

## **The Implementation of Key Performance Indicators (KPIs) in the Malaysian Public Sector**

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### ABSTRACT

*The use of Key Performance Indicators (KPIs) as a tool of performance measurement has been practiced by the private sectors several years ago. Only recently, public sectors adopted this approach in measuring their organizational as well as their individual performances in line with their agenda to improve their service delivery system. Thus, this paper aims to look at the implementation of Key Performance Indicators (KPIs) mainly in the Malaysian Public Sectors in measuring their performance. In response to the Government Circular in 2005, Malaysian Public Sectors have developed their own set of KPIs and observation has been made regarding this matter. To this end, semi-structured interview was conducted at the National Registration Department, Pulau Pinang to further explore the use of KPIs in this frontline agency and how they approach this performance measurement tools as one way to measure their performance. The findings reveal that the use of KPIs has been successful in measuring their organizational and individual performance as well. Though it is hard at the initial stage to adopt this approach, but after several years of implementation, the use of KPIs contributed to several improvements in their administration and services. Nevertheless, since this study is just an explanatory study, it provides limited insights into how organizational managers perceived the relevance and usefulness of key performance indicators in measuring the organizational performance. This paper concludes that the implementation of KPIs*

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ISSN 1675-1302

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*should be implemented not only in the frontline agency but to all public sectors as well. Several recommendations have been made to the public sectors regarding the use of KPIs in measuring their performance for future modifications.*

**Keywords:** *Performance Management; Key Performance Indicators; public sector; private sector; Malaysia*

## **Introduction**

Most of the organizations have performance management systems which focus on motivating performance, helping individuals develop their skills, building a performance culture, determining who should be promoted, eliminating individuals who are poor performers and helping organization to implement business strategies. Y.B Datuk Abdul Rahman Bakar on his speech at a Performance Management Conference (2007) says that a well designed and implemented performance management system will ensure that there is open and honest communication between all layers of the organization. It will ensure that managers have the authority to manage and at the same time act as an assurance to their bosses that agreed levels of performance will be met.

Organization either being public or private sector practices different types of performance management system. As stated by Hoque (2009) in his article retrieved on 10 January 2010 from <http://www.qfinance.com>:

“Measuring performance is a fundamental part of every organization, whether it is run by a private sector or a government sector”.

There are various, major methods and movements to increase the performance of organizations. Each includes regular recurring activities to establish organizational goals, monitor progress toward the goals, and make adjustments to achieve those goals more effectively and efficiently. Nevertheless, past criticism of traditional “narrow and easy quantifiable” (Brignall et al., 1991); “profit-based” (Brander Brown and McDonnell, 1995); performance measure with their lack of “neutrality” (Emmanuel et al., 1990) and their lack of “balance” (Eccles, 1991; Kaplan and Norton, 1992) driven a reappraisal and development of performance measurement systems. As a result, organizations started to use new performance measurement systems such as Balance

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Scorecard, Benchmarking, Continuous Improvement, Total Quality Management (TQM), Management by Objectives (MBO), Quality Control Circle (QCC) and also Key Performance Indicators (KPIs).

In the Malaysian Public Sector, several efforts have been made before, that focused on evaluating performance of the agencies and individual through Annual Work Objective (SKT), competency evaluation under Malaysia Pension Scheme (SSM), assessment on efficiency of Quality Management System through MS ISO 9000 and Total Quality Management (TQM), the ability to resolve problems innovatively through Quality Circle Group (KMK) and benchmark the best practices through Quality Awards in the civil service. Even though these efforts brought successful changes in evaluating performance, of the public sector agencies, but they still face unprecedented pressure to improve their service quality. Quality according to Deputy Minister of Human Resource, Datuk Abdul Rahman Bakar (2007) is “the perception of superiority or sense of appreciation by customers to satisfy their needs”. Therefore, the effective performance measurement is important to ensure that the services and quality given by the organization can satisfy the customers and public needs. The new challenges in the era of globalization has led our country especially the policymakers to search for effective and appropriate measure to assess their organizational goals and individual performance. Today, Key Performance Indicators is viewed as one of the effective measures to assess the organizational goals to be in line with their mission, vision and target of the organization.

As a result, Malaysia decides to employ Key Performance Indicators (KPIs) as one of their performance measurement tools. This type of performance measurement is now becoming the interest to a wide range of bodies including governments as well as educational institutions. (Hazadiah et al., 2009). Comparing with the public sector, the KPIs have been practiced in the private sectors many years ago. In private sectors, KPIs often act as a tool to measure the performance of individual and departments and also to assess the consequences of performing above expectations, meeting expectations or a complete failure to meet expectations. Culturally, private sectors operate their business as profit-oriented and they are solely responsible for their operations to the shareholders as well as stakeholders they serve. This is the reason why performance measurement system is such an important issue for them.

Today Key Performance Indicator is not only practice by the private sectors because Key Performance Indicators (KPIs) and Key Result Areas (KRAs) are also now becoming a hot debate in the public sector as well. On January 1 2004, our previous Prime Minister Tun Abdullah Ahmad Badawi issued a compulsory order to all ministries and departments dealing with the public such as Immigration Department, Land Office, Inland Revenue Department, Road Transport Department and National Registration Department to come up with their own Key Performance Indicators (KPIs). The implementation of this performance approach, aims to continuously improve on the public service delivery system and to ensure they practice good governance. The KPIs aims to help the government agencies and departments in achieving their goals and targets through well defined performance targets, objectives and mission statements. In reflection though, Malaysia have only started to use the KPI, other countries have been using the KPI in measuring their performance a long time ago. For instance, various levels of government in the USA have required the reporting of KPIs, PIs or PMs since the 1960s. The “Government Performance and Results Act (GPRA)” is a recent example of mandating the use of strategically-focused “*outcome performance measures*”, rather than operationally-focused “*process and output measures*” (Radin, B.A., 2000).

The KPIs aimed at boosting the performance of the civil service in line with the government efforts to improve public service delivery system and as an assurance that the element of integrity and good governance are being carried out. Moreover, this effort is further strengthened when our new Prime Minister Dato’ Seri Najib Tun Razak announced the national KPIs and KRAs in six ministries with the aims to help the government to achieve 1Malaysia under the concept of ‘People First, Performance Now’. Under this effort, six ministers have been appointed to lead this mission to realize the six National Key Results Areas (NKRA) which focus on the accessibility to quality and affordable education; crime reduction; battling graft; improvement of living standards; rural development; and improvement of public transportation (New Straits Times, Nov 11, 2009). Thus, we can say that this type of performance evaluation system is not only implemented by the private sector but also at the national level as well in order to ensure that the government service delivery system will be improved in line with their target to increase efficiency and accountability as well as enhancing productivity and to detect the possible areas for future improvements.

## **Method and Material**

The study was conducted at the National Registration Department, Pulau Pinang in September 2009 using a qualitative method in semi-structured interview and observation towards the respondents. The main objective is to study the implementation of Key Performance Indicators in this government agency that offers frontline services to the public. This agency has been chosen among all as they become the pioneer agency in the implementation of KPIs since the government announced the effort to further enhance their performance to achieve their vision, mission and objectives.

## **Result and Discussion**

### **Key Performance Indicators (KPIs) of Public Sector in Malaysia**

Generally, Key Performance Indicators (KPIs) or sometime known as Key Success Indicators refer to quantifiable measurements of the improvement or deterioration in the performance of an activity critical to the success of a business. These measurements break down key areas of the business so that they can see how they can contribute to business results. It serves as a function to help an organization in defining and measuring their progress toward organizational goals.

According to Parmenter (2007) a performance indicator represents:

“A set of measures focusing on those aspects of organizational performance that is most critical for the current and future success of the organization”.

The use of KPIs as an effective performance measurement system is well established in other industries especially in the private sectors. However, it is only in the last few years the public sectors looked to employ them to be a part of their performance management system. In Malaysia, a key performance indicator has become the essential mechanism to address the questions of accountability, efficiency and also effectiveness. The application of KPIs will assists an organization to be focused on key areas where performance is critical for achieving the vision, mission and objectives of the organization (Ministry of International Trade and Industry, 2009). As a result, KPIs are being utilized by both public bodies and the private sector in the drive to

achieve continuous improvement. The public sector is being driven by policy to deliver cashable and non-cashable benefits from measured performance while the private sector gain both in profitability and competitive market advantage.

The public agencies have long been criticized on their public delivery system. Not only that, the civil service has often been associated with red-tape, bureaucracy and this has pushed the tolerance level of the public to the edge. Due to this matter, the government has come out with the initiative to change the public service delivery system to be more efficient and effective. The effort that have been taken by the government encompasses initiatives under areas such as quality management, information and communication technology (ICT), accountability and management integrity as well as human resource management. This can be seen during the introduction of the Eight Malaysian Plan Period in which various programs and measures were implemented to ensure efficient and effective government administrative machinery for continued economic development. Several efforts have been made before that, focused on the same purpose, including individual and organizational performance assessments through the Annual Work Objective (SKT), competency evaluation under Malaysia Pension System (SSM), the assessment on efficiency of Quality Management System through MS ISO 9000 and Total Quality Management (TQM), the ability to resolve problems innovatively through Quality Circle Group (KMK) and benchmark best practices through the Quality Awards in civil service. Customer Charter is also established at Government agencies and it has become a service quality standard that can be measured to assess the achievement and performance of agency.

In addition, the measures to improve the public services include, reducing bureaucratic red tape by simplifying the processes and procedures, strengthening land and district administration and also measuring performance through Key Performance Indicators (KPIs). As point out by our Prime Minister Dato' Seri Najib Tun Razak:

“The KPI was established to enable the people to determine the performance of the government administrations as well as to ensure that clear guidelines were in place for formulators and implementers of policies to discharge their duties and responsibilities”. (*New Straits Times*, July 11, 2009)

The KPIs aim to help the government agencies to achieve their goals through a well-defined performance targets. As discussed by Kaplan

and Norton (1996) and Parmenter (2007), KPIs normally will measure the four main aspects namely, financial, work-processes, customers' satisfaction and employees' perspectives. Beside these four aspects, some of the organizations also look at the perspectives of their corporate social responsibility (CSR) and learning and growth in the organization to be the measurements for key performance indicators.

### **Key Performance Indicators (KPIs) of the National Registration Department (NRD), Penang**

The National Registration Department (NRD) is one of the agencies under Ministry of Home Affairs which is responsible to register all the important events for an individual such as birth registration, death, adoption, marriage and divorce, matters pertaining to citizenship and also the issuance of identity card to eligible people. The use of KPIs as a performance management tool was started in the National Registration Department, Pulau Pinang in October 2004. It took effect after the government issued a directive to all pilot agencies involved to start impose the KPIs in their frontline services. The findings present below are based on several questions asked during the interview session with Pn Norhayati Abd Rashid, Registrar Officer cum a key person in developing KPIs in NRD Penang on September 29, 2009:

1. What are the main foci for using KPIs in NRD, Penang?

Key Performance Indicators (KPIs) at the National Registration Department are focusing on two main aspects. Firstly, NRD develops the KPIs to measure the efficiency and effectiveness of work process to provide and deliver services to customers. The management will assess the effectiveness in term of the number of output produced within a time frame as planned whereas they also assess in term of the productivity of human resource to produce the output. Other than that, the efficiency of the core process to provide and deliver the services to customers is assessed in term of how fast and accurate the service provided were delivered to customers.

The work process is being assessed by looking at the statistics develop by the management team depending on their core business activities. Practically, management team will come up with the statistics on the total application for each of their services. For example: Assume in 1 month, Birth Registration Departments' KPI is to issue 924 birth certificate and MyKad with 0 percent defect. Thus, based on this KPI,

the respective department must ensure that they can produce the given output within the stipulated time with free error and this will ensure that they are able to achieve their KPIs. Similar goes to the productivity of the individual employees. Based on the departments' statistic in year 2008, the productive time for one employee (PP1) at the counter service in 1 month is 9240 minutes. In order for this person to complete the 40 percent workload, 3969 minutes is required for the process and 5 minutes is the actual minutes of processing time. Based on this, employee must be able to produced 739 applications in 1 month, by then he or she can be considered as achieving his individual KPI. This finding supported the study done by Azhar (2009) that most KPIs are of input, activity and output indicators which help the public sector in their daily execution of activities and programs.

Secondly, the National Registration Department of Pulau Pinang (NRDPP) focuses on their KPI to assess the customers' satisfaction. In any organization, customers' satisfaction is very important as their satisfaction become the reflection to the organization performance. This also applicable in the public sector as the people are their customers who gave their mandate for the government. As pointed by our Prime Minister in his speech at the Prime Minister's Department's monthly gathering in Putrajaya (2009), "KPI was not only to measure the performance among civil servants but also how far they could fulfill the wishes of the people". The entire government agency should analyze whether people were satisfied with their services and whether the agency have solved the people's problems or not, so that they can work to improve their performance in the future.

In NRD PP, the customers' satisfaction is assessed specifically in term of complaints given in written feedback within time frame, valid complaints solved at the level of customers' satisfaction gathered through the Customers' Satisfaction Form for Counter Service and also complaints made through personal and phone calls. In NRD PP, they will provide the Customers' Satisfaction Form everyday at every counter. Usually, if there is any dissatisfaction or satisfaction occurs either towards the employees' attitude, level of services given or any other matters, the customers need to fill in the provided form. Checking on the feedback was done every day by the management team through the Customer Service Office. For instance, if the customer made a complaint about the counter staff, Customer Service Department will conduct the investigation and resolve the matter immediately and action

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will be taken on the respective employees if it persistently happens. Customer Service Department normally will call the respective staff for inquiry and report the result to the management. According to Pn Norhayati, the cases have been resolved and only advice is given to the staff as it is not considered as serious case. So far after the implementation of KPI on National Registration Department Pulau Pinang, there are only a small numbers of cases pertaining to customers' dissatisfaction. As a result, we can say that this agency was successful in achieving the KPI developed.

Similar goes to satisfied customers. In NRDPP, customers who appreciate the services given normally will send the letter of appreciation. For instance, if the customer is satisfied with the services given by any counter service employee, they will write a letter of appreciation to the management and in return, the management will reward the employee concerned with recognition or acknowledge them through '*The Most Preferred Employees of the Month*' award. These have been proven to be a motivation for every employee at NRDPP to work hard and achieve their KPI. In relation to this, the agency need to record all the complaint and appreciation made every month and future improvement will be made from time to time to ensure they can achieve their long term vision to be the best counter services in the world.

#### 2. How NRDPP develop their Key Performance Indicators (KPIs)?

In NRDPP, the KPI was develop based on the guidelines in the Development Administration Circular (2005) provided by Malaysian Administrative and Planning Unit (MAMPU). Initially, KPIs develop in this agency reflect their vision, mission and the target as well. Since their long term vision is to become the best counter service in the world, the KPIs that they use will measure how effective and efficient the services given which cover the work process for each of the counter services and the level of customer satisfaction based on the services given by the agency. This support with a study done by Fila, Misnevs & Utekhin (2010) on the use of key performance indicators (KPIs) in one of the university in Croatia that the KPIs developed reflected the university goals as well as their vision and mission. In the year 2004, after NRDPP received the directive by government to start implement the KPIs in their agency, the specific guidelines which consist steps, work-process and also the performance target to be achieved were provided by MAMPU and what they need to do is just follow all the criteria and target set by this guidelines. For instance, to check the

application and give the queue number to the customers, it takes only 2 minutes and the respective staff must ensure that they perform this task according to the target minutes provided so that the KPI can be achieved. In NRDPP, before setting the target performance for every work process, the management team will initially conduct a research, to look at the actual minutes that a normal person spent in carrying out every work process. This is needed because different employees carry out different task and represent different work process.

In addition, the management team will monitor the work process from time to time to identify whether there are any additional work flows involved or those that needed to be removed and at the same time make future improvisation. The management team will obtain the information regarding the work process from the staff. Based on this information, the statistics were developed based on the information gathered. Statistics develop also consist the data on numbers of applications they received in one day and normally they prepare based on one year's statistic. In example, for the identity card application, the management will gather the information on how many actual minutes normally employees take to process the application. After they determine the work process and identify the services delivered by each counter, the management will then develop the KPI and performance target for every staff to achieve. The information and target must disseminate to all the staff mainly to the counter service staff so that they know the target to be achieve.

### 3. How NRDPP measure their employees' performance?

In this agency, employees' performance is being measured by looking at the numbers of cases (application) received and process by each of the staff. The numbers of the application that they should process will be based on the KPI developed by the management team with reference to the statistics gathered by them. In NRDPP, the key performance indicators aims only to measure the counters service employees therefore, no emphasize was given towards the KPIs for the management level (Officers, Deputy Director and Director). For example, the task of Senior Assistant Registrar (PP1) is to verify the data and print the birth certificate. In carrying out this task, PP1 will take only 5 minutes for one application. The calculation to determine the number of applications that this individual should process per month based on 2008 statistic are as follows:

Working times for 1 employee: 9240 minutes (1 month)

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Application that they should process in 1 year: 6282 application for My Kad

Thus, in 1 month the employee should process only 523.5 applications.

Therefore, for 1 person (PP1): (40% workload x 9240 minutes) = 3696 minutes. The actual time for PP1 to check the application is 5 minutes; therefore, for 1 employee their KPIs is to produce 739 applications per month.

Based on the above data, the employee (PP1) should meet the target to produce 739 applications for one month. Therefore, this person must ensure that they can achieve this target to produce and process 739 applications for the month and the management will measure their performance based on these numbers. However, if they fail to meet this target, there is no punishment or action, taken against this employee. On contrary within the private sectors, each under-performer will constitute to a form of punishment. There will be no punishment imposed towards those under-performers in this agency because it is not their fault not to produce the targeted numbers of application since by virtue of their business; all the processing work will depend on the number of customers' application received within that month. Thus, it is unfair to take action against those under-performers in this agency because the documents that they process were only based on the number of applications received by them which differ from day to day.

Nevertheless, if the respective employee is able to process only 490 numbers of applications instead of 523 applications per month which is less than the indicators given to them, the management then will decide to give whether additional tasks should be given to the employees concerned. This strategy seems effective in ensuring that there is no surplus of customers within certain department as to avoid the shortage of employees in any department. Based on the interview conducted, it is to be found that different National Registration Department normally developed different work process. It is not compulsory for NRD in every state to follow the similar work process because it depends on the size and complexity of that particular agency. Usually, in a smaller unit of the NRD, the work process will be much longer because they only employ a smaller number of employees. Normally, one person will carry two different tasks and their key performance indicators for each service counter will be different as compared to the National Registration Department Pulau Pinang.

4. Is there any relationship between rewards and individual performance?

It is a little surprise when we found that there is no direct relationship between individual performances and rewards in this government agency contrary with the practice of KPIs in the private sector, in which they directly link performance and reward system. The reason why this agency does not link performance with the reward is because the nature of their business is not based on profit oriented whereby those who perform well will receive a good reward from the company and those who do not perform will be subjected to punishment. Since the services are given based on the demand made by the public (customers), thus linking the individual performance with the rewards is an unfair practice. A study proves that there are differences between the public sector and private sector in terms of pay-for-performance. This is because, public servants are less motivated by money unlike their counterpart in the private sector because of the stability of employment, benefits and their intrinsic motivation is only to serve the public. (Cantu et al., 2009). On the other side, if the employees in NRD PP perform well and achieve their key performance indicators, the credit on this will be recorded in their Annual Work Objective (SKT) and recognition will be given through Excellent Performance Award '*Anugerah Perkhidmatan Cemerlang*'. This finding support a study in Malaysian public sector organizations, concluded that competency-based reward currently in practice should be used to reward the employees' potential to perform in future and in fulfilling their specific job tasks as it will motivate them to work harder and perform better especially in delivering quality services to the customers. (Azmi, 2010).

Similar goes to under-performers, though no serious punishment will be taken against them, but the higher level management (Director) will call upon the under-performed staff for counseling sessions whereby they must justify the reason for failure to achieve their KPIs develop by the management. This is necessary as it will lead to future improvement for the agency as well as their self-improvement. On contrary, in some of the non government agencies punishment is taken against those who do not achieve their KPIs and rewards also will be given to those who perform. Therefore, rewards and punishment have direct relationship depending on their nature of business.

5. Any changes happen after NRD PP implemented KPIs as their performance measurement system?

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Overall, the implementation of KPIs in this government agency is said to have several changes in terms of the work process but no major differences in terms of financial aspects as their main business is still to provide the best services to the customers. Similarly within the private sector, the use of KPIs in this agency is able to monitor the performance of the employees as overall compared before KPIs comes into the picture to measure their performance. It is now easy for the management to monitor the performance of the employees by looking at the work process and the target that they need to achieve. Moreover, the work processes are more manageable as every counter service has their own work flow and targets. Other than that, through the implementation of KPIs in this frontline agency, customers' satisfaction can easily be measured because every employees are subject to the indicators develop and if these people do not follow the work process or take a longer time in doing the tasks, the customers can immediately complaint to the management. This is because every complaint received need to be resolved by the management within the stipulated time or within the time frame provided. If the complaints are not solved within the stipulated duration, we can say that the agency is not really able to measure whether the customers are satisfied with their overall services or vice-versa. Another thing is in terms of the workload. According to Pn Norhayati, after NRD PP adopted the KPIs to be one of their performances measurement tools, the workload for Officers are reduced as NRD employ more staff to cater the several work process. In contrast to the previous days whereby the entire burden lies on the shoulder of the management staff because there is no specific work process that they follow in doing their tasks.

6. Is KPIs use in National Registration Department, Pulau Pinang is really successful in measuring the employees as well as the organizations' performance?

Since NRDPP became a pioneer agency in implementing the KPIs in the year 2004 through the efforts of the Director of NRDPP, Tuan Hj Mohd Fauzi Abdullah as the key player, it was found that the use of KPIs in this agency can be considered a success in measuring the employees performance and most importance is it successful in measuring the level of performance of this agency so that they know where they need to focus for future improvements in line with the government's wishes to develop a work culture based on performance in all the civil service. The Director of this agency also uses the KPIs in measuring his own performance even though there is no specific

guideline imposed on the use of KPIs to measure the performance of the people at the management level. As for example, in settling the late registration files, the Director will develop their own time indicator such as 10 minutes will become the indicator to settle each of the case and based on the information given, he is really committed in achieving his own target and will normally finish all his work within the duration set up by him.

This is the reason why all employees in this agency are really committed in meeting their key performance indicators by looking at him as a role model. Apart from that, when customers go to this agency, we rarely see their staff having extra time chatting with each other like some other frontline agencies normally do. Due to this achievement since the year 2004, NRDPP has been chosen by the government to roll out the implementation of KPIs in all the National Registration Department in every state and act as the benchmark for National Registration Department in each state in their effort to move from traditional way of managing performance to the holistic way by implementing the key performance indicators in measuring their performance. On the other side, Azhar (2009) in his study on the adoption of performance measurement among government ministries in Putrajaya, found that the KPIs was still considered to be less dynamic to reflect the changes in the strategy in their ministries. However, a study of Australian government departments reported differently when the finding reveals that results of using performance measures have enhanced program efficiency, program effectiveness and that their entity is much better. (Hoque and Adam, 2008).

## **Conclusion**

Overall, the use of key performance indicators to measure the organization performance is much needed not only for the private sectors but public sectors as well. This study attempt to look at the implementation of KPIs in the public sector mainly on the frontline agency and found that this initiative adopted from the private sectors shows a positive impact on the performance of that agency as well as their employees. By taking the National Registration Department, Pulau Pinang as the main focus, the study shows that this frontline agency is one of the pioneer agencies in using KPIs is successful in measuring their performance not only for the organization as a whole but their

staff performance as well. The findings of this study shows the workflow of each of the services delivered to the customers in the National Registration Department, Pulau Pinang and the performance indicators develop by the agency to achieve their targets, to be in line with their mission, vision and customers charter. Here it can be said that NRDPP followed the guidelines set up in the model of KPIs issued by MAMPU, but from time to time they improvise the steps and criteria to be in line with their services and targets. The study also shows that in the National Registration Department Pulau Pinang, they use the KPIs to measure three main aspects. First, they want to measure the effectiveness and the efficiency of the internal work process to deliver the services, second is to measure the productivity of human resources to provide and deliver services to customers and the third one is to measure the customers satisfaction towards services received. However, the only thing that this agency does not measure is in terms of their financial aspect of the department. They do not develop their KPIs to measure this aspect because in their business, there are no direct expenses and financial used to provide and deliver services to the customers.

This is because, the nature of their business is to collect and maintain the record of births, deaths, adoptions, identity cards, marriage and divorce and also issuance of citizenship to all Malaysians. They operate their business not as profit oriented but as a public service; therefore the financial aspect would not be the indicators for them to achieve their target and performance. The study also found that it is true that the use of KPIs in this public agency really can measure their performance, achieve the customers' satisfaction and act as a mechanism for future improvements on the services delivered to their customers and be a platform for them to achieve their long term vision to be the Best Counter Services in the world.

## **Recommendations**

There are several recommendations that will be made for future research and modifications on this matter. Since public sectors usually develop their KPIs to measure the three main aspects such as work-process, customers' satisfaction and sometimes the financial aspects, it is recommended that public sectors organizations should measure their performance by looking also at their corporate social responsibility perspectives. Another area that requires modification is in terms of

linking KPIs as a performance measurement with the rewards system. Since there is no direct relationship between performance and rewards system in the public sector, it is recommended that public sectors should consider linking the performance with the rewards. Other than that, further study must be conducted and expand to monitor and observe to what extent the KPIs system can influence employees in doing their job and also to measure the organization success particularly the public sectors as everybody know that currently issues on ineffectiveness and inefficiencies of the public service gain a lot of attention by the public. Besides, KPI is also needed to measure the performance of the people at the management level so that they know what are the things that they need to do to improve and how well they are performing in doing their job. It is unfair to just develop the KPIs for the general employees only because management people must also improve their service delivery systems to be efficient and effective in carrying out their duties. Furthermore, not only frontline agencies but all the public agencies must move towards a new paradigm of performance and achievement through KPI, which will push for impact and not input, results rather than output and will ensure public service delivery is value for money. (Dato' Seri Najib Tun Razak, *The Sun*, April 2009). To this end, our Prime Minister introduced the national KPIs in six key areas to show that public sectors are now committed to continuously upgrading the public sectors' delivery system through new strategic approach and best practice in boosting the performance of the civil service. Surprisingly, The Information, Communication and Culture Ministry has successfully achieved its Key Performance Indicators (KPIs), scoring nearly the highest level of achievement in its 12 areas set out in the year 2010. (Datuk Seri Dr Rais Yatim, [www.bernama.com](http://www.bernama.com), retrieved Jan 11, 2011). This shows that public sector has now moved towards a paradigm shift in improving their sectors' performance.

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