 2)Maldives Customs Services, 3)Ministry of Defence and National Security, 4)Ministry of Fisheries, Agriculture and Marine Resources, 5)Ministry of Justice, 6)The President's Office, and 7)Public Service Division. Even among these organizations, the level of successful implementation varied greatly. The rest of the organizations even though

they requested to implement the system, did not go ahead with the implementation during 2002.

At the end of 2002, the Ministerial Committee on Administrative Reform and Modernization advised the Public Service Division to go ahead with the pilot exercise even during 2003. A total of 9 government organizations volunteered to implement the system during this year. This was a vast decrease in the number of organizations that wanted to implement this reform programme. Once again PSD provided training and assistance to all the organizations that requested to implement the appraisal system during the year. These training sessions were also separate and custom-made for the needs of each organization. A review was carried out in July 2003 to assess the progress of the appraisal work. It was revealed that only 6 of those organizations were implementing the system on a satisfactory level. They were; 1) Maldives Customs Service, 2) Ministry of Defence and National Security, 3) Ministry of Fisheries, Agriculture and Marine Resources, 4) Ministry of Transport and Civil Aviation, 5) The President's Office, 6) Public Service Division. However, after discussing the issue in the Ministerial Committee on Administrative Reform and Modernization towards the end of 2003, it was decided to implement the appraisal system across the whole of the public service. As a result the Presidential Circulars No.2004/18 of 12th April 2004 directed all government organizations to implement the performance appraisal system effective from 2004.

4.4.1 A Brief overview of the Appraisal System

The three main elements of the current appraisal system are:

1. Planning the work that needs to be completed by the organization for that particular year.
2. Evaluating the performance of the employees.
3. Provide training and education programmes for those employees who require them.

As the employees working in different ranks and positions would have different amounts and types of responsibilities and since the training and education required by such employee will vary accordingly with their profession, all employees had been divided into three job categories. They are:

1. Professional and Managerial category: It includes all employees above the rank of Senior Administrative Officer.

2. Support Group 1: It includes Administrative Officers and those below that rank who are involved in either administrative jobs or those employed in jobs that require some kind of technical skill for the completion of their job.
3. Support Group 2: It includes employees who do not require trained skills for the completion of their jobs. (e.g. Messengers, Labourers, Cleaners, etc)

Although the above mentioned three categories have pre-set appraisal forms, the system allows for each organization to develop tailor-made appraisal forms for positions which require special skills and are technical in nature. Such jobs include doctors, nurses, paramedics, teachers, police officers and other such professional jobs that require special criteria to assess the jobs.

All types of appraisal forms used for evaluating the performance of government employees are divided into two main categories. They are:

1. Allocating and assigning the work for the year.
2. Evaluating and assessing employees' performance.

The work to be completed by each employee shall be determined with reference to his/her job description, the Annual Plan and the Strategic Plan of the organization.

At the end of the year when assessing the performance of the employee, the areas that will be evaluated are as follows:

1. The extent to which the targets were achieved (performance).
2. Job knowledge and skills (skills).
3. Characteristics expected from the employee (qualities).
4. The extent to which the employee maintains good work relationship for the best interest of the organization (work relations).

All of the above areas will be allocated marks in consideration to the extent to which the targets set at the beginning of the year has been achieved (A translation of the appraisal form for Managerial & Professional Category is given in *Annex IV*). Employees in different job categories receive different percentage points for the above mentioned areas. The differentiation in marks allocation for different job categories is shown in the figures below.

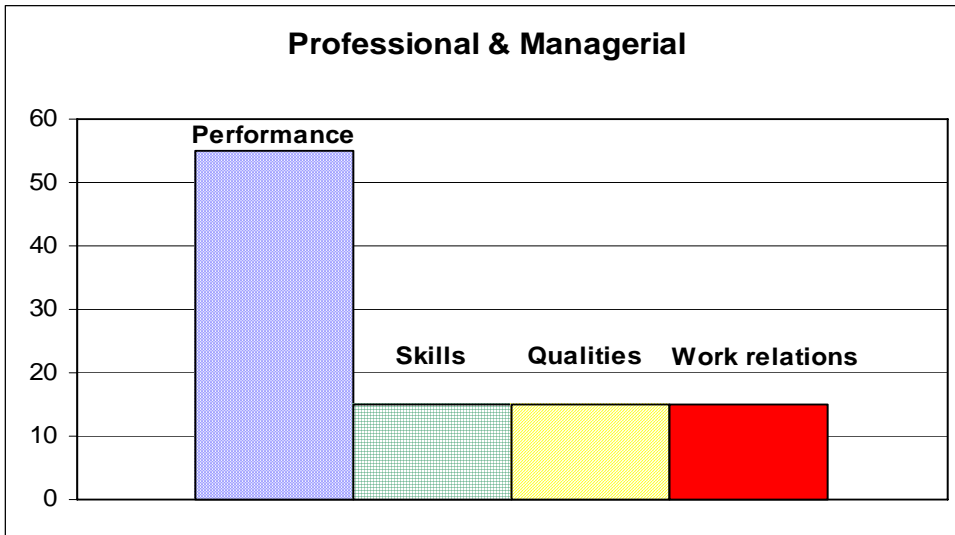


Figure 6: How marks are allocated in the Professional and Managerial category

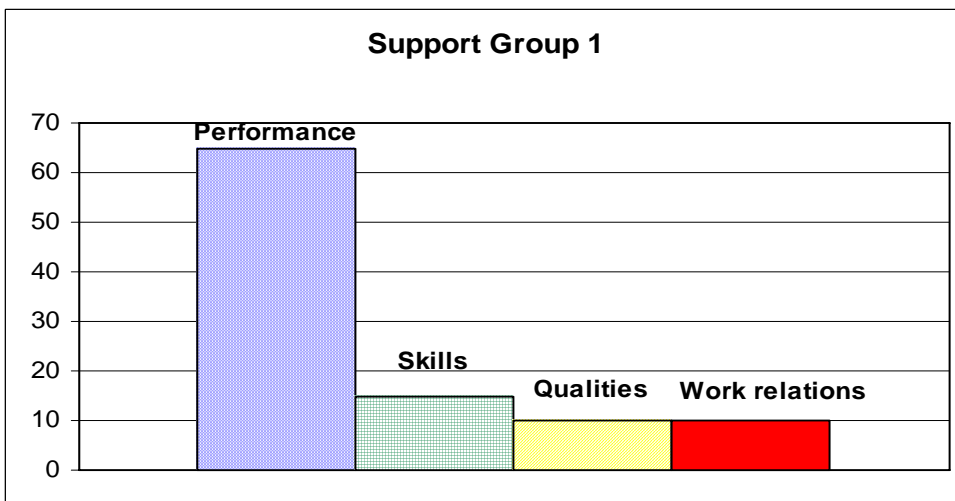


Figure 7: How marks are allocated in the Support Group 1 category

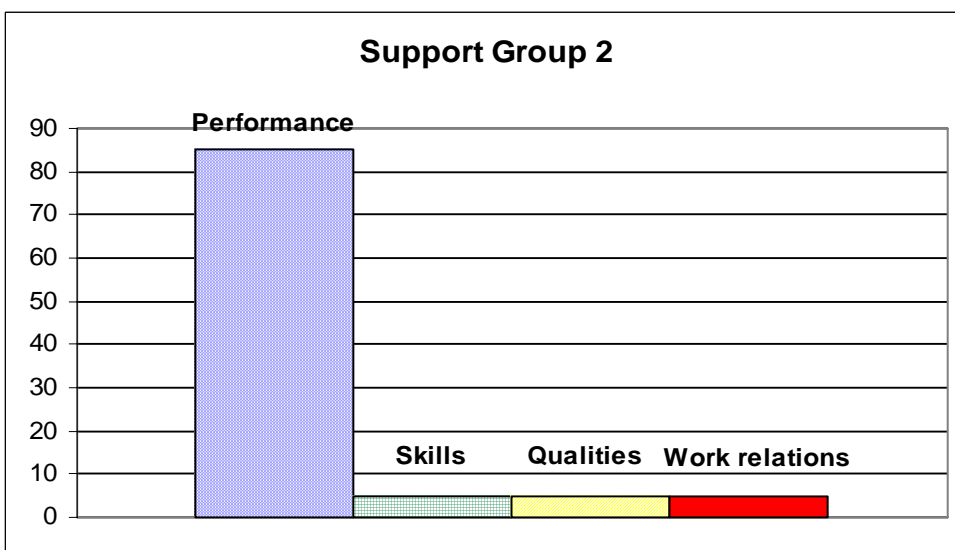


Figure 8: How marks are allocated in the Support Group 2 category

The justification for the variation in percentage allocation for different categories of employees is that, professional and managerial employees will have greater responsibilities and a considerable time of their work has to be spent on networking and communicating with other stakeholders. Furthermore, to achieve this, these employees need greater information, knowledge and skills to fulfil their tasks. On the other hand, Support Group 2 employees have very specific tasks that they need to complete and will require other skills to a lesser extent.

The appraisal process under the current appraisal system is summarized in Figure 9.

4.5 CONCLUSION

This chapter was based on giving a brief overview of the first appraisal system followed by in-depth description on the system currently being implemented. For greater understanding, charts and diagrams were presented as well. Before going on to the discussion on analyzing PO and PSD in a comparative approach, the next chapter will give a brief outline on the description of PO and PSD as well as the importance of planning, which is a prerequisite for the successful institutionalization of the performance appraisal system.

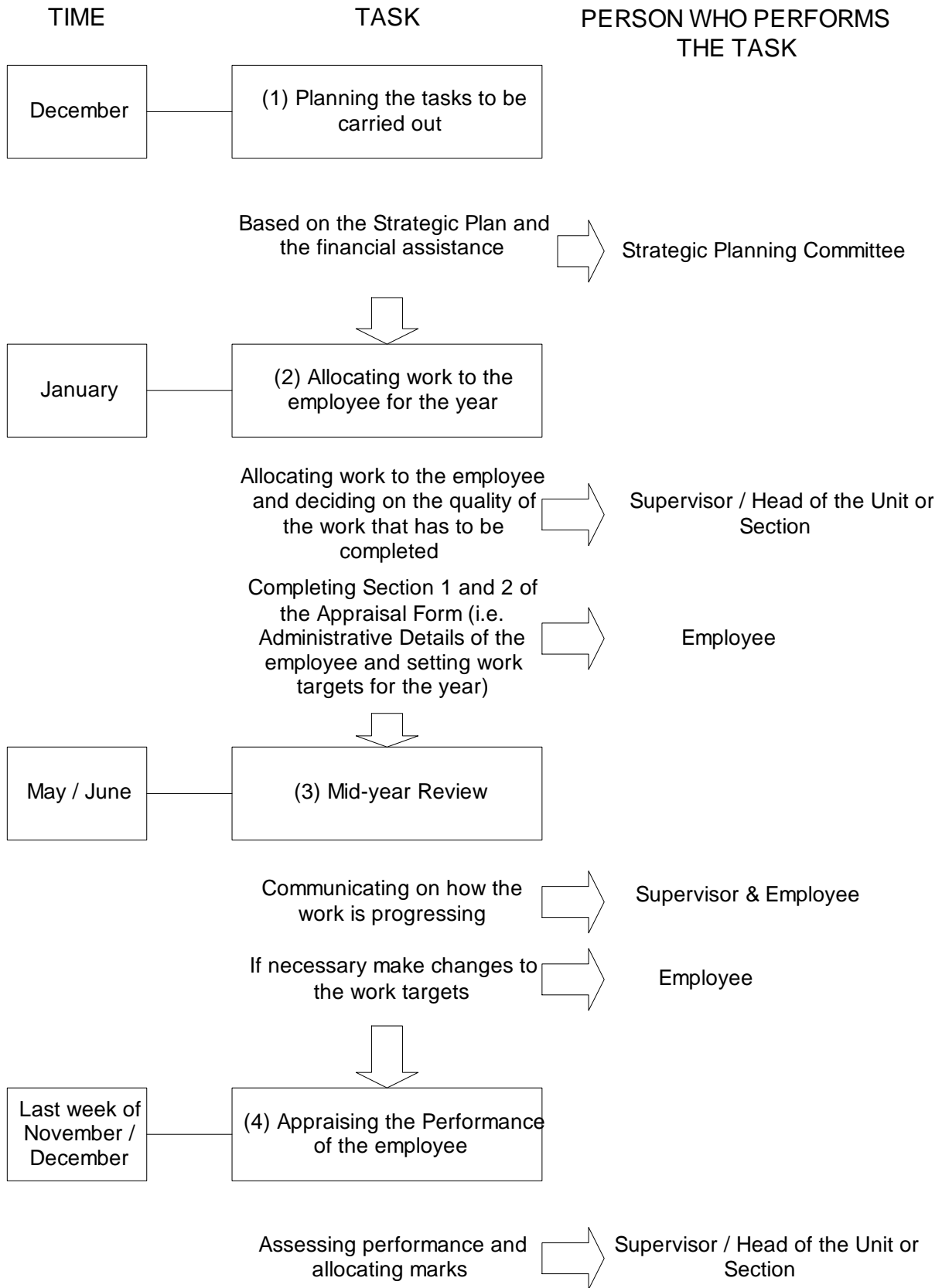


Figure 9: Performance Appraisal Process Chart

CHAPTER FIVE: DESCRIPTION OF THE TWO CASES

5.1 INTRODUCTION

This Chapter focuses on providing a description of the President's Office (PO) and the Public Service Division (PSD). First, a brief section highlights how PO came into existence and what the objective of PO is. The next section will focus on introducing PSD and the tasks of the Modernization and Planning Unit of PSD. An objective look will also be taken on the reform agenda of PSD. It will be followed by how the planning function works at the different layers of national agenda. This is presented in order to give the readers a brief idea on viewing how the work targets of the appraisal form is arrived at from the national level. The chapter will conclude by presenting some of the quotes of the President regarding administrative reform. This is presented at this stage to show the Presidential commitment towards such reform programmes.

5.2 THE PRESIDENT'S OFFICE (PO)

The President's Office was established on 11 November 1968 with the adoption of the Second Republic²⁵ in 1968. The President's Office administers functions and activities that arise from the duties and responsibilities vested in the President by the country's Constitution and the laws.

The President is the head of the President's Office. In order to assist him with daily work, he has appointed a Minister of State for Presidential Affairs and an Executive Secretary to the President. The work of the organization is carried out by Divisions, Sections and Units. (The organization chart of the President's Office and the tasks of different Sections and Units are presented in *Annex V*)

5.2.1 The Objective of the President's Office

To administer the functions and activities that arise from the duties and responsibilities vested in the President by the country's Constitution and the laws.

²⁵ The First Republic was established in 1953 but lasted for merely 7 months. The country was under Monarchy rule once again until 1968.

5.3 ESTABLISHMENT OF THE PUBLIC SERVICE DIVISION (PSD)

The Public Service Division was established on 20 September 1999 as a division of the President's Office. PSD incorporated the work carried out by the Employment Affairs Section of the President's Office and the reform activities implemented by the National Office for Personnel and Administrative Reform (NOPAR) since 1982.

Vision Statement of PSD: To be regionally renowned for excellence in facilitating effective management of the public service.

Mission Statement of PSD: Sustain effective systems, structures and human resources to manage the public service in line with Vision 2020.

5.3.1 Objectives of PSD

The main objectives of PSD are to:

- Modernise the public sector and establish mechanisms for good governance.
- Institute citizen-centred service delivery mechanisms in the public sector.
- Establish public sector departments that are strategically planned and result-oriented.
- Create structures to ensure high-levels of performance and accountability in public sector departments.
- Increase awareness of government employees on modern management concepts.
- Train and develop human resources in the public sector.
- Strengthen personnel policies and personnel services.
- Promote the utilisation of Information and Communication Technology for efficiency.
- Total automation of records and services maintained and provided by the Public Service Division.
- Increase awareness of good change management strategies and practices through the effective dissemination of information on public sector reform activities.

To achieve the mission and objectives, PSD is organized functionally into a number of units (The functional chart of PSD is presented in *Annex VI*). Out of these units, the Modernization and Planning Unit of PSD is responsible for carrying out the implementation and facilitation

of the performance appraisal system. The tasks of the Modernization and Planning Unit are stated below.

5.3.2 Modernization and Planning Unit

The tasks of this unit focus on establishing mechanisms and structures required for good governance, with the objective of modernizing and reforming the public sector. Key activities include:

1. Introduce and encourage the application of New Public Management concepts in departments;
2. Formulate initiatives to modernize the public service;
3. Introduce and sustain strategic planning and action planning functions in public sector organizations;
4. Establish citizen-centred departments;
5. Strengthen policy making functions in departments;
6. Review and strengthen work procedures and processes for effective service delivery;
7. Establish mechanisms to transform government departments from traditional bureaucracies to performance oriented departments;
8. Review local government structures and introduce new management concepts to modernize and reform local government systems;
9. Prepare necessary papers and coordinate the activities of the Government Reform Network;
10. Prepare papers and coordinate meetings of the Advisory Committee on Public Sector Reform and Modernization;
11. Facilitate the establishment of sound pension and retirement schemes for government employees;
12. Collaborate with the Ministry of Finance and Treasury in the introduction of financial management reform initiatives in the public service;
13. Establish and maintain links with international and regional bodies involved in public administration reform activities.

5.4 PUBLIC SERVICE DIVISION AND THE NATIONAL REFORM AGENDA

Structured efforts by the Government to reform the public service were initiated in the early 1980s with the establishment of the National Office of Personnel and Administrative Reform,

NOPAR, in 1982. NOPAR, with the assistance of the UNDP and the CFTC, initiated several projects at reforming the government administration. The functions assigned to NOPAR have now been amalgamated into the Public Service Division (PSD) of the President's Office.

The government has undertaken several initiatives to create efficiency in the operation of government machinery and to improve the standard of services rendered to the public. NOPAR was involved in reforming the overall management of government offices, strengthening employment activities, training of personnel, restructuring organizations and improving work procedures of government offices.

Through technical assistance, two major projects were launched in the 1980s entitled "Reconstituting the Maldivian Civil Service" to create efficiency and effectiveness in delivering public services. Measures were also introduced to strengthen the management functions of government.

The major activities carried out to strengthen the operations of the government to-date include:

- ❑ Introduction of a job classification and grading system in 1990;
- ❑ Introduction of technical, professional and long service allowances for government employees (in 1996);
- ❑ Compilation of a book for the Government Employee's Rules and Regulations (3rd Edition on May 2004);
- ❑ Compilation of a book on job specifications for all the main jobs (in 2002);
- ❑ Implementing an employee Performance Appraisal Review System (April 1996 to August 1999 & 2002 onwards);
- ❑ Bringing about improved changes to the working hours of government offices (in 1996);
- ❑ Holding short-term management courses at different levels to the public sector (starting from 2000 onwards).

5.5 NATIONAL PLANNING HIERARCHY

Performance Appraisal is based on long-term planning of the organizational agenda. However, planning comprises of different levels depending on the extent and the magnitude of the planning function. As such it is important to take a glance at the different dimensions of planning from the national to the organizational level. The following figure depicts the different dimensions of planning.

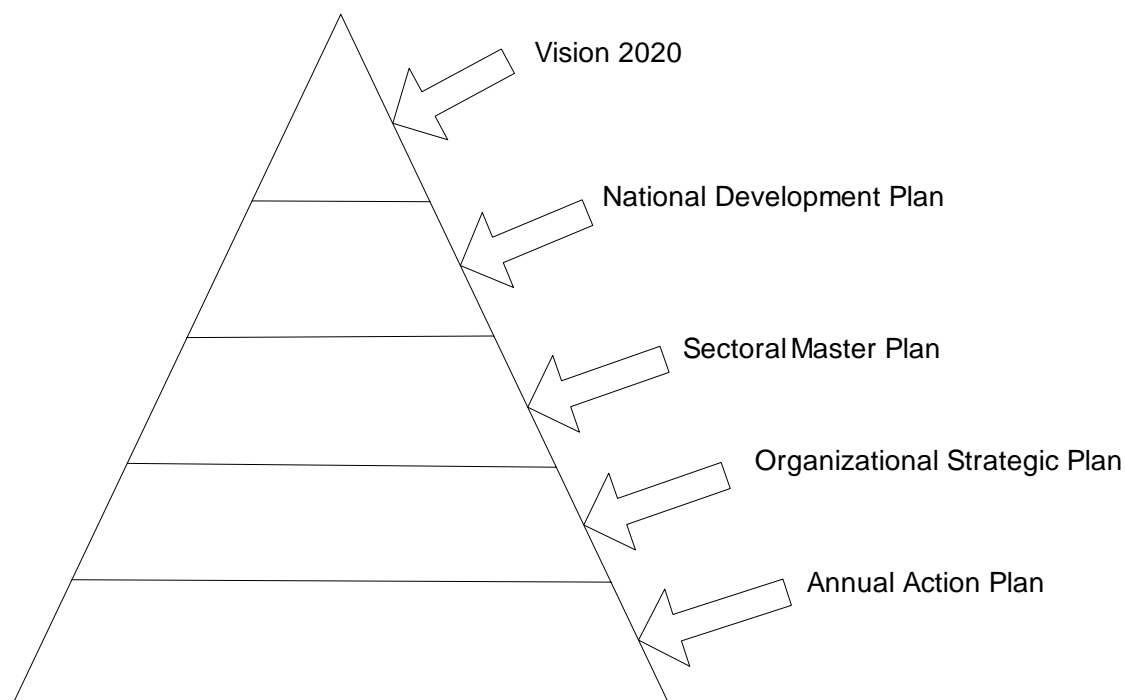


Figure 10: Different dimensions of planning function

As each planning dimension is inter-linked to each other, the following discussion is based on highlighting the main dimensions in the pyramid above.

5.5.1 Vision 2020

The adoption of 'Vision 2020' by the Government and the objectives and strategies that will follow multi-sectorally, represent the future direction of reform in the Maldivian Public Service.

Vision 2020 has identified economic and social targets to be achieved up to the year 2020. It also outlines the type of society desired by the people and the strides to be made in changing

the perceptions of people. The strategies outlined in Vision 2020 include long-term strategic planning, and the reform and modernization of the legal and administrative framework.

The formulation of future strategies of reform and organizational missions, need to be closely tied to national vision and objectives. The public sector in the Maldives must lead and play a major role in the economy in order to ensure that the objectives outlined in Vision 2020 are achieved. In this regard, reforming the public service to improve organizational productivity and developing the necessary human resource skills become a central focus of the Government's reform initiative.

Over the past decade, this aspect of public sector reform and modernization has become more evident. Reform programmes adopted by Governments have shifted focus from traditional styles of managing bureaucracies to the adoption and assimilation of business-oriented techniques popular in private sector organizations termed as 'managerialist'²⁶ principles and strategies.

Good Governance has become a major imperative for present day government. Re-conceptualization of the citizen as customers has created a greater demand for improving the quality of services to the public. Government is committed to bring about changes that favour good governance and facilitate institutional reform. Policies on Good Governance put emphasis on reducing corruption²⁷, increasing transparency and integrity and confirming to public service ethics. To increase transparency and participation, government focuses on defining the role of the state and identifying activities for private sector participation through corporatisation²⁸, deregulation, privatisation, and opening of markets.

Another main focus in the new paradigm has been in changing the perceptions of public service officials in terms of creating more awareness in attending to the needs of the customer

²⁶ Managerialist school of thought focuses on the need to re-establish the primacy of managerial principles in the bureaucracy (Kettl, 1997). This concentration on enhancing the capacity of managers to take action requires attention to decentralization, devolution and delegation.

²⁷ Corruption is meant here as "a situation where wrong-doing has become the norm, and the standard accepted behaviour necessary to accomplish organizational goals according to notions of public responsibility and trust has become the exception, not the rule. In this situation, corruption has become so regularized and institutionalized that organizational supports back wrong-doing and actually penalize who live up to the old norms" (Caiden & Caiden, 1977:306)

²⁸ Corporatisation is a term used when state owned enterprises changes from being part of the administrative apparatus of the state to that of autonomous judicial entities owned by the state, with company structures similar to those used in the private sector (Zuna, 2001:121).

and delivering quality services, that is service of a high standard. Hence, trends identifiable in public sector reform in a host of countries point to the need to be mission oriented and focused on delivering quality services. A focus needs to be placed on empowering employees and motivating them to improve their performance.

5.5.2 National Development Plan 2001 -2005

The National Development Plan (NDP) for the period of 2001–2005 identifies six main strategies in promoting efficiency and cost-effectiveness in the public sector. They are:

- Restrict the size of the public sector by limiting the sector to key service delivery areas.
- Maintain strict controls over the recruitment and promotion of public servants.
- Establish a centre to train and upgrade the skills of public servants at all levels.
- Direct all Ministries to prepare Master Plans and Annual Operation Plans in accordance with the policies and strategies identified in the 6th NDP.
- Direct all Ministries to account for the resources they use and to use them strictly according to their plan.
- Streamline and strengthen the capacity of the PSD to modernize and improve the efficiency of the public services.

(Source: Sixth National Development Plan, 2001-2005, Ministry of Planning and National Development)

5.5.3 Strategic Planning

The birth of the Public Service Division marks the beginning of developing long-term missions and Strategic Plans in public sector organization. A seminar²⁹ on this theme was held in February 2000 which was aimed at senior government officials.

The objectives of this seminar were as follows:

- To train staff to develop vision, mission, objectives and tasks within their ministries and departments.

²⁹ This Seminar was organized by the Public Service Division with the technical assistance and consultancy from the National Institute of Public Administration (INTAN) of Malaysia. The Government of Maldives and the Commonwealth Fund for Technical Co-operation (CFTC) provided financial assistance. A total of 32 senior government officials participated in the seminar.

- To provide a conducive learning environment for the transfer of knowledge and skills in the area of strategic management and strategic planning.
- To share knowledge and give exposure to the effective applications of the various concepts, processes as well as tools and practices of strategic planning and strategic management applicable to the public sector.
- To provide participants with hands-on experience in applications of basic strategic planning tools and processes in the formulation of both the long-term directions and strategic plans of public organizations.
- To share some of Malaysia's major experiences in the field of strategic planning undertaken by the Malaysian government to meet the country's 'Vision 2020' goals and objectives.

By the end of July 2004, 23 government ministries and departments had completed and submitted their Strategic Plans to PSD. Nonetheless, it was evident from reviewing these plans that most of them needed major adjustments and changes to be eligible for daily use in their respective ministries and departments.

5.6 PRESIDENTIAL COMMITMENT TOWARDS PUBLIC SECTOR REFORM

In accordance with the variables used for this research, the commitment and political will of the government towards such reform initiatives is also a major factor. Since taking office in 1978, the incumbent President has been striving for administrative reform and modernisation over the years. It has been evident in his numerous speeches. In this regard the following are just a few of the recent comments that he has made on the issue.

- “Long-term planning is essential for the accomplishment of the targets that we set for ourselves. It will require knowledge, foresight and resourcefulness. It is equally important that we build upon our good work ethic and strengthen the spirit of public service.”

Presidential Address – 1999

- “The government will aim to ensure the effective and efficient delivery of services required by the public.”

Presidential Address – 1999

- “My aim in these endeavours will be to make progress towards fulfilling the expectations of the people highlighted in the Maldives Vision 2020. In working to achieve that goal, I have identified five strategic areas of action for the term that lies ahead. The fourth area of action aims at instituting modern management practices, and re-orienting government departments to be more result-oriented. The aim is to raise the levels of skills and initiative in the public service and strengthen the work ethic and discipline.”

11 November 2003. Quoted from the address of the President, after taking oath for a new term in office.

5.7 CONCLUSION

This Chapter has given a descriptive look on both PO and PSD along with the planning function. Such an understanding is crucial before going into the depth of the data analysis because then only the reader could have a mental picture of how those organizations function when relating the different variables onto that context. The next three chapters will analyze the three main categories of variables. The first analysis chapter that follows focuses on how culture influences the institutionalization of the performance appraisal system in the Maldivian Public Service.

CHAPTER SIX: COMPARATIVE ANALYSIS ON HOW CULTURE INFLUENCES THE INSTITUTIONALIZATION OF THE PERFORMANCE APPRAISAL SYSTEM

6.1 INTRODUCTION

This is the first out of the three analysis chapters. The chapter focuses on explaining how the two cultural variables of; 1) conflict avoidance and subordinate/superior relationship, and 2) motivation and reward, influence the institutionalization of the performance appraisal system at PO and PSD. However, before going into the depth of analyzing these two variables, a brief overview will be undertaken to highlight the nature of administrative culture of both PO and PSD. Later on, after explaining the variables, a comparison will be made between the two organizations where applicable. The chapter will conclude by highlighting on how the discussion on these two organizations can be generalized on to the whole of the Maldivian Public Service.

6.2 ORGANIZATIONAL CULTURE AT THE PRESIDENT'S OFFICE (PO) AND THE PUBLIC SERVICE DIVISION (PSD)

PO and PSD being the top organizations of the country means that they functions in a very unpredictable environment. As a result, although plans are formulated for organizational directions, it is not uncommon that those plans have to be deviated to adjust according to the situation at present. Several resemblances can be observed between PO and PSD as both are part of the bigger organizational framework. That does not mean that differences can be observed in some areas. Such differences will be highlighted in this and the following two chapters.

Among the common characteristics between the two organizations include, adherence to perfection. Great importance is given to complete the task perfectly and to error-freeness. Being the top organization of the country means that all work which goes out into other organizations and into the public needs to be thoroughly checked and completed perfectly. As a result, controlling the work of the staff has been a long established tradition. In other words, supervising very closely has been a major factor. However, with the growing number staff with higher education, there has been continuous change in this culture thereby increasingly trusting the staff and putting less emphasis on thorough supervision. Despite such empowerment practices, the long-serving and high ranking staff at both PO and PSD are paid

enormous respect by the rest of the staff members. The spoken language used is also normally very polite within the organization.

PO and PSD being the highest ranking organization of the country means that most of the decisions taken by them are very political in nature. This means that despite the internal changes going on within these organizations, the decision-making processes are still very centralized. However, in areas which are directly not related to politics, greater discretion is given to either PSD or the different Sections of the PO to decide and go ahead with their decision.

Teamwork and inter-organizational co-operation between the different Sections are quite high. Some cases that are handled needs different information from different areas of the expertise and the co-ordination between different Sections seems to be productive. Also in some of the state functions hosted by the PO, the entire staff of PO and PSD are mobilized which brings the staff closer.

In that respect, informal relations between the staff of PO and PSD are very close and interpersonal. This is derived from the larger societal cultural values. A number of social events are held among the staff of both organizations every year. They include several socialization events such as picnics, break-fasting during the fasting month, birthday parties, and treats given on obtaining promotions and other such special occasions for the employees. Such social activities means the close interpersonal relations exist among the staff regardless of the job rank or status. In other words, although high importance is given to rank and status, and great respect is shown towards the senior officials, it does not interfere in having a close relationship between the senior and junior staff.

The different cultural attributes found in both PO and PSD will be further discussed in the following two sections of this chapter. In this attempt, differences found between the two organizations will also be highlighted. The following sections are focused on discussing the two variable of; conflict avoidance and subordinate/superior relationships, and motivation and reward in a cultural context.

6.3 CONFLICT AVOIDANCE AND SUBORDINATE/SUPERIOR RELATIONSHIP

Over the years, the intended image that the President's Office has been trying to create is to show itself as a model organization to other government organizations. This has been particularly evident since 1978 when the incumbent President took office. In this endeavour to create 'culture is what organization has' it is a common practice to hire fresh school leavers so that they can be molded into the desired mentality that is generally different from rest of the public service. This has resulted in creating a more obedient culture at PO and PSD. Although during the past few years several professionals have been returning back to work after completing their higher studies, still most of the top senior positions are occupied by long-serving personnel who have not had much of an educational qualification (Table 1 shows the number of highly educated staff at both PO and PSD). Along with work efficiency, their obedience and loyalty to the government has made them rise to higher ranks over a long period of time. As such, it can be argued that a unique feature across the whole of the public service is the respect that most of the youth and educated professionals have for such long-serving high-level government officials. It is widely accepted that their experience is also crucial in addition to the educational degrees that the current generation are obtaining.

	Total no. of staff	No. of Doctorates (PhDs)	No. of Graduates (Masters)	No. of Undergraduates (Bachelors)
PO	252	2	6	10
PSD	27	1	3	6

Table 1: Comparison of highly educated staff at PO and PSD³⁰

Such respect and obedience is arguably one of the root causes of the non-confrontational nature in most of the Maldivian Public Service. As one professional staff at PSD has highlighted "avoiding conflict may be true. People try to suppress and not make a big deal out of things". As far as the performance appraisal system is concerned, open communication and discussion about the work is a fundamental prerequisite in making the system effective. However, due to the long established culture of avoiding conflicts in the organization has meant that when a problem arise neither the subordinate nor the superior is so eager to confront the issue and discuss about it in order to find a solution. The result is that due to the

³⁰ This table shows the numbers as on 21st November 2004. *Note:* Those who do not have education up to undergraduate level, have either diploma, certificate, higher secondary, secondary or lower educational qualifications.

hesitation of dealing with work problems, the relationships between the superiors and the subordinates are frail.

As Table 1 shows, PO is much larger in size compared to PSD. Due to the small size of PSD, the interpersonal relations among the staff of PSD is greater compared to PO. In other words, the small size of PSD means that the communication level between the staff is high. The small size also means that the head of PSD can directly communicate with the entire staff. The situation at PO is a bit different from that of PSD. As *Annex V* shows, PO consists of different Sections. The size of the Sections differs from each other. In smaller Sections, the interpersonal relations and communication between the staff is high compared to larger Sections. Larger Sections means that the likelihood that the head of that Section having direct communication with the staff is low compared to that of smaller Sections. At PO most Sections are medium to large in size. Therefore, when generalized, it means that the direct communication between the head of the Section and its staff is low at PO when compared to PSD. The point to stress here is that having a considerable open relationship between the employee and the head of the Section is desirable in making the appraisal system effective. The main reason is because a number of respondents have expressed the importance of having such an open communication. One senior staff of PSD supported this by expressing that “as it stands at the moment, in most sections the section heads do not communicate with all the staff of the organization, although the immediate supervisor of each employee does communicate with subordinates”. Therefore, based on the information from the respondents, it can be concluded that at PO, open communication is high to moderate in smaller Sections and low in larger Sections, whereas at PSD, open communication has been relatively high.

To reinforce positive and open relationships between subordinates and superiors, it is also crucial to have regular staff meetings where everyone can openly discuss organizational problems. At PO, senior staff meeting which comprises all the Sections head is held every morning. As for PSD, staff meeting for all the Unit heads are held from time to time as the need arises. For the sake of free flow of information and greater communication, it can be argued that having staff meetings at the Section level is also an importance factor. However, it is very rare that individual Sections of PO have their own staff meetings where all the employees of their specific section are allowed to participate. Even at PSD, very rarely a staff meeting for all the staff is held. One junior staff at PSD expressed that:

“the relationship between the management and the staff seems to be weak. To take an example, even in this organization we don’t have staff meeting even once a month. The top management thinks as if when they meet the senior staff, then everything is accomplished. Such thinking is not right.”

This kind of perception can be considerably damaging for the appraisal system because the successful institutionalization of the system requires open communication between the subordinate and the superiors. Therefore, based on the responses, it can be concluded that at PO inter-section staff meetings where all staff are allowed to participate are almost non-existence, with the exception of only senior staff meetings in some larger Sections. Even at PSD such staff meetings comprising all the staff are held in very rare instances.

The respondents in both PO and PSD generally believe that a culture that enhances open communication can be created in the Maldivian Public Service. One senior staff at PSD said that:

“a necessary part of reform is getting the necessary organizational culture in place to make it effective. If you don’t have that, if you don’t build that organizational culture, whether it is appraisal or whether it is any other change management system, you will find that it will not be effective, it will not achieve its objectives.”

Giving the necessary training has been identified as the main tool by many interviewees in creating such a culture. In this regard, it was also generally accepted that at the moment, such a culture has not been fully established in either PO or PSD.

Creating a culture that accommodates the fundamentals of the performance appraisal requires a mentality that accepts criticisms and negative feedback as well. At the moment, it is hardly the case. Maldives being a small collectivist society, harmony is mostly preferred and direct confrontation is avoided as much as possible. With the growing population of highly educated staff at both PO and PSD, it has been widely agreed that these staff is increasingly being open for criticisms and negative feedback from their superiors. One senior staff at PSD pointed out that “in recent times people are willing to accept certain criticisms in their level of performance, especially those who attain higher studies. I think one reason why they are willing to accept such criticism is because they are willing to defend their own position.” Nonetheless, he further went on to caution that “in a society like this it will take a long time until we get the general public also, not just the public servants to accept the differences of opinion.” The road to achieve this goal has already been laid out. One staff at PO mentioned

that “I think new employees at the moment do question more to their superiors than how we questioned our superiors when we entered the civil service. So I think the two-way communication is being established.” Some junior staff also share these same sentiments as they too believe open communication can only enhance the work thereby contributing to the successful institutionalization of the appraisal system. In this regard one junior staff at PSD highlighted that:

“if you don’t say anything when someone doesn’t do the job well, then it’s not good. When you point out such things, then only one can improve for the next time. So I don’t think pointing such negative aspects of the work should hinder the relationship between the superior and the subordinate.”

The culture of one-way communication has been institutionalized for many years. As we are trying to change this culture into a two-way communication mode which is compatible with the appraisal system, the side-effects of changing the mentality of people have to be taken into consideration. It is bound to face hurdles and those obstacles needs to be considered as we go along. As argued before, the level of education plays a pivotal role in creating the right atmosphere that accommodates such a mode of communication. However, as Table 1 shows, the highly educated population is so far relatively small, although it is growing annually. The long history of one-way communication and following orders without any questioning has cemented the mode of thinking in that direction. Therefore, when we suddenly ask everyone to open-up and talk about their work problems, some negative repercussions can also arise. One trainer at PSD pointed out such a problem at PO:

“at PO this two-way communication among the labour level staff creates a lot of problems. Since this two-way communication is a relatively new thing for them, when we tell them about this concept, then all we get is complain. Even when we ask for feedback, there are always complaints and no one tell anything positive.”

This example shows that the old culture of one-way communication has taken its grip so strongly that considerable work in terms of training is required to change the attitude of the staff at large.

Given this information, when the individual perception towards open communication is considered, it can be generalized that at PO it has been moderate to low, with the exception of highly educated staff who see such open communication positively. As Table 1 show, there is

a greater concentration of educated professionals at PSD which contributes to the conclusion that the perception of its employees towards open communication has been considerably high.

As previously mentioned in Chapter 1, due to the small nature of the Maldivian society, it is highly likely that one will find friends, relatives or siblings working in one organization. This makes it extremely difficult to appraise the employee especially when the supervisor has to give lower marks. One junior staff of PO has highlighted this issue by expressing that “being biased in such cases will be a problem. Equality should be maintained at all times to everyone.” Nonetheless, it was found that mostly at PO this principle has not been followed to perfection. One trainer at PO said that:

“here at PO, a trend that we found was that most supervisors was unwilling to give lower marks to their subordinates, because they were always trying to compare with other supervisors. The supervisor sees it as a negative impact to him or her when his/her subordinates get lower marks.”

A review carried out at the end of 2003 in PO backs this sentiment. The following figure shows the average, lowest and the highest marks given in each of the Section of PO during the appraisal process of 2003.

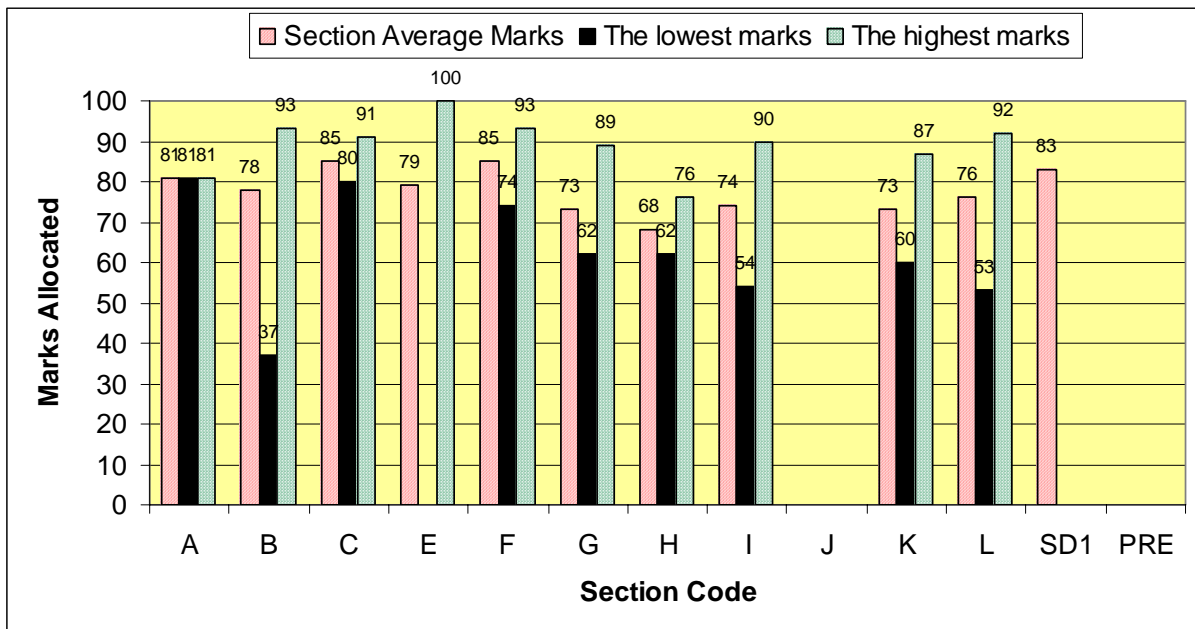


Figure 11: Marks allocation at PO³¹

The figure shows that the average is very high in most of the Sections (The average for all the Sections combined is 77). Another review report documented by one of the Section of PO

³¹ Section J and the PRE Unit did not report the completion of the appraisal forms in 2003. SD1 had only one staff. Also the lowest marks at Section E were not reported.

stated that in that Section “marks allocation was found particularly problematic. In this regard most Unit heads allocated marks for their subordinates on the basis of convenience.” These also show the hesitation or the unwillingness among some of the supervisors to face and confront their subordinates in the case of low performance. In other words, it shows the non-confrontation nature of the culture. When both PO and PSD are compared in this dimension, it can be generalized that at PO, the level of non-confrontation has been high, although most staff are getting accustomed to open dialogue especially due to the increasing number of educated staff and continuous training given. At PSD, the non-confrontational nature has been moderate but is creating an open dialogue with the greater concentration of educated staff. Furthermore, the responses from the interviewees and the figure above have highlighted the issue that some supervisors prefer to avoid conflict by giving even unfair marks that employees sometimes do not deserve. This has been further evident at PO where marks are allocated unfairly either not to confront with subordinates or not to appear giving lower marks when compared to other supervisors. In contrast, most at PSD believe that marks allocation has been generally fair in their organization.

Creating and building the appropriate relationship between the subordinate and the superior is crucial in making the appraisal system effective. Taking responsibility for one’s action is the way to achieve this rather than shifting the blame on to someone else. That goal is achieved through continuous and open dialogue. One senior staff at PO said “a dialogue between the supervisor and subordinate is important and this facilitates for them to be in a way independent rather than they expect us to oversee their work on a regular basis.” Another interviewee went on further to mention that this can be achieved through team work. Detaching oneself from the work is not the way forward. Monitoring is also crucial in the sense that it will allow to handle complaints when they arise. Furthermore, what are required to institutionalize the desirable culture are open and a two-way communication which will result in establishing a professional public service. As one employee at PO mentioned “effective performance will come when our public service becomes professional.” That is when one detaches professional life from the personal life and also when one is open for negative feedback as well. The cultural attributes of non-confrontation and lack of communication among the supervisors and the subordinates have been hindering the successful institutionalization of the appraisal system which requires to a great deal for the employees to be open and communicate with each other. Therefore, culture matters as far as the success of the appraisal system is concerned, and presently it appears far away in creating

the suitable culture that accommodates the desired level of openness required for the appraisal system to flourish.

The following table summarizes the above discussion with the differences between PO and PSD.

	PO	PSD
Open communication	High to moderate in smaller Sections and low in larger Sections	Relatively high
Inter-section staff meetings (including all staff)	Almost non-existence. Only senior staff meetings in some larger Sections.	Very rare, only when the need arises.
Perception towards open communication	Moderate to low. Mostly positive among the highly educated staff.	Considerably high due to the greater concentration of educated staff.
Non-confrontational nature	High but getting accustomed to open dialogue specially due to increasing educated staff and necessary training.	Moderate and also creating more open dialogue with the greater concentration of educated staff.
Unfairness in appraisal to reject confrontation	Marks allocated unfairly either not to confront with subordinates or not to appear giving lower marks compared to other supervisors. This has been common in many Sections.	Marks allocated in a considerably fair manner.

Table 2: Differences between PO and PSD on the issues related to the variables of conflict avoidance and subordinate/superior relationship

6.4 MOTIVATION AND REWARD

Without doubt monetary reward is a key factor in obtaining the desired motivation for any job. However, whether monetary reward motivates all employees is highly debatable. As

mentioned earlier, Maldives being a small society creates several unique challenges as far as the performance appraisal system is concerned. It is agreed unanimously that in the Maldives, the private sector pays much higher salaries compared to the public sector. This has been the case since the growth of the private sector in the 1970s when tourism industry started to develop. Over the years, government has been training considerable number of professionals abroad so that when they return from their higher studies, they will serve the government. In return, these educated professionals have to sign a service bond to the government which could vary from one year to seven years depending on the length of the studies. It is also widely believed that the private sector does not spend much on providing higher education to its employees. As a result, the normal trend for many years has been that those who are provided scholarships and trained by the government quit the public service as soon as their service bond expires and so join the private sector for higher salaries. Nonetheless the government has been maintaining its policy of training professionals despite the setbacks. More and more people leaving the government to join the private sector show that monetary benefit is one of the key factors that determines their loyalty to the public service. However, the exact reasons why they leave the government need to be understood. These reasons will be discussed later in the chapter when the different motivating factors and the rewards are analyzed.

Serving in the public sector is still considered a matter of pride and prestige among most of the general population. It has been engraved in the culture for decades. Even today a considerable number of parents consider it as very important that their children join the public sector rather than the private sector. One reason for such a mind-set is due to the job security that the public sector provides. Unlike the private sector, a job in the public service even today means life-time employment. The second reason is the respect that the society shows towards the public servants. Serving the people generates huge respect from most of the general public. For generations, Maldivians have been very obedient to their leaders which might explain such practices. A third and possibly one of the main reasons as far as today's generation is concerned are the opportunities that the government provides to acquire higher education. It is simply amazing to know how much value parents place towards providing a good education for their children. Even from childhood, parents spend most of their income on providing a good education to their children so that one day they will grow up to be respected citizens of the country. This is evident even from the literacy rate of the country

which currently stands at 98.94%. Furthermore, the enrolment ratio³² of the country also shows this very clearly. In 2003, the secondary enrolment ratio stood at 68.57% (i.e. aged 15-19) (Source: Ministry of Planning and National Development, 2004). This figure also stands as high as other prosperous small island nations³³. Furthermore, the desire to gain higher education is also linked to the fact that now there is set levels in the government hierarchy that one can occupy depending on the educational qualification that one has acquired (related to the cultural attributes of status and rank in society and organization). For instance, a person who has an undergraduate degree can straight away join a post at the Assistant Undersecretary level. No previous experience is required. A person with a Masters degree can straight away go to the Assistant Director Level and a person with a Doctorate Degree can join the Director level even without any previous work experience. Therefore, these have also been a motivating factor that makes acquiring higher education more attractive.

This means that cultural attributes such as respecting the leaders and service providers, pride of working in the public service, importance placed on gaining higher education, respect shown by the society to those with higher education, and the importance of status and high ranks in the organization are crucial elements as far as the Maldivian culture is concerned. Due to such important aspects, such attributes turns out to be motivating factors within the organization. In other words, it shows that culture matters as far as motivation is concerned. However, it needs to be stressed that since both PO and PSD functions within the larger societal culture, there is no significance differences between the two organizations as far as these cultural attributes are concerned. Staff at both organizations values the importance of such elements equally. The remaining sections of this chapter are focused on explaining distinct rewards and motivating factors and how they influence the institutionalization of the performance appraisal system.

Along with the growth of the economy, the living standard of the country is also increasing. This in turn raises the cost of living. As a result, with the relatively low salary paid by the government compared to the private sector, the old notion of pride and prestige of serving the

³² Enrolment ratio can be defined as the percentage of students attending school compared to the total population of that age.

³³ In Mauritius the Gross Enrolment Ratio (secondary education enrolment as the percentage of the population aged 12 to 19 years) in 2003 was at 66% (Source: <http://statsmauritius.gov.mu/report/natacc/edu03/preprim.pdf>). In Fiji Secondary Enrolment Ratio (as of the population aged 15-19) in 2000 was at 78% (Source: <http://www.spc.int/prism/country/fj/stats/index.html>).

government does not have much value to a growing number of people. It is basically not that they prefer to leave the government and join the private sector which is considered unpredictable and unstable at times, but most people are forced to join better paid jobs due to the rising living cost. Nonetheless what has been evident from my research is that, most people do not necessarily demand as much salary as the private sector, but what they need is a salary that is *enough* to give them a respectable life while staying in the public service. However, the widely believed reality is that what the government provides is not enough for most people to live a respectable life in today's fast growing living. Living at least an average lifestyle is very important to most people as social status can play an important role on how they are seen in the general population. In other words, the cultural attributes of living a respectable life and to be presentable in the society can be achieved only when the individuals are paid enough. Therefore, extrinsic rewards also matters as far as motivation is concerned.

In order to maintain educated people in the public service, the government has taken a number of steps over the years. For instance in almost every five years, salary of all government employees are increased. Furthermore, since 1996 government has introduced what is referred to as *Professional Allowance*, *Technical Allowance* and *Long-Term Service Allowance*, which are given monthly in addition to the basic salary. Professional Allowance is 40% of the employee's salary and is awarded to those who hold an undergraduate degree or above. Technical Allowance is 20% of the employee's salary and is awarded to those who obtain a diploma or a certificate completed in not less than one academic year. Finally Long-Term Service Allowance is given to employees who have served the government continuously for 10 or 15 years. 20% of the employee's salary will be given as Long-term service allowance to those who have worked for more than 10 years and 40% of the employee's salary if the employee has worked for more than 15 years. In addition to these benefits, government staff serving continuously for 20 years will receive the first pension³⁴ and for those who worked continuously for 40 years will receive the second pension. Since there is so far no retirement age in the Maldivian Public Service, receiving especially the second pension is considered as a matter of great pride. Despite these benefits along with other minor financial benefits, people continue to leave the government to join the private sector mainly to obtain higher salaries so that they can live a normal life in the fast growing and expensive lifestyle of the Maldivian society.

³⁴ The amount received for pension is 50% of the salary at the time of employment.

The common notion is that to motivate employees, performance appraisal needs to be linked to some sort of reward. The difference of opinion occurs on deciding whether the best will be extrinsic rewards or intrinsic rewards. A number of interviewees have argued that monetary reward is not a necessary ingredient for higher motivation. They argue that performance appraisal should be considered as a management initiative that strives for improving work performances. However, the difficulty is to make the general public servants understand along these lines. Since the first appraisal system introduced in 1996 was linked to a salary increment, it has created a widespread thinking among most that an appraisal system is something that needs to be linked to some sort of monetary reward. As this notion has been broadly accepted by many, it is not easy to change such a common thinking. As a result, several interviewees expressed the importance of linking the appraisal to some sort of monetary reward. One senior staff at PSD noted that “monetary reward is important in the sense that it gives an additional incentive.” In this regard another senior staff at PO supported it by saying that “salary and all this string benefits are sort of like basic needs aspects. So the more you improve on that the more stable the person will be.” There is also a considerable group of interviewees who expressed that without monetary reward the appraisal system can not be successful. They believed that the most important motivator is monetary benefit, whether in the form of increment, bonus or promotion. One of them from PO went on to say that “monetary reward is important. Somebody say it isn’t, they are lying.” Culture also played its role in the failure of the first appraisal system. For instance, the egalitarian nature of the society meant that everyone is equal and so the employees should not be ranked. The appraisal system indirectly ranks the staff as marks are allocated. That has been a controversial factor in the past. Due to that experience, one interviewee gave a cautionary note of linking appraisal to monetary incentives. According to him “even if there is a link, it will be extremely difficult to implement in our context under the current conditions.” Therefore, having a monetary incentive linked to performance appraisal has its downfalls as well, especially in the effective implementation of the appraisal system in a culture that stresses egalitarian principles.

Despite all these setbacks, it was generally agreed among the interviewees that performance should be linked to promotion. Currently the general government policy is to give promotion in every four years. It means that in every four years, every employee is entitled to a promotion. This is despite the level of performance of the employee. Although not all employees get a promotion in every four years, the ministries can recommend for a promotion

after every four years by sending a request to PSD. Organizational experts have been expressing their resentment towards this policy as this creates to move the staff up the organizational ladder too soon and so creating too many high level jobs at the top of the organization. However, without any effective alternative, this policy has remained for many years. With the introduction of the performance appraisal system which has been used as a tool that is linked to promotion in many other countries, the idea of applying this policy in the Maldivian Public Service has also been growing. Many of the interviewees have expressed this view. However, once again the issue of practically implementing the system effectively needs to be dealt first before this goal can be achieved.

Another extrinsic motivating element is the physical work environment. Although this does not play significance to all employees, a considerable number of employees place great importance on physical work environment as well. This is perhaps derived from the egalitarian principles which stress for equal opportunities for everyone. By physical work environment, it is meant to include the work space and the equipments available to execute the work effectively. PO currently operates in a completely new building that was opened in 2002. Even so, there are some Sections of PO that have been complaining due to lack of space with the growing staff population. Furthermore, the scarcity of desktop computers has also been a common complaint among some of the staff at PO. The belief among most staff is that every staff should have their own desktop computer. On the contrary at PSD which functions in a separate building, each employee is given a personal computer and a working space divided with partitions. As a result, the extra benefits received by PSD might have been a reason for greater demands by the staff of PO. Nonetheless it has to be mentioned that even PO is highly equipped considering the number of staff it employs. It is widely believed across the public service that PO and PSD receives much greater benefits in terms of such physical attributes. Most other government offices have been operating under old and ill-equipped conditions. As a result, the staff of PO and PSD are well-off when compared to most of the rest of the government in terms of such physical work related factors. Although there is not much difference between PO and PSD in motivating its staff through better work condition, when considering the whole of the public service, the long and continuing complaints by most of the government organizations for better work facilities can also have some consequences on the motivational factors of their staff. It is generally believed that to work effectively also requires a good work environment which is not available in most of the government offices.

Although monetary incentives are the main motivators, other non-financial benefits can also have a positive motivating effect on many employees. Over the years the Maldivian administrative culture has evolved in such a way that verbal praising has been very limited. This is derived from the greater societal culture. Saying simple words such as “good work” or “thank you” is rarely heard in the civil service. A trainer from PSD pointed out that in a training session a security guard who has been in the government for over 30 years said that his supervisor had never given any compliment or never given him a word of credit. Although this is an extreme example, practices of small verbal recognition are very rare even today. Although such symbolic gestures are relatively new in Maldives, research has shown that they are very effective in most other cultures. As such there is no reason why it cannot be effective even in the Maldivian context. During the interviews a number of respondents have identified the significance of symbolic motivational rewards. In this regard, practices such as recognizing employee of the year in organizations have been identified as a potential way of motivating the staff to strive for greater performance. Giving symbolic rewards such as certificates or awards in front of others is a possible strategy that could raise the motivation of many staff. However, it has to be stressed that not all employees give much value to such small symbolic gestures. Nonetheless, since such motivating strategy can have positive effect on at least some staff, it would be worth exploring in the Maldivian context. Therefore, the point to stress here is that the cultural attribute of *lack of praising* can have a negative effect as far as successful institutionalization of the appraisal system is concerned.

With the growing population of educated people in the public service, a significant number of employees also desire job satisfaction. That is not necessarily through monetary incentive. Rather satisfaction is derived from aspects such as achievements, responsibility, advancements and autonomy. As far as culture is concerned, the importance placed on status and rank means that one will need to keep climbing the organizational ladder in order to achieve such desires. It means that having a job that gives a sense of accomplishment and fulfilment go a long way in motivating specially the youth population in the public service. This has been found from the interviewees in both PO and PSD. More and more people now demand jobs which they can enjoy and get satisfaction psychologically. PO and PSD are considered as two organizations that have very tight and busy work schedules. Most of the employees have to work after-office hours and even quite regularly during the weekends. Furthermore, PO and PSD are organizations that value people who have acquired higher education. Most such professionals are given higher posts and challenging work. In terms of

challenging work, it is more true for PSD compared to PO, which could mean that the staffs of PSD are more intrinsically motivated to that of PO. In other words, the full utilization of educated staff is higher at PSD compared to that of PO. Despite these minor differences, the situation in some of the other government organizations is very different. There are a significant number of government offices where the employees do not have enough work to do during the full office hours. As a result it is a common practice to waste one's time reading newspapers, talking on telephone, chatting with colleagues, or even going out of the office to socialize with others during official office hours. Furthermore, it has also been a common complaint among a lot of higher educated professionals in some government organizations that they do not have enough and challenging work to do. This has been creating growing frustrations among such employees. Therefore, providing challenging work is also considered as a motivating factor in today's Maldivian Public Service. This is of great importance especially for the highly educated professionals.

Yet another factor that could be considered as a motivator factor is the relationship between the employee with his superiors and colleagues. Creating the right kind of atmosphere to work effectively also requires for most people to have a cordial relationship with their colleagues. Having an unpleasant relationship can go to the limits of frustrating most employees. These have been explained in detail in the previous variable of this chapter and so will not be dealt in depth here. However, the point to stress is that a lot of interviewees have identified that they would prefer a good work relationship with their superiors and colleagues which means that it is a significant factor in determining the extent of job satisfaction. This is derived from the cultural attributes of having harmonious relations with colleagues.

Different people are motivated as a result of different factors, some more as a result of extrinsic reward and some due to intrinsic reward. This creates unique challenges in designing a common reward package that satisfies everyone. In practical terms this is not possible especially in the public sector where the egalitarian culture strives for fairness and equality for all. A trainer at PSD suggested introducing flexible benefit packages such as training packages, additional leave, time-off work or flexible work week. However, even she concluded it by saying that "but I guess practically it's unimplementable." One of the senior staff at PSD stressed the importance of giving a reward that is worth to the employee. As mentioned earlier, the difficulty is to make the reward worth for everyone. A possible option could to be introducing reward packages that could appeal to as much staff as possible, but

extensive research into the area is required before such a measure is decided and implemented. As I have been arguing in this chapter, cultural attributes plays a very important role in determining what is valued by the individual. The societal norms and values go a long way in this process. For example, the significance that the society holds for status and rank means that the employees strive for higher posts in the organization. The desire for greater achievement is very high among most staff as there is continuous pressure from the society which means that the individual will have to keep climbing the organizational ladder through all possible means. This is further supplemented by the fact that culture puts very high importance on obtaining higher education, which means that there is continuous pressure on the youth population to go for higher education. Nonetheless the analysis has shown that since the employees are motivated through both intrinsic and extrinsic factors, it is important that they are rewarded through both those means as well. Despite this, it needs to be concluded that most government staff values monetary rewards to a greater extent mainly to achieve a better living in the expensive living conditions of the Maldivian society.

Organizational culture is derived from the societal cultures. It is true that there are variations of organizational culture within the different organizations of the Maldivian Public Service. However, as the previous discussion has enlightened, there is not much difference between PO and PSD as far as the motivating factors are concerned. The only difference found has been that the staff of PSD can be a bit more intrinsically motivated due to more challenging work that educated professionals at PSD are given. This is also summarized in the table below.

To conclude this section, the point to stress here is that cultural attributes such as lack of praising, pride of working in the public service, society's attitude towards higher education, the importance of status and rank, and also importance of being presentable in the society does have an effect on motivation. Therefore, it is crucial that these motivating factors are reinforced by the appropriate rewards. Then only the desired job satisfaction, commitment and loyalty to the organization can be achieved, which in turns leads to higher performance.

	PO	PSD
Intrinsic Motivation	Less challenging work for educated professionals which means lower motivation.	Higher motivation due to challenging work for educated professionals

Table 3: Differences between PO and PSD on motivational factors

6.5 CONCLUSION

As has been discussed earlier in the chapter, most staff in the Maldivian Public Service gives priority on having a cordial and smooth relationship between subordinates and superiors. With the growing youth and educated employees in the Public Service, more and more staff is being open for criticisms and open discussions. Even so due to the small collectivist society, having a good working environment is given utmost importance. Nonetheless for performance appraisal system to be institutionalized successfully, the general public servants need to be more open to accept even negative comments and not to take those personally.

Most of the civil servants consider extrinsic rewards as their main motivators. A salary increment or a promotion is taken as the most valued tool in the Maldivian Public Service. However, intrinsic reward is also given considerable importance by many employees. Even a modest compliment is likely to go a long way in motivating public servants. In today's work environment, this is hardly practiced. Therefore, what is needed for the Maldivian Public Service to institutionalize the performance appraisal system is to introduce a combination of extrinsic reward in the form of linking performance to promotion and further improve in the field of intrinsic rewards. Reaching this position needs creating the ideal situation in all aspects of public service. It includes creating the right atmosphere culturally, organizationally and politically. The next two chapters will deal with the later two dimensions.

Table 2 and *Table 3* have summarized the differences between PO and PSD on the dimension of different issues related to the two variables. To conclude the chapter, the following table will give a brief summary of the two cultural variables, which have been derived from the discussion presented in this chapter.

	PO	PSD
Conflict avoidance	High but getting accustomed to open dialogue specially due to increasing educated staff and necessary training.	Moderate and also creating more open dialogue with the greater concentration of educated staff.
Subordinate/Superior relationship	Needs greater openness, especially in the larger Sections.	Considerably good and open relations.
Motivation	Both intrinsic and extrinsic factors are important. But due to less challenging work for educated professionals, they are intrinsically less motivated.	Both intrinsic and extrinsic factors are important. Higher intrinsic motivation due to challenging work for educated professionals.
Reward	Both intrinsic and extrinsic rewards are important and needs improvements.	Both intrinsic and extrinsic rewards are important and needs improvements.

Table 4: Differences between PO and PSD on the cultural variables

CHAPTER SEVEN: COMPARATIVE ANALYSIS ON HOW ORGANIZATION INFLUENCES THE INSTITUTIONALIZATION OF THE PERFORMANCE APPRAISAL SYSTEM

7.1 INTRODUCTION

The second analysis chapter focuses on how the four organizational variables of; 1) competency and disposition of implementers; 2) leadership; 3) socialization, identity formation and commitment; and 4) history of learning, influence the institutionalization of the performance appraisal system at PO and PSD. A comparison will be made between the two organizations where applicable and a generalization will be made which can be pertinent for the whole Public Service.

7.2 COMPETENCY AND DISPOSITION OF IMPLEMENTERS

PSD spearheads all the administrative reforms undertaken in the Maldivian Public Service. The implementation of the performance appraisal system is one of the major reforms currently underway. Being the architect and the facilitator of administrative reforms bring unique challenges for PSD. Their expertise and competency can influence to a great extent the institutionalization of the appraisal system. They are the ones who carry the messages to the public service and strive for the ownership from others. Currently there is one professional staff who is in charge of implementing the appraisal system for the whole sector. Most of the training and other appraisal related work is carried out by this person (note: there is a couple of more staff who also conduct training sessions when the need arises). However, due to the size of the public service, it is widely believed that more professional staff is required. The main tool to convey information is through training sessions and so more trainers are certainly a necessity if intense and sector-wide trainings are to be carried out. This is the consensus among almost all of the PSD interviewees. It is projected by PSD that in a few years time, more professional staff will re-join the organization after completing their higher education, which will most probably augment the number of trainers and professional staff responsible for the implementation of the appraisal system.

One of the most interesting aspects discovered from the staff of PO was that, they believe that the trainers at PSD do not fully understand the practical difficulties that individual government organizations face in their day-to-day activities. The work environment of PO and

PSD are considerably different from that of the rest of the government organizations. As such there has been some concern among some of the respondents that the trainers at PSD do not fully comprehend the practical and day-to-day work-related problems that other organizations encounter. This has been particularly evident during some of the training sessions of the performance appraisal. When questions have been asked by the participants in these training sessions, the trainers have not been fully able to answer comprehensively. One interviewee from PO identified, that is not because the trainers are not fully qualified, but because they do not have the authority to answer such questions adequately. Nonetheless it has to be mentioned that not all questions asked during the training sessions are directly relevant to the performance appraisal system. Most such questions are inter-organizational conflicts and grievances which mostly are linked to senior management of those organizations. Some argue that such problems should also be dealt with appropriately because a conducive environment where performance appraisal and other administrative reforms can institutionalize successfully will be created only by confronting and solving all organizational problems that could diminish the job satisfaction and motivation of the employees.

As far as the individual government organizations are concerned, the member of the Network of Senior Government Officials acts as the focal point who co-ordinates the implementation of the performance appraisal in their respective organization. These focal points are not necessarily career managers and so most of them do not have the required expertise to manage the implementation process. This is the case in the majority of the government organizations. It was pointed out by the trainers at PSD that the concept of focal points has not been effective. Their level of commitment has not been considerable along with the lack of commitment from the top level executives of those organizations. In addition, others argue that it is not the lack of professional managerial staff that hinders the institutionalization of the appraisal system. They argue that, what is required is to utilize the already existing staff because already most organizations are over-staffed and the excuses given by those organizations are simply baseless justifications intended to avoid the implementation of the appraisal system. As such it can be concluded that although some of the smaller government organizations do not have the required and capable personnel to conduct the implementation process, most other organizations do possess the competency but lack the necessary commitment.

When the disposition of the implementers is considered, how much they comprehend or understand the processes is crucial. PSD being the facilitator, the trainers there can be said to be highly knowledgeable in the area of performance appraisal. However, as has been mentioned earlier, they lack the knowledge on some of the practical difficulties and problems that some organizations encounter. This shows they also need more on-the-field experience so that they can deal with a wider scale of issues in the future. Most interviewees have agreed that performance appraisal is beneficial for improving individual performance. They believe that as a result of the appraisal system the work gets more organized and easy to manage. Also at the end, work is evaluated which shows how much has been accomplished. Regardless of this there have been some at PSD who believe that individual targets set under the appraisal form sometimes do not meet with the organizational objectives. Some also believe that PA system does not have a valuable outcome at the moment. They commonly refer to rewards which have been explained in the previous chapter. This has been identified to a greater extent at PO. Although planning work has been going on for some years now, a great deal of work is still carried on at an ad hoc basis. PO being the center of the government means that unexpected incidents and situations around the country and outside the country which has a bearing on the state result in immediate and sudden changes in the normal work routines. Therefore, a considerable portion of staff at PO do not yet believe that under the current situations where more ad hoc work needs to be done, the appraisal system has its desired benefits.

Disposition of implementers also needs to incorporate the level of ownership. That is concerned with how much they accept and take responsibility in implementing the appraisal system. Due to the nature of the PA system, the ownership and support of all employees are important to make the system institutionalized. So it is not only the trainers at PSD who are required to show their commitment and ownership towards the implementation process. It has been generally observed across both PO and PSD that the current level of ownership is very low. Most staff completes the appraisal forms only because they are told to do so by their superiors. Appraisal is something that is considered as a 'thing' that they must do which belongs to PSD. This perception has been widely observed at PO. Different reasons have been identified as the source of such low level of ownership. One is the lack of commitment from the top level executives. One interviewee at PO went on to say that "I think the top level people have to take it as a cause and fight for it. But when it's not our cause why should we fight for it." This will be further discussed in Leadership which is discussed in Section 7.3.

Another reason given for the lack of ownership is the low level of understanding among the general staff regarding the appraisal process. Some have argued that more training is needed to make people understand better the different peculiarities involved in the system. Yet others believe that the normal work load is the cause of such low ownership of the PA system. This brings to another issue where some believe that appraisal is a time-consuming activity and due to the normal work routines, they simply do not have the necessary time to invest in implementing the appraisal system.

It is believed that in the Maldivian Public Service managers always give high priority to the immediate and urgent tasks and are used to jump from one task to another without fully completing the initial assignment. Currently performance appraisal is not such a high priority for most staff. A common complain is that it takes a lot of time to fill the forms and conduct the subordinate/superior meetings that are required by the system. Some interviewees argue that this perception has been developed because performance appraisal is seen as something that is completely separate from their normal work. They argue that appraisal should be considered as part of the work because there is no additional task done except filling and documenting the work that each employee completes. Such mentality needs to be changed according to this group of interviewees. They believe that the appraisal process can consume some time in the first year but when the staff are used to the system it should not be of any burden as the processes should fall in easily into place. Most of the respondents have agreed that appraisal work is worth the time spent because it is an initiative to improve the performance and although several obstacles remain, the system should continue. However, they also agreed that the whole performance management system needs to improve and not only the appraisal component.

The perception towards the appraisal system by organizations other than PSD also carries weight as far as the disposition of implementers is concerned. Since individual organizations carry out their own implementation process, although with the assistance of PSD, the ownership of the implementers at these organizations also is a prerequisite for the successful institutionalization of the appraisal system. How they take ownership and implement the system is also of utmost importance. To get to this target it has been widely believed that rather than trying to impose a system by PSD, involving government organizations at different stages of formulation will create a positive response from those organizations. The current appraisal system has been developed by PSD. However, it has been shared among the

members of the Network of Senior Government Officials and also in different meetings held with government offices, their views being incorporated and amendments made accordingly over the past few years. Some have argued that the views of government organizations need to be taken on a much wider scale. But this option perhaps seems to be impractical as then there is the possibility of too many views which could eventually be a hindrance to move ahead with the system. Some respondents have highlighted having focus groups and more discussion with different level of employees. They argue that then only would the general public service view the system as something that they own rather than something that has been imposed by PSD. On the contrary others have argued that initially the general public servants need to be first made to understand what performance appraisal is all about, before trying to take their views into consideration. However, it has been evident over the years, that several very valuable comments and feedback have been received from the general public servants which have been considered to further improve the implementation of the system. Therefore, it can be concluded that taking as much feedback from government organization can improve the system in the long run. This is because the trainers at PSD have identified the importance of having the room for maneuver within the appraisal system. Since public service comprises a wide variety of fields, it is very important to set a general guideline for appraisal and let each sector decide on the smaller details they need to incorporate into the system taking consideration of the technical differences of each field. Nonetheless, due to the lack of technical competency in dealing with such managerial-oriented reform, so far not many areas of the government have been able to develop their own detailed appraisal systems. This is why PSD is still considered as the prime source of such managerial technical expertise. Regardless of this, PSD too has not been fully able to give specialized technical expertise to some fields in the public sector. The general nature of the training that it provides sometimes does not fit into the required specifics of some of the fields.

As explained above, the disposition of implementers can be determined by the level of ownership. This level of ownership in itself can also be determined by how secure that the individuals feel towards their job. In other words, the greater the employees feel secure and unthreatened as a result of the appraisal system, the greater the chance of acceptance of the system. The number of school leavers has been increasing rapidly and the public and the private sector have not been able to create jobs accordingly. This possibly has put pressure on the current public servants as well. Performance appraisal if carried out adequately forces employees to perform well or be laid-off in the long term. Most of the interviewees pointed

out that currently the appraisal system does not have any bearing on how the public servants view their job security. They argued that as the appraisal system is not linked to any salary increment or promotion, there is no mechanism to reward or punish the employees. As a result most simply do not consider the appraisal system as a threat to their job. Also the general consensus was that anyone who might even slightly be insecure because of the appraisal system feels in that manner only because they believe for themselves that they have not been performing adequately. In this regard some respondents identified the importance of eradicating any sense of fear that the employees might apprehend. They argued it can be achieved by fully informing and making everyone understand the different aspects of the appraisal system. In other words that is how the supervisors or the implementers should approach the employees in explaining the system.

The following table will summarize the above discussions by identifying the differences and similarities between PO and PSD and eventually generalizing each of the dimensions onto the whole of the public service.

	PO	PSD	Public Service
Competency of implementers at organizational level	Relatively low	High expertise	Low for most focal points in most organizations
Perception of implementers towards the PA system	Considerably low due to no reward or punishment. And also due to the inability to follow the set targets due to the high occurrence of ad hoc tasks.	Positive and optimistic among the trainers but mostly low among other staff	Considerably low due to no reward or punishment
Perception towards the PSD trainers	Need more understanding of how other organizations functions	Needs more trainers to cover the whole public service effectively	Need more understanding of how other organizations functions and to have the authority to answer the questions more openly

Extent of ownership of the PA system	Low	Relatively low among most staff	Very Low
Perception of time spent on PA	Worth the time but needs to apprehend the whole performance management system	Is worth as it organizes the work thereby making it easy to assess the work	PA considered a separate task from daily routines and so perceived as a vain exercise
How secure employees feel towards their job due to PA system	PA having no effect on job security as no punishment exists	PA having no effect on job security as no punishment exists	PA having no effect on job security as no punishment exists

Table 5: Differences between PO and PSD and the generalization on public service based on the competency and disposition of implementers

7.3 LEADERSHIP

As has been explained in the previous chapter, the Maldivian Public Service is arguably based on obedience and respect. The leaders in most organizations are shown a great deal of obedience and respect from the employees. Most of the high level executives at the government have achieved those positions mainly due to their long service and loyalty to the government. Although more and more educated people are rising to the top echelon, the former group of senior executives has remained in senior positions as an official retirement policy does not exist. Since these are mostly very experienced executives who are generally very influential in most organizations, their support and backing are crucial to make any reform to succeed in their organization. This is the case even with the performance appraisal system. As one senior official responded, “leadership is the key in implementing any change system, not only appraisal.”

It was generally agreed among most of the interviewees that top leadership’s commitment and support is one of the main essential ingredients in making the appraisal system institutionalized. As PA being a change programme, a definite behaviour is expected from the leaders in order to gain the support and commitment from the general staff. Firstly, challenging the status quo thereby attempting to bring modern administrative reforms cannot be assumed as an easy task in the Maldivian context. It is generally believed that most leaders

or top level executives are not so concerned in trying to improve the performance of their organization. Their main objective is to survive in the environment. In this regard, they almost never take chances in challenging the status quo. Most top executives are very keen to follow-by-the-book. They are always careful in not upsetting the minister or the head of the organization. In turn most ministers are also very keen in following the guidelines of the PO and PSD, especially if there is the possibility of some political repercussion. This has created an environment where most leaders are reluctant to bring changes to their organization even though they know it can improve the performance of the organization. Secondly, visionary leaders are probably very few in the Maldivian Public Service. Although the country is currently striving for the 'Vision 2020' objectives, very few public servants are aware of what the plan states. Therefore, having a vision is not enough, but also having the ability to make others follow and share the vision is also crucial. Unfortunately, this has not been the case as most public servants have not even been able to access to that publication. Some staff in some organizations have also raised the issue that they have not been able to access even the publication on the PA guidelines. When the leaders are not able to make others share and follow the vision of creating a better public service, then the leader's ability to influence the appraisal system cannot be classified as a success. This leads to the third element which is the ability to make others act. It has been observed from this research that most leaders do not even support the appraisal system. Most do not see the use of the system at all. This has been particularly evident at PO. Several reasons have been identified for this, some of which have been explained in detail earlier. They include the lack of reward or penalty, the lack of understanding about the system, the lack of time available to spend on PA work, resistance to change and also the lack of professionalism. Some respondents at PO have stressed that most leaders do not bother much about the system mainly because they do not see the use for it. They argue that PO operates in an environment which frequently changes where the work targets set in the appraisal form becomes invalid regularly. Nonetheless, the top executive at PO who is in charge of implementing the PA system showed his optimism. According to him:

“this organization is putting an effort to get the system work. But individually at the department level we have to gear up them, provide more training, because there has been a traditional way of doing things without taking much responsibility. So they just try to pass it up to someone else and leave it, kind of approach. So the confidence has to be built again even in each and every department.”

Compared to PO, it was evident that the leader's support and commitment at PSD have been relatively higher. One of the possible reasons could be the smaller size of PSD. On the other

hand, the leader's ability to make the staff follow and believe in the system can also be a possible reason. Nonetheless, mixed reactions were also observed across PSD as to whether the leaders in the organization were playing their role adequately in making the appraisal system a success, considering PSD being the architect of the reform programme.

PSD being the facilitator of administrative reforms such as PA means that it is essential they model the way for the rest of the public service. Simply, they need to practice what they preach. This is the fourth characteristic as far as exemplary leadership is concerned. To what extent PSD can act on this, is vital in showing others the ideal way of implementing the appraisal system effectively. One key element in the implementation process is to carry out the necessary tasks on a timely basis. As has been mentioned in Chapter 2, the mid-year review of the appraisal forms at PSD was delayed for a couple of months. Such practices are not uncommon and at PO, meeting these deadlines have been found even harder. The Cooperate Services Section has to be constantly pushing other Sections and Units in fulfilling the duties required under the appraisal process. This shows the lack of commitment and support that are required from the leaders in making the PA system institutionalized. Since each Section or Unit operates independently at PO, the Cooperate Services Section does not have the authority to force any individual Section or Unit to comply with the requirements of the PA system. As such the heads or the leaders of each Section or Unit have the sole responsibility to make their staff either to accept or ignore the appraisal system.

A final characteristic of exemplary leadership is the ability to carry on despite challenges and difficulties. PSD has been determined to go ahead with the appraisal system in implementing the system across the whole of the public service. They are aware of the numerous challenges that lie ahead. Nonetheless, their main strategy has been conducting extensive training over and over again in trying to make others understand the importance of having such an appraisal system. Their leaders believe in the benefits of having such a system and have witnessed the easiness it has brought in organizing the work more effectively and efficiently. As such the PA has been working generally satisfactorily at PSD compared to PO. Although at PO some leaders have been optimistic of facing the challenges, several others have not really grasped the full importance of the system, thereby not putting the necessary effort to make the system work.

Although there are some differences between the leadership attributes between PO and PSD (summarized in Table 6 below), there can be a number of general patterns observed in the leadership attributes across the whole public service. Such attributes can be explained using four main dimensions that will portray the generalization of leadership style across the whole public service, which in return may influence the institutionalization of the appraisal system. They are summarized below.

1. Influences on leadership practices

- Organizational performance not given much importance (most prefer to complete the essential tasks, which if not completed might have negative repercussions)
- Urgency to complete the tasks that can have political bearings (always careful to please the political appointees)
- Follow the rules and orders (obedient culture)
- Respect for seniority, age, experience (derived mainly from the collectivist culture)
- Expectation that managerial authority will be exercised with consideration (due to the non-confrontational nature, most employees expect that their superiors will not be too harsh on them even if a task is not completed adequately)
- Considerable resistance to change, especially among long-serving public servants (continuing the status-quo has been well cemented in the organizational culture, which have been preventing change)
- Job security given utmost importance (retaining job a high priority due to the life-time employment in the public service)

Successful institutionalization of the appraisal system requires open communication, striving for higher performance and taking responsibility at all times. Some of the above mentioned attributes are in direct contrast to these principles which could also be a factor hindering the institutionalization process.

2. Managing authority

- Relative inequality of authority and status between superiors and subordinate (Most senior executives command considerable authority in running the organization. As a result, they are in a position to demand compliance from the staff)

- Centralization of work (The line ministries control the running of the different functions of the state. The implementing agencies does not have much real authority in that respect)
- Leadership from the top (The established culture has been to follow the orders from the top without questioning the authority)
- Goals set by top management (Organizational plans are formulated by the top executives and the involvement of the entire staff members is very rare)
- Acceptance of wide power and status differentials between superiors and subordinates (Due to the cultural attributes, most simply accept the differences in authority in order to avoid confrontation)
- Reluctant to judge bad performance (Culture makes it extremely difficult for superiors to point out bad performance of the employees)

Successful institutionalization of the appraisal system requires delegating responsibility to the staff, creating trust and also correcting the mistakes of the employees. Some of the above mentioned attributes too are in direct contrast to these principles which could also be a factor hindering the institutionalization process.

3. Managing uncertainty

- Low degree of tolerance for ambiguity (being prepared for the upcoming is an important aspect of the culture)
- Change viewed as undesirable (maintaining status quo considered important)
- Moderate degrees of conservatism (especially the long-serving top executives could view the modern management practices a threat to them, as it could eventually make them redundant)

Performance appraisal system being a change programme means that the staff is required to be open for changes that could lead to higher organizational performance. Although planning for the future is carried out, reluctance to deviate too much from the status quo might be a factor that hinders the institutionalization of the appraisal system.

4. Managing relationships

- Open confrontation of difference very rare (confrontation-avoiding culture)

- Conflict valued as destructive (even when differences in opinion occurs, confronting each other is very rare)
- Drive to secure commitment and morale almost non-existent (rallying the staff behind reform activities is not given much importance, as everyone is used to following the orders from the top)
- Emphasis on maintenance of harmony and personal dignity (cultural attributes stresses peace and respect for all)

In managing the relations among the staff, the performance appraisal system requires open discussions between the superiors and subordinates, and also the leaders need to motivate and secure the acceptance and ownership from the employees. As observed above, some of the leadership attributes are in contrast to these which could also play a role in hindering the institutionalization of the appraisal system.

To conclude, it is important to mention that performance appraisal is a western reform initiative which requires a certain types of leadership attributes in order to make such a reform a success. As has been highlighted above, most of the leadership characteristics in the Maldivian Public Service are in direct conflict with the desired leadership attributes that are required to institutionalize the appraisal system. As one respondent have stressed “its commitment from everyone, from top to bottom” that is required. The concept of professionalism from both the leaders and the subordinates are required which presently does not exist in most organizations of the Maldivian Public Service. The following table summarizes the differences between PO and PSD in relation to leadership.

	PO	PSD
Leaders support & commitment	Generally low	Relatively high
Leaders ability to make others follow	Very low	Relatively high

Table 6: Differences between PO and PSD on leadership

7.4 SOCIALIZATION, IDENTITY FORMATION AND COMMITMENT

The successful institutionalization of the performance appraisal requires creating a public servant who is committed to the public service. This process begins with the socialization efforts when a person enters the service. Through the formal and informal socialization

practices, an identity is formed for each public servant that eventually determines the level of commitment received from the employee.

In the early 80s official induction training for public servants was conducted in the Maldives. That was under the initial project launched after the formation of NOPAR (as mentioned in Chapter 1). However, this project was of limited duration and so these induction programmes also did not last for long. With the formation of PSD, a new series of government induction programmes³⁵ was initiated in 2002. This is a 20 day programme (total 40 hours) conducted twice a year for all the new entrants to the government. Enrolment to this training course is not mandatory. Each government organization has the opportunity of enrolling their new entrants to this course for a nominal fee. The major content areas of this course includes government rules and regulations, service attitude, letter writing, computer skills, work ethics, use of office equipments and government structure.

Although such a formal induction programme has been going on for some years now, the geographical nature of Maldives poses unique challenges. Most of the participants in this and other such professional training are those who work in the capital Male'. Due to difficulties in transportation and also the high cost of traveling, the public servants in the Atolls are not able to participate in such training programmes³⁶. This group of public servants is particularly important because 17.5%³⁷ are working in the Atolls and they have been exposed to very few managerial training programmes.

Having effective professional training for the public servants can be said to be a vital prerequisite for the identity formation of the employees. As far as the Maldivian context is concerned, the above mentioned trainings are the only sector-wide professional trainings that are being conducted. However, a few organizations have in some instances designed formal induction training for their own staff. This is the exception, not the norm.

³⁵ This induction programme is part of a series of professional training courses that was started in 2002 by PSD collaborating with the Faculty of Management and Computing (FMC). A group called the Public Service Training Group (PSTG) was formed jointly by the PSD and FMC of the Maldives College of Higher Education, for the purpose of analysing the training requirements of the public sector and conducting on-the-job training programmes for government employees.

³⁶ Since 2002, PSD have been traveling to different atolls and conducting training programmes to the staff in the atolls. However, due to the limited capacity of PSD these training programmes are very limited. As a result the public servants in the atolls have always received fewer training compared to their counterparts in the capital Male'.

³⁷ This is as at 17th January 2005.

In the President's Office, prior to 2002 there was no official induction programme for its staff. Until then the normal practice for socialization was by reading the rules and regulation upon arrival at the organization and to learn through working in that environment. Therefore, there were no official practices of socialization. However, since 2002 organized training programmes have been conducted for the new entrants. A total of 67 new employees have so far been trained under this programme. The programme has covered areas such as general work conduct and ethics, service attitude, use of office equipments, speaking skills, and other specific aspects that are expected from the staff of the PO. These training programmes along with the meticulous interviewing procedures have resulted in ascertaining the right fit between the employees and the work environment of the PO. That means that despite the lack of formal induction training in the past years, the socialization at PO has been conducted in a considerably organized manner. Since PSD falls under the umbrella of PO, this is also true for PSD. As a result, there is not much difference between PO and PSD in relation to socialization practices.

When a new staff joins any organization, he or she normally embrace and try to learn the culture of that organization. Where formal induction programmes are present, the socialization process becomes more organized and so the organization is in a better position to mold the employee into the desired mentality. As explained in Chapter 6, this practice has been particularly common in PO. However, since the induction training conducted by PSD for the general public service is not mandatory for all new public servants, the common practice of socialization in the Maldivian Public Service is through informal means such as by talking with colleagues and learning as the person works. This means that at times, some staff may not be shaped into the desired ways that their organization strives. In other words, the identity formation of the staff may not be a positive experience. The small nature of the Maldivian society means that word of mouth is also a very powerful way of communication. As such the existing staff at each organization has a great deal of influence on the new entrants who join their organization.

The learning process for individuals thus can take considerable time in some of the organizations. Unlike most countries where being public servants requires the fulfillment of specific prior trainings or examinations, the lack of obligatory professional training in the Maldives results in the inability to form a common identity for the whole public service. This is made further intricate due to the lack of a Public Service Act. As a result some have argued

that there is no Public Service per se which has resulted in the lack of professionalism among the public servants. Currently the sector is being governed by only a Manual which consists of the general conduct and behaviors expected from the public servants. Therefore, different public servants portray different identities when they relate themselves to the public service.

The lack of legal backing for the formation of a public service also creates other problems. For instance, in this age where administration and politics are becoming intertwined with each other, the small nature of the Maldivian society adds into the problems that some other countries witness. For instance most of the Ministers compete in the parliamentary elections and due to their status they have better resources at their disposal during campaigning. There have been even allegations that abuse of power has occurred on numerous occasions. In addition to such political appointees, some top ranked public servants also compete for political office and in such cases too, allegations have been made regarding abuse of power. The point to stress here is that since there is no Public Service Act, there are no legal grounds to direct the behaviours and acts of the public servants. As a result there is no common identity among the public servants. This is applicable to both PO and PSD, which means that there is no difference between the two organizations.

With the lack of a common identity the question that arises is how committed are the public servants? This research shows that most of the public servants link commitment to the government with the benefits they are offered, particularly monetary benefits. How extrinsic rewards motivate staff has been discussed in detail in the previous chapter. Government indirectly agrees that the salaries paid to the public servants may not be adequate to survive in the fast growing expensive lifestyle of the Maldivian society. As a result the office hours have been arranged in such a way that most public servants have the opportunity to work in private sector part-time jobs after the official office hours. The current office hours of 7:30 to 14:30 allows those who wish to pursue part-time jobs to do so. This arrangement has also benefited the private sector as it can get the service of some of the very qualified public servants in their operations as well. However, several interviewees have raised the issue that a number of public servants who also have part-time jobs consider their government job as their 'second job'. In other words, they argue that most such public servant's commitment to the government is very low. Some of the reasons that have been highlighted include the low salaries and the lack of challenges and responsibilities in the government job. These issues have been discussed in detail in the previous chapter on how they motivate the staff. It has

also been a common complaint that some of the professionally trained public servants are less concerned about following the rules and abiding by the work ethics. In rebuttal, such professionals argue that what matters is completing their job tasks and not necessarily work conducts such as being punctual. Regardless of these different conceptions, others argue that commitment is something that can be built by the organization. With the appropriate socialization practices and the show of commitment from the top officials, the new entrants to the public service can be molded where they can also show true and loyal commitment to the public service. As a result, the commitment of the senior management at each organization can play a very important role in this path of showing the right way for others. In addition, some argue that the low level of commitment shown by some public servants is due to the 'easy ride' they receive. They argue that the lack of penalties for low performance and the guaranteed job status at the public service generates lack of commitment.

Regardless of the different degrees of commitment shown by the public servants, most of the respondents at PO and PSD believe that their staff shows much greater commitment compared to the rest of the public service. This may be evident due to the higher salary that they receive compared to the rest of the public servants. Very few of their staff occupies part-time jobs in the private sector. One possible reason for this is because most of those who work at PO and PSD are required to work even long hours after the official hours and so they do not have the liberty of time to work elsewhere. One senior official at PO highlighted that it is not the issue that some have part-time jobs after office hours, but the problem arises when there is no mechanism to monitor whether it has any bearing on the performance of the government job. Therefore, it can be concluded that having a part-time job as well is not a problem as long as the person fulfills the government job adequately and there are proper mechanisms to ensure that this occurs.

So how do socialization, identity formation and commitment influence the institutionalization of performance appraisal system? Socialization in the desired way is required to create a performance-oriented public service. The importance of high performance is stressed in all the induction programmes. As a result, a common identity is supposed to be created which in turn makes the public servants committed. As far as the performance appraisal system is concerned, due to the short nature of induction programmes, detailed information on performance appraisal system is not conveyed. As mentioned in Chapter 2, the new edition of the Government Employees' Regulation Manual contains a section on performance appraisal.

However, that is also very concise and does not have the full details. Therefore, there is a need for specific training on performance appraisal too in order to supplement the socialization process.

At the end of 2001, a series of information meetings was conducted for all the government organizations to provide training on the new performance appraisal system. During then a number of organizations volunteered to conduct the system as a pilot exercise for the year 2002 (These have been explained in detail in Chapter 4). During 2002, individual training sessions were held for those organizations that requested. Furthermore, during the two regional training programmes³⁸ held at the atolls, information on PA was also conveyed. At the beginning of 2003, another general meeting which was attended by 70 participants was held for all the government organizations. During that year too, individual training sessions were held for those organizations who requested for the PA training (6 organizations). In 2003 PSD also visited 5 atolls to provide training on management practices. Performance appraisal was also included in those trainings. These trainings in the atolls also continued during 2004. As performance appraisal became obligatory during 2004, more training sessions had to be conducted as there was a rise in the requests received for training (15 organizations).

Since 2003, the Public Service Training Group headed by PSD has also conducted PA training. These are 1 week trainings (7.5 hours) held twice every year. However, since customized training sessions have been going on for individual organizations, the demand for these training programmes has been limited. Customized trainings on PA have been held even at PO during 2003 and 2004. A total of 240 employees have been trained under this programme.

Over the past few years, a number of critics have argued that one of the reasons why PA is not functioning effectively is due to the lack of training given to the public servants. However, it was generally evident from this research that most believe that PSD is doing its best considering the limited resources it has at its disposal. In the past, PSD has conducted PA training sessions for all the organizations that have requested for their assistance. Regardless, some still argue that PSD needs to be more proactive in approaching the organizations and assisting them with the implementation. Even one of the trainers identified that the current

³⁸ A Seminar on Introducing Modern Management Practices to Atolls was held on both the North and the South of the country during 2002. A total of 80 participants from the atolls attended these trainings.

level of training may not be enough as they are mostly based on target-setting. These training sessions normally last for an hour to one and half hours. As a result, areas such as 'how to supervise' are not covered during such short durations. Therefore, more effort is required in specializing the training and including all aspects of the appraisal system in more detail.

The issue of how well the participants understand the training sessions has also been raised. One respondent highlighted that since most of the concepts in PA are translated directly from English language, the true meaning of those concepts may not be fully passed on by the trainers. As far as the trainers are concerned, they believe more customization of training for different groups of public servants will be of great benefit for the participants to understand better. In general, most interviewees believe that the training sessions have been relatively easy to grasp as long as they are fully committed to those trainings. The problem arises when some do not take training sessions seriously whereby excuses are given continuously to skip the sessions. Over the years PSD has been trying to simplify the training and also taking into consideration the feedback that they have received. In this regard, with the addition of the appraisal manual handbook, a simple and short version of appraisal guidelines was also published during 2004. This booklet also included common questions and answers that are raised regarding the appraisal system.

One of the main issues that the interviewees have raised is the inability of the trainers to answer some of the questions that are brought up during the sessions. This does not mean their inability to answer questions related to performance appraisal. Rather, a common practice during such training programmes is that the staff raises several organizational problems that they face. Most of these issues are organizational conflicts and others are of political nature. They argue that to create an environment that is conducive for PA to institutionalize, such organization issues need to be dealt appropriately. However, since the trainers from PSD do not have the mandate to answer such questions, many have highlighted the issue of empowering the trainers.

To conclude, it is important to mention that there has been not much difference between PO and PSD in regard to socialization practices, how identity is formed, and also at the level of organizational commitment. However, in order for socializing the staff to create a performance-oriented public service, the induction programme needs to be made mandatory and conducted on a wider scale. This has to be supplemented with more rigorous training

programmes on performance appraisal. The trainers need to be empowered so that they are able to answer a greater range of questions during the training sessions. Greater interaction is required between PSD and the general public servants so that they can fully grasp and understand the different aspects of the PA system. Only through such interaction and more organized training can a common identity be formed for the public servants. The legal backing in the form of a Public Service Act will also be a prerequisite. Then only can the desired commitment which is vital for the institutionalization of the performance appraisal system be reached.

7.5 HISTORY OF LEARNING

Although administrative reforms have been going on for years now, an attempt to learn from the success and failures of the past efforts in an organized manner is arguably not in existence. 'History of Learning' as the last variable of this chapter has been named, will be an effort to analyze how some of the past administrative reforms are used as lessons to move ahead with the current performance appraisal system in the Maldivian Public Service. Since PSD has the mandate of introducing and implementing administrative reforms to the whole public service, no attempt will be made to make a comparison between PO and PSD with regard to this variable. Rather the information gathered from both PO and PSD will be used to review how the public servants perceive the influence of past reforms which eventually determines the institutionalization of the present PA system.

Since the formation of PSD in 1999, four main areas of administrative reforms have been on the agenda. One is the introduction of Strategic Planning to government organizations. This process has been explained in Chapter 5. The second is conducting professional training, seminars and workshops for the public servants. The third is introducing Customer-Oriented Service Projects in government organizations. Last but not the least area is on introducing a performance appraisal system which is also the focus of this research. As far as Strategic Planning is concerned the level of success has been mixed. As mentioned in Chapter 5, by the middle of 2004, 23 government ministries and departments had reported their completion of the Strategic Plan. Although it is a respectable response, the level of effort put into those plans and its applicability for organizational purposes are very limited. Most organizations, although they have a Strategic Plan, do not necessarily follow their plans. Rather the old notion of ad hoc work practices is still very common. The importance of planning for future

purposes has still not sunk into the mindset of a large proportion of public servants. Therefore, although planning has been stressed by PSD and the Ministry of Planning and National Development (i.e. through the National Development Plan (NDP)), embracing the positive results and experiences of planning has not been spread to the whole of public service.

Since the year 2000, a number of seminars and workshops have been conducted by PSD. They include:

- Seminar on Developing Long Term Mission and Strategic Plans of Public Sector Organizations, 20-22 February 2000
- Seminar on Customer-Oriented Service, 11-13 July 2000
- Workshop on Improving Efficiency of the Public Service through the use of Information Technology, 18-19 June 2001
- Workshop on Human Resource Development Planning, 31 October 2001
- Workshop on Financial Management Reform, 24-25 June 2002
- Seminar on Introducing Modern Management Practices to the Atolls, H.Dh. Kulhudhuffushi, 19-21 August 2002, S. Gan, 26-28 August 2002
- Executive Seminar on Sustaining Public Sector Reform, 30-31 October 2002
- Workshop on Public Expenditure Management and Budgeting, 3-5 June 2003
- Seminar on Human Resource Management, 26-27 August 2003
- Workshop on Effective Change Management, 29-30 June 2004
- Seminar on Leadership, 24-25 August 2004

In addition to these seminars and workshops, as mentioned earlier in this chapter, the Public Service Training Group (PSTG) which is formed by PSD and FMC also conduct short-term professional training programmes for the public service (such training programmes include, strategic planning, orientation, performance appraisal, training need analysis, writing skills, computing, web development, and financial management). This is supplemented by the continuing training programmes that PSD conducts in the atolls each year. Although the magnitude of training has been relatively satisfactory, how much is gained or how much is learned from these trainings are of great concern. It would be inappropriate to conclude that these trainings do not have any positive effect. In the case of the above mentioned list of seminars and workshops, the follow-up practices have been absent. A workshop or seminar cannot be concluded as a success unless a follow-up is carried out as to assess whether the

information disseminated are used for improving the services in their respective organization. The common practice among most participants who attend these seminars and workshops is that, their presence is made only as to follow the directives of PSD and not to learn or use that knowledge in their daily work to improve the services they provide. Since PSD also does not conduct official follow-up to ensure that the information given are being used in other organizations, the seminars and workshops are believed to have no long-term benefits as far as work improvement is concerned. Therefore, even with the prospect of limited improvement in performance as a result of these trainings, not enough attempts are being made to learn from these lessons for future reforms.

Introduction of Customer-Oriented Service Projects was an initiative underway as a result of a seminar conducted during the year 2000. Since 2001, government organizations are urged to develop projects or activities within their respective ministry/department to improve the existing services provided by them to the general public. At the end of each year, they have to submit a review report on how the project progressed. The responses received for this reform is summarized in the table below.

Year	No. of organizations that submitted the projects	No. of organizations that submitted the review report	Total no. of projects
2000	23	12	53
2001	18	13	44
2002	18	12	29
2003	17	10	29
2004	22	* ³⁹	101

Table 7: Customer Service Projects

When these projects were analyzed, some of those projects are believed to have made a real difference in improving the services that those organizations provide to the public. However, a considerable portion of those projects are very limited in nature and so have not made any real difference. Regardless of limited success in this reform, awareness has been created among most regarding the importance of giving fast and effective service to the public. The most

³⁹ The data on 2004 was received in January 2005. The number of review reports until then was not available.

common barrier has been the shortage of budget which is also an important component as far as customer service is concerned. Therefore, it can be concluded that with regard to customer-oriented service projects, most organizations are learning from their mistakes and trying to improve as they go along.

The fourth main reform area is performance appraisal. The details involved in the first and the current appraisal system have been explored at detail in Chapter 4. The first appraisal system was believed to be more ‘person-oriented’ thereby trying to assess the characteristics of the employee. Interviewing for this study revealed a number of reasons of the failure of that system. They include;

- The secrecy of that system, where only the supervisor will know the evaluation marks.
- The system being designed to assess the person and not the performance.
- Lack of fairness. Favoritism a common practice among most supervisors.
- Almost everyone getting the salary increment which resulted in huge budgetary implications.
- Not adequate training provided for the staff.
- Reluctance among supervisors to upset employees by not giving the salary increment.
- Too much of an administrative task for PSD to award salary increment.
- Competition among staff to get higher marks than their colleagues.

With the experience of the failure of that system, new changes were made. Lessons were learned. The new appraisal system was designed to evaluate more on the performance of the employee and not the character of the employee. Also no salary increment has been so far linked to the current system. The main approach by PSD with this reform agenda is to institutionalize the PA system before linking it to any monetary reward. PSD intends to assess how workable the current system can be in the Maldivian context. Changes have continuously been made over the past few years with the recommendations that they have been receiving from the public servants. Nonetheless, concerns have been raised among many public servants as to different issues regarding this system. Most of those have been discussed earlier. At this instance the focus will be on whether the failure of the previous system has any implications regarding how the public servants perceive the current system. Most of the respondents agreed that the public servants will try to compare the current system with the previous system thereby most being reluctant or showing skepticism towards the present system. The support for the new PA system has been limited as a result of the previous negative experience.

Nonetheless, PSD is striving to create a new image which they hope is based on work improvement. However, some argue that the reasons for the previous failure still exist and lessons have not been fully learned from that experience. Even with the mixed perceptions, PSD is marketing the system to gain support and creating awareness about the system. How successful these efforts are is questionable. With full three years of completion with the new PA system, questions are being asked on how applicable the system could be and how it can be used to improve the performance. This is mainly because the values required to embrace such a new culture where people are continuously being assessed are still not present. The components of top leadership, transparency, rewarding, political support and accountability do not support in the desired manner which are required to institutionalize the appraisal system. Although lessons are being learned from past reform initiatives, the process of change has been painstakingly slow. As a result the institutionalization of appraisal system has not progressed fruitfully.

7.6 CONCLUSION

Regardless of the limited capacity of PSD, an attempt is being made to provide the adequate training regarding the PA system. The trainers need to be more empowered to respond to the different enquiries so that their credibility can be upheld which in turn can influence the level of ownership and commitment that are observed from the participants of such trainings. There is a need to make public servants feel secure to ensure that PA is not intended to pinpoint the mistakes of the employees but rather intended to improve the performance so that better services are provided to the public. It is important to make them understand that PA is part of the daily work routine and not a detached additional work from their normal work routine. Full support and commitment from the top level leadership of each organization is a crucial feature to make the system institutionalized. Therefore, along with the proper professional training for the staff, a common identity can be built that is shared among everyone who strives to create a performance-oriented public service. Lessons need to be learned from the past successes and failures so that future reforms can benefit. Then only can the ideal environment be created to institutionalize the performance appraisal system.

Among the four variables discussed in this chapter, no significance differences were observed on the third variable between PO and PSD, and no attempt was made to compare the two organizations on the last variable, mainly because implementing administrative reform is the

sole responsibility of PSD. However, since some differences have been observed on the first two variables, it is summarized in the table below.

	PO	PSD
Competency and Disposition of Implementers	Relatively low	High expertise
Leadership	Leaders support generally low and their ability to make others follow is very low	Leaders support relatively high and their ability to make others follow is also relatively high

Table 8: Differences between PO and PSD on the organizational variables

The previous chapter dealt with the cultural factors and this chapter has dealt with the organizational elements in this respect. The last chapter on analysis will be focused on the political dimension which is also a prerequisite for successful institutionalization.

CHAPTER EIGHT: ANALYSIS ON HOW POLITICS INFLUENCES THE INSTITUTIONALIZATION OF THE PERFORMANCE APPRAISAL SYSTEM

8.1 INTRODUCTION

The third and final chapter of analysis focuses on how the two political variables of; 1) symbolism and political will, 2) separation of powers and political accountability; influence the institutionalization of the performance appraisal system in the Maldivian Public Service. In this chapter, *politics* is not to be reflected as organizational politics. Rather *politics* is meant to encompass the national political system. Therefore, since I will be dealing with the macro politics, no comparison can be made between PO and PSD in this respect as all organizations functions within the national political environment. As a result, this chapter will aim to give a general idea of how the different political attributes related to the public service determine the outcome of the appraisal system and its successful institutionalization.

8.2 SYMBOLISM AND POLITICAL WILL

This variable is focused on discussing the role of political symbolism and political will in the implementation of the performance appraisal system. It is intended to give a brief overview on whether the system is only a political symbol that is used to legitimize the government's effort on improving the public service, or whether the government has the required will to enforce the implementation of the system to its limits.

As mentioned previously in Chapter 1, the first appraisal system introduced in 1996 was aimed "to determine the suitability and eligibility of an officer for annual salary increment". This meant that one of the main objectives⁴⁰ was not in-fact improving the performance of the employees but providing a reward. In the political arena it is argued that all actions of the government are intended in gaining the support of the public. In withholding this perspective, it can be argued that additional monetary reward in the form of salary increment is also an attempt to boost government's popularity by winning the support of the public servants. Therefore, having a system which has its foundations on rewarding the staff rather than improving the performance can be argued to be a political gesture that represents symbolism. Although the current appraisal system is not linked to any salary increment, the fact that the first system was linked raises the questions on the government's true intentions.

⁴⁰ All the objectives of the system are listed at the beginning of Chapter 4.

With the growth of greater awareness among the general public, the government is increasingly being urged to be more transparent and accountable in its operations. With the public service as the main functional body of the government, the need for a performance-oriented public service has been growing during the past years. This has led the government to rethink on its long standing policies of seniority-based promotion, life-time employment, disregard to employee performance, the absence of a retirement age, and also the frail pension and social security system. In this regard, an attempt is currently underway to reform the pension and social security system by introducing a law. Introduction of a retirement age will also probably be part of this process. However, this is still to come into existence. It has been a common tendency for decades in the government to be reluctant to force-terminate employees even when they become redundant. This has been further evident in the Atolls. Some senior citizens in the atolls who have served in the government for decades, in most instances hold high status and respect in their own community. Such people in most cases have the ability to influence the general population. As such, government is always keen to keep such senior public servants on government payroll until they are deceased. These kinds of practices which are considered inefficient have resulted in enormous budgetary implications as well. Nonetheless, in order to maintain the support for the government, these mismanagement practices have been going on for decades. This is further supplemented by the government's inability to terminate employees with low performance. Unless due to severe breach of conduct no employee is terminated from the public service.

Furthermore, action against corrupt practices in the government has also been arguably very loose and insufficient. The Anti-Corruption Board reports directly to the President's Office. They are not a separate legal entity and so are considered as part of the public service. This has resulted in several difficulties in conducting fair investigations on allegedly corrupt practices of some of the ministers and senior government officials. People's faith in the Anti-Corruption Board to be unbiased is presently questionable. In this respect, the introduction of the appraisal system is part of an attempt by the government to legitimize itself, show that everyone is treated equally, and all employees should strive to achieve organizational goals through higher performance. However, due to alleged corruption and continuous mismanagement practices, the intended aim of portraying the government as transparent and fair through the introduction of the appraisal system can be argued as a mere symbolic act rather than a true attempt to make the public service accountable and transparent. To achieve the legitimacy for the appraisal system, introducing the appraisal system is not enough as long

as other aspects related to employees are not amended. In other words, as long as corrupt and mismanagement practices are present, it is highly unlikely that the public servants will fully accept the appraisal system. As a result, attention is placed on the government's will to truly curb on such allegations so that full legitimacy will be achieved to create an environment to successfully institutionalize the appraisal system.

The political picture in the Maldives has been on the path of rapid changes in the last few years. With the proposed changes to the current constitution, political pluralism is believed to be heading for the Maldivian political arena. The growing calls for greater transparency and accountability mean that the promotion practices in the public service also need to be modified according to the modern management practices. Therefore, in order to tackle the seniority-based promotion practices and also to improve the performance of the public servants, a new system that makes employees accountable and responsible for their actions is in need. As mentioned in Chapter 4, the present appraisal system is focused on three main components. They are:

1. Planning the work that needs to be completed by the organization for that particular year.
2. Evaluating the performance of the employees of the organization.
3. Provide training and education programmes for those employees who require them.

A focus on promotion is not present currently. With the negative experiences of the first appraisal system, the government was particularly keen on not repeating the same mistakes of the previous attempt. As a result PSD was mandated to prove the practicability of this appraisal system before it can be linked to any sort of reward, whether it is a salary increment, a bonus system or a promotion.

It is questionable that the government acquires the required political will to implement the appraisal system effectively. The main reason is the government's inability to deal with the factors that are hindering the successful institutionalization of the PA system. The top leadership of the country has laid out the path for administrative reforms which are evident from the different speeches (some quotes in Chapter 5) that have been delivered in the past. Nonetheless, several questions mount despite the top leadership's support. Have the top leadership's support for administrative reforms such as performance appraisal made any real difference? Is only support through speeches enough? What about real actions on the field to implement the system effectively? Have the ministers and top government officials took

ownership and accepted those reforms as their own? Are the top officials prepared to go to the limits on successfully implementing the appraisal system? Is the entire government fully committed to the implementation process? Most of these issues have been discussed in detail in the previous two chapters. To examine whether the political will is present to implement the appraisal system, it is crucial to look into the different strategies that the government uses to implement the system. It will show whether such strategies are the most effective in the case of the appraisal system or whether stronger will is required with greater measures to make the system fully institutionalized.

The government's strategy so far has been not to force the organizations with reforms such as performance appraisal system. One of the top officials at PSD described the reason as:

“there is lot of evidence to prove that change that is imposed from outside is less effective than change that comes from within, and which leads to greater ownership of the change process and also broader understanding of the change management process.”

Most of the respondents of this research share these sentiments. It has been believed that too much interference by PO or PSD in other organization's operations can be counter-productive thereby lessening the morale and support of the public servants. Ownership from within has been identified as the main mechanism in successful institutionalization of the appraisal system. However, many also have identified the necessity of having a proper monitoring mechanism to assess the compliance of government organizations. This can be argued to be in contrast to the ownership strategy. That is because a monitoring mechanism can be assumed to be a further interference in the operations of the government organizations. Furthermore, the political will to make the structural changes to the organization such as terminating the redundant employees and clamping on alleged corrupt practices of government ministers and officials are believed to be high priority areas in gaining the trust of the general public servants. Without faith in government policies, it can be a difficult endeavour for the successful implementation of the appraisal system.

The main strategies used by PSD for the implementation of the appraisal system are a combination of information, facilitation and regulation strategies. Providing the information in the form of manuals, circulars and letters along with the necessary training have been ongoing since its launch. Although the Manual on the implementation of the PA are not rules, they guide the process forward. Therefore, what are lacking have been incentives in the form of rewards and punishments. With the government taking a cautionary approach in the

implementation of PA during this time, it is understandable that no reward has been linked to the system so far. However, the lack of any punishment for not implementing the system adequately has created a sense of low priority and less attention being given to the implementation of the system. Although most of the interviewees have agreed on not using coercive measures, most have also highlighted the issue of non-compliance or the lack of attention that the system will receive in the absence of some sort of mechanism to make government organizations to comply and implement the system. Therefore, to what limit the government is willing to go to enforce the implementation of the appraisal system is the issue raised here. Does the government have the will to enforce the compliance?

With so many reasons that hinder the institutionalization of the system that have been discussed in the previous two chapters, the government is also keen on maintaining a good relationship with the public servants thereby not enforcing something that most are not interested in implementing in its current format. However, such strategies so far have not been of much success due to the inability in gaining the trust of the public servants by curbing the alleged corrupt practices and dealing with the continuous mismanagement practices. One of the aims of the appraisal system is to gain the legitimacy for the state policies. Despite the noble intentions by PSD of improving the public service, the lack of attention on important issues that are related to making government transparent has led for most to believe that the government lacks the required political will to successfully implement the PA system. As a result, it is to some extent believed that the PA system is merely an act of political symbolism to gain the legitimacy for state policies. The government's reservations on going to the limits to successfully institutionalize the appraisal system supplement the argument that the introduction of the performance appraisal system is only a political symbol and the government lacks the necessary political will. Therefore, to successfully institutionalize the performance appraisal system, the government needs to enforce compliance by the organizations through the necessary means that can be effective in the Maldivian context.

8.3 SEPARATION OF POWERS AND POLITICAL ACCOUNTABILITY

The aim of this discussion is to analyze how separation of powers and political accountability influence the successful institutionalization of the performance appraisal system. In this attempt, the legal mechanism of how the powers are separated and also the practicality of how those functions are executed in the Maldives will be examined.

Article 4 of the Maldivian Constitution states the different powers of the state. Clause 1 of the article states as follows:

The powers of the State of the Maldives shall be vested in the citizens. The said powers, for purposes of governing the State, shall comprise the following:

- a) the Executives;*
- b) the Legislature; and*
- c) the Administration of Justice.*

Although the Constitution has clearly identified the different powers, the question that arises is how independent are each power from the other and is there a mechanism where an effective check and balance system is established? This aspect is discussed below and how it can influence the ultimate institutionalization of the appraisal system.

Is there any way that one of the powers can influence the outcome of the other power? The answer to this question is a definite yes. Although the Constitution has clearly stated the different powers, the Constitution itself provides room where the *Executive* can influence the other two powers in several means. For instance, the second clause of Article 4 states that:

In accordance with this Constitution the executive power shall be vested in the President and the Cabinet Ministers, the legislative power shall be vested in the People's Majlis⁴¹ and the People's Special Majlis⁴² and the power of administering justice shall be vested in the President and the courts of the Maldives.

According to the above clause, the President can directly influence the judicial system (Article 39 which states “*The President shall be the authority of administering justice in the Maldives*” also gives that power). In addition to that, Article 42 states that the Chief Justice is appointed by the President. The Constitution does not demand that the appointment of the Chief Justice to be approved by the People's Majlis. Appointment of Judges to the High Court and lower Courts are also made by the President and also does not require the approval by the People's Majlis (Article 112 and 118). Such colossal powers to the President mean that he has the legal authority to influence the judicial system.

⁴¹ People's Majlis is the legislative body or the Parliament. It consists of 42 members elected from each constituency and 8 members appointed by the President.

⁴² People's Special Majlis is the legislative body responsible for amending the constitution. This assembly consists of the 50 members of the People's Majlis (Parliament), 42 additional members elected from each constituency, 8 members appointed by the President, and the cabinet members.

The Constitution also allows for the President to influence the legislative bodies. Firstly, the Speaker and the Deputy Speaker of the People's Majlis are appointed by the President (Article 42 and 68). The Majlis is not required to approve the selection of the President. Secondly, as have been previously mentioned in Chapter 1, the President is required to appoint 8 members to the People's Majlis (Article 64) and also 8 members to the People's Special Majlis (Article 93). In addition to that, cabinet ministers are also members of the People's Special Majlis (Article 93). Such extensive powers to the President mean that there is the possibility for him to influence the legislative bodies through his direct appointments.

Turning on to the Public Service, due to the absence of a Public Service Act, the Public Service is not considered as a separate legal entity. The Ministers who head different government organizations are appointed by the President (Article 54) and they do not have to be approved by the People's Majlis. However, the Constitution does allow for the members of the People's Majlis to question the cabinet members or the ministers (Article 81). Despite this, presently there is no proper mechanism in-place on how this function can be executed⁴³. As a result, the members of the People's Majlis are not properly able to execute the check and balance system of the state policies in an appropriate manner.

The Constitution do require for the People's Majlis to pass the annual budget (Article 78). However, unlike most other democratic states, the Maldivian Parliament does not have any mechanism to check the acts of the government functions. Although there are a number of standing committees in the People's Majlis, their functions are merely focused on discussing the bills presented to the parliament. Furthermore, the Auditor General does not have any legal obligation to present the state audit reports to the People's Majlis. Government organizations and State-owned companies too have no legal obligation to send their Annual Reports and Financial Statements to the People's Majlis. As a result, such official documents are not made public. Such lack of transparencies means that the accountability of the public service to the legislative bodies is very low. In the absence of a proper monitoring mechanism, the public service is not made accountable to any legal body.

Due to the lack of accountability of the public service to any outside body, proper scrutinizing of public policies and public funding are not in-place. There is no additional incentive on the

⁴³ Presently the People's Majlis is debating on a Bill on this issue.

public servants to be performance-oriented because no mechanism is in-place to monitor their actions. Institutionalizing the performance appraisal system requires that the public servants realize that their actions are being scrutinized continuously. Organizational performance is directly related to the individual performance. The higher the individual performance, the greater the possibility of the organization reaching its goals. However, when performing well or not performing up to the desired level does not have any legal repercussion on the organization, the individual employee also does not feel fully obliged to comply adequately and perform to the highest level. In other words, if the employee realizes that the organization is under continuous surveillance, then the employee will also have a greater desire to perform well.

Therefore, it can be argued that due to the lack of proper mechanisms in-place to execute the functions of the different powers independently in the Maldives, the public service is not made accountable to the people. In the absence of transparent public policies, the public servants are not made accountable appropriately which also contribute in the lack of proper institutionalization of the performance appraisal system. As a result, for successful institutionalization of the appraisal system, separating the state powers and functioning independently from each other is crucial so that the appropriate checks and balances will be established thereby making government more transparent and accountable.

8.4 CONCLUSION

It is evident that PSD is making a real effort to make the appraisal system a success. However, due to the lack of attention that the government has shown on issues related to making the government more transparent and accountable, has led for most to believe that the government lacks the required political will to successfully implement the PA system. To achieve greater success, the different powers of the state needs to function independently from each other so that the appropriate checks and balances will be established thereby making the government more transparent and accountable. In addition to that, government needs to enforce compliance by the organizations through the necessary means so that the government's intention will be seen as a true attempt rather than simply a political symbol to legitimize the actions of the government.

CHAPTER NINE: CONCLUSION

9.1 INTRODUCTION

The main objective laid out at the start of this study has been to explore ‘*the degree of institutionalization and how different factors influence the extent of institutionalization of the Performance Appraisal System*’. In the attempt to achieve this objective, data were collected from different sources including interviews, documents and observations. After providing the description on the two unit of analysis (PO and PSD), an analysis was carried out on how the independent variables had influenced the dependent variable selected for this study.

This chapter is the concluding chapter for this study. The chapter has been organized to provide the main conclusions of the study in a concise manner. First, an overview of the extent to which the independent variables influence the institutionalization of the performance appraisal system will be presented. It will also underline which factors are most essential in institutionalizing the appraisal system. The following section will highlight the level of institutionalization at PO, PSD and the general public service. The third section will be based on the future prospects of the appraisal system in the Maldives. The chapter will conclude with a summary of the desired stage, current stage and future changes that are required for an appraisal system to achieve fruitful application in the Maldivian Public Service.

9.2 FACTORS INFLUENCING INSTITUTIONALIZATION OF PERFORMANCE APPRAISAL IN THE MALDIVIAN PUBLIC SERVICE

This study has focused on 8 main independent variables which were perceived to have affected the institutionalization of the performance appraisal system to different extents. Two of the three main research questions of this study are based on determining the factors that influence the institutionalization of the PA system as well as analyzing how those factors influence and to what extent they determine the degree of institutionalization. The different factors and how they influence have been explained in detail from Chapter 6 to Chapter 8. Since the 8 independent variables have influenced the PA system in varying degrees, this section will give a brief overview on the extent to which those factors determine the successful institutionalization of the performance appraisal system in the Maldivian Public Service. It will be followed by a brief look on which variables have influenced the institutionalization process most.

9.2.1 The Independent Variables

Conflict avoidance and subordinate/superior relationships: The long established culture of conflict avoidance has its positive as well as negative effects as far as the institutionalization of PA is concerned. On the positive spectrum organizational problems are dealt without creating ripples in the day-to-day functioning of the organization. Absence of open confrontation generates respect and obedience among most of the staff. On the negative side, the reluctance at times in dealing with potential conflicts and problems means the lack of open communication. One of the driving forces of the appraisal system is the open discussion between the subordinate and the superior. In reference to the information that has been gathered from the two cases, it can be generalized that, although open communication between the staff is high in few organizations, such communications has been moderate to low in most organizations. It was also revealed that higher the educated staff, greater the level of open communication. Furthermore, although the cultural features of non-confrontation is still present, employing personnel with higher education is slowly changing the organizational culture to a one which is based on open communication and also accepts criticisms that are related to work.

Motivation and Reward: The necessary motivation is a prerequisite for any reform to succeed. However, the desired motivation among the Maldivian Public Servants is currently absent. Due to the lower salaries in the government and in order to survive in the expensive living standards of Maldives, most public servants are motivated when the rewards are worth to them in terms of promotion or any form of salary rise. Although intrinsic rewards such as verbal recognition in the form complimenting good work can motivate some to some extent, monetary benefits remain the utmost important component as far as motivation and rewards are concerned. Nonetheless, it needs to be stressed that challenging work also plays an important role in motivating, especially the highly educated professionals. Therefore, it is crucial that in the long run performance appraisal system be linked to promotion. The absence of reward or punishment means that most view the implementation of the appraisal system of no real benefit. As a result, it is important that both intrinsic and extrinsic rewards be further developed in order to generate the motivation required to institutionalize the appraisal system.

Competency and Disposition of Implementers: PSD is in great need of more trainers. The limited capacity of PSD means that training is not provided ideally. Without proper training

the ownership factor among the general public servants are currently very low. Without the desired ownership no reform can succeed. This is supplemented with other factors such as lack of rewards and lack of leadership support. Therefore, for successful institutionalization of the PA system, more training needs to be provided for all the public servants and to achieve this goal, the capacity of PSD needs to be further built. Without proactive support from PSD, the reform initiative of performance appraisal is destined for failure.

Leadership: Leadership support is *the* key factor for successful institutionalization of the PA system at the organizational level. Without the support and commitment from the leaders, no reform can succeed at any organization. The most common argument received from the public servants for the limited success of the PA system has been the lack of support and commitment from the leaders of their organization. Furthermore, most leaders have even failed to rally their staff members behind the appraisal system. Therefore, leaders need to lead the way in implementing the appraisal system in their own organization if the employees are to take ownership of the system thereby making the implementation of the appraisal system a productive experience.

Socialization, Identity Formation and Commitment: Commitment from the public servants is also one of the important factors that determine the degree of success in the implementation of the PA system. Nonetheless it is not an aspect that stands on its own. Commitment is something that needs to be created by using different means. How the individual relates himself or herself to the public service thereby forming a definite identity directs to the level of commitment. Proper socialization in terms of professional training can determine how the individual forms that specific identity. Therefore, the development of commitment by the public servants can enhance to a great deal the extent of institutionalization of the performance appraisal system. In this regard, it was revealed from this research that the formal induction programme for the new entrants to the public service needs to be made mandatory and also it needs to be conducted on a much wider scale. Furthermore, rigorous training on PA needs to be conducted in addition to empowering the trainers to answer a wider range of questions during the training sessions. To gain greater legitimacy, a Public Service Act is also a necessity so that a common identity can be created and the behaviours of the public servants be aligned to achieve the desired commitment from them.

History of Learning: Learning from the past experiences lies mainly with the implementing agency, which is PSD in this case. Until now learning has not been undertaken in an organized fashion. Although lessons have been learned from the previous PA system, the process of change has been painstakingly slow. Comparisons are still being made by many public servants referring to the previous failure in implementing the PA system. Such comparisons have not assisted the implementation of the current system. The values that are required to embrace a culture that facilitate the institutionalization of a performance appraisal system have still not been created. Furthermore, without proper feedback mechanisms, different reform programmes have taken their own course in terms of learning. Although improvements are being made even on performance appraisal based on the experiences, a systematic wide-scale feedback mechanism needs to be established in order to gain the support from other organizations which in turn can foster the successful implementation of the appraisal system.

Symbolism and Political Will: Despite the noble intentions by PSD of improving the public service, the lack of attention on important issues that are related to make government transparent has led for most to believe that the government lacks the required political will to successfully implement the PA system. For public servants to take the reform agenda of performance appraisal seriously, it needs to be backed with transparent government practices along with necessary reward mechanisms to gain compliance. In other words, there needs to be the political will from the government to go to the necessary limits if the appraisal system can be fully institutionalized. In the absence of the required political will, attempts of the government to implement the appraisal system are simply considered as a political symbol that is intended only to obtain legitimacy for the state's policies.

Separation of Powers and Political Accountability: Despite the three powers of the state being separated by the constitution, the extensive powers given to the Executive and the lack of check and balance mechanism among the three powers means that the powers are not made accountable to each other. As a result, the public service is not made accountable to any independent legal body. Due to the lack of accountability of the public service to any outside body, proper scrutinizing of public policies and public funding are not in-place. There is no additional incentive on the public servants to be performance-oriented because no mechanism is in-place to monitor their actions. Therefore, the public servants do not have any greater desire to strive for higher performance when they know there is no legal repercussion on the

employee or the organization. To achieve full institutionalization of the appraisal system, the powers of the state needs to be independent of each other so that proper checks and balances will be established in order to make the public service accountable and transparent.

9.2.2 Most important factors necessary for successful institutionalization

Based on the analysis of this research, it can be argued that the most important factor necessary for successful institutionalization of the performance appraisal system is political accountability. When political accountability is established through proper mechanisms, the public service will be made accountable to independent bodies, which in most cases will be the legislature. As a result of such accountability processes, the political appointees as well as the leaders in the organizations will be forced to be more accountable and performance-oriented in all their activities. Continuous scrutiny of the public service will compel the leaders at the organizations to rally their staff in order to reach the organizational objectives more effectively and efficiently. As a result, leadership roles will play the most important role at the organizational level. Such practices will also need to be backed by a Public Service Act to gain greater legitimacy and to guide the behaviour of the public servants in being more transparent, responsible and accountable. Furthermore, a number of other aspects related to the appraisal system also need to be followed through in order to gain the ownership and commitment from the staff members. Most importantly valuable rewards and extensive training programmes need to be established. Then only the required professionalism among the public servants will be instituted in order to successfully institutionalize the performance appraisal system.

9.3 PERFORMANCE APPRAISAL SYSTEM IN THE PRESIDENT'S OFFICE, THE PUBLIC SERVICE DIVISION AND THE GENERAL PUBLIC SERVICE

The first research question of this study is about determining how institutionalized is the Performance Appraisal System in the Maldivian Public Service. In determining this, the study has revealed that the implementation of performance appraisal has had mixed results. Positive as well as negative experiences encountered in the implementation process have been identified and explained in the previous chapters. Therefore, without going into the depth of that discussion, this section will give a brief overview on the different positive and negative issues identified.

In the President's Office, although the implementation has not been a smooth ride, several positive aspects regarding the system have been identified as well. For instance, the system has generated the importance of planning work. Although the nature of work at PO results in ad hoc work on several occasions, the fact that attempts are being made to implement PA has generated the discussion on finding ways to better plan the work so that the functions of the organization can be completed in an organized manner. It is also a fact that so many different issues have been raised about the difficulties that PO has been facing during the implementation. However, the continuous attempt by PSD has at least raised the awareness among most staff that the appraisal system will shape the future of the employees in the long run. The interviewing also identified that most staff at PO believed that the appraisal system has not been a complete success or a complete failure.

Compared to most government organizations, the implementation of the appraisal system at the Public Service Division has created relative success. Although it cannot be concluded as a complete success, PSD has been able to implement the system relatively smoothly. Nonetheless, it needs to be stressed that even PSD needs to work on several aspects if they too are to institutionalize the system successfully. Although planning the work had created greater efficiency at work even at PSD, aspects such as open communication and leadership support needs to be further developed.

It will not be incorrect to conclude that the implementation of the appraisal system in other government organizations has created very limited success stories. The reasons for such low level of institutionalization have been discussed in detail in the previous chapters. Therefore, more effort is required from the part of PSD as well as those individual organizations if the system is to be successfully institutionalized. The different factors that are continuously the sticking points need to be addressed as soon as possible if we are to turn the tables and make this reform agenda a success story.

9.4 FUTURE OF PERFORMANCE APPRAISAL IN THE MALDIVIAN PUBLIC SERVICE

Despite the countless hurdles faced in the implementation of the appraisal system, optimism has been expressed by several public servants. Most accept that there lies a long road ahead for the system to be fully institutionalized across the entire public service. The need for assessing the performance of employees is believed to be a necessity in this modern age where

concepts of NPM such as transparency and accountability are being stressed. Although with the current difficulties, most public servants are in favour of having an appraisal system that can access the employees fairly and are linked to promotion and other rewards.

Achieving this goal in the Maldivian Public Service requires changing the status quo. The main approach to reach the desired goal needs the creation of a professional public service. Professionalism needs to be disseminated into the entire public service through means such as enacting a Public Service Act and making the Public Service Division a distinct legal entity separate from the government where they have greater autonomy to shape the future of the Maldivian Public Service. If this goal can be achieved, there is a real opportunity for an appraisal system to function successfully in a small society such as the Maldives. Therefore, the optimism currently shared by most public servants needs to be taken as a generating force that will push for the system to succeed in the future. However, the reality is that, as the hypothesis of this study has stated, the reason for the present lack of institutionalization is mainly because a number of cultural, organizational and political factors are affecting and in most cases hindering the successful implementation of the appraisal system.

9.5 CONCLUSION

In conclusion the following table will summarize the desired stage where the Public Service needs to strive, the current stage where it lies in terms of each of the independent variable and the future changes that need to be made in order to reach that desired stage.

	Desired Stage	Current Stage	Changes needed
Conflict avoidance and Subordinate/superior relationship	Professional relations between subordinate and superior	Open communication very low	Openly discuss about organizational issues and problems
Motivation and Reward	Highly motivated employees receiving valuable rewards	Monetary reward valued most and acts as the main motivating factor	Link PA to promotion in the long-run

Competency and Disposition of implementers	Highly competent facilitators and implementers with positive attitude	Limited capacity of PSD results in the inability to provide adequate assistance to other government organizations	Build capacity of PSD and act more proactively to support other government organizations
Leadership	Supportive Leaders	Most leaders does not give much importance or attention to PA	Leaders need to take responsibility and lead the way in the implementation of PA
Socialization, Identity formation and Commitment	Successful socialization processes	Not enough professional training provided to public servants	More wide-scale professional training needs to be conducted
History of Learning	Organized attempts to learn from past experiences	Not much effort spend on learning from past reforms	Develop feedback mechanisms
Symbolism and Political will	Strong political will rather than political symbolism	Lack of backing from government to enforce compliance	PA needs to be linked with rewards and punishments to enforce compliance
Separation of Powers and Political Accountability	Powers of the state function independently of each other to enhance checks and balances	Extensive powers to the Executive, and the lack of appropriate accountability mechanisms	Three powers to function independently of each other, and establish check and balance mechanisms

Table 9: Summary of the Study



Bibliography

Books

Armstrong, Micheal. 2000. *Performance Management: Key Strategies and Practical Guidelines*. London: Kogan Page.

Balch, George I. 1980. "The Stick, the Carrot, and Other Strategies: A Theoretical Analysis of Governmental Intervention." In *Policy Implementation – Penalties or Incentives?*, eds. Brigham, J. and Brown, Don W. Beverly Hills: Sage Publications.

Ban, C. 1995. *How Do Public Managers Manage? Bureaucratic Constraints, Organizational Culture, and the Potential for Reform*. San Francisco: Jossey-Bass Publishers.

Barnard, C. I. 1938. *The Functions of the Executive*. Cambridge, Mass.: Harvard University Press.

Bellows, R. M. and Estep, M. F. 1954. *Employment psychology: The interview*. New York: Rinehart.

Boyatzis, R. 1982. *The Competent Manager*. New York: Wiley.

Burrage, M., Jarausch, K. and Siegrist, H. 1990. "An actor-based framework for the study of the professions." In *Professions in Theory and History – Rethinking the Study of the Professions*, eds. Burrage, M. and Torstendahl, R. London: Sage Publications.

Conrad, C. 1994. *Strategic organizational communication: Toward the twenty-first century*. 3rd ed. Fort Worth: Harcourt Brace College Publishers.

Creswell, John W. 1994. *Research Design - Qualitative & Quantitative Approaches*. Sage Publications.

Creswell, John W. 2003. *Research Design*. 3rd ed. Sage Publications.

Daley, Dennis M. 1992. *Performance Appraisal in the Public Sector: Techniques and Applications*. Westport, Connecticut: Quorum Books.

Deal, T.E. and Kennedy, A.A. 1982. *Corporate cultures: The rites and rituals of corporate life*. Reading, MA: Addison-Wesley Publishing.

De Bruijn, H. 2002. *Managing Performance in the Public Sector*. London: Routledge.

Deci, Edward. 1975. *Intrinsic Motivation*. New York: Plenum Press.

Deci, Edward. 1980. *The Psychology of Self Determination*. Lexington, Mass: Lexington Books.

Denzin, Norman K. 1978. *The Research Act*. 2nd ed. New York: McGraw-Hill.

- Dessler, G. 2000. *Human Resource Management*. 8th edition. New Jersey: Prentice Hall International, Inc.
- Douglass, Merrill E. and Douglass, Donna N. 1980. *Manage Your Time, Manage Your Work, Manage Yourself*. New York: Amacom.
- Downs, A. 1967. *Inside Bureaucracy*. Boston: Little, Brown.
- Drescher, Seymour. and Sabean, David. and Sharlin, Allan. 1982. *Political Symbolism in Modern Europe*. London: Transaction Books.
- Ferlie, E., Ashburner, L., Fitzgerald, L. and Pettigrew, A. 1996. *The New Public Management in Action*. Oxford: Oxford University Press.
- Gallie, D., White, M., Cheng, Y., and Tomlinson, M. 1998. *Restructuring the Employment Relationships*. Oxford: Clarendon Press.
- Galpin, T.J. 1997. *Making Strategy Work: Building Sustainable Growth Capability*. San Francisco: Jossey-Bass Publishers.
- Gregory, R. 2001. "Transforming Government Culture: A Skeptical View of New Public Management", In *New Public Management: The Transformation of Ideas and Practices*, eds. Christensen, T. and Lagreid, P. Aldershot, England: Ashgate. pp.231-258.
- Haberstroh, C. J. 1965. "Organizational Design and Systems Analysis", In *Handbook of Organizations*. ed. J. G. March. Chicago: Rand McNally.
- Herzberg, F., Mausner, B., Peterson, R. O., and Capwell, D. F. 1957. *Job Attitudes: Review of Research and Opinion*. Pittsburgh, Pa.: Psychological Service of Pittsburgh.
- Ho, Khai Leong. 1999. "Bureaucratic Accountability in Malaysia: Control Mechanisms and Critical Concerns". In *Handbook of Comparative Public Administration in the Asia-Pacific Basin*, ed. Wong, Hoi-kwok. and Chan, Hon S. New York: Marcel Dekker.
- Hofstede, G. 1991. *Cultures and Organizations – Software of the mind*. London: McGraw-Hill Book Company.
- Howlett, M. and Ramesh, M. 2003. *Studying Public Policy – Policy cycles and policy subsystems*. Oxford: Oxford University Press.
- Ivancevich, John M. and Matteson, Micheal T. 1996. *Organizational Behavior and Management*. Chicago: Irwin.
- Iyengar, S.S. and Lepper, M.R. 2002. "Choice and its consequences: On the costs and benefits of self-determination". In *Self and motivation: Emerging psychological perspectives*, ed. Tesser, A. Washington, DC: American Psychological Association.
- Johnson, William C. 1992. *Public Administration: Policy, Politics, and Practices*. Guilford: The Dushkin Publishing Group.

- Kanter, R.M. 1983. *The change masters: Innovation & entrepreneurship in the American corporation*. New York: Touchstone.
- Kertzer, David I. 1988. *Ritual, Politics, and Power*. London: Yale University Press.
- Kettl, D.F. 2000. *The Global Public Management Revolution*. Washington, DC: Brookings Institution Press.
- Khan, M.M. 1980. *Bureaucratic Self Preservation: Failure of Major Administrative Reform Efforts in the Civil Service of Pakistan*. Dhaka: University of Dhaka.
- Khan, M.M. 2002. "Resistance to Administrative Reforms in South Asian Civil Bureaucracies". In *Administrative Reform in Developing Nations*, ed. Farazmand, A. London: Praeger.
- Kouzes, James M. and Posner, Barry Z. 1995. *The Leadership Challenge: How to Keep Getting Extraordinary Things Done in Organizations*. San Francisco: Jossey-Bass Publishers.
- Lane, J. 1997. "Introduction: Public Sector Reform: Only Deregulation, Privatization and Marketization?" In *Public Sector Reform*, ed. J. Lane. London: Sage Publications.
- Lawler, E.E. 1971. *Pay and Organizational Effectiveness*. New York: McGraw-Hill.
- Lawler III, Edward E. 2001. "Performance Management." In *Best Practices in Organization Development and Change*, eds. Carter, L. and Giber, D. and Goldsmith, M. San Francisco: Jossey-Bass/Pfeiffer.
- Levinson, Priscilla. 1980. *A Guide for Improving Performance Appraisal*. U.S. Office of Personnel Management: Government Printing Office.
- March, James G. and Olsen, Johan P. 1989. *Rediscovering Institutions – The Organizational Basis of Politics*. New York: The Free Press.
- Mayne, J. and Zapico-Goni, E. 1997. "Effective Performance Monitoring: A Necessary Condition for Public Sector Reform." In *Monitoring Performance in the Public Sector*, eds. Mayne, J., and Zapico-Goni, E. New Jersey: Transaction Publishers.
- Meyer, J.P. and Allen, N.J. 1997. *Commitment in the Workplace: Theory, Research, and Application*. London: Sage Publications.
- Milkovich, G.T. and Wigdor, A.K. 1991. *Pay for performance*. Washington, DC: National Academy Press.
- Minogue, M. 2002. "Power to the People? Good Governance and the Reshaping of the State." In *Development Theory and Practice: Critical Perspectives*, eds. Uma Kotari and Martin Minogue. Palgrave. pp. 117-135.
- Mohrman, A.M. Jr. and Resnick-West, S.M. and Lawler III., E.E. 1989. *Designing Performance Appraisal Systems – Aligning Appraisals and Organizational Realities*. San Francisco: Jossey-Bass Publishers.

- Mowday, Richard T. and Porter, Lyman W. and Steers, Richard M. 1982. *Employee – Organization Linkages: The Psychology of Commitment, Absenteeism, and Turnover*. New York: Academic Press.
- Murphy, Kevin R. and Cleveland, Jeanette N. 1990. *Performance Appraisal: An Organizational Perspective*. Boston, Mass.: Allyn and Bacon.
- Murphy, Kevin R. and Cleveland, Jeanette N. 1995. *Understanding Performance Appraisal*. Thousand Oaks: Sage Publications.
- Nilsen, Terje H. 1997. “Establishing Performance Monitoring: The Role of the Central Unit.” In *Monitoring Performance in the Public Sector*, eds. Mayne, J. and Zapico-Goni, E. New Jersey: Transaction Publishers.
- Niskanen, W.A. 1971. *Bureaucracy and Representative Government*. Chicago: Aldine.
- Osborne, D. and Gaebler, T. 1992. *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector from Schoolhouse to State House, City Hall to Pentagon*. Reading MA: Addison-Wesley.
- Ouchi, W.G. 1981. *Theory Z: How American business can meet the Japanese challenge*. Reading, MA: Addison-Wesley.
- Paton, Robert A. and McCalman, James. 2000. *Change Management: A Guide to Effective Implementation*. London: Sage Publications.
- Patten, T.H. Jr. 1997. *Pay: Employee compensation and incentive plans*. London: Free Press.
- Pepper, G.L. 1995. *Communicating in Organizations: A Cultural Approach*. New York: McGraw-Hill.
- Peters, T.J. and Waterman Jr., R.H. 1982. *In search of excellence: Lessons from America’s best-run companies*. New York: Warner Books.
- Pheysey, Diana C. 1993. *Organizational Cultures: Types and Transformations*. London: Routledge.
- Pollitt, C. 1993. *Managerialism and the Public Services: Cuts or Cultural Change in the 1990s*. 2nd ed. Oxford: Blackwell.
- Rainey, Hal G. 1991. *Understanding and Managing Public Organizations*. San Francisco: Jossey-Bass Publishers.
- Robbins, S.P. 1998. *Organizational Behavior: Concepts, Controversies, Applications*. 8th ed. New Jersey: Prentice Hall.
- Robins, S.P. and Couter, M. 1999. *Management*. 6th edition. New Jersey: Prentice-Hall.
- Ryan, K.D. and Oestreich, D.K. 1991. *Driving Fear Out of the Workplace*. San Francisco: Jossey-Bass Publishers.

Schein, E.H. 1992. *Organizational Culture and Leadership*. San Francisco: Jossey-Bass Publishers.

Selznick, Philip. 1957. *Leadership in Administration: A Sociological Interpretation*. New York: Harper & Row.

Simon, H.A. 1948. *Administrative Behavior*. New York: Free Press.

Swiss, James E. 1991. *Public Management Systems: Monitoring and Managing Government Performance*. New Jersey: Prentice Hall.

Vasu, Micheal L. and Stewart, Debra W. and Garson, G. David. 1990. *Organizational Behavior and Public Management*. New York: Marcel Dekker.

Weber, M. 1971. "Legitimate Authority and Bureaucracy." In *Organisation Theory: Selected Readings*, ed. Pugh, D.S. Harmondsworth: Penguin.

Wholey, Joseph S. 1989. "Introduction: How Evaluation Can Improve Agency and Program Performance." In *Improving Government Performance*, eds. Wholey, Joseph S. and Newcomer, Kathryn E. and Associates. San Francisco: Jossey-Bass Publications.

Wilson, J.Q. 1973b. *Political Organizations*. New York: Basic Books.

Yin, Robert K. 1994. *Case Study Research Designs and Methods*. London: Sage Publications.

Zuna, H.R. 2001. "The Effects of Corporatisation on Political Control." In *New Public Management*, eds. T. Christensen and P. Laegreid. Aldershot: Ashgate. pp. 121-144.

Journal Articles

Asim, M. 2001. "Performance Appraisal in the Maldives Public Service: Challenges and Issues." *Public Administration and Development*, 21(4).

Asim, M. 2002. "Public sector reform strategies: a note on recent practices in the Maldives." *Labour and Management in Development Journal*, 3(1).

Barrados, M. and Mayne, J. 2003. "Can Public Sector Organisations Learn?" *OECD Journal on Budgeting*, 3(3): 87-103.

Blunt, P. and Jones, Merrick L. 1997. "Exploring the limits of Western leadership theory in East Asia and Africa." *Personnel Review*, 26(12): 6-23.

Caiden, Gerald E. and Caiden, Naomi J. 1977. "Administrative Corruption." *Public Administration Review*, 37(3): 301-309.

Clark, P.B. and Wilson, J.Q. 1961. "Incentive Systems: A Theory of Organizations." *Administrative Science Quarterly*, 6: 129-166.

- De Voe, Sanford E. and Iyengar, Sheena S. 2004. "Managers' theories of subordinates: A cross-cultural examination of manager perceptions of motivation and appraisal of performance." *Organizational Behavior and Human Decision Processes*, 93(1): 47-61.
- Dolowitz, D. and Marsh, D. 2000. "Learning from Abroad: The Role of Policy Transfer in Contemporary Policy Making." *Governance: An International Journal of Policy and Administration*, 13(1): 5-24.
- Emery, Y. and Giauque, D. 2001. "New Public Management Service Contracts and Financial Incentive Schemes: Practice and Problems Encountered in Switzerland." *International Review of Administrative Science*, 67(1): 171-94.
- Eriksen, E.O. 1987. "Symbols, Stratagems, and Legitimacy in Political Analysis." *Scandinavian Political Studies*, 10: 259-278.
- Fiol, C.M. and Lyles, M.A. 1985. "Organizational Learning." *Academy of Management Review*, October.
- Gilbert, G. Ronald. 1982. "Performance Appraisal and Organizational Practices: A Post Reform Review." *Public Personnel Management*, 11(4): 318-321.
- Glauser, G.M. 1984. "Upward information flow in organizations: Review and conceptual analysis." *Human Relations*, 37(8): 613-43.
- Glynn, J.J. and Murphy, M.P. 1996. "Public Management: Failing Accountabilities and Failing Performance Review." *International Journal of Public Sector Management*, 9(5/6): 125-137.
- Guzzo, Richard A. 1979. "Types of Rewards, Cognitions, and Work Motivation." *Academy of Management Review*, 4(1): 75-86.
- Hernandez, M.R. and Iyengar, S.S. 2001. "What drives whom? A cultural perspective on human agency." *Social Cognition*, 19: 269-294.
- Hood, C. 1991. "A Public Management for All Seasons?" *Public Administration*, Spring, 69: 3-19.
- Hyde, Albert. 1982. "Performance Appraisal in the Post Reform Era." *Public Personnel Management*, 11(4): 294-305.
- Ingraham, P.W. 1997. "Play It Again, Sam; Its Still Not Right: Searching for the Right Notes in Administrative Reform." *Public Administration Review*, 57(4): 325-331.
- Iyengar, S.S. and Lepper, M.R. 1999. "Rethinking the value of choice: A cultural perspective on intrinsic motivation." *Journal of Personality and Social Psychology*, 76(3): 349-366.
- Jablin, F.M. 1979. "Superior-subordinate communication: The state of the art." *Psychological Bulletin*, 86(6): 1201-22.

- Jamil, I. 1994. "Administrative Culture: A Mode of Understanding Public Administration Across Cultures." *Research in Urban Policy*, 5: 275-294.
- Jick, Todd D. 1979. "Mixing Qualitative and Quantitative Methods: Triangulation in Action." *Administrative Science Quarterly*, 24(4): 602-611.
- Jurkiewicz, Carole L. and Massey, Tom K. Jr. and Brown, Roger G. 1998. "Motivation in Public and Private Organizations." *Public Productivity and Management Review*, 21(3): 230-50.
- Kaboolian, L. 1998. "The New Public Management: Challenging the Boundaries of the Management vs Administration Debate." *Public Administration Review*, 58(3): 189-93.
- Kettl, D.F. 1997. "The Global Revolution in Public Management: Driving Themes, Missing Links." *Journal of Policy Analysis and Management*, 16(3): 446-462.
- Lan, Z. and Rosenbloom, D.H. 1992. "Editorial." *Public Administration Review*, 52(6).
- Lansbury, R. 1988. "Performance Management: A Process Approach." *Human Resource Management, Australia*, March.
- Levitt, B. and March, J.G. 1988. "Organizational learning." *Annual Review of Sociology*, 14: 319-340.
- Locke, E.A. 1968. "Toward a Theory of Task Motivation and Incentives." *Organizational Behavior and Human Performance*, 3: 157-159.
- Michael, D. 1993. "Governing by Learning Boundaries, Myths and Metaphors." *Futures*, January/February, 81-89.
- Mintzberg, H. 1971. "Managerial Work: Analysis from Observation." *Management Science*, 18(2).
- O'Reilly, III, C.A. 1978. "The intentional distortion of information in organizational communication: A laboratory and field investigation." *Human Relations*, 31(2): 173-93.
- O'Reilly, III, C.A. 1980. "Individuals and information overload in organizations: Is more necessarily better?" *Academy of Management Journal*, 23(4): 648-96.
- Ospina, Sonia. and Cunill, Nuria and Zaltsman, Ariel. 2004. "Performance Evaluation, Public Management and Democratic Accountability: Some Lessons from Latin America." *Public Management Review*, 6(2): 229-251.
- Perry, James L. and Petrakis, Beth A. and Theodore K. Miller. 1989. "Federal Merit Pay, Round II: An Analysis of the Performance Analysis and Recognition Systems." *Public Administration Review*, 49(1): 29-38.
- Persson, Torsten. and Roland, Gerard. and Tabellini, Guido. 1997. "Separation of Powers and Political Accountability." *The Quarterly Journal of Economics*, November: 1163-1202.

- Roberts, K.H. and O'Reilly III, C.A. 1974. "Failures in upward communication in organizations: Three possible culprits." *Academy of Management Journal*, 17(2): 205-15.
- Tjosvold, D. 1985. "Power and social context in superior-subordinate interaction." *Organizational Behavior and Human Decision Processes*, 35: 281-93.
- Tsui, A.S. and O'Reilly, III, C.A. 1989. "Beyond simple demographic effects: The importance of relational demography in superior-subordinate dyads." *Academy of Management Journal*, 32(2): 402-23.
- Vallance, S. 1999. "Performance Appraisal in Singapore, Thailand and the Philippines: A Cultural Perspective." *Australian Journal of Public Administration*, 58(3).
- Van Maanen, J. and Schein, E. H. 1979. "Toward a theory of organizational socialization." In *Research in organization behaviour: An annual series of analytical essays and critical reviews*. ed. B. M. Straw. Greenwich, CT: Jai Press. Vol.1: 209-64.
- Van Meter, D.S. and Van Horn, C.E. 1975. "The Policy Implementation Process: A Conceptual Framework." *Administration and Society*, 6(4): 445-487.
- Van Wart, M. 2003. "Public-Sector Leadership Theory: An Assessment." *Public Administration Review*, 63(2).
- Wilson, F. 2002. "Dilemmas of Appraisal." *European Management Journal*, 20(6).
- Wise, L.R. 2002. "Public Management Reform: Competing Drivers of Change." *Public Management Review*, 62(5): 555-567.
- Yin, R.K. 1981. "The Case Study Crisis: Some Answers." *Administrative Science Quarterly*, 26(1): 58-65.
- Zameer, A. 1994. "Public administration in the Maldives: issues and prospects for the twentieth century." *South Asian Journal of Management*, January-March.

Unpublished Articles

- Christensen, T. and Lagreid, P. 2000. "New Public Management – Puzzles of Democracy and the Influence of citizens", Paper presented at IPSA World Congress, Quebec, August.
- Schall, M.S. and Shapiro, G.L. 1984. "Rhetorical rules and organization-culture: Identification, maintenance, change." Paper presented at the University of British Columbia Conference on Organizational Culture and the Meaning of Life in the Workplace.

Reports and Official Documents

- Government of Maldives. 1996. *Guidelines for Implementation of the Performance Appraisal System of the Public Service of the Republic of Maldives*. Male': The President's Office.
- Government of Maldives. 2002. *The Handbook of Government Employee's Performance Appraisal System*. Male': The President's Office.

Latheef, M., 1993. "Administrative Accountability in Civil Service in the Maldives; study on regional research on administrative accountability in the civil service in South Asia." Asian and Pacific Development Centre.

Marsden, David. and French, Stephen. and Kobo, Katsuyuki. 2000. *Discussion Paper 476 – Why Does Performance Pay De-Motivate? Financial Incentives versus Performance Appraisal*, November. London: Centre for Economic Performance.

Ministry of Information, Arts and Culture. 1997. *Translation of the Constitution of the Republic of Maldives*. Male'.

Available at <http://www.presidencymaldives.gov.mv/download/constitution.pdf>

Ministry of Planning and National Development. 2002. *Sixth National Development Plan 2001-2005*. Republic of Maldives. Male'.

Ministry of Planning and National Development. 2004. *Government Statistical Year Book*. Male'

Organization for Economic Development (OECD)/PUMA. 1997. Performance-related Pay for Managers in the Civil Service. Special Issue No. 15.

Presidential Circular No. 96/27 (14th April 1996). Republic of Maldives

Presidential Circular No. 97/49 (20th August 1997). Republic of Maldives

Presidential Circular No. 98/28 (12th March 1998). Republic of Maldives

Report. 1982. "Reconstituting the Maldivian Civil Service- Project: MDV/82/002". Research and Publications Unit, Public Service Division, President's Office.

Salleh, S. H. and Othman, N. 1992. eds. "Emerging trends of public administration in Saarc Countries." The Second South Asian Conference on Public Administration, Islamabad 18-21 September 1989, Asian and Pacific Development Centre.

Seminar Report. *Developing Long-Term Missions and Strategic Plans of Public Sector Organizations - 20-22 February 2000*. Research and Publications Unit, Public Service Division, President's Office.

State Services Commission. 1999. *Improving Accountability: Setting the Scene*. Occasional Paper No 10.

Available at http://www.ssc.govt.nz/upload/downloadable_files/Occ_Paper_10.pdf

Websites

Government of Fiji. 2005 <<http://www.spc.int/prism/country/fj/stats/index.html>>. Suva.

Government of Mauritius. 2005
<<http://statsmauritius.gov.mu/report/natacc/edu03/preprim.pdf>>. Port Louis.

Haveeru Daily Online. <<http://www.haveeru.com.mv>>. Male'. Accessed: April 28, 2005.

The President's Office. 2005. <<http://www.presidencymaldives.gov.mv>>. Male'.

ANNEX I: INTERVIEW GUIDE

Purpose of the Interview:

The Purpose of this interview is to assess the extent of institutionalization of the Performance Appraisal System in the Maldivian Public Service. During the interview, information will be gathered on individual perceptions on different subject matter regarding the appraisal system.

Questions asked:

- 1) What do you think are the main reasons for implementing an appraisal system?
- 2) In the Maldivian Public Service, most superiors prefer to have a harmonious relationship with their subordinates. In Performance Appraisal a supervisor may have to give negative comments towards the subordinate. Therefore, do you think, in a culture that is arguably based on such conflict-avoidance aspects, a reform such as performance appraisal can perform effectively?
- 3) Performance Appraisal also requires continuous communication and dialogue between the superior and the subordinate. Do you think the Maldivian administrative culture is compatible to such a two-way communication mode of work?
- 4) What do you think about the commitment level of the employees to the public service? How committed do you think they are? How committed do you think are those having a part-time job in addition to their government job?
- 5) Do you think that the appraisal system is beneficial for improving the individual and organizational performance? If so how?
- 6) Do you think any employee feel insecure or threatened as a result of being appraised? If so why do you think so? What about the employees who has been in the service for a very long time?
- 7) Do you think PSD has the required expert human capacity to facilitate the implementation in other organizations?
- 8) It is a common complain that most government organizations are not equipped with enough and trained staff. Do you think individual government organizations have the required human capacity to implement the appraisal system in their respective organization?
- 9) Do you think PSD provides enough training and support to implement the system in government organizations?

- 10) PSD has been giving training sessions to the organizations implementing the appraisal system. Do you think the training they provide is simple enough to make everyone understand well?
- 11) Do you think there are better ways that PSD can use to implement the system more effectively? If so what are they? How can they improve their training techniques?
- 12) At the moment the appraisal system is not linked to any salary increment or promotion. Despite this, do you think most employees are motivated enough to implement it?
- 13) How important do you think a monetary reward is to make the system effective? Do you think there is any other sort of reward that could be given? If so what are they?
- 14) Planning work and setting targets is a relatively new style of work in the Maldivian Public Service. The appraisal system is based on such principles. Previously they have been used to be doing mainly routine tasks without being evaluated. So do you think such a change will be effective in the Maldivian system? Why?
- 15) How easy do you think the appraisal forms are to use? How applicable is it to your job? Do you think there are any improvements that could be made to the forms? If so what are they?
- 16) Do you think it is important to involve government organizations in designing the appraisal system? Why?
- 17) How important do you think is good leadership to make the appraisal system effective? Do you think that the leadership of your organization is supportive of this appraisal system?
- 18) Do you think performance appraisal is a time-consuming activity? Do you think the time spent on carrying out the appraisal work is worth the time used? If so why?
- 19) The first performance appraisal system was halted in 1999 claiming that its objectives were not achieved. In your opinion why do you think that system failed?
- 20) Do you think that the failure of that system will have any effect on the effectiveness of the current appraisal system? If so how?
- 21) Performance appraisal is based on coordination and communication among the subordinate and the superior. Do you think there is any possibility that the superiors might feel threatened of losing some authority due to the appraisal system?
- 22) The strategy used by PSD in implementing the appraisal system is to act as a facilitator. Do you think such a strategy is the best option to make the system effective? Do you think government organizations should be forced to implement the system? If so why?

- 23) From the experience of the past two years in implementing the appraisal system as a pilot exercise, several practical issues were raised about the process. Do you think that in your organization the system has been fully accepted by the employees and is being implemented without problems? If “not” why?
- 24) Can you conclude that the system has been a success in your organization? Why?
- 25) How do you see the future of the appraisal system in your organization?

ANNEX II: FACTORS THAT MAY AFFECT SUPERIOR-SUBORDINATE RELATIONSHIPS

(Adapted from Pepper, 1995:186)

1. **Trust:** Subordinates who trust their superiors are less likely to distort information (Glauser, 1984; O'Reilly, 1978; Roberts & O'Reilly, 1974), and are more likely to offer greater amounts of information than subordinates who distrust their superiors (Roberts & O'Reilly, 1974).
2. **Subordinate mobility:** The impact of high mobility aspirations of subordinates on upward information flow (whether subordinates withhold or contribute greater amounts of information) is not clear. Results seem to depend on the study (Jablin, 1979; O'Reilly, 1978; Roberts & O'Reilly, 1974). However, supervisors spend from one-third to two-thirds of their time in face-to-face interactions with subordinates, superiors initiate most of these interactions, and superiors are less satisfied generally with such encounters than they are with interactions with their superiors (Jablin, 1979).
3. **Superior's upward influence:** Greater amounts of less distorted information are offered by subordinates who perceive their superiors as exerting upward influence. These subordinates are also more satisfied with their relationships with their supervisors (Jablin, 1979; O'Reilly, 1978; Roberts & O'Reilly, 1974).
4. **Openness:** Both superiors and subordinates prefer open communication relationships, as defined by message content and appropriateness (Jablin, 1979).
5. **Overload, underload, and channels:** Because of the great number of members at lower levels, there may be less channel availability for message sending. The sheer volume of information that those at upper hierarchical levels are expected to process may result in much being overlooked (Glauser, 1984). Network isolates commonly report information underload. Underload tends to correlate with both lower job satisfaction and higher performance, while overload correlates with higher satisfaction but lower performance ratings by superiors (O'Reilly, 1980).
6. **Gender:** Women may direct more information upward and may tend to distort more upward information (Glauser, 1984). In mixed-gender dyads, subordinates were rated as performing more poorly and reported higher levels of role conflict and role ambiguity than subordinates in same-sex dyads. They were also less well liked than subordinates in same sex dyads (Tsui & O'Reilly, 1989).

7. **Power:** Unequal relationships need not be assumed to cause poor communicative relationships. The context of the relationship has a greater impact than the relationships themselves. Specially, assistance and supportiveness are both greater in cooperative conditions than in individualistic or competitive conditions (Tjosvold, 1985).
8. **Message clarity:** The greater the gap between what the message source intended and what the receiver actually understands, the greater the negative impact on the relationship. Even with this knowledge, there is a tendency for managers to overestimate the clarity of their messages as well as the amount of knowledge possessed by their subordinates. Gaps are frequent between superiors and subordinates (Jablin, 1979).

ANNEX III: TYPOLOGY OF REWARDS / INCENTIVES

(Adapted from Rainey (1991))

Incentive Type		Definitions and Examples
<i>Barnard (1938)</i>		
Specific Incentives		Incentives "specifically offered to an individual"
	Material inducements	Money, things, physical conditions
	Personal, nonmaterialistic inducements	Distinction, prestige, personal power, dominating position
	Desirable physical conditions of work	
	Ideal benefactions	"Satisfaction of ideals about nonmaterial, future or altruistic relations" (pride of workmanship, sense of adequacy, altruistic service for family or others, loyalty to organization, esthetic and religious feeling, satisfaction of hate and revenge)
<i>General Incentives</i>		Incentives that "cannot be specifically offered to an individual"
	Associational attractiveness	Social compatibility, freedom from hostility due to racial, religious differences
	Customary working conditions	Conformity to habitual practices, avoidance of strange methods and conditions
	Opportunity for feeling of enlarged participation in course of events	Association with large, useful, effective organization
	Conditions of communication	Personal comfort in social relations
<i>Simon (1948)</i>		
Incentives for employee participation		Salary or wage, status and prestige, relations with working group, promotion opportunities
Incentives for elites or controlling groups		Prestige and power
<i>Clark and Wilson (1961) and Wilson (1973b)</i>		

		Tangible rewards that can be easily priced (wages and salaries, fringe benefits, tax reductions, change in tariff levels, improvement in property values, discounts, services, gifts)
Material incentives		
		Intangible incentives without monetary value and not easily translated into one, deriving primarily from the act of associating
Solidary incentives		
	Specific solidary incentives	Incentives that can be given to or withheld from a specific individual (offices, honours, deference)
	Collective solidary incentives	Rewards created by act of associating and enjoyed by all members if enjoyed at all (fun, conviviality, sense of membership or exclusive-collective status or esteem)
		Intangible rewards that derive from satisfaction of contributing to worthwhile cause (enactment of law, elimination of government corruption)
Purpose incentives		
<i>Downs (1967)</i>		
		Power (within or outside bureau), money income, prestige, convenience, security, personal loyalty to work or organization, desire to serve public interest, commitment to a specific program of action
General "motives or goals" of officials		
<i>Niskanen (1971)</i>		
		Salary, perquisites of the office, public reputation, power, patronage, output of the bureau, ease of making changes, ease of managing the bureau, increased budget
Variables that may enter the bureaucrat's utility function		
<i>Lawler (1971)</i>		
		Rewards extrinsic to the individual, part of the job situation, given by others
Extrinsic rewards		

Intrinsic rewards		Rewards intrinsic to the individual and stemming directly from job performance itself, which satisfy higher-order needs such as self-esteem and self-actualization (feelings of accomplishment and of using and developing one's skills and abilities)
Herzberg, Mausner, Peterson, and Capwell (1957)		
Job "factors" or aspects. Rated in importance by large sample of employees		In order of average rated importance: security, interest, opportunity for advancement, company and management, intrinsic aspects of job, wages, supervision, social aspects, working conditions, communication, hours, ease, benefits
<i>Locke (1968)</i>		
External incentive		An event or object external to the individual which can incite action. (Money, knowledge of score, time limits, participation, competition, praise and reproof, verbal reinforcement, instructions)

ANNEX IV: APPRAISAL FORM



(Office)
.....
(Island)
Republic of Maldives

Number:

GOVERNMENT EMPLOYEES PERFORMANCE APPRAISAL FORM
PROFESSIONAL AND MANAGERIAL CATEGORY

(Year)

.....

SECTION 1: GENERAL INFORMATION OF THE EMPLOYEE

* This Section of the form will be filled by the Human Resource Section of the Office

Name: -----	Record card no: -----
Designation and Classification: -----	
Date of appointment to the current job: -----	Salary: -----
Section / Unit: -----	
Supervisor's name and Designation: -----	
Training and education acquired by the employee: -----	

The following range should be used when allocating marks for Sections 6, 7, 8 and 9 of this form

Very Low	Low	Average	Good	Very Good
1	2	3	4	5

<p>Task3:</p> <p>Target:</p>	
<p>Task4:</p> <p>Target:</p>	
<p>Task5:</p> <p>Target:</p>	

Employee	Supervisor
<p>Signature:</p> <p>Date:</p>	<p>Signature:</p> <p>Date:</p>

SECTION 3: MID-YEAR REVIEW OF WORK TASKS AND TARGETS

* This Section of the form will be filled by the supervisor

1. Detail of the discussion between the employee and the supervisor regarding the review of the work tasks and targets during the mid-year review.

* This Section of the form will be filled by the supervisor with consultation with the employee

2. Any changes that should be made to the work tasks and targets of the employee.

Employee	Supervisor
Signature:	Signature:
Date:	Date:

SECTION 6: THE EXTENT TO WHICH THE TARGETS WAS ACHIEVED

* This Section of the form will be filled by the supervisor. This Section contributes to 55% of the total marks.

Criterion	Marks
1. Quantity of work completed. The amount of work completed during the evaluation period	
2. Quality of work completed. The perfection, remunerativeness and immaculateness of the work completed.	
3. Timeliness in work completion. The amount of work completed within the set time.	
4. The extent to which the employee follows the rules and regulations in completing the tasks.	
TOTAL	

SECTION 7: JOB KNOWLEDGE AND SKILLS

* This Section of the form will be filled by the supervisor. This Section contributes to 15% of the total marks.

Criterion	Marks
1. The informativeness and skills that the employee has regarding the job and the extent to which it benefits the work	
2. The ability to plan and organize the work Usage of human skills, materials, equipments and budget in the most productive way	
3. The ability to make decisions in a keen and sharp-sighted manner The ability to work within the set time frame to achieve the targets	
4. Communication skills The ability to communicate with colleagues to make a pleasant work environment	
5. The ability to solve problems Ability to detect problems and the ability to handle those problems accordingly.	
TOTAL	

SECTION 8: CHARACTERISTICS EXPECTED FROM THE EMPLOYEE

* This Section of the form will be filled by the supervisor. This Section contributes to 15% of the total marks.

Criterion	Marks
1. Leadership Ability to initiate ideas and use them to achieve the objectives of the organization	
2. Loyalty and Veracity The extent to which the employee maintain work ethics and the extent to which the employee can be relied upon	
3. Cordiality and Non-partisanship The extent to which the employee maintains cordial relationships with colleagues and the extent to which fair treatment is used in all work processes.	
4. Conduct The extent to which rules and regulations are obeyed and maintain a fair conduct.	
5. Productivity and Perceptivity The ability to plan ahead and generate productive ideas and putting those ideas idea into action to achieve higher productivity	
6. Ability to tackle difficulties at work The ability to adapt to various environments in a productive way and face challenges during work in an able manner.	
7. Interest and keenness at work The interest and enthusiasm towards the work	
TOTAL	

SECTION 9: THE EXTENT TO WHICH THE EMPLOYEE MAINTAINS GOOD WORK RELATIONSHIP FOR THE BEST INTEREST OF THE ORGANIZATION

* This Section of the form will be filled by the supervisor. This Section contributes to 15% of the total marks.

Criterion	Marks
Maintaining work relationship in a most productive manner The ability of the employee in keeping cordial relations with colleagues, other offices in Maldives and other organizations of foreign countries	
TOTAL	

SECTION 10: TOTAL MARKS

* This Section of the form will be filled by the supervisor.

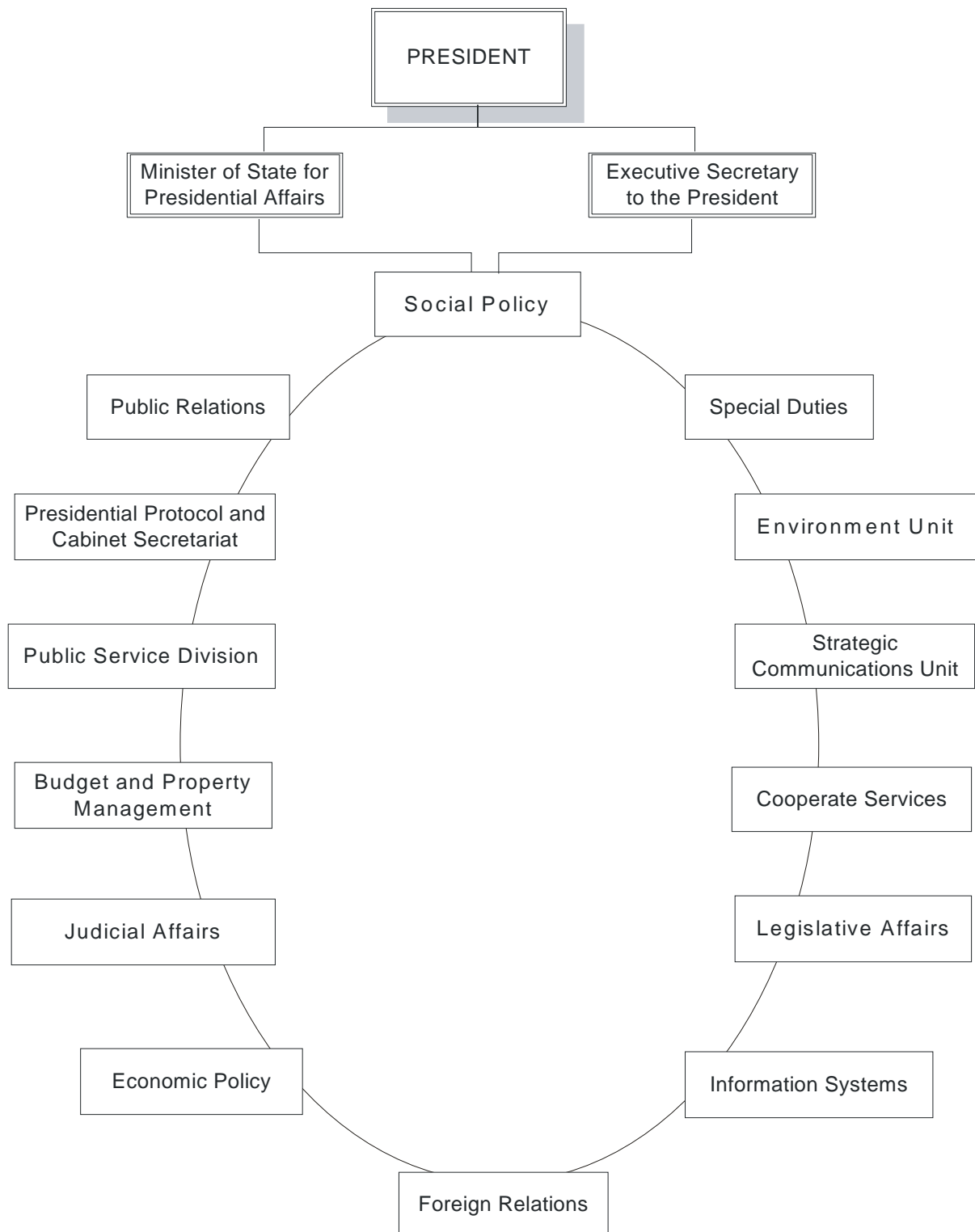
Sections for which marks was allocated		Marks in %
Section 6	55 * 20	
Section 7	15 * 25	
Section 8	15 * 35	
Section 9	15 * 5	
TOTAL MARKS		

SECTION 11: STATEMENT OF THE EMPLOYEE AND SUPERVISOR

1.	Comments by the supervisor ----- ----- -----
2.	Comments by the employee ----- ----- -----

Employee	Supervisor
Signature:	Signature:
Date:	Date:

ANNEX V: ORGANIZATION CHART AND THE MAIN TASKS OF DIFFERENT SECTIONS AND UNITS OF THE PRESIDENT'S OFFICE



The main functions of the above mentioned Sections and Units are given below.

Budget and Property Management

- Undertake the maintenance and oversee the finances of the President's Office.

Corporate Services Section

- Undertake the general administration of the President's Office and oversee all matters related to recruitment and training of President's Office employees.

Economic Policy Section

- Approve and co-ordinate development projects.
- Brief and advice the President on matters relating to foreign aid, tourism, fisheries and other developmental issues.
- Assist and advice the President on matters related to the finance of the State.
- Assist the President in the preparation of the national budget.
- Co-ordinate and conduct administrative functions in obtaining approval for loans and borrowing of cash and kind from foreign governments, banks and funds.

Environment Unit

- Brief and advice the President on matters related to the environment.
- Prepare presidential interviews, speeches and messages.
- Assist and provide directions in matters relating to the conservation of the environment.
- Review global environmental developments and prepare briefs on matters of relevance to the Maldives.
- Prepare briefing papers for environment related courtesy calls on the President.

Foreign Relations

- Brief and assist the President on matters pertaining to foreign affairs.
- Brief the President on matters concerning the establishment of bilateral relations.
- Maintain briefs on bilateral relations.
- Manage matters concerning the Maldives participation in international organizations, conventions and agreements.

Information Systems Section

- Development and Maintenance of the computer network infrastructure of the President's Office providing all relevant services that would contribute to the development of the computerized work environment.
- Research and recommend applications that would facilitate the staff in their work. Where applicable, design and develop in-house software packages to automate and integrate the information work-flow.
- Provide desktop support services to all computer users of the President's Office, attending to and fixing problems with emphasis on minimizing the time taken to restore the service or resource.
- Assist in the drive to make the staff members of the President's Office to be computer literate in using IT resources to improve their quality and efficiency by providing adequate training.
- Define and adhere to standards of the IT resources of the President's Office to provide the best feasible IT solution to staff.

Judicial Affairs

- Brief and advice the President on affairs relating to the administration of justice in the country.

Legislative Affairs

- Advice and assist the President in amending legislations.
- Examine drafts of Government bills to be submitted to the People's Majlis.
- Advice the President on matters regarding the ratification of legislation.
- Oversee matters relating to national honours and awards.

Presidential Protocol and Cabinet Secretariat

- Oversee matters related to Presidential Protocol.
- Provide general secretarial support to the President and the Cabinet.

Public Relations Section

- Respond to the private correspondences and to the appeals made by convicted persons.
- Improve the image and perception of the government.

Social Policy Section

- Brief and advise the President on matters pertaining to social development and formulation of social policy.
- Provide policy advice and briefing on issues related to housing, youth and sports, drug abuse, child welfare and family issues in the country.

Strategic Communications Unit

- Undertake news and media information from the President's Office.
- Preparing presidential interviews, messages and speeches.
- Assist Government offices in strengthening media relations and information communication.
- Strengthen the structure for communicating news and information by the Government.
- Create a mechanism to coordinate and oversee the overall flow of public information.

ANNEX VI: FUNCTIONAL CHART OF PSD

