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Abstract

Employees are the ultimate assets and become a prerequisite factor to ensure organisation success. Performance needs to be measured to determine what has been accomplished. Key performance indicator (KPI) is one of the management tools to measure performance. KPI’s can become a direction, benchmark, critical success factors, target and timeframe for measurement the quantity and quality of the work. The performance appraisal in the Malaysian Public Service (MPS) is a process and emphasis on increasing and reinforcing productivity, discipline, creativity, professional competence, service contribution, personnel traits, values, and ethics of the employees. Several researches were conducted to assess the practice of KPI in measuring employees in the MPS. The research findings show that workers were satisfied with the overall implementation of the performance appraisal system and the measurement used to evaluate their work performance. However, the extent of KPIs ability to accurately measure the employees’ performance in relation with the employees’ core business is still debatable. The study will contributes to the body of knowledge on performance management by offering research findings from the MPS context on how KPIs are being used. The study also discusses the implications of the research and proposes future directions for other researchers.