

## **CHAPTER 01**

### **INTRODUCTION**

1. The Sri Lankan Navy (SLN) together with Sri Lanka Volunteer Naval Force (SLVNF) is the Naval arm of the Sri Lankan Armed Forces and is classed as the most vital defense force of Sri Lanka, due to the country's island geography. Both are responsible for the maritime defence of the Sri Lankan Nation and its interests
2. Opening up a this chapter in the annals of modern naval operation of the island the Ceylon Naval Volunteer Force (CNVF) was raised under the provision of the “Volunteer Naval Defense Force” act no .01 1937 with 12 officers and 28 sailors under the command of commander WG Beauchamp VRD,CBE.
3. On 11<sup>th</sup> January 1939, the Ceylon Naval Volunteer Force began harbor protection duties establishing at Kochchikade in Colombo, and the CNVF was primarily deployed to protect the vital Colombo and Trincomalee ports. With the outbreak of World War II, Ceylon Naval Force was taken over the British Royal Navy on 01<sup>st</sup> October 1943 and was renamed as Ceylon Royal Naval Reserve(CRNVR).
4. Soon after of world war II was over, the CRNVR was handed over back to the government of Ceylon in 1946. With dawn of the new era of independence the Royal Ceylon Navy was established under provisions of the Navy no34 1950, thereafter, on 09<sup>th</sup> January 1952 as per the provisions of the same Act, the Royal Ceylon Volunteer Naval Force (RCVNF) was established under the commander GRM De Mel with a fleet of 24 officers and 121 sailors. This Royal Ceylon Volunteer Naval Force, on 22<sup>nd</sup> May 1972, became the SLNVF when the Ceylon turned in to a Republic with the historical constitutional change.
5. The SLNVF faced many opportunities and challenges along the line of history successfully completing its mission proving to be a valuable resource to this island nation. It is the main arm of the Sri Lanka Navy in the civilian sphere with naval training and is always kept in full readiness to provide required assistance in the form of expertise and manpower in

time of national urgency and distress. Armored with broad experience and best of skills, these personnel continued to sharpen their skills through these specifically designed weekend camps and annual training camps. The Sri Lanka Volunteer Naval Force, an integral part of the Sri Lanka Navy, had been in continuous mobilization since 1983, and most of its members still continue to be in active service. The members of the Volunteer Naval Force, with utmost dedication and true sense of duty, have fought shoulder to shoulder with their regular counterparts during the humanitarian operation to save the nation from the evil clutches of ruthless separatist terrorism.

6. In its long march since 1972, the Volunteer Naval Force had been deployed to provide security to power installations, Radio Transmission and Relay Stations, Transport Board facilities, ports and other key economic establishments. Its personnel have been highly accomplished with efficient services even in the civil administration streams as district coordinating officers, ministry secretaries, and governor secretaries apart from serving as commanding officers of ships and Naval Establishments in the Navy.

7. Unfolding a new era in its illustrious history the Sri Lanka Volunteer Naval Force, it began to recruit women sailors for the first time in 1988. The Volunteer Naval Force Headquarters faced changes as well. On 03<sup>rd</sup> July 1989, it was shifted to the commander of the navy's official residence at Malalasekara Mawatha in Longdon Place in Colombo 07 and from there to the Seylan Bank building at the Naval Headquarters premises on 25<sup>th</sup> May 1999. Thereafter, it was relocated at the present headquarters at "SLNS Lanka" in Elapitiwela in Welisara on 10<sup>th</sup> June 2000.

8. From its very inception, the Volunteer Naval Force had been led by 19 distinguished Commanding Officers. Thousands of officers and sailors have contributed to color its path in the history with astounding success. Along with this elaborate history, the Volunteer Naval Force proudly stands with warriors honored with "Rana Wickrama" and "Rana Sura" medals for their bravery. This history is filled with grim but proud memories of those who had made the supreme sacrifice fighting fearlessly in protecting the motherland and preserving the national integrity.

9. With the responsibilities of the Navy became broader the service of the Volunteer Naval Force became quintessential. While working along with comrades of the Regular Naval Force, the volunteer Naval Force had to fill in the requirement of skilled personnel that rose up with expansion of services. Special recruitment schemes were adopted to meet this demand , and for the betterment and professional improvement of the volunteer naval personnel, the promotion scheme and rating were adapted to be par with that of the regular naval personnel by the NAHA 05 memorandum of 07<sup>th</sup> June 2004 issued by the Commander of the Navy

10. The Volunteer Naval Force of Sri Lanka, which began as Ceylon Naval Volunteer force with 12 officers and 18 sailors, is now comprised of 511 officers and 12371 sailors. With the pride of having an honorable and distinguished history and great esteem, the Volunteer Naval Force, to continue to serve the motherland being a confident partner of the golden fence around the nation.

11. Today SLNVF commemorated its 63 Anniversary and has come a long way. The mission of the SLVNF is to supplement and provide the Regular Naval Force with the required assistance in the execution of the tasks of the Sri Lanka Navy, in the form of expertise and man power, drawn from the diverse fields of the civilian strata of the country, in times of national urgency and distress. The present headquarters of the VNF is at SLNS Lanka in Welisara. 95% of the members of the Volunteer Naval Force are now in the active service and deployed across almost all Sri Lankan Naval bases, with strength of 511 officers and 12371 sailors The current Commandant of the SLVNF is Rear Admiral SS Ranasinghe WWV, RWP, USP, ndu, psc, M.Sc. (DS) Mgt and the present Commanding Officer of SLVNF and SLNS Lanka is Commodore I. M. P. Sarath BA (Econ) LL.B.

12. With all these expansions, SLVNF is now required to have a fully fledged performance management system to ensure proper functioning of its equipment and force. The purpose of designing and implementing a performance management system is to ensure performance happens by design and not by chance. It is a systematic process where the organization involves its employees in improving organizational effectiveness by focusing them on achieving the organization's mission and strategic goals. The performance management system is a tool to implement strategy. It is a useful tool to communicate

organizational goals and objectives, reinforce individual accountability for meeting those goals, track individual and organizational performance results. It involves the three stages of planning, coaching and reviews.

### **Statement of the problem**

13. Over the last few years, Performance Management for Armed Forces in Sri Lanka has become extremely relevant to management; as a result, different changes have been occurred in the nature of work, competition, processes, roles, external demands and the power of Information Technology (Neely 1999). This fact could be considered rather peculiar because Performance Measures have been part of the planning and control cycle for a long time, but nowadays the traditional measures adopted by naval authority do not fully meet the requirements of organizations because they

- a. Encourage a short-term view.
- b. Fail to provide data on quality, responsiveness and flexibility.
- c. Fail to provide adequate information on officers who need to be evaluated.
- d. An evaluation criterion does not reflect all aspects performances.

14. Performance is an intangible component. One may think that as to how performance is measured. True, it is difficult to measure. That is the main reason behind emergence of this concept “Performance Evaluation System”. Presently this concept is commonly applied by all leading organizations in the world. Not only have that, many armed forces including maritime forces used this concept to evaluate their subordinates.

15. When carefully examined, it was understood that performance evaluation system of SLNVF is not well defined. As such, many criticisms on evaluation have been observed. In addition, comments on the drawbacks of the present evaluation system are commonly heard. Therefore, the researcher intended to research this area to identify the pros and cons of introduction of a performance evaluation system to SLNVF.

## **Research Questions**

16. To better address the problem statement, four sub-questions will be investigated
  - a. What are the drawbacks in the existing performance evaluation system in the SLVNF?
  - b. What is performance evaluation system and why it is important to SLVNF?
  - c. What is the relationship between sound performance management system and overall output of the SLVNF?

## **Significance of the study**

17. The significance of this study is to identify the relationship between new performance evaluation system and the overall effectiveness comparing to the existing. Presently, SLNVF consists of 511 officers and 12371 sailors. This is a considerable strength that cannot be centrally evaluated. As such, availability of proper performance management system is a must. It is also intended to identify the difficulties in introducing a new system. Also, wished to establish a relationship between proper performance evaluation system and overall performance of SLNVF. Since, this is an empirical study, extreme effort is taken not to be bias on any side in analyzing the present and intended systems.

## **Layout of the study**

- 18 This research report will be organized as follows,
  - a. The first chapter was provided and overview of the research.
  - b. Chapter two consists of literature review.
  - c. The chapter three consist research methodology.
  - d. The chapter four will present the data analysis.
  - e. Final, fifth chapter will be on conclusions, findings of the study and suggestion.

## **CHAPTER 02**

### **LITERATURE REVIEW**

19. Robinson (2007, p. xxvi) defines performance management as the broad and systemic use of formal information to improve public sector performance, especially in the areas of human resource management, strategic planning and budgeting. Program budgeting is a mechanism for using performance information to influence priorities in resource allocation decisions.

20. (Robinson, 2007, p. 48). The U.S. military uses a program budget that classifies transactions into activities and programs. These activities and programs relate to and implement policy objectives. Ideally, leaders assess those activities and programs and measure their performance against objective criteria. With respect to specific activities and programs conducted by an organization, performance management systems measure and evaluate inputs to activities, or work to outputs (efficiency), and outputs to outcomes (effectiveness).

21. Frumpkin and Galaskiewicz (2004) and Robinson (2007), among others, note that government organizations have the least direct control over inputs and the least precise indicator of outputs of any type of organization. Performance management is often hampered by the lack of control of the quality and quantity of some inputs and the difficulty in finding appropriate output measures. Ambiguous causal relationships, environmental contingencies, and lag times contribute to the uncertain link between the production of outputs and attainment of outcomes

22. (Havens H., 1983; Heinrich, 2004). In the case of the provision of public services, good outcome measures are problematic. Keeney and Gregory (2005) state that measures of objectives should be unambiguous, comprehensive, direct, operational, and understandable. Grizzle (1985) provides a consistent list of desirable attributes in her work on performance budgeting. When attempting to bridge from performance management to performance budgeting, cost per unit of something (input, activity, output or outcome) is a primary

consideration. Generally, activity based costing uses input budget data (costs) to connect specific activities to outputs to support management decisions (Brown, Myring, and Gard, 1999; Mullins and Zorn, 1999; Williams and Melhuish, 1999). (Euske, Frause, Peck, Rosenstiel, and Schreck, 1999, p. 9)

23. Provide guidance on applying activity based costing to service processes; they suggest tracking inputs and their resources relative to the output (service) the customer expects, “balancing that perspective with how to manage the service within the enterprise”. Such suggestions seem obvious in principle but are difficult in practice given the difficulty in defining outputs and, as the public budgeting literature shows, limitations of public spending data. Smith (2007) notes the specific difficulties in valuing national defense outcomes.

24. Performance appraisal defined as evaluating an employee’s current or past performance relative to his or her performance standards (Garry dessler, 2000). Performance appraisal involves the judgmental evaluation of job holder’s traits, behavior or accomplishments as a basis for making important personal decisions (Robert and Angelo, 1995). Jerald and Robert, (2000) defined as, the process by which people evaluate the performance of others, often on an annual or a semiannual basis and usually determining raises, promotions, and training needs.

25. In the view of Opatha (2002), “Performance evaluation is a process of collecting evidence and using such evidence against determined norms/standards to judge the degree of goodness or worth in performance of an employee or groups of employees being evaluated for various types of decision making”. Further he explains performance evaluation is an on-going personnel/HRM function that identifies measures and develops human performance in an organization.

26. Robert B. Maddux (2004), emphasized that, performance appraisal assures a periodic opportunity for communication between the person who assigns the work and the person who perform it, to discuss what they expect from each other and how well those expectations are being met. Wayne F. Casio (1998), explain Performance appraisal as the systematic description of the job relevant strengths and weakness of an individual or a team. Further he says, performance appraisal has many facets. It is an exercise in observation and judgment is

a feedback process, and it is an organizational intervention. it is a measurement process as well as an intensely emotional process. Above all, it is an inexact, human process. Performance appraisal is the periodic evaluation of an employee's performance measured against the job's stated or presumed requirements.

### **Significance**

27. Commonly the employer is in need to ascertain the contributory success of each and every employee as excellent , good, satisfactory, unsatisfactory, and poor and then to ascertain collectively how many employees are giving above the expected contribution towards achieving the goals and objectives of the organization and how many employees are giving below the expected contribution. The organization is capable of ascertaining this fact through a sound performance evaluation system (Opatha, 2002)

28. Performance Evaluation is a tool you can use to help enhance the efficiency of the work unit. This tool is a means to help ensure that employees are being utilized effectively Appraisal of course provides the information upon which promotion and salary decisions are made and the basis upon which to discuss the employee's performance in the hopes of reinforcing desirable behavior and eliminating undesirable ones (Garry dessler, 2000)

### **Purpose<sup>1</sup>**

29. Performance appraisal serves many purposes that benefit both the organization and the employee whose performance is being appraised (Bohlander et al, 2001). The primary purpose of Performance Evaluation is to provide an opportunity for open communication about performance expectations and feedback. Most employees want feedback to understand the expectations of their employer and to improve their own performance for personal satisfaction. They prefer feedback that is timely and given in a manner that is not threatening.

30. Opatha (2002), elaborate purpose of performance evaluation under two categories i.e. Management purpose and informative purpose. Further he divided the management purpose in to two as administrative purpose and development purpose. Wayne F.Casio (1998), present

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<sup>1</sup> [www.nd.gov/hrms/managers/guide/perfeval.html](http://www.nd.gov/hrms/managers/guide/perfeval.html)

twofold purpose (1) to improve employees' work performance by helping them realize and use their full potential in carrying out their firm's mission (2) to provide information to employees and managers for use in making work related decision

### **Navy Surface Forces and Performance Evaluation**

31. The Navy whether regular or volunteer, like all the military departments, provides assets ready to deploy in defense of the country. It provides personnel and trains and equips these resources, having them ready to support military operations conducted by the combatant commanders, key military leaders who manage a regional or functional area. Many organizations within the military services use performance management systems and attempt to inform the budget process using them; this paper focuses on SLNVF, the one responsible for supporting ships

32. On 22<sup>nd</sup> May 1972, SLNVF was established under the Navy Act. The Navy is an organizational construct that seeks to integrate the efforts of the Navy headquarters branch responsible for surface warfare; the Naval Sea Systems Command, responsible for designing and building ships and the surface forces (SURFOR), responsible for active ship readiness. As part of the navy, SURFOR seeks to optimize war fighting readiness of the Navy's surface fleet. Navy leaders believe continuous process improvement (technical efficiency) in the core areas of maintenance, modernization, logistics, manning and training will create budget slack so the Navy can buy more ships, ammunition, and fuel (allocate efficiency)

33. To meet the Navy's goal to project power anytime, anywhere, ships must be ready to function independently and interdependently, complemented by advanced technological reach from other assets. Thus, navy ships are first evaluated for mission readiness independently, which is the proxy for output, and the ships are evaluated again by the combatant commander (at some point) within the group of assets with which it deploys. This second evaluation is outside the scope of the Navy's initial responsibility to provide a ready ship. The belief inherent in the system is that a properly trained and assessed individual ship will be capable of successfully integrating with others for all possible missions.

Performance Evaluation is the systematic process of:

- a. Planning work and setting expectations
- b. Continually monitoring performance
- c. Developing the capacity to perform
- d. Periodically rating performance in a summary fashion
- e. Rewarding good performance



**Figure-1**

### **Performance Evaluation in the Public Sector**

34. Performance evaluation (PE) is based on three levels namely individual performance, organizational performance and performance within teams. Hartle (1997:58) argues that the PM process should not be isolated within the organization. It should be integrated into the way the performance of the business is managed and it should be linked with other key processes such as business strategy, employee development and total quality management. However in order for organizations to be successful with their aims and objectives, they need the total buy-in of individual employees into their performance plans. If individuals in organizations, whether they work n their own or in teams do not accept the implemented performance plan, the business of the organization would be affected. On account of the important role that the individual plays in an organization the researcher will focus on individual performance during this study.

35. According to Armstrong and Baron (2000:7) is a strategic and integrated approach improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors. to delivering sustained performance success management to organizations by Bacal (2004: viii) defines performance management as an ongoing communication process, undertaken in partnership between an employee and his or her immediate supervisor, that involves establishing clear expectations and understanding about the following.

- a. The employee's essential job functions.
- b. How the employee's job contributes to the goals of the organization?

- c. What it means, in concrete term, to do the job well.
- d. How job performance will be measured?
- e. What barriers hinder performance and how they may be minimized or eliminated?
- f. How the employee and the supervisor will work together to improve the employee's?

36. Performance evaluation is a process for establishing a shared understanding about what it is to be achieved, and how it is to be achieved, and an approach to managing people that increases the probability of achieving job related success Hartle (1997: 12). According to Swanepoel Erasmus, Van Wyk and Schenk (2003:372) performance evaluation may be defined formal and systematic process by means of which the job relevant strengths and weaknesses of employees are identified, observed, measured, recorded and developed.

37. Swan (1991:11) posits that performance evaluation means more than assessing an employee's performance at regular intervals. It invites a number of related tasks: monitoring, coaching, giving feedback, gathering information, and assessing an employee's work. It accomplishes those tasks in the context of objectives, the immediate objectives of the department and the overall goal of the organization. And it carries them out systematically, throughout the year.

### **Why Measuring Performance?**

38. Former American president, William J. Clinton, on signing the Government Performance and Results Act of 1993, said that, the reason for institutionalizing performance measurement is to: "Chart a course for every endeavor that we take the people's money for, see how well we are progressing, tell the public how we are doing, stop the things that don't work, and never stop improving the things that we think are worth investing in." (Extract taken from A Brief Guide for Performance Management in Eskom.1997. National Centre for Public Productivity, Rutgers, the State University of New Jersey).

39. All high-performance organizations, whether public or private are, and must be interested in developing and deploying effective performance measurement and performance

management systems, since it is only through such systems that they remain high-performance organizations<sup>2</sup>. Effective communication with employees, communities, and stakeholders is vital for the successful development and deployment of performance measurement and management systems. The employees and stakeholders of Eskom ultimately judge how well the administration has achieved its goals and objectives. At the same time it is those within the organization, entrusted with and expected to achieve performance goals and targets, who must understand how success is defined and what their role is in achieving that success. Both organization outsiders and insiders need to be part of the development and deployment of performance measurement systems. This picture of integration, for the most effective outcomes with regard to developmental approaches should be clear to all involved in planning or performance measurement. The support of all relevant stakeholders should be engaged by municipalities eager to render service delivery in the most effective and efficient manner. Performance measurement systems are learning systems that help to identify what works and what does not, so as to continue with, and improve on, what works and replace what does not work.

40. Performance measurement is a tool that enables to track progress and direction toward strategic goals and objectives, which ultimately align with what was identified in the SHC as needs and priorities agreed upon through the process of public participation<sup>3</sup>. Through measuring performance of these priorities, organizations are able to re-direct their resource allocation to different sets of developmental objectives, should desired outcomes not be fulfilled. Organizations are high performers if they work competently and as a team with a shared objective as propagated by policy formulators, to score high on the outcome base and developmental scoreboard. For this integrated approaches and a shared quest for positive social and economic development reforms are needed. Performance management aims to place greater emphasis on performance planning and on-going reviews. It is designed to provide greater benefits, including clear communication about expectations, an objective basis for reviewing performance and an opportunity for collaboration that leads to enhanced organizational commitment. This is the motivation for the current integrated approach that Eskom has embarked upon to enhance developmental service delivery.

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<sup>2</sup> [www.wikihow.com/Measure-Performance](http://www.wikihow.com/Measure-Performance)

<sup>3</sup> [www.boundless.com/management/control/control-process/measuring-performance/](http://www.boundless.com/management/control/control-process/measuring-performance/)

## **Structuring of a Performance Evaluation System<sup>4</sup>**

41. The structuring of a PES has its founding principles in the wide range of challenges that demand a response from shareholder. This is the focus of this section of the dissertation. This goes well beyond simply considering the interests of constituents. This higher role is realized only if board becomes more strategic, visionary and ultimately has a developmental approach in the way it operates. The Eskom policy (1994) indicates that Eskom has a crucial role as policy makers, as thinkers and innovators, and as institutions of democracy. Eskom should play a strategic and visionary role, and seek to mobilize a range of resources to meet basic needs and achieve developmental goals. The process points out that a new system needs to build on the strengths of the current system, but equally, it needs to address its weaknesses, and build the capacity of Eskom to address the considerable challenges they face. These challenges are all around and prevalent in the developmental evolution of Eskom to ensure sustainable economic and social reforms with the desired impact in respect of outcomes that include: Free electricity for the community in rural areas, towns or cities.

42. How do Eskom directors and shareholders conceptualize these challenges in a progressive way? A response to this question is found through the implementation of performance measures to have productive and developmental outcomes. Performance Management, coupled with SHC, encourages shareholders, that short-term solutions to redress financial backlogs create more financial and social disparities if there is no shareholders 'compact planning for a better tomorrow. In order for Eskom to address all the challenges effectively and efficiently, there is a need to ensure that existing resources are used optimally and with the desired maximum impact. A Performance Management System must address these challenges as outlined in the SHC in the form of priorities and needs within a developmental context<sup>5</sup>. To ensure maximum impact and optimal use of resources Eskom must have the following elements in place:

- a. A clear vision, mission and strategic goals indicating what they need to achieve;
- b. Identified methods whereby the strategic goals as listed in capital and operating budgets are achieved;

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<sup>4</sup> <http://smallbusiness.chron.com/structure-performance-review-4847.html>

<sup>5</sup> <http://www.clemmergroup.com/organization-structure-limits-high-performance.php>

- c. Clear plans for how human, financial and physical resources are procured and utilized;
- d. Integrated and agreed upon, quality assurance standards for all aspects of departmental functions;
- e. An organizational culture that strives towards excellent performance and delivery, by ensuring that decentralization and the developmental mandate enshrined upon Eskom, lays the foundation for a sustainable and viable basis for the well-known slogan: "To create a better live for all"

43. Performance evaluation provides the system and processes to put the above elements in place to ensure that Eskom is clear about the facilitating and leading role it needs to play for achievement of organizational objectives .Eskom Guideline indicates that in designing a PMS, the following questions need to be answered<sup>6</sup>:

- a. "When does performance evaluation start?"
- b. What are the components of a performance evaluation system?
- c. Who will manage whose performance?
- d. When will performance be monitored, measured and reviewed?
- e. What aspects of performance will be managed?
- f. How do we respond to good and poor performance?
- g. What institutional arrangements have to be established to make this work?"

44. To answer these questions, Eskom need to develop a framework in which a performance management system operates in conjunction with their respective SHC, ultimately aligned with their budgets. Eskom mistakenly design the SHC in isolation of a concurrent performance management system to monitor and redress, if necessary, identified programmers as part of the overall objectives of the organization<sup>7</sup>.

45. The importance of this is to determine what has worked and what has not, and in what direction resources need to be streamlined to achieve desired outcomes. Even though this sounds like repeating the context of a script that needs to be acted out<sup>8</sup>, Eskom need to

<sup>6</sup><http://everydaylife.globalpost.com/elements-good-performance-appraisal-system-11661.html>

<sup>7</sup> <http://ala-apa.org/newsletter/2010/06/08/hr-practice/>

<sup>8</sup> <http://hr.od.nih.gov/performance/perfmgmt/devoutcomes.htm>

combat any disparities that might arise by improper planning and uninformed use of these tools to inculcate development. In general, a good performance evaluation system is able to provide answers for the following questions (Ford: 1998, 148):

- a. What was achieved?
- b. How efficiently was the work done?

46. Taking cognizance of the content of this Chapter, the components of a performance evaluation system incorporate the mission, goals, objectives, and indicators to achieve developmental outcomes as outlined by Eskom. This encompasses in a further strategy on how Eskom need to link these components strategically with the input and consultation of all relevant stakeholders to Provide guidance on how to focus goals on outcomes, determine service areas, focus objectives on outcomes, and develop indicators that give the feedback were seeking<sup>9</sup>.

- a. Provide guidelines on allocating costs to service areas in order to calculate various indicators. If Eskom, from the initiation of the process plans of its SHC, coupled with its performance management system, follow the frameworks, irrespective of political alignments, the abovementioned components are visibly reflected in its performance management systems.

47. The question of who is responsible for measuring performance is demonstrated in the form of logic models that are usually diagrammed as a series of boxes representing inputs, activities, outputs, and outcomes. They are drawn either horizontally or vertically as shown below<sup>10</sup> (Noorzaman: 1999, 78)

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<sup>9</sup> <http://www.oshr.nc.gov/Guide/PerformanceMgmt/index.htm>

<sup>10</sup> <http://www.plant-journal.uaic.ro/docs/2011/11.pdf>

## **Explanation**

48. Inputs are resources dedicated or consumed by a program. Examples include money, staff and staff time, facilities, equipment, and supplies. Activities are what a program does with the inputs to fulfill its mission. Activities include the strategies, techniques, and types of treatment that comprise a program's service methodology<sup>11</sup>.

49. Outputs are the direct products of program activities and used as measures in terms of the volume of work accomplished, i.e., classes taught, people served, applications processed, etc. Outcomes are benefits resulting from program activities. For a human services program, it is generally some change in a participant's condition; for economic development, it is change in an area's economic status; and for public safety, it can be the degree to which citizens are or feel safe<sup>12</sup>.

50. The above details are specified directives extracted from SHC with the relevant resource allocation. However, both input and activities evolve from the mainstream of cooperation with Government in the context of assistance that is provided to Eskom to promote social and economic reforms. Line function managers and senior management in Eskom are primarily tasked to assess performance at this internal level. This context looks at a broad spectrum of areas that fulfill the components of a performance management system, referring to the mission, goals, objectives, and indicators to achieve developmental outcomes as outlined by Eskom. At this level, adequate channels need to be created for citizens to respond and assess service delivery to enable Eskom to measure results to learn from it and to correct failure to attain public support. In this regard citizens bear the responsibility to assess Eskom performance. It is at this point where performance is monitored, measured and reviewed to determine whether developmental initiatives have or have not been achieved on whatever programmers that would have been instituted. A proper performance management system indicates, if measures are necessary to correct failure, what aspects of the entire system need to be managed in a more progressive way, and whether citizens should, for example, play a more active role for certain desired outcomes<sup>13</sup>. A concern though is how

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<sup>11</sup> <http://my.safaribooksonline.com/>

<sup>12</sup> <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3051861>

<sup>13</sup> <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3051861>

much influence political agendas exert or how much leeway should be created to streamline outputs for support.

51. It is imperative for the purpose of sustainable developments that monitors and evaluate their planning processes for the purpose of providing continuously improved services to the constituencies they serve. Key Performance indicators need to be in place and changed if so required against which shareholders measure their performance to ensure effective and efficient outcomes as well as to adjust identified segments in their SHC, if developmental initiatives change course<sup>14</sup>.

52. Performance standards in the form of clear descriptions whether targets are met in a satisfactory manner and whether time-frames allocated to these targets as well as whether these targets are results of identified indicators are sure to project performance that reflect success. This will ultimately surface in the form of organizational objectives that have been achieving their key performance areas of developmental delivery. By looking at the literature above, many good practices exist in the field of performance evaluation could be augmented to the SLNVF, in order to enhance the present output

### **Summary**

53. In this chapter concepts of performance evaluation system for the SLVNF were examined. In the later part of this chapter the some findings and information regarding the relationship between performance evaluation practices and SLVNF performance we explained. In addition the hypothesis developed by the researcher based on the earlier findings was also given in this chapter.

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<sup>14</sup> <http://www.secunion.org/book/export/html/>

## **CHAPTER 03**

### **METHODOLOGY**

54. This chapter focuses on how this research study has been carried out scientifically. The chapter consists of six major parts namely study setting, study design, study sampling procedure, measurement, data collection and methods of data analysis under which scientific approach to the study is discussed.

#### **Nature of the study**

55. This study type was explanatory, because the study attempt to establish “Implementing and developing performance evaluation system for SLVNF”. In other words the nature of the study was hypotheses testing.

56. In this chapter, the details on how the study is conducted and how the data is collected will be discussed in order to test the hypotheses proposed and to explore the value of the research. The principles of methods, rules, and postulates employed are further discussed and represented in a manner of understanding. Since this study is an empirical one, it was decided to collect primary data by way of administering questionnaires. Moreover, interviews, telephone discussions, and observations were associated to collect more data.

#### **Formulation of Hypotheses**

57. Having gone through the literature review in depth, several independent variables were identified. Based on their inter-relationships between dependant variable, the following hypothesis was formulated.

**H<sub>1</sub>** There is a positive relationship exists between sound performance evaluation system and overall output of SLNVF.

**H0<sub>1</sub>** There is a negative relationship exists between sound performance evaluation system and overall output of SLNVF.

### **Pilot Survey**

58. Pilot survey was conducted by selecting a group of 20 people who interested Implementing a Performance Evaluation System for Sri Lanka Volunteer Naval Force. The reason for pilot survey was to check the suitability, validity and reliability of questions. The survey was carried out by way of distributing questionnaires and further clarifications were made via telephone conversations and face to face interviews. The entire group selected for the pilot survey was positively contributed.

### **Questionnaire Administering**

59. The questionnaire was administered among the selected personnel who think of implementing performance evaluation system for Sri Lanka Volunteer Naval Force (SLVNF) to increase overall effectiveness. Most of the questions therein were closed ended questions since straight forward answers were expected. However, few questions were set as open ended questions. The questionnaire has been prepared in “English” for better understanding purposes. The distribution of questions in questionnaires among those selected group is as follows.

<b>VARIABLE</b>	<b>NO. OF QUESTIONS</b>
Existing System	1 – 3
Welfare Facilities	4 – 7
Incentives	8 – 10
Performance Management System	11 – 14
Satisfaction	15 – 18
Overall Output	19 – 22

**Table 1 : Questionnaire Administered**

### **Primary Data**

60. Primary data were collected from 50 officers, sailors and other civilian by means of distributing questionnaire, stratified simple random sampling method was used to avoid receiving unnecessary data. Primary data was tested against the secondary data wherever necessary and as applicable. Primary data was collected by ways of interviews and from opinion surveyors.

### **Secondary Data**

61. A literature review was carried out by referring, various types of books, magazines, reports, and World Wide Web site.

### **Data Processing and Scaling**

62. The primary data which were captured by using stratified simple random sample method and the secondary data gathered by means of books, magazines and World Wide Web were initially processed manually. That process included the data coding, classification, numbering and editing. Then a master work sheet was prepared by using Microsoft Excel. And the processed data have then been converted into bar chart. Therefore, the following five ordered response levels were recognized.

- a. Strongly disagree (SD)
- b. Disagree (D)
- c. Neither agree nor disagree (NA)
- d. Agree (A)
- e. Strongly agree (SA)

### **Data Presentation and Analysis**

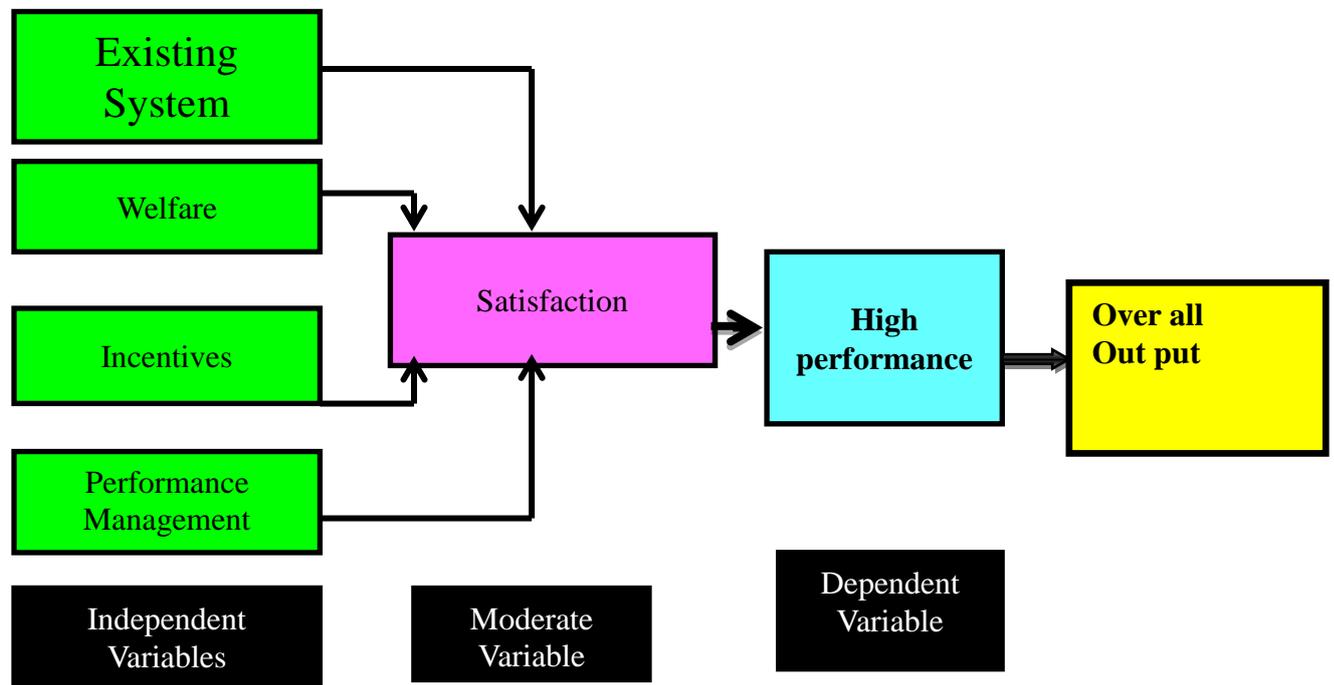
63. The processed data have then been converted into tables and bar chart where necessary were generated for easy presentation. Microsoft Excel programme was used for quantitative analysis.

## Conceptualization and Operationalization

64. All concepts stated here are cognitive in nature. A concept is typically associated with a corresponding representation in a language or symbols such as a single meaning of a term.

## Conceptual Framework

65. The conceptual framework of this study is as follows.



**Figure-2 : Constructed by the Researcher**

## Existing System

66. With the responsibilities of the Navy became broader, the service of the Volunteer Naval Force became quintessential. While working along with comrades of the Regular Naval Force, the Volunteer Naval Force had to fill in the requirement of skilled personnel that rose up with expansion of services. In this effort, the SLNVF has to devote more time on identifying level of skills and talents of sailors. However, it is not easy as said. For that a proper performance management system is highly essential.

## **Welfare**

67. Many welfare activities to uplift the morale of the Naval personnel are in place at present. Library at Welisara Naval Pre-School, extension of welfare facilities at “Salon Mermaid”, building houses for War Heroes, opening of Welfare Shop at SLNS Dakshina, medical clinics for children, Medical Clinic at SLNS Gemunu, Naval Pre School, donation of three wheelers, Eye Operations for Ranaviru Family Members, Religious Ceremonies, Financial Assistance, Trade Fairs, donation of Sports Equipment, Yoghurts projects, donation of Artificial Legs, cookery workshops, donation of scholarships, and financial assistance to war heroes are some of them. The equal distribution of them is the point of argument in this research.

## **Incentives**

68. An incentive is something that motivates an individual to perform an action. Differences in incentive structures demoralize the men, so that it has to be equalized. Ultimately, incentives aim to provide value for money and contribute to organizational success.

## **Performance Evaluation System**

69. Performance is an intangible component. One may think that as to how performance is measured. True, it is difficult to measure. That is the main reason behind emergence of this concept “Performance Management System”. Presently this concept is commonly applied by all leading organizations in the world. Not only have that, many armed forces including maritime forces used this concept to evaluate their subordinates.

## **Satisfaction**

70. Job satisfaction is how content an individual is with his or her job. Scholars and human resource professionals generally make a distinction between affective job satisfaction and cognitive job satisfaction. Affective job satisfaction is the extent of pleasurable emotional feelings individuals have about their jobs overall, and is different to cognitive job satisfaction

which is the extent of individuals' satisfaction with particular facets of their jobs, such as pay, pension arrangements, working hours, and numerous other aspects of their jobs.

### **Overall Output**

71. Overall output is the act or process or an amount produced or manufactured during a certain time. In this research, this output is a qualitative one, so that the energy, power, or work produced by a SLNVF is measured.

The above conceptual model was operational zed as follows.

<b>VARIABLE</b>	<b>INDICATOR</b>	<b>MEASUREMENT CRITERIA</b>
Existing System	Pros and Cons	Available measurement criteria
		Satisfaction
		Fairness
Welfare	Policies	Adequacy
		Satisfaction
		Relevance to overall performance
Incentives	Satisfaction	In what percentage
		Is it in line with cost of living?
		Relevance to overall performance
Performance Management System	Efficiency and Fairness	Does it serve the purpose?
		Will it increase the overall output?
		Tangible or Intangible
		Possibility of introduction
Satisfaction	Working Environment	Time Management
		Easy Access for Information
		Easy Sorting Out Information
Overall Output	Productivity	Technological Advancement
		Pathway to New Era
		Easy Identification of Talent Pool

**Table – 2 : Conceptual Model**

## **Data Presentation and Analysis**

72. For data presentation and analysis, both descriptive and inferential statistics have been used. Descriptive statistics have increasingly described the data that have been collected by means of frequency counts, ranges (high and low scores or values), means, modes, median scores, and standard deviations. For better understanding purposes, variables and distributions that have been described are considered as the essential concepts of descriptive statistics. Inferential statistics were used to draw conclusions and make predictions based on the descriptions of data. In this case, Pearson correlation was employed along with probability, populations, and sampling.

## **Limitations and Delimitations**

73. As stated, this research will be focusing on performance evaluation system and overall output of SLNVF. Therefore performance management system involved in other regular naval elements will not be considered in this research the selected sample might not represent a true picture of the entire population; the researcher will be using a stratified simple random sampling method. All possible measures will be taken to limit biasness and other errors during sampling.

74. The reluctance of the respondents to disclose their names and addresses and hesitation to answer some of the questions were also limitations. Reluctance of certain individuals due to frighten to the naval law will also be a limitation.

## **CHAPTER 04**

### **DATA PRESENTATION AND ANALYSIS**

#### **Data Presentation and Analysis**

75. In this regard the interpretation and analysis of the results obtained from the questionnaire to establish the relationship between sound performance evaluation system and overall output of SLNVF, which is based on the conceptual framework, is presented.

#### **Data Analysis**

76. Since this study is mainly related to performance evaluation system and overall output of SLNVF, the data gathered from those who involved in performance management system have been associated.

#### **Sample Size**

77. As discussed, a population of 50 has been utilized for this study. The selection was made using stratified sampling method to improve the representativeness of the sample by reducing sampling error.

#### **Statistics Indicating the Importance of Various Factors**

78. As explained earlier, Likert scale was employed and the questionnaire was administered in order to measure the level of satisfaction. Therefore, the highest score represents the extreme satisfactory condition of the Likert scale that is “Strongly Agreed” All the data gathered through questionnaires have been processed through MS Excel. All variables were individually used to determine the level of satisfaction of the target variables under the main topic “Implementation of Performance Evaluation System for Sri Lanka Volunteer Naval Force (SLVNF) and its Overall Effectiveness.

<b>Likert Range Table</b>	
<b>LEVEL OF SATISFACTION</b>	<b>MAX MARKS</b>
Strongly Agreed	5
Agreed	4
Neither Agree nor Disagree	3
Disagreed	2
Strongly Disagreed	1

**Table – 3 : Likert Range Table**

**Existing System Sample size 50**

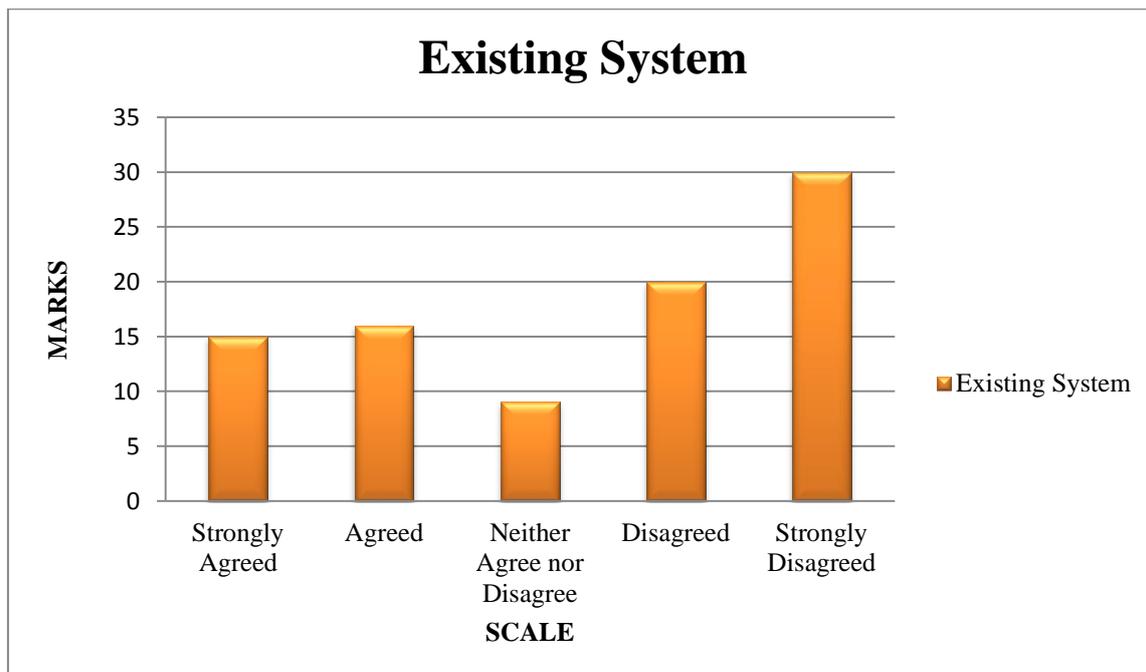
<b>Scale</b>	<b>Total responses</b>	<b>Marks</b>	<b>Total marks</b>
Strongly Agreed	3	5	15
Agreed	4	4	16
Neither Agree nor Disagree	3	3	9
Disagreed	10	2	20
Strongly Disagreed	30	1	30
Total	50		

**Table – 4 : “Existing System” Sample**

79. Under the variable “Existing System”, altogether four questions have been distributed among 50 personnel who aware of performance management system or deals with such system. The following chart clearly shows the distribution of answers as per the Likert Scale level of satisfaction.

Strongly Agreed	15
Agreed	16
Neither Agree nor Disagree	9
Disagreed	20
Strongly Disagreed	30

**Table – 5 : Total Marks- “Existing System”**



**Chart 1 : Variable “Existing System”**

80. By looking at table above, one could easily figure out that (30 Total Marks) are strongly disagreed about existing system and (20 Total Marks) are disagreed to declare that existing performance evaluation system in SLNVF is not effective.

**Welfare Facilities Sample size 50**

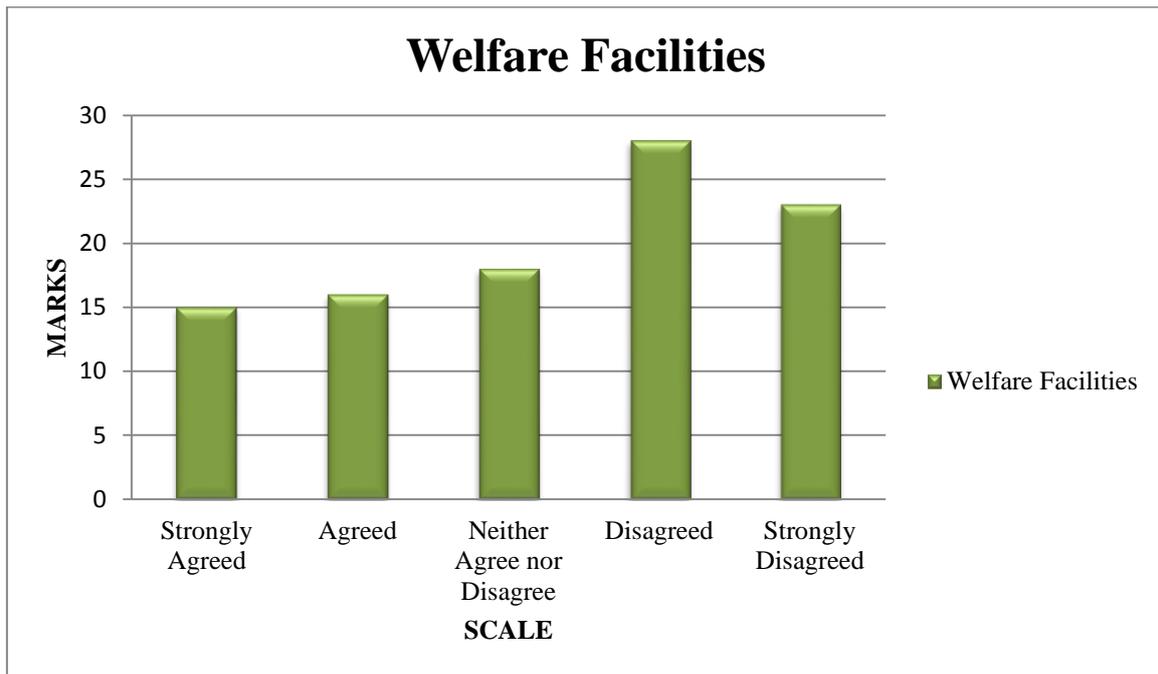
Scale	Total responses	Marks	Total marks
Strongly Agreed	3	5	15
Agreed	4	4	16
Neither Agree nor Disagree	6	3	18
Disagreed	14	2	28
Strongly Disagreed	23	1	23
Total	50		

**Table – 6 : “Welfare Facilities” Sample Size**

81. Under the variable “Welfare”, altogether four questions have been administered among 50 personnel who aware of performance management system or deals with such system. The following chart clearly shows the distribution of answers as per the Likert Scale level of satisfaction.

Strongly Agreed	15
Agreed	16
Neither Agree nor Disagree	18
Disagreed	28
Strongly Disagreed	23

**Table – 7: Total Marks- “Welfare Facilities”**



**Chart – 2 : Variable “Welfare Facilities”**

82. By looking at the table above, it is clear that (23Total Marks) have been fallen either in strongly disagreed level or (28Total Marks) disagreed level to declare that welfare facilities are not equally distributed among naval personnel?

**Incentives Sample size 50**

Scale	Total responses	Marks	Total marks
Strongly Agreed	3	5	15
Agreed	3	4	12
Neither Agree nor Disagree	5	3	15
Disagreed	12	2	24
Strongly Disagreed	27	1	27
Total	50		

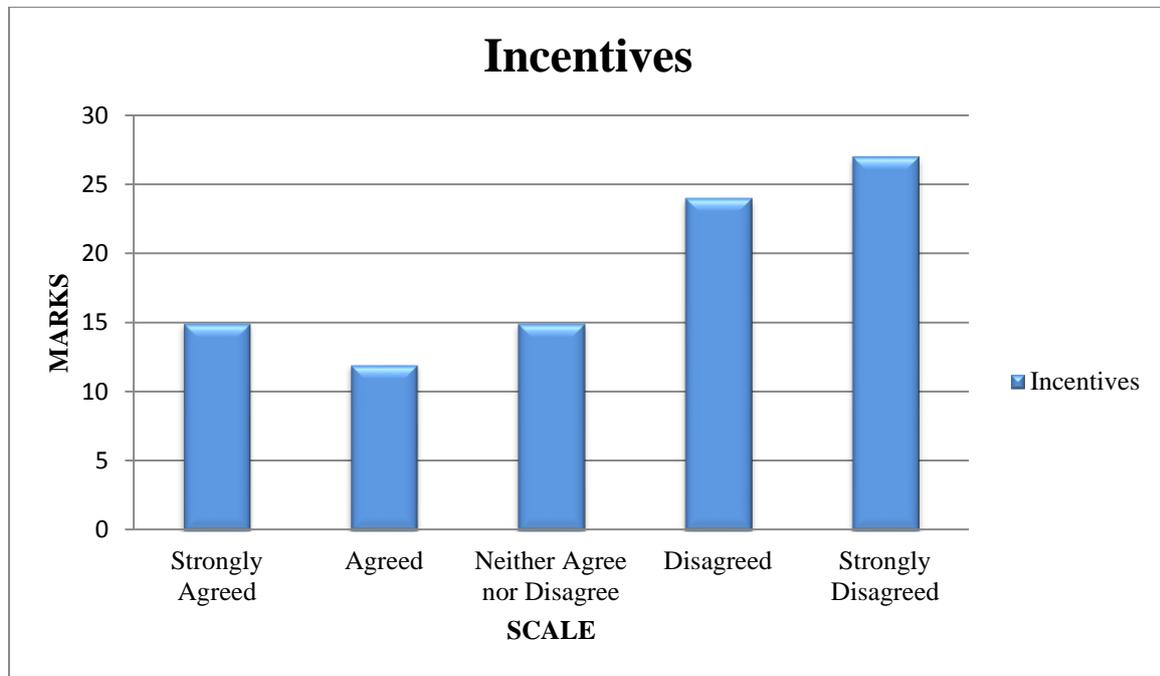
**Table – 8: “Incentives Sample” Size**

83. Under the variable “Incentives”, altogether four questions have been administered

among 50 personnel who aware of performance management system or deals with such system. The following chart clearly shows the distribution of answers as per the Likert Scale level of satisfaction.

Strongly Agreed	15
Agreed	12
Neither Agree nor Disagree	15
Disagreed	24
Strongly Disagreed	27

**Table – 9 : Total Marks “Incentives”**



**Chart -3 : Variable “Incentives”**

84. The variable “Incentives” was placed before the sample population by administering three questions. By looking at the frequency table above, it is clear that ( 27Total Marks) have been fallen either in strongly disagreed level or (24 Total Marks) are disagreed level to declare that incentives are insufficient to meet cost of living and therefore it is not a motivation for them to work productively.

**Performance Management Sample Size 50**

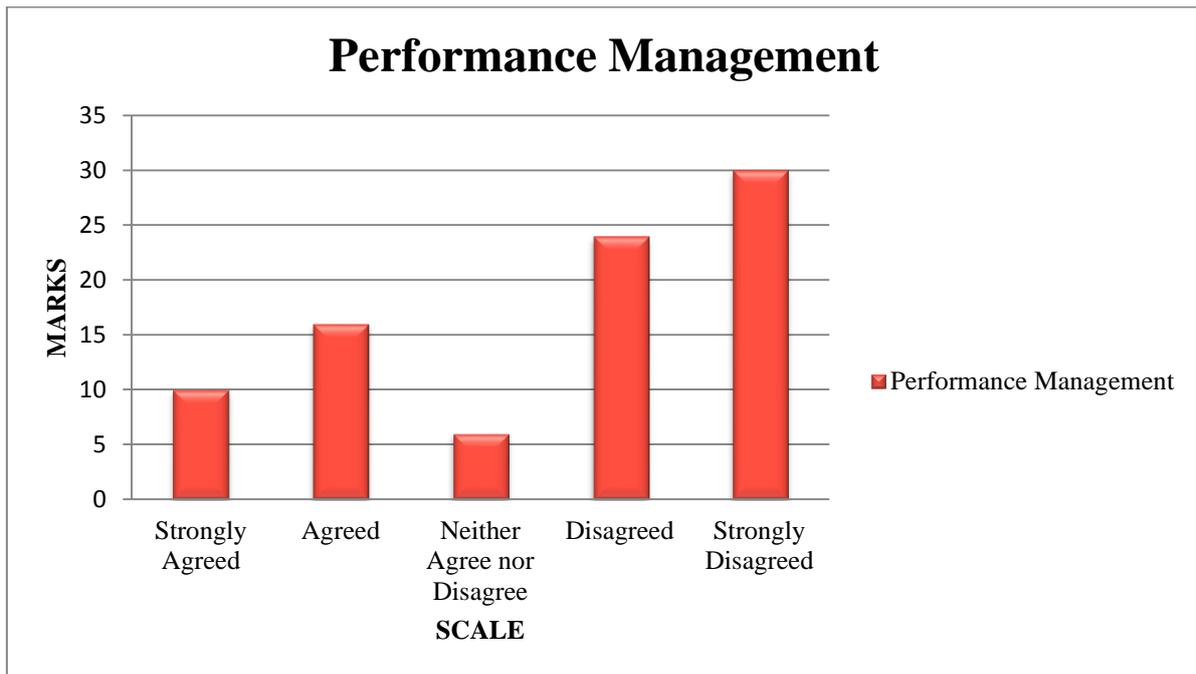
85. Under the variable “Performance Management System”, altogether four questions have been administered among 50 personnel who involve with PMS. Later, all questions pooled together to transform a new variable to understand the average level of satisfaction. The following chart clearly shows the distribution of answers as per the Likert Scale level of satisfaction.

Scale	Total responses	Marks	Total marks
Strongly Agreed	2	5	10
Agreed	4	4	16
Neither Agree nor Disagree	2	3	6
Disagreed	12	2	24
Strongly Disagreed	30	1	30
Total	50		

**Table-10 : “Performance Management” Sample Size**

Strongly Agreed	10
Agreed	16
Neither Agree nor Disagree	6
Disagreed	24
Strongly Disagreed	30

**Table -11: Total Mark “Performance Management”**



**Chart -4 : Variable “Performance Management”**

86. The variable “performance management” was placed before the sample population by administering means of three questions. By looking at the frequency table above, it is clear that (30 Total Marks) have been fallen either in strongly disagreed level or (24 Total Marks) disagreed level to declare that the existing performance evaluation system in SLNVF needs to improve? In addition, existing PMS does not contribute to increase the overall output of SLNVF. Personnel were not satisfied with the evaluation criteria, so that their best is not devoted to the organization. Therefore, they said that an immediate improvement is necessary.

**Satisfaction Sample Size 50**

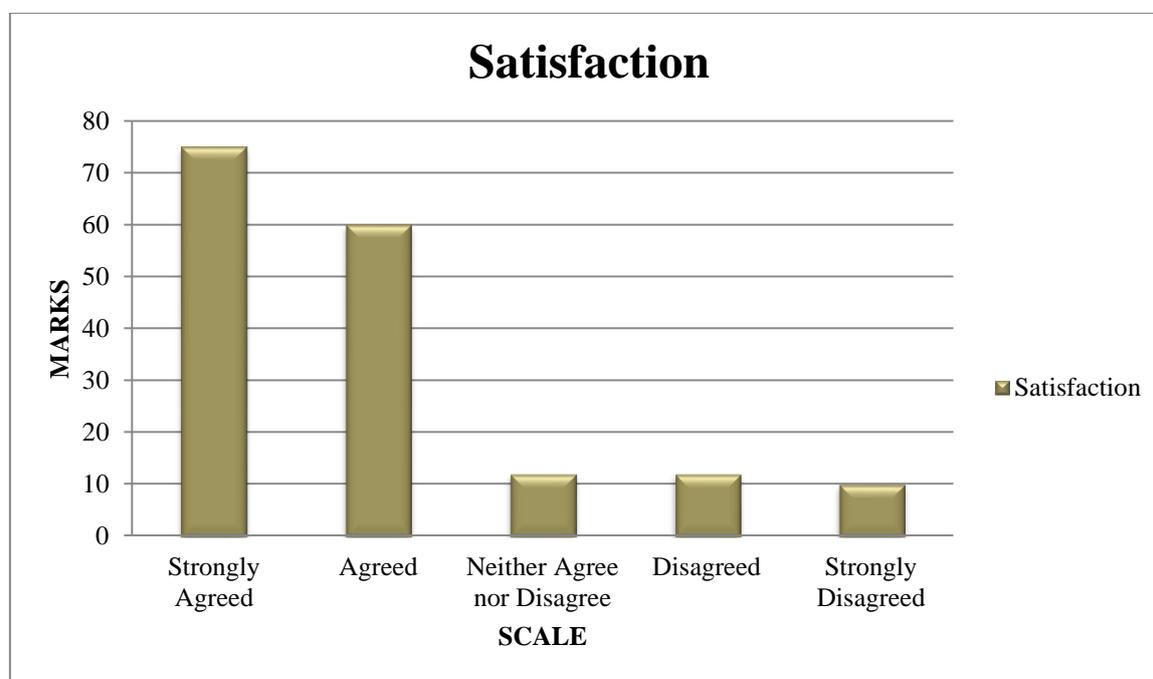
87. Under the variable “Satisfaction”, altogether four questions have been administered among 50 personnel to know whether they are satisfied with the existing performance evaluation system. Later, all questions pooled together to transform a new variable to understand the average level of satisfaction.

Scale	Total responses	Marks	Total marks
Strongly Agreed	15	5	75
Agreed	15	4	60
Neither Agree nor Disagree	4	3	12
Disagreed	6	2	12
Strongly Disagreed	10	1	10
Total	50		

**Table- 12 :“Satisfaction” Sample Size**

Strongly Agreed	75
Agreed	60
Neither Agree nor Disagree	12
Disagreed	12
Strongly Disagreed	10

**Table – 13: Total Marks “Satisfaction”**



**Chart- 5: Variable “Satisfaction”**

88. As per responses, it is clear that men do not find it easy to manage their time in working environment; required information cannot easily be accessed without wasting time information sorting takes much time and therefore they believe that it needs improvement. By looking at the table above, it is clear that almost all the answers are fallen within the strongly agreed (75 Total Marks ) or agreed (60 Total Marks) level to say that men are not satisfied with the existing system and performance evaluation criteria.

**Overall Output Sample Size 50**

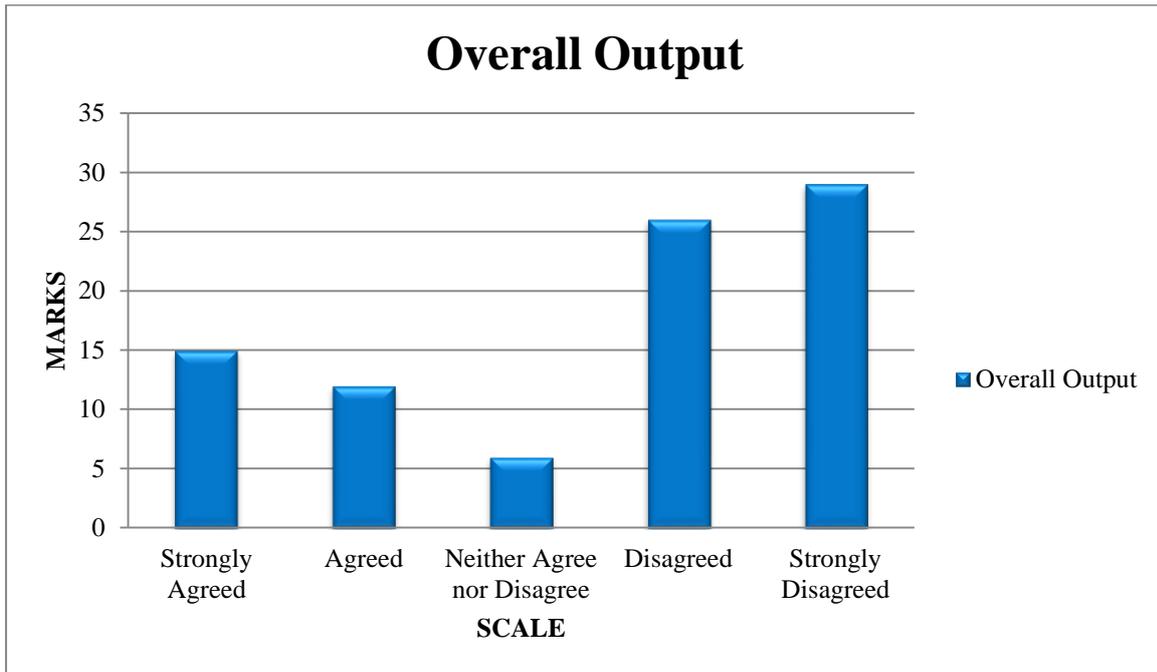
Scale	Total responses	Marks	Total marks
Strongly Agreed	3	5	15
Agreed	3	4	12
Neither Agree nor Disagree	2	3	6
Disagreed	13	2	26
Strongly Disagreed	29	1	29
Total	50		

**Table- 14: “Overall Output” Sample**

89. Under the variable “Overall Output”, altogether four questions have been administered among 50 personnel. Later, all questions pooled together to transform a new variable to understand the average level of satisfaction

Strongly Agreed	15
Agreed	12
Neither Agree nor Disagree	6
Disagreed	26
Strongly Disagreed	29

**Table -15 :Total marks “Overall Output”**



**Chart- 6 :Variable “Overall Output”**

90. It was evident that SLNVF does not march in par with the technological advancement due to unsound PMS, SLNVF could not be able to drive towards new and comfortable era with present PMS, talented people for right job could not be easily identified with the assistance of present PMS in SLNVF and talents could not be easily pooled together without sufficient information in the present PMS.

91. By looking at the frequency table above, it is evident that all answers have fallen within the range of strongly disagreed (29 total marks) or disagree (26 total marks) level to conclude that overall output of SLNVF is poor due to incomplete performance evaluation system.

**Summary of Findings**

92. As per the results obtained for the existing system is not effective for SLNVF. This result proves that the existing performance appraisal system is fundamentally accepted by the minor of SLNVF as efficient as any performance appraisal system should align with organizational goals and objectives.

93. As per the results of the welfare facilities majority believes that the welfare facilities are not distributed proper way in accordance with present performance evaluation.

94. A few respondents agreed that the incentives are not sufficient for improving to build of performance.

95. Finally this research indicate that welfare facilities, existing system, incentives are very important factor for improving satisfaction and then improve the overall output by regarding performance evaluation.

96. And also there is a positive relationship between performance evaluations system and overall output in SLVNF.

## CHAPTER 05

### DISCUSSION AND CONCLUSION

97. This chapter describe the summary adopt in this study. This chapter includes the conclusion, recommendation and implication for the study. The previous chapter chapter four provided an analysis of the data collected in this study. In this chapter, conclusion will be drawn from empirical data and results of testing the hypothesis in order to answer the research question stated in chapter one. In the final part of the chapter the other will give the recommendation based on the performance evaluation system for the SLVNF. Chapter four presented and analyzed the data obtained from the questionnaire according to the variables and problems which will be the basis of arriving at conclusion on this chapter.

#### Conclusion

98. This research has attempted to improve the understanding of the variables that affect the design and implementation sound Performance Management System for SLNVF.

99. The evidence from the analysis shows that some variables like welfare and incentives, only affect one or two Measurement Areas, whereas other variables have an impact on the whole Performance Management System. The analysis also points out that these variables affect each other to build up relationships.

100. Many SLNVF personnel are in a belief that the existing PMS should be improved in order to get the benefits and to create a pleasant working environment.

101. As per the answers and the primary data obtained through interviews and discussions it is evident that present system should be improved. Since, the area of study is little sensitive, difficulties have been encountered in obtaining primary data. Nevertheless, existing welfare facilities, evaluation criteria and level of satisfaction have been discussed in detail.

102. Therefore the results show that the existing performance appraisal system is aligned with goals and objectives of Sri Lanka Navy. Hence it is efficient and disproves the

hypothesis which is “The existing performance appraisal system for the SLNVF of Sri Lanka is inefficient and need to be revised”. But the identified drawbacks which are given in next chapter need to be rectified to improve efficiency of the existing performance appraisal system for the SLNVF of Sri Lanka.

103. Finally, it can be said that the time has arrived to dedicate some time on present PMS and to identify drawbacks in order to improve the same to confer many benefits.

### **Recommendation**

104. PE is an ongoing HRM function that identifies measures and develops SLNVF performance in the navy force. All are required to generate a total commitment to desired standards.

105. PE has a wide range of utility and it fills needs of the SLNVF as well as needs of the Navy shoulders. SLNVF need to contend sailors who give their maximum contribution to organizational success and sailors need prosperous and secure SLNVF and therefore in satisfying the needs.

106. It is possible for a superior to obtain information through PE, which is useful for guiding and advising subordinates. The superior have to give specific and relevant feedback to the subordinates in order to develop.

107. Periodical reviews on officers’ performance: The existing performance appraisal system has no reviewing system of performance of SLNVF. Performances of some shoulders are in decline but no actions are taken due to absence of review system. It is recommended that to introduce a performance appraisal review system to educate individual SLNVF performance through a period of 2 -3 years.

108. It is observed that both evaluators and evaluates have not undergone any formal training on performance appraisal system except in Naval and Maritime Academy during their training period. Lack of knowledge on the purpose of appraisal and possible errors can

be eliminated by a formal training on appraisal system. This can be done by training a team of SLVNF and also by awareness workshops in area level by those trainers.

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