

## **ABSTRACT**

*The purpose of this project has been to build a standardised competency-based appraisal system for an organisation with multiple strategic business units. The concept of full competency-based human resources system is discussed. The approach taken to build the new appraisal system is done by gathering the information regarding the current system, determining new levels of employees, and building a new appraisal system based on the competency-based appraisal concept. To build the new appraisal system, a new set of competencies is determined by a focus group discussion. They are then further described by certain set of key action points for each employee level. In addition to the competency-based appraisal, the proposed system also uses a performance evaluation component to measure the actual performance by comparing the current achievements with a set of predetermined quantitative target. The appraisal result is then obtained by combining the result from the competency-based appraisal and the one from the actual performance evaluation. A method of linking the appraisal result to the remuneration system is also discussed.*

**Keywords: Competency, Appraisal, Remuneration**

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