

**The Islamic University of Gaza
Graduates Studies Deanery
Business Administration Dept.
College of Commerce**



**UNRWA's Area Staff Satisfaction on Performance Appraisal
System and its Incentives in the Gaza Field Office**

**Submitted By
Jamal Mustafa Abu-Musa**

**Supervised By
Associate Professor
Majed El-Farra**

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Ⓟ Dedication

- To my parents**
- To my brothers and Sisters**
- To my wife**
- To my son Ahmed**
- To my daughter Marwa**

Ⓟ Acknowledgement

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Table of Contents:

<i>Chapter One: An Introduction</i>	<i>1</i>
<i>Ⓟ Preface</i>	<i>2</i>
<i>Ⓟ Problem Statement</i>	<i>3</i>
<i>Ⓟ Objectives of the Research</i>	<i>3</i>
<i>Ⓟ Hypothesis</i>	<i>3</i>
<i>Ⓟ Research Importance</i>	<i>4</i>
<i>1. Academic importance:</i>	<i>4</i>
<i>2. Practical importance:</i>	<i>4</i>
<i>Ⓟ Research Variables:</i>	<i>5</i>
<i>Ⓟ Limitations</i>	<i>6</i>
<i>Ⓟ Research Structure</i>	<i>6</i>
<i>Chapter Two: Performance Appraisal</i>	<i>7</i>
<i>Preface</i>	<i>8</i>
<i>1. Performance appraisal and performance management.</i>	<i>9</i>
<i>1.1. Performance appraisal</i>	<i>9</i>
<i>1.2. Performance management</i>	<i>10</i>
<i>2. Methods of appraising Performance</i>	<i>10</i>
<i>2.1. The 360-Degree Feedback Evaluation</i>	<i>11</i>
<i>2.2. Critical incidents</i>	<i>12</i>
<i>2.3. Essay</i>	<i>12</i>
<i>2.4. Checklist Appraisal</i>	<i>12</i>
<i>2.5. Work standards</i>	<i>13</i>
<i>2.6. Forced distribution</i>	<i>13</i>
<i>2.7. Ranking</i>	<i>13</i>
<i>2.8. Behaviorally anchored rating scale (BARS)</i>	<i>14</i>
<i>2.9. Behavioral Observation Scale (BOS)</i>	<i>14</i>
<i>2.10. Results-based system</i>	<i>15</i>
<i>2.11. Management by objectives</i>	<i>15</i>
<i>2.12. A combination of methods</i>	<i>15</i>

3. Problems in performance appraisal: -----	16
3.1. Unclear standards -----	16
3.2. Lack of objectivity -----	16
3.3. Bias -----	17
3.4. Leniency / Strictness-----	17
3.5. Central Tendency -----	17
3.6. Recent Behavior Bias-----	17
3.7. Personal Bias-----	18
4. The Major uses of Performance appraisal -----	18
4.1. Administrative uses-----	19
4.1.1. Recruitment and selection -----	19
4.1.2. Compensation program -----	20
4.1.3. Assessment of employee potential -----	20
4.1.4. Internal employee relations-----	20
4.2. Development Uses-----	21
4.2.1. Human resource planning -----	21
4.2.2. Training and development -----	21
4.2.3. Career planning and development-----	22
5. Characteristics of effective performance appraisal system -----	22
5.1. Job-related criteria -----	23
5.2. Performance expectations-----	23
5.3. Standardization -----	23
5.5. Continuous open communication -----	24
5.6. Performance reviews -----	24
5.7. Due process-----	25
5.8. Consistency with the strategic mission of the organization -----	25
5.9. Collect relevant information -----	25
5.10. Provide specific examples -----	25
Chapter Three: Motivation and Incentives -----	26
2. Motivation theories -----	30
2.1. Maslow's hierarchy of needs-----	30
2.2. Herzberg's motivation/hygiene theory -----	31
2.3. Process Theories of Motivation-----	32
3. Incentives -----	33
4. Types of Incentives/Benefits -----	35
1. Financial benefits-----	35

1.1.	Legally required benefits -----	35
1.1.1.	Social security -----	35
1.1.2.	Unemployment compensation -----	35
1.1.3.	Worker's compensation -----	35
1.1.4.	Family and medical leave act -----	36
1.2.	Discretionary / voluntary benefits -----	36
1.2.1.	Payment for time not worked -----	36
1.2.2.	Health care -----	37
1.2.3.	Life insurance: -----	38
1.2.4.	Retirement plans: -----	38
1.2.5.	Employee stock option plans: -----	39
1.2.6.	Supplemental unemployment benefit -----	39
1.2.7.	Employee Services -----	39
1.2.8.	Premium Pay -----	40
2.	Nonfinancial Compensation -----	40
2.1.	The Job as a Total Compensation Factor -----	41
2.1.1.	Skill Variety. -----	41
2.1.2.	Task Identity -----	41
2.1.3.	Task Significance -----	41
2.1.4.	Autonomy -----	41
2.1.5.	Feedback -----	42
2.2.	The Job Environment as a Total Compensation Factor -----	42
2.2.1.	Sound Policies -----	42
2.2.2.	Competent Employees -----	42
2.2.3.	Congenial Co-Workers -----	42
2.2.4.	Appropriate Status Symbols -----	42
2.2.5.	Working Conditions -----	43
2.2.6.	Flextime -----	43
2.2.7.	Compressed Workweek -----	43
2.2.8.	Job Sharing -----	43
2.2.9.	Flexible Compensation (Cafeteria Compensation) -----	43
2.2.10.	Telecommuting -----	43
2.2.11.	Part-Time Work -----	44
2.2.12.	Modified Retirement -----	44
3.	Other Compensation Issues -----	44
3.1.	Severance Pay -----	44
3.2.	Comparable Worth -----	44
3.3.	Pay Secrecy -----	44
3.4.	Pay Compression -----	45
<i>Chapter Four: UNRWA and Performance Appraisal -----</i>		46
1.	<i>UNRWA overview -----</i>	48
1.1.	Establishment -----	48
1.2.	Funding -----	48
1.3.	Beneficiaries -----	49
2.	<i>UNRWA programs -----</i>	51
2.1.	Education -----	51
2.2.	Health -----	52

2.3.	Relief and Social Services -----	53
2.4.	Microfinance and Microenterprise Program -----	53
3.	<i>Performance appraisal at UNRWA -----</i>	54
3.1.	Timing of appraisal:-----	54
3.2.	Initiation of Periodic Reports -----	55
3.3.	The purpose of performance appraisal -----	55
3.4.	Uses of performance appraisal -----	55
3.5.	The performance appraisal report -----	56
4.	<i>Performance appraisal incentives at UNRWA -----</i>	60
5.	<i>OD and performance appraisal at UNRWA -----</i>	61
5.1.	The OD process-----	61
5.2.	Aims of the OD process -----	61
5.3.	Four levers of change-----	62
5.4.	The HRM strategies -----	63
5.5.	Initiative Performance management -----	63
5.5.1.	Employee participation -----	64
5.5.2.	Self assessment -----	64
5.5.3.	Personal development plan-----	64
5.5.4.	Competency framework -----	64
5.5.5.	Mid-term review -----	64
5.6.	Aims -----	65
5.7.	Outputs -----	65
	<i>Chapter Five: Previous Studies -----</i>	67
	<i>Preface-----</i>	68
1.	<i>Palestinian Studies -----</i>	69
2.	<i>Arabic studies: -----</i>	70
3.	<i>International Studies -----</i>	73
⌐	Conclusion -----	77
	<i>Chapter Six: Research Methodology -----</i>	78
	<i>Preface:-----</i>	79
1.	<i>Study methods and data collection-----</i>	80
1.1.	Secondary data -----	80
1.2.	Primary data-----	80
2.	<i>Study population -----</i>	81
3.	<i>Validity and reliability of the questionnaire -----</i>	82
3.1.	Validity of referees-----	82
3.2.	Validity of the questionnaire-----	82
3.2.1.	Dimensions' structure validity -----	82
3.2.2.	Criterion related validity -----	83

3.3.	Reliability of questionnaire -----	88
3.3.1.	Reliability by Alpha-Cronbach -----	88
3.3.2.	Reliability by Split-half method -----	89
4.	<i>Sample Selection</i> -----	89
5.	<i>Analysis of the sample</i> -----	90
5.1.	Age-----	90
5.2.	Gender -----	91
5.3.	Marital status -----	91
5.4.	Qualification -----	91
5.5.	Experience-----	92
6.	<i>Statistical methods</i> -----	92
<i>Chapter Seven: Empirical Framework Hypothesis Testing & Discussion</i> -		94
<i>Preface</i> -----		95
1.	<i>Type of data</i> -----	96
2.	<i>Analyzing and discussing the dimension of the questionnaire</i> -----	96
2.1.	Analyzing the first dimension-----	96
2.2.	Analyzing the second dimension -----	100
2.3.	Analyzing the third dimension -----	103
2.4.	Analyzing the fourth dimension-----	106
2.5.	Analyzing the fifth dimension -----	109
3.	<i>Testing the study hypotheses</i> -----	111
<i>Chapter Eight Conclusion and Recommendations</i> -----		120
<i>Preface:</i> -----		121
1.	<i>Conclusion</i> -----	122
2.	<i>Recommendations</i> -----	125
3.	<i>Suggested Further Studies</i> -----	127
p	<i>References</i> -----	128

List of Tables

Table 1: The significance of answers _____	81
Table 2: distribution of UNRWA's employees according grades _____	81
Table 3: Correlation coefficient "r" between the questionnaire dimension and the total of it _____	83
Table 4: Correlation coefficients between every measure in the fairness of performance report dimension and the whole dimension _____	84
Table 5: Correlation coefficients between every measure in the incentives of performance appraisal dimension and the whole dimension _____	85
Table 6: Correlation coefficients between every measure in the appraisal process dimension and the whole dimension _____	86
Table 7: Correlation coefficients between every measure in the dimension of utilization of performance appraisal outputs and the whole dimension _____	87
Table 8: Correlation coefficients between every measure in the dimension of employees' satisfaction and the whole dimension _____	88
Table 9: Alpha-Cronbach coefficient for the four dimensions of the questionnaire _____	89
Table 10: Reliability coefficient by using the split-half method for the dimensions of the questionnaire _____	89
Table 11: Sample selection by using stratified random sampling _____	90
Table 12: distribution of sample according to age _____	90
Table 13: Distribution of sample according to gender _____	91
Table 14: Distribution of sample according to marital status _____	91
Table 15: Distribution of sample according to qualification _____	92
Table 16: Distribution of sample according to experience _____	92
Table 17: One sample T-Test for Fairness of performance appraisal report dimension _____	97
Table 18: One sample T-Test for incentives of performance appraisal report dimension _____	101
Table 19: One sample T-Test for mistakes of performance appraisal process dimension _____	104
Table 20: One sample T-Test for Utilizing performance appraisal outputs dimension _____	107
Table 21: One sample T-Test for employees' satisfaction dimension _____	109
Table 22: Factors affecting employees' satisfaction on performance appraisal _____	111
Table 23: Correlation between satisfaction and performance appraisal _____	112
Table 24: multiple comparison between employees' satisfaction and some characteristics _____	116
Table 25: multiple comparison between age categories by using post hoc Tukey test _____	117
Table 26: multiple comparison between qualification categories by using post hoc Tukey test _____	118
Table 27: multiple comparison between experience categories by using post hoc Tukey test _____	119

List of Figures

Figure 1: A diagram showing the relationship between the dependent variable and the independent ones.....	5
Figure 2: Methods of appraising performance.....	11
Figure 3: Major uses of PA.....	19
Figure 4: Maslow's Hierarchy of Needs.....	31
Figure 5: Porter and Lawler motivation model.....	33
Figure 6: Strategy, Policy, Accountability, Results and Envelopes paradigm	62

List of Appendices

Questionnaire in English.....	133
Questionnaire in Arabic.....	139
Questionnaire's referees.....	146
Performance appraisal report for Employees from Grade 4 to Grade 15.....	147
Performance Appraisal report for employees from grade 16 to grade 20.....	154

بسم الله الرحمن الرحيم

الملخص

هدفت الدراسة إلى التعرف على مدى رضا موظفي وكالة الغوث في مكتب غزة الإقليمي عن تقييم الأداء، تشخيص الأخطاء التي تتم من قبل المدراء عند تقييم الموظفين، التعرف على ما إذا كان نموذج تقييم الأداء الحالي يقيم الموظفين ويحفزهم لزيادة الانتاجية، التعرف على مدى استخدام الوكالة لنتائج تقرير الأداء لغرض التنمية والتطوير والتخطيط.

تتبع الدراسة المنهج الوصفي التحليلي، ويبلغ عدد الموظفين في مكتب غزة الإقليمي 9507 موظف يعمل منهم 966 في درجات وظيفية دنيا (1 و2 و3) ولا يخضعون لتقييم الأداء وبالتالي تم استثنائهم ليصل عدد مجتمع الدراسة إلى 8541. ولقد بلغ حجم العينة 410 اشخاص. لضمان أن بعض الدرجات الوظيفية ممثلة تمثيلاً جيداً في العينة قام الباحث باستخدام العينة الطبقيّة العشوائية حسب الدرجة الوظيفية.

ومن أهم النتائج التي توصل اليها الباحث:

أولاً: نظام تقييم الأداء لا يستند إلى الوصف الوظيفي، كما أن الوصف الوظيفي لا يشتمل على معايير واضحة لتقييم الأداء، بالإضافة إلى ذلك فإن نموذج تقييم الأداء الحالي المعمول به في الوكالة يحتوي على معايير وصفية ولا يحتوي على معايير كمية بالإضافة إلى عبارات غير واضحة وغير قابلة للقياس بالإضافة إلى أن جزء كبير من المهام الملقاة على عاتق الموظفين غير مشمولة في نموذج تقييم الأداء وأن النموذج الحالي لا يقيم قدرات الموظفين الفعلية.

ثانياً: لا تقوم الوكالة بتخصيص حوافز للموظفين الذين يصنف تقييمهم على أنه ممتاز، كما أن الموظفين لا يحصلون على الثناء من قبل المدراء عندما يستحقون ذلك، لا يتم ترقية الموظفين إلى مناصب عليا استناداً إلى نتائج التقييم، كما أن اللوائح الداخلية لا تحدد بشكل واضح نوع ومبلغ الحوافز المالية الواجب تعيينها لأصحاب التقديرات العالية.

ثالثاً: من خلال تحليل البيانات تبين أن هناك العديد من الأخطاء التي تتم أثناء عملية التقييم من قبل المقيم ومن هذه الأخطاء الاستعانة بنموذج تقييم الأداء السابق لتقييم الأداء، اللجوء إلى الوسطية في تقييم الموظفين، التأثير بالصفة الغالبة لدى الموظفين مثل الحضور مبكراً والتدين والانتماء السياسي، التأثير سلباً أو إيجاباً بآخر عمل يقوم به الموظف، ومن الأمور الأخرى التي اتضحت من خلال الدراسة أن المقيم لا يتلقى تدريب على التقييم وأنه لا يلاحظ أداء الموظف خلال العام ويقيمه بناء على ذلك.

استناداً إلى النتائج السابقة اوصى الباحث بضرورة تغيير نموذج الأداء الحالي وتأسيس وظيفه لمدير تقييم الأداء وتدريب المقيم على اساليب التقييم بالإضافة إلى زيادة الحوافز المخصصة لأصحاب التقديرات العالية.

Abstract

This study aims at identifying the level of satisfaction among UNRWA's employees in regard to performance appraisal and its incentives, to diagnose the errors committed by appraisers while appraising employees under their supervision, to identify whether the current performance appraisal system motivates employees and increases productivity, and to identify whether the output of the current appraisal system is used for organizational development and career planning.

The study follows the procedure of a descriptive approach. The total number of employees working in the Gaza Field Office is 9507. Employees in grades 1, 2 and 3 were excluded as they are not subject to performance appraisal. Thus, this makes the study population 8541. 410 employees were surveyed. In order to ensure that particular grades within the study population are adequately represented in the sample, the researcher utilized stratified random method according to grade. The study revealed several findings the most important of which are the following:-

Firstly, the system is not based on job analysis, and the job description does not include clear standards upon which employees' performance can be measured. Furthermore, the report currently in use by UNRWA contains qualitative rather than quantitative standards, and does not contain clear or measurable statements. In addition, part of the daily tasks assigned to employees is not included in the report, and the report does not evaluate the employees' competencies.

Secondly, analysis of data revealed that the Agency does not designate specific incentive package for employees whose performances are rated as outstanding. Moreover, employees do not receive verbal incentives when they deserve. In addition, employees are not promoted for higher post based on the results of their performance. The personnel directive does not clearly state the kind and amount of incentives to be disbursed on excellent performers.

Thirdly, analysis of data revealed that there are some mistakes committed by raters when they evaluate the performance of employees under their supervision. Some of the mistakes are: using previous year performance appraisal report to evaluate the performance of employees, using central tendency, affection by general characteristics of employees and political affiliation, positive and negative affection of raters by recent actions of appraisees, affection by the relationship with appraisees. Other issues also include lack of training and observation of ratees' performance.

The researcher recommends changing the performance appraisal report, establishing a post for performance appraisal officer, increasing incentives for outstanding performers and training appraisers on performance appraisal.

Chapter One: An Introduction

p Preface

Performance appraisal (PA) is among the most important Human Resource (HR) practices (Boswell and Boudreau, 2002) and one of the most heavily researched topics in work psychology (Fletcher, 2002). PA has increasingly become part of effective strategic approach to integrate HR activities with business policies and may now be seen as a generic term covering a variety of activities through which organizations seek to assess employees and develop their competencies, enhance performance and distribute rewards (Fletcher, 2001)

Most modern organizations apply specific forms of performance appraisal aiming at providing employees with feedback about their performance in the appraisal period on one hand, and to facilitate the task of the organization's top management in making decisions relating to promotion or demotion on the other hand. Performance appraisal is the process of evaluating appraisee's performance during a specific period. Performance appraisal is essential and useful for both the employees and the organizations. On the employees' level, it helps developing the skills and improving the capacities of employees. On the organizational level, it helps improving organizational planning and achieving the main goals of the organization efficiently and effectively.

Following the 1948 Arab-Israeli conflict, UNRWA, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, was established by United Nations General Assembly resolution 302 (IV) of 8 December 1949 to carry out direct relief and works programmes for Palestine refugees. The Agency began operations on 1 May 1950. In the absence of any solution to the Palestine refugee question, the General Assembly has repeatedly renewed UNRWA's mandate, most recently extending it until 30 June 2011 (UNRWA website, 2008).

UNRWA is unique in terms of its long-standing commitment to one group of refugees and its contributions to the welfare and human development of four generations of Palestine refugees. Originally envisaged as a temporary organization, the Agency has gradually adjusted its programmes to meet the changing needs of the refugees. Today, UNRWA is the main provider of basic services - education, health, relief and social services - to over 4.4 million registered Palestine refugees in the Middle East (UNRWA website, 2008).

Recently, UNRWA has developed a comprehensive Organizational Development (OD) to overcome the current shortcomings and pitfalls on the various levels including the HR building capacity, compensation scheme and most importantly the appraisal system. One of the main aims the OD is looking for is to develop new appraising system to better evaluate the staff. This in turn will provide employees with a refined package of incentives and will ultimately enhance the way UNRWA serves Palestine refugees.

⌋ Problem Statement

The research will investigate the level of UNRWA's employees' satisfaction on performance appraisal system. In addition, the incentives applied at the Gaza Field Office will be also examined.

Of vital importance the satisfaction of UNRWA's employees on performance appraisal system is. If the employees are satisfied on the performance appraisal, they will exert every possible effort to carry out the responsibilities and duties assigned to them efficiently and thus will make the organization to which they belong more efficient.

Performance appraisal at UNRWA is perceived as a paper exercise and as a complementary part to the evaluation process. Although there is an increasing perception to the importance of performance appraisal at the Agency, still a lack of modern techniques and conscious envision to the outcomes of this appraisal exist.

The current performance appraisal system at UNRWA is worth studying as this will pave the way to highlight the shortcomings of the system and propose better techniques and procedures to evaluate the performance of the staff efficiently and effectively.

⌋ Objectives of the Research

The research aims at achieving the following objectives:

1. To measure the level to which employees and supervisors are satisfied about the current appraisal system.
2. To diagnose the errors committed by appraisers while appraising employees under their supervision.
3. To identify whether the current performance appraisal system motivates employees and increases productivity.
4. To identify whether the output of the current appraisal system is used for organizational development and career planning.
5. To identify the set of benefits and incentives which are based on the current performance appraisal system and their current impact on employees' performances.

⌋ Hypothesis

The study examines the following hypothesis:

The first hypothesis: There is a significant correlation between the satisfaction of employees on the UNRWA's performance appraisal, and the fairness of the report.

The second hypothesis: There is a significant correlation between the satisfaction of employees on the UNRWA's performance appraisal, and the incentives provided to them.

The third hypothesis: There is a significant correlation between the satisfaction of employees on UNRWA's performance appraisal, and the reduction of raters' errors

The fourth hypothesis: There is a significant correlation between the satisfaction of employees on the UNRWA's performance appraisal, and the use of the results of performance appraisal for organizational development and career planning.

The fifth hypothesis: There is a significant difference among employees regarding their satisfaction on UNRWA's performance appraisal attributed to the following independent variables:

1. Grade
2. Qualification
3. Experience
4. Age

⌘ Research Importance

The increasing concern in human resources management has led to numerous researches in this subject. Part of the researches focused on how to appraise the performance of staff in order to set plans for development of competencies and capacities and look for optimal solutions to help employees set their own career paths. This research in particular, has its own significances on both the academic and practical levels:

1. Academic importance:

The area of performance appraisal is a research area that still needs more exploration. Although most supervisors and subordinates doubt the effectiveness of UNRWA's current performance appraisal system and consider it as obsolete, no researches have been made to measure the extent to which the Agency's employees are satisfied about the current system and to investigate further the reasons behind their satisfaction or dissatisfaction.

2. Practical importance:

The practical significance of the research lies in considering the findings the researcher will reach at the end of this research as well as providing a proper action plan for effectively implementing the recommendations that will be raised based on the findings. These findings will reveal the shortcomings of the current system and will further identify practical solution to the problems being encountered. Ultimately; this research will contribute significantly and indirectly in serving Palestine refugees more efficiently.

In an attempt to serve Palestine refugees more effectively and strengthen the management capacity of UNRWA, the Agency launched an Organizational Development "OD" process for 2006-2009. This process was initiated by the Commissioner-General and owned by the Management Committee. Performance management is among the subjects that the Organizational Development strategy and initiatives cover. The findings and

recommendations of this research will be presented to the Organizational Development committee for consideration.

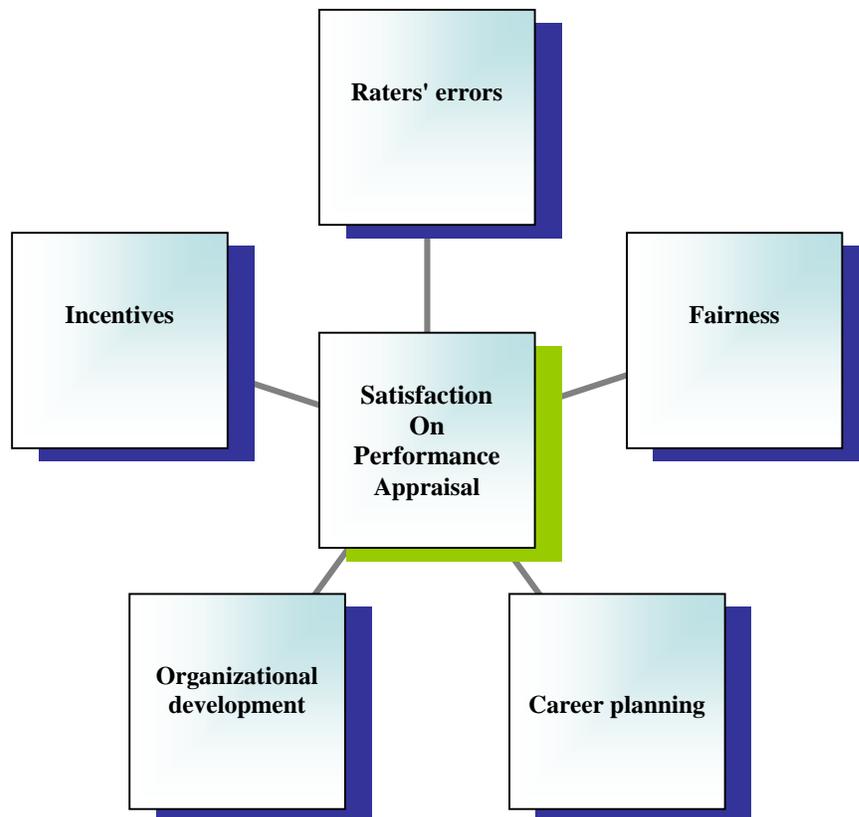
Research Variables:

The study has one dependent variable which is the satisfaction of UNRWA's employees on performance appraisal that is followed by a number of independent variables:

1. Fairness of the system
2. Incentives
3. reduction of raters' errors
4. The use of the results of the appraisal system for organizational development and career planning.

The following diagram sheds more light on the variables of the research and the relation between them:

Figure 1: A diagram showing the relationship between the dependent variable and the independent ones



⌋ Limitations

The contribution of this research should be viewed in light of several limitations. This study investigates UNRWA's performance appraisal system which is applied in different areas and fields. Due to the difficulties of applying this study in all UNRWA's fields particularly closure and the funding constrains, this research will only focus on Gaza Field.

⌋ Research Structure

<i>Chapter One</i>	:	An Introduction
<i>Chapter Two</i>	:	Performance Appraisal
<i>Chapter Three</i>	:	Motivation and Incentives
<i>Chapter Four</i>	:	UNRWA and Performance Appraisal
<i>Chapter Five</i>	:	Significant Prior Research
<i>Chapter Six</i>	:	Research Methodology
<i>Chapter Seven</i>	:	Empirical framework Hypothesis testing & Discussion
<i>Chapter Eight</i>	:	Conclusion and Recommendations
<i>References</i>		
<i>Appendices</i>		

Chapter Two: Performance Appraisal

Preface

Performance appraisal has been the subject of many researches as well as among the main concerns of human resource, public administration, business administration and organizational behavior specialists for its close connection with the future of manpower in the firms and organizations. Performance appraisal is among the most important Human Resource practices (Boswell and Boudreau, 2002) and one of most heavily researched topics in work psychology (Fletcher, 2002). Performance appraisal has increasingly become part of amore strategic approach to integrating Human Resource activities and business policies and may now be seen as a generic term covering a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards (Fletcher, 2001).

In this chapter the researcher will discuss the following main issues:-

1. Performance appraisal and appraisal management.
2. Methods of appraising performance.
3. Problems in performance appraisal.
4. The major uses of performance appraisal.
5. The characteristics of effective appraisal system.

1. Performance appraisal and performance management.

It is sometimes assumed that performance appraisal is the same thing as performance management. But there are significant differences. Hereinafter we distinguish between both terms by defining each of them separately:

1.1. Performance appraisal

Many definitions have been recorded on performance appraisal; in the following lines we exhibit some of them:

(Armstrong, 2006) defined performance appraisal as formal assessment and rating of individuals by their managers at, usually, an annual review meeting.

(Grote, 2002) defines performance appraisal as a formal management system that provides for the evaluation of the quality of an individual's performance in an organization. The appraisal is usually prepared by the employee's immediate supervisor. The procedure typically requires the supervisor to fill out a standardized assessment form that evaluates the individual on several different dimensions and then discusses the results of the evaluation with the employee.

Performance appraisal is a formal system of review and evaluation of individual or team task performance (Mondy and Noe, 2005).

Performance appraisals provide information relevant to personnel issues such as salary increases, promotion, transfers, training programs and employee feedback (Cleveland et al, 1989)

Performance appraisal can be defined as a process aimed at determining the results of an employee's work, one of its main functions being to offer a justified compensation for his/her efforts. It can be based directly on a particular employee's work results or on his /her activities or competencies and is regarded as the main component of performance management, through which it is also possible to evaluate the effectiveness of an organization (Turk and Roolah, 2007).

The point of performance appraisals is to see if the people under contract are performing as well as they can, and also to assess whether they are being fairly rewarded (their remuneration, like their duties, is subject to contractual agreement (Herwig, 2003).

Performance appraisal is a process, not a form. It structures your relationship with employees while providing legal protection for your company. A good appraisal system includes observation, documentation, and communication. A performance evaluation system can provide many benefits: It can improve employee performance and morale, identify poor performers and ways they can improve, and lay the groundwork for legally defensible discipline and termination (Amy, 2007).

Through the previous definitions, one can elicit the following points that shed more light on the meaning of performance appraisal:

- ⓑ Performance appraisal is an ongoing formal process that requires the availability of a person who monitors performance.
- ⓑ Performance appraisal is a process that requires the existence of specified criteria against which subordinates' performances are measured.
- ⓑ Performance appraisal is a legal document that justifies promotion, demotion, transfer, training and recruitment.
- ⓑ Performance appraisal does not halt to rating, it rather goes beyond this to include the area in which the performance of employee falls short and specifies methods for improving unsatisfactory performance through training and enhance outstanding performance through incentives, career planning and organizational development.

1.2. Performance management

Performance management consists of all organizational processes that determine how well employees, teams and ultimately, the organization perform. Every human resource function contributes to this performance (Mondy and Noe, 2005).

Performance management is 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:

- ⓑ The employee's essential job function.
- ⓑ how the employee's job contributes to the goals of the organization
- ⓑ what it means, in concrete terms, to do the job well
- ⓑ how job performance will be measured
- ⓑ what barriers hinder performance and how they can be minimized or eliminated
- ⓑ how the employee and the supervisor will work together to improve the employee's performance (Robert, 2004)

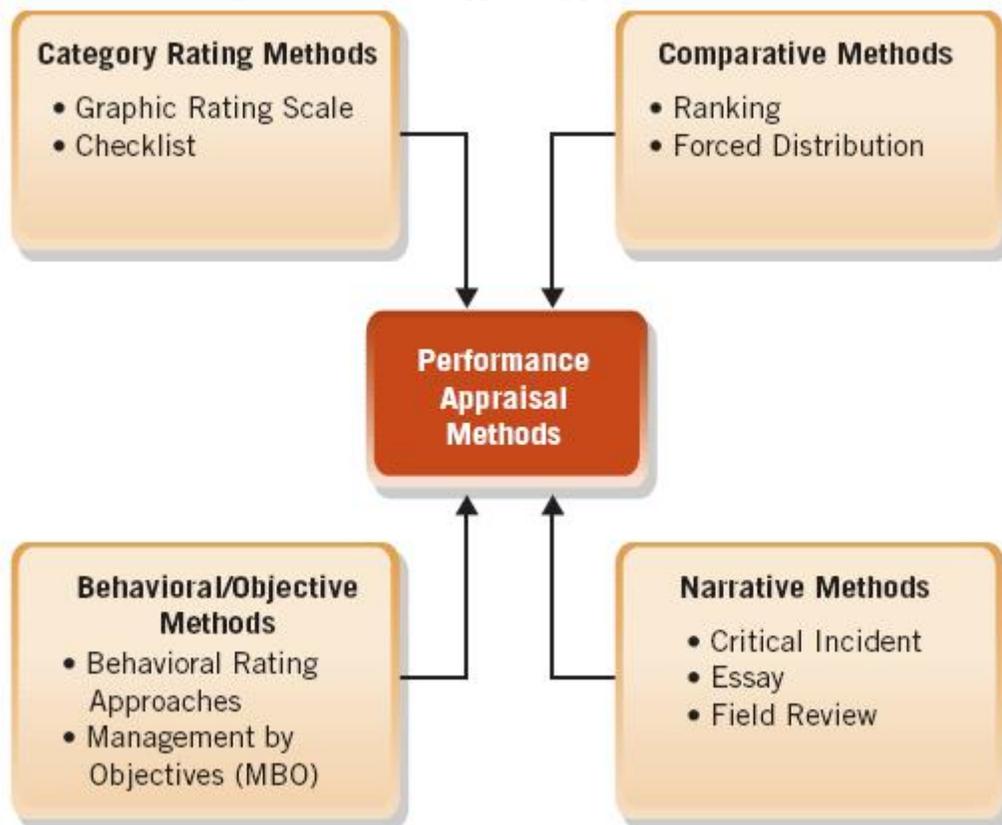
Performance management is the integration of performance appraisal systems with broader HRM systems as a means of aligning employees' work behaviors with the organization's goals. Thus, a performance management system consists of the processes used to identify, encourage, measure, evaluate, improve, and reward employee performance at work. Performance management is a continuous and much wider, more comprehensive and more natural process of management that clarifies mutual expectations, emphasizes the support role of managers who are expected to act as coaches rather than judges, and focuses on the future (Sims, 2002).

2. Methods of appraising Performance

Usually organizations determine the method by which the employees' performance will be measured. Although there are four general measures of output, quality, quantity, cost, and timeliness (Grote, 2002) different methods for appraising the employees' performance

exist. In the up coming pages we are going to explain the different methods for appraising the employees' performance. The following figure shows the main methods of appraising performance dealt with in Mathis's book of Human Resource Management 9th Edition. However other books added some theories which deserve to be mentioned here:

Figure 2: Methods of appraising performance (Mathis, 2007)



2.1. The 360-Degree Feedback Evaluation

The 360-degree feedback evaluation is an increasingly popular appraisal method that involves evaluation input from multiple levels within the firm as well as external sources. In this method, people all around the rated employee may provide rating, including senior managers, the employee himself or herself, supervisors, subordinates, peers, team members and internal or external customers. Unlike traditional approaches, 360-degree feedback focuses on skills needed across organizational boundaries. Also, by shifting the responsibility for evaluation to more than one person, many of the common appraisal errors can be reduced or eliminated (Mondy and Noe, 2005).

Although 360-degree is the latest attempt to improve performance appraisal, there are potential problems with this method. The most important of these problems are:

- ⓑ Since evaluation in this method is performed by many people, a great deal of paper will be generated.

- Ⓟ Conflict in organizations is a common issue. By utilizing this method peers may not give liable evaluation to each other due to the conflict between them.
- Ⓟ Usually performance appraisal report is considered as a confidential report that contains private information about the appraisee in the appraisal period. Through this method, the performance with appraisee will be viewed and reviewed by man people (Mathis, 2007).

2.2. Critical incidents

In the critical incidents method, the manager keeps written record of both highly favorable and unfavorable actions in an employee's performance. When a "critical incident" involving an employee occurs, the manager writes it down. A list of critical incidents is kept during the entire rating period for each employee (Mathis, 2007). With this method, the appraisal is more likely to cover the evaluation period and not focus in the last few weeks on months (Mondy et al, 2002).

The critical method also has its unfavorable aspects.

- Ⓟ What constitutes a critical incident is not defined in the same way by all supervisors.
- Ⓟ Producing daily or weekly written remarks about each employee's performance can take considerable time.
- Ⓟ Employees may become overly concerned about what the superior writes and begin to fear the manager's "black block" (Mathis, 2007).

2.3. Essay

In the essay method, the rater simply writes a brief narrative describing the employee's performance. This method tends to focus on extreme behavior in the employee's work rather than routine day-to-day performance. The rater is usually given a few general headings under which he is requested to categorize comments. Ratings of this type depend heavily on the evaluator's writing ability. Because of their excellent writing skills, some supervisors can make even a marginal worker sound like a top performer. Comparing essay evaluations might be difficult because no comment criteria exist (Mondy et al, 2002).

2.4. Checklist Appraisal

A checklist appraisal contains a series of questions about an employee's performance. A supervisor answers yes or no to the questions. Thus, a checklist is merely a record of performance, not an evaluation by a supervisor. The HRM department has a key for scoring the items on the checklist; the score results in a rating of an employee's performance. The following are typical checklist statements: can be expected to finish work on time; seldom agrees to work overtime; is cooperative and helpful; accepts criticism; and, strives for self-improvement (Mathis, 2007).

The checklist can be modified so that varying weights are assigned to the statements or words. The results can then be quantified. Usually the weights are not known by the rating supervisor because they are tabulated by someone else, such as a member of the HRM department. While the checklist appraisal is easy to complete, it has several disadvantages. The words or statements may have different meanings to different raters. The checklist can be difficult to prepare, and each job category will probably require a different set of questions. Also, a rating supervisor has no way to adjust the answers for any special circumstances that affect performance. Additionally, raters do not assign the weights to the factors. These difficulties limit the use of the information when a rater discusses the checklist with the employee, creating a barrier to effective development counseling (Sims, 2007).

2.5. Work standards

The work standards method compares each employee's performance to a predetermined standards or expected level of output. Standards reflect the normal output of an average worker operating at a normal pace. Work standards may be applied to virtually all types of jobs, but they are most frequently used for production jobs. Several methods may be utilized in determining work standards, including time study and work sampling. An obvious advantage of using standards as appraisal criteria is objectivity. However, in order for employees to perceive that the standards are objective, they should understand clearly how the standards were set. It follows that the rationale for the any changes to the standards must also be carefully explained (Mondy et al, 2002).

2.6. Forced distribution

Forced distribution is a method that requires managers to assign employees into predetermined groups according to their performance, potential and promotability (Grote, 2002). As an example employees in the top 10 percent are placed in the highest group, the next 20 in the next group, the next 40 percent in the middle group, the next 20 percent in the second –to-lowest group, and the remaining 10 percent in the lowest category. This approach is based in the questionable assumption that all groups of employees will have the same distribution of excellent, average and poor performance. In short, this method makes no sense unless employees have been selected randomly. If a department has done an outstanding job in selecting people with the result that 20 percent should be rated in the top group, the 10 percent left out will probably become unhappy at best and leave for greener pastures at worst. Further, among the drawback of the forced distribution is the difficulty that may arise when the rater must explain to the employee why he or she were placed in one group and others were placed in other higher groups (Mathis, 2007).

2.7. Ranking

The ranking method consists of listing all employees from highest to lowest in performance (Mathis, 2007). For example, the best employee in the group is ranked highest, and the poorest is ranked lowest. This procedure is continued until all employees are ranked.

The primary drawback of the ranking method is that the size of the differences among employees is not well defined. For example, there may be little difference in performance between those ranked third and fourth. This drawback can be overcome to some extent by assigning points to indicate the size of the gap. Ranking also means that someone must be last. It is possible that the last-ranked individual in one group would be the top employee in a different group. Further, ranking becomes very unwieldy if the group to be ranked is very large (Mathis, 2007).

2.8. Behaviorally anchored rating scale (BARS)

The behaviorally anchored rating scale combines elements of traditional rating scales and the critical incident method. In this method, various performance levels are shown along a scale with each described in terms of an employee's specific job behavior. In evaluating a group of employees working as interviewers, for example, suppose the factor chosen for evaluation is Ability to absorb and interpret policies. On the very positive end of this factor might be this interviewer could be expected to serve as an information source concerning new and changed policies for others in the organization. On the very negative end of this factor might be even after repeated explanations, this interviewer would be unable to understand new procedures. There might be several levels in between the very negative and the very positive. Rather than have the raters judge the quality of a subordinate's performance, the rater is able to determine more objectively how frequently the employee performs in each defined level (Mondy and Noe, 2005).

Regardless of the apparent advantages of BARS, reports on its effectiveness are mixed, and it does not seem to be superior to other methods in overcoming rater errors or in achieving psychometric soundness. A specific deficiency is that the behaviors used are activity oriented rather than results oriented. Also, the method may not be economically feasible since each job category requires its own BARS. On the positive side, because the system is job related, it is relatively invulnerable to legal challenges (Mondy et al, 2002).

2.9. Behavioral Observation Scale (BOS)

The Behavioral Observation Scale (BOS) is another behavioral approach to assessing employee performance. Like BARS, a BOS is developed from critical incidents. However, rather than only use a sample of behaviors that reflect effective or ineffective behavior, a BOS uses substantially more behaviors to specifically define all the measures that are necessary for effective performance. A second difference between a BOS and BARS is that rather than assessing which behavior best describes an individual's performance, a BOS allows managers to rate the frequency with which the individual employee has exhibited each behavior during the rating period. The manager then averages these ratings to calculate an overall performance rating for the individual. Although the BOS approach avoids the limitations of the BARS approach, the BOS takes even more time and can be even more expensive to develop (Sims, 2007).

2.10. Results-based system

This theory is the past form of management by objectives. The manager and subordinates jointly agree on objectives for the next appraisal period in a result-based system. In such a system, one objective might be, to cut waste by 10 percent. At the end of the appraisal period, an evaluation focuses on how well the employee achieved this objective (Mondy and Noe, 2005). One distinct advantage of this approach is that it provides a measure of achievement against predetermined objectives. However, since performance is outcomes do not indicate how to change, the method may be less helpful in employee development. Nevertheless, a result oriented approach remains a popular technique to evaluate employees, especially managers (Mondy et al, 2002).

2.11. Management by objectives

Management by objectives (MBO) represented an advantage on previous approaches to defining tasks and providing a basis for assessment. It is applied in two distinct phases, one concerned with the setting of objectives and the other with appraisal of performance (Thomason, 1988). MBO specifies the objective goals that an individual hopes to attain within an appropriate length of time. The objectives that each manager sets are derived from the overall goals and objectives of the organization, although MBO should not be disguised means for a superior to dictate the objectives of individual manager or employee. No management tool is perfect, and certainly MBO is not appropriate for all employees or all organizations. Jobs with little or no flexibility are not compatible with MBO. For example, an assembly-line worker usually has so little job flexibility that performance standards and objectives are already determined. The MBO process seems to be most useful with managerial personnel and employees who have a fairly wide range of flexibility and control over their jobs. When imposed on a rigid and autocratic management system, MBO may fail. Extreme emphasis on penalties for not meeting objectives defeats the development and participative nature of MBO (Mathis, 2007)

2.12. A combination of methods

There is no one best appraisal method. Indeed, research has suggested that the method used does not change the accuracy or sole rater errors. A performance measurement system that uses a combination of preceding methods is possible and may be sensible in certain circumstances. Consider combinations to offset the following advantages and disadvantages: Category rating methods are easy to develop, but they usually do little to measure strategic accomplishments. Further, they may make inter-rater reliability problems worse. Comparative approaches help endure leniency, central tendency and strictness errors, which makes them useful for administrative decisions such as pay raises. The comparative approaches do a poor job of linking performance to organizational goals, and they do not provide feedback for improvement as well as other methods (Mathis, 2007).

Narrative methods work best for development because they potentially generate more feedback information. However, without good definitions of criteria or standards, they can

be so unstructured as to be little value. Also these methods are poor for administrative use. The behavioral /objective approaches work well to link performance to organizational goals, but both can require much more effort and time to define expectations and explain process to employees. These approaches may not work well for lower-level jobs.

When managers can articulate what they want a performance appraisal system to accomplish, they can choose and/or mix the methods just mentioned to get the combinations of advantages they want.

It is noteworthy that UNRWA is recently using a combination of methods for the appraisal of employees' performance. Through the OD, the Agency realized that this method is fruitless and suggested utilizing the management by objective appraisal method. In chapter four, I will discuss in details the performance appraisal system as well as the incentives that are worked at the Agency.

3. Problems in performance appraisal:

Ideally, rating supervisors should be completely objective in their appraisals of employees. Each appraisal should directly reflect an employee's performance, not any biases of a supervisor. Of course, this is impossible to do perfectly as most raters either intentionally or unintentionally commit errors. Raters need to be aware of these biases, so that their effect on the appraisals can be limited or eliminated. Hereinafter, the researcher discusses some of these errors:

3.1. Unclear standards

Although the graphic rating scale seems objective, it would probably result in unfair appraisals because the traits and degrees of merit are open to interpretation. For example, different supervisors would probably define good performance, fair performance, and so on, differently. The same is true of such traits as quality of work or creativity. There are several ways to rectify this problem. The best way is to develop and include descriptive phrases that define each trait, for example, by specifying on the evaluation form what is meant by such things as outstanding, superior, and good quality of work. This specificity results in appraisals that are more consistent and more easily explained (Sims, 2007).

3.2. Lack of objectivity

A potential weakness of traditional performance appraisal method is that they lack objectivity. In the rating scale method, for example, commonly used factors such as attitudes, loyalty, and personality are difficult to measure. In addition, these factors may have little to do with an employees' job performance. Some subjectivity will always exist in appraisal methods. However, employee appraisal based primarily on personal characteristics may place the evaluator and the organization in untenable positions with the employee an equal employment opportunity guidelines. The firm may be hard pressed to show that these factors are job-related (Mondy et al, 2002).

3.3. Bias

Rater bias occurs when a rater's value or prejudices distort the rating. Rater bias may be unconscious or quite intentional. If a manager has strong dislike of certain ethnic group, this bias is likely to result in distorted appraisal information for some people. Halo error occurs when a manager generalizes one positive performance feature or incident to all aspects of employee performance resulting in a higher rating (Mondy and Noe, 2005). For example, a manager may give high rating for employees who show noticeable punctuality in spite of other factors in which the appraisal is based such as quantity and quality of output.

3.4. Leniency / Strictness

Giving undeserved high rating is referred to as leniency. The behavior is often motivated by a desire to avoid controversy over the appraisal (Mondy and Noe, 2005). Some managers may rate their subordinates very high either because they want to show that the work under their responsibilities is proceeding very well or because they do not have the ability to convince their subordinates that their performances deserve this rating. Another problem which is closely connected to leniency is strictness. Strictness is rating subordinates on the lower level of the rating system. Some managers want to show the chief or head of the organization that they care for the organization that they work at. In addition, it is also a good excuse before the higher level management that the subordinates under their supervision are not performing their tasks as well as they should and thus the overall performance of the department is unsatisfactory due to the existence of these subordinates.

3.5. Central Tendency

Central tendency is a common error that occurs when employees are incorrectly rated near the average or middle of the scale. This practice may be encouraged by some rating scale systems that require the evaluator to justify in writing extremely high and extremely low ratings. With such system, the rater may avoid possible criticism by giving only average ratings. However, since these ratings tend to cluster in the fully satisfactory range, employees do not often complain about this (Mondy and Noe, 2005).

3.6. Recent Behavior Bias

When rating is not based on the entire appraisal period and just on the last month of the appraisal this is called recent behavior bias. The performance of the subordinate may be outstanding during the year (if the appraisal is done annually) and on the last month the performance of the subordinate worsen. The rater evaluates the subordinate based on the last month and forgets the eleven-month outstanding performance.

It is only natural for a rater to remember recent behavior more clearly than action from the more distant past. However, formal performance appraisals generally cover a specified time, and an individual's performance over the entire period should be considered. Maintaining records of performance throughout the appraisal period helps avoid this problem (Mondy and Noe, 2005).

3.7. Personal Bias

This pitfall occurs when supervisors allow individual differences such as age, religion, seniority, sex, appearance or other arbitrary classifications to affect the rating they give to appraisee. If the performance appraisal is examined by higher-level managers, this problem will be overcome. This pitfall is not only detrimental to employee morale, but it is also blatantly illegal and can result in costly litigation (Armstrong, 2006).

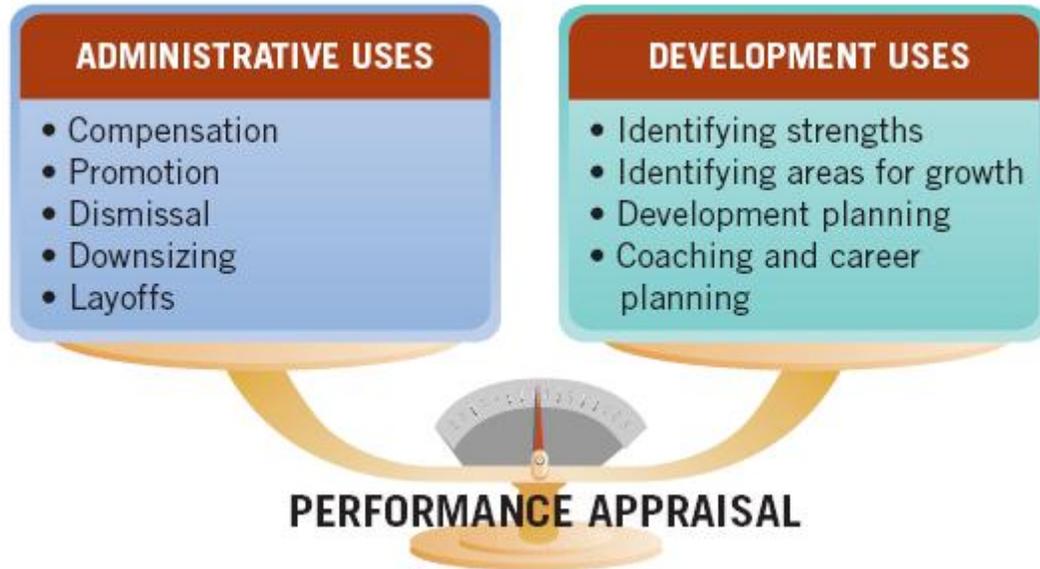
4. The Major uses of Performance appraisal

The overall aim of performance management is to establish a high performance culture in which individuals and teams take responsibility for the continuous improvement of business processes and for their own skills and contributions within a framework provided by effective leadership.

Specifically, performance management is about aligning individual objectives to organizational objectives and ensuring that individuals uphold corporate core values. It provides for expectations to be defined and agreed in terms of role responsibilities and accountabilities (expected to do), skills (expected to have) and behaviors (expected to be). The aim is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Importantly, performance management is concerned with ensuring that the support and guidance people need to develop and improve are readily available (Armstrong, 2006).

Performance appraisal has two general uses in organizations, and these roles often are potential conflicts. Figure 3 sheds more light on the major uses of performance appraisal. One role is to measure performance for the purpose of rewarding or otherwise making **administrative** decisions about employees. Promotions or layoffs might hinge on these ratings, often making them difficult for managers to do. Another role is **development** of individual potential. In that role, the manager is featured more as a counselor than as a judge, and the atmosphere is often different. Emphasis is on identifying potential and planning employees' growth opportunities and direction (Mathis, 2007). Other writers including Mondy and Noe see that the uses of performance appraisal extend to include all human resource functions. In the coming lines we will discuss the two major uses of performance appraisal and their relationship with each human resource function:

Figure 3: Major uses of PA (Mathis, 2007)



4.1. Administrative uses

One of the most common uses of performance appraisal is for administrative purposes. The performance appraisal data are potentially administratively valuable for different human resource functional area.

4.1.1. Recruitment and selection

Performance evaluation ratings may be helpful in predicting the performance of job applications. In interviews for example, the interviewing committee may use the previous performance appraisal of the applicant to have more obvious knowledge about how the performance of this applicant is expected to be. Also in validating selection tests, employee ratings may be used as the variable against which test scores are compared. In this instance, determination of the selection test validity would depend in the accuracy of appraisal results (Mondy and Noe, 2005).

Performance appraisal can also be used administratively to provide evidence and documents on the performance of employees during a specific period of time. A firm may find an employee's performance unsatisfied and after several attempts of training to improve performance the company decides to fire this employee. In such a position the performance appraisal record can be utilized as a legal document to justify taking such an action (Mathis, 2007).

4.1.2. Compensation program

Performance appraisal results provide a basis for rational decisions regarding pay adjustment. Most managers believe that they should reward outstanding job performance tangibly with pay increases. To encourage good performance, a firm should design and implement a reliable performance appraisal system and then reward the most productive workers and teams accordingly (Mondy and Noe, 2005).

A performance appraisal system is often the link between the rewards employees hope to receive and their productivity. The linkage can be thought of as follows:



Compensation based on performance appraisal is at the heart of the idea that raises should be given for performance accomplishments rather than for seniority. Under performance-oriented systems, employees receive raises based on how well they perform their jobs. The manager's role historically has been as an evaluator of a subordinate's performance, which then leads to managers making compensation recommendations or decisions for employees. If any part of the process fails, the most productive employees do not receive the larger rewards, resulting in perceived inequity in compensation (Mathis, 2007).

4.1.3. Assessment of employee potential

Some organizations attempt to assess employee potential as they appraise their job performances. While past behaviors may be the best predictors of future behaviors, an employee's past performance in one job may not indicate future performance in a higher position or different position. The best salesperson in the company may not have what it takes to become a successful district sales manager, where the tasks are distinctly different. Similarly, the best computer programmer may, if promoted, be a disaster as an information technology manager. Overemphasizing technical skills and ignoring other equally important skills is a common error in promoting employees in management jobs. Recognition of this problem has led some firms to separate the appraisal of performance, which focuses on past behavior, from the assessment of potential, which is future oriented (Mathis, 2007).

4.1.4. Internal employee relations

Performance appraisal data are also frequently used for decisions in several areas of internal employee relations, including promotion, demotion, termination, layoff and transfer. For example, an employee's performance in one job may be useful in determining his or her ability to perform another job on the same level, as is required in the considerations of transfers. When the performance level is unacceptable, demotion or even

termination may be appropriate. When employees working under a labor agreement are involved, seniority is typically the basis for layoffs. However when management has more flexibility, an employee's performance recode is generally a more relevant criterion (Mondy and Noe, 2005).

4.2. Development Uses

Performance appraisal can be a primary source of information and feedback for employees, which is essential to their future development. The output of performance appraisal can be useful in different human resource functions.

4.2.1. Human resource planning

In assessing a firm's human resource, data must be available that describes the promotability and potential of all employees, especially key executives. Management succession planning is a key concern for all firms. A well designed appraisal system provides a profile of the organization's human resource strengths and weaknesses to support this effort (Mondy and Noe, 2005).

4.2.2. Training and development

Performance appraisal should point out an employee's specific needs for training and development. For instance, reporting jobs require skills in technical writing and the evaluation of employee who occupies this post reveals a deficiency in this factor, he/she may need additional training in this aspect.

By identifying deficiencies that adversely affect performance, human resource and line managers are able to develop training and development programs that permit individuals to build on their strengths and minimize their deficiencies. An appraisal system does not guarantee properly trained and developed employees. However, determining training and development needs is more precise when appraisal data are available (Mondy and Noe, 2005).

When supervisors identify the weaknesses, potentials, and training needs of employees through performance appraisal feedback, they can inform employees about their progress, discuss what skills they need to develop, and work out development plans.

The manager's role in such a situation is like that of a coach. The coach's job is to reward good performance with recognition, explain what improvement is necessary, and show employees how to improve. After all, people do not always know where they could improve, and managers really cannot expect improvement if they are unwilling to explain where and how improvement can occur (Mathis, 2007).

The purpose of developmental feedback is to change or reinforce individual behavior, rather than to compare individuals as in the case of administrative uses of

performance appraisal. Positive reinforcement for the behaviors the organization wants is an important part of development.

4.2.3. Career planning and development

Career planning and development may be viewed from either an individual or an organizational viewpoint. In either case, performance appraisal data are essential in assessing an employee's strengths and weaknesses and in determining the person's potential. Managers may use such information to counsel subordinates and assist them in developing and implementing their career plans (Mondy and Noe, 2005).

5. Characteristics of effective performance appraisal system

An effective performance appraisal system has a strategic importance to the organization. Clearly, the organization must monitor the extent to which it is conducting its performance appraisals effectively, adequately, and appropriately. As with selection, performance appraisal must be free from bias and discrimination. Also, regardless of which performance appraisal approach is used, an understanding of what performance management is supposed to do is critical. When performance appraisal is used to develop employees as sources, it usually works. When management uses performance appraisal as a punishment or when raters fail to understand its limitations, it fails. The key is not which form or which method is used, but whether managers and employees understand its purposes. In its simplest form, a performance appraisal is a manager's observation.

An effective performance management system will be:

- consistent with strategic mission of the organization,
- beneficial as a development tool,
- useful as an administrative tool,
- legal and job-related,
- viewed as generally fair by employees, and
- useful in documenting employee performance.

Most systems can be improved by training supervisors, because conducting performance appraisals is a big part of a performance management system. Training should focus on minimizing errors and providing a frame of reference on how raters observe and recall information. Organizationally, there is a tendency to distill performance into a single number that can be used to support pay raises. Systems based on this concept reduce the complexity of each person's contribution in order to satisfy compensation-system requirements (Sims, 2002).

In an appraisal discussion, five fundamental areas need to be covered:

1. The measurement of results of the employee's performance against goals and standards.
2. Recognition of the employee's contributions.

3. Correction of any new or ongoing performance problems.
4. Training and personal development needs for both current and future applications.
5. The establishment of goals and/ or standards for the next appraisal period (Maddux, 2002).

The basic purpose of a performance appraisal system is to improve performance of individuals, teams, and the entire organization. The system may also serve to assist in the making of administrative decisions concerning pay increases, transfers, or terminations. In addition, the appraisal system must be legally defensible. Although a perfect system does not exist every system should possess certain characteristics. Organizations should seek an accurate assessment of performance that permits the development of a plan to improve individual and group performance. The system must honestly inform people of how they stand with the organization. The following factors assist in accomplishing these purposes (Mondy and Noe, 2005):

5.1. Job-related criteria

Job relatedness is perhaps the most basic criterion in employee performance appraisal. The uniform guidelines and court decisions are quite clear on this point. More specifically, evaluation criteria should be determined through job analysis. Subjective factors, such as initiative, enthusiasm, loyalty and cooperation are obviously important; however, unless clearly shown to be job related, they should not be used.

5.2. Performance expectations

Managers and subordinates must agree on performance expectations in advance of the appraisal period. How can employees function effectively if they do not know what they are being measured against? On the other hand, if employees clearly understand the expectations, they can evaluate their own performance and make timely adjustment as they perform their jobs without having to wait for formal evaluation review. The establishment of highly objective work standards is relatively simple in many areas, such as manufacturing, assembly, and sales. For numerous other types of jobs, however, this task is more difficult. Still, evaluation must take place based on clearly understood performance expectations.

5.3. Standardization

Firms should use the same evaluation instrument for all employees in the same job category who work for the same supervisor. Supervisors should also conduct appraisals covering similar periods for these employees. Although annual evaluations are most common, many successful firms evaluate their employees more frequently. Regularly scheduled feedback sessions and appraisal interviews for all employees are essential.

Formal documentation of appraisal data serves several purposes including protection against possible legal action. Employees should sign their evaluation. If the employee refuses to sign, the manager should document this behavior. Records should also include a

description of employee responsibilities, expected performance results and the role these data play in making appraisal decisions. While performance appraisal is important for small firms, they are not expected to maintain performance appraisal systems that are as formal as those used by large organizations.

5.4. Trained appraisers

Most systems can be improved by training supervisors, because conducting performance appraisals is a big part of a performance management system. Training should focus on minimizing errors and providing a frame of reference on how raters observe and recall information (Sims, 2007).

The individual who observes at least a representative sample of job performance normally has the responsibility for evaluating employee's performance. This person is often the employee's immediate supervisor. A common deficiency in appraisal system is that the evaluators rarely receive training on how to conduct effective evaluations. Unless everyone evaluating performance is receives training in the art of receiving and giving feedback, the process can lead to uncertainty and conflict. The training should be an ongoing process in order to ensure accuracy and consistency.

The training should cover how to rate employees and how to conduct appraisal interviews. Instruction should be rather detailed and stress the importance of making objective and unbiased ratings.

5.5. Continuous open communication

Most employees have a strong need to know how well they are performing. A good appraisal system provides highly desired feedback on a continuing basis. There should be few surprises in the performance review. Managers should handle daily performance problems as they occur and not allow them to pile up for six months or a year and then address them during the performance appraisal interview. When something new surfaces, the manager probably did not do a good enough job communicating with the employee throughout the appraisal period. Even though the interview presents an excellent opportunity for both parties to exchange ideas, it should never serve as a substitute for the day-to-day communication and coaching required by performance management.

5.6. Performance reviews

A special time should be set for a formal discussion of an employee's performance. Since improved performance is a common goal of appraisal system, withholding appraisal result is absurd. Employees are severely handicapped in their developmental efforts if denied access to this information. A performance review allows them to detect any errors or omissions in the appraisal, or an employee may simply disagree with the evaluation and want to challenge it.

5.7. Due process

Ensuring due process is vital. If the company or the organization does not have grievance procedure, it should develop one to provide employees an opportunity to appeal appraisal results that they consider inaccurate or unfair. They must have a procedure for pursuing their grievances and having them addressed objectively.

5.8. Consistency with the strategic mission of the organization

Effective performance management systems evolve from the recognition that human behaviors and capabilities collapsed into a single score have a limited use in shaping the necessary range of performance. In the end, since performance appraisal feeds into the performance management process and the ultimate goal of this process is to improve performance on the job, if the process is working, managers should be able to see real improvements in organizational performance. This improvement may take the form of fewer errors in production, fewer returns in sales, higher appraisals, or lower levels of absenteeism or turnover. In the long run, however, these outcomes are not critical to the organization unless they translate into some improvement in the company's performance. That is, if performance appraisal and performance management systems are doing what they were designed to do, the organization as a whole should perform better (Sims, 2007).

5.9. Collect relevant information

The supervisor should begin by collecting relevant information. One source for information is the critical incident log if one has been maintained throughout the review period, but this should not necessarily be the only source of information used in the review. In addition to observations made by the supervisor about performance, it is important to find out how employees are serving those with whom they work on a regular basis. This does not necessarily require the use of a 360° process (which is generally utilized for supervisory, management, and executive personnel), but it does mean that the supervisor needs to talk to coworkers, customers, vendors, and others with whom the employee comes in contact on a regular basis in order to make a fair determination about overall performance. Obtaining this information can help to reduce concerns about inter-rater reliability and builds credibility with regard to the overall fairness of the review process (Bogardus, 2004).

5.10. Provide specific examples

When preparing the review, it is essential that the supervisor provides specific examples to assist the employee's learning process. Instead of saying only that the employee did a great job (which will no doubt make the employee feel good, but does not identify the results or behavior that made the performance great), a statement that the employee consistently submitted accurate reports requiring little or no revision on or before the deadline describes exactly the kind of behavior that the supervisor wants to encourage (Bogardus, 2004).

Chapter Three: Motivation and Incentives

Preface

Motivation and incentives play a vital role in getting the best out of subordinates. Employees in general look for incentives or motivation to perform the task assigned to them efficiently and effectively. In most organizations pay and incentives are based on performance differences among employees. Employees who perform well get larger compensation increases; those who perform satisfactorily receive little or no increase in compensation. Thus, employees who perform satisfactorily should keep up or advance in relation to a broad view of the local market for their jobs, whereas poor or marginal performers should fall behind. In this chapter the researcher is going to discuss the following main issues in regard to motivation and incentives:

1. Motivation
2. Motivation theories
3. Incentives
4. Types of incentives

1. Motivation

In a review of an individual psychological perspective on PA, Fletcher (2002) claimed that the notion that all appraisees are going to react the same way to appraisal is probably very unsafe. Furthermore, Ilgen et al. (1979) noted that individual differences probably play a substantial role in how people interpret appraisal feedback and how they respond to these interpretations. And, since investigations of individual differences that are likely to influence the relationship between PA satisfaction and employee outcomes may identify conditions under which PA is more or less effective, this type of research is likely to yield results of practical relevance (Fletcher, 2001). Whereas intrinsic motivation is influenced by situational factors such as job characteristics (Hackman and Oldham, 1976), it also has a global or dispositional component (Vallerand, 1997). Thus, some employees are dispositionally more likely to be intrinsically motivated than others, and if the relationship between satisfaction with PA and employee outcomes varies as a function of the level of intrinsic motivation, this should have high informational value regarding decisions on whether or how to implement PA in organizations.

In their meta-analysis of feedback interventions, Kluger and DeNisi (1996) reported that feedback cues that direct attention to learning and to the task augment the effects of feedback on performance, while cues directing attention away from the task (e.g. to the self or external attribution) attenuate feedback effects. In terms of learning, several studies suggest that intrinsic motivation is associated with learning orientation. For instance, a recent study by Wang and Guthrie (2004) on US and Chinese children reported that intrinsic motivation increases both the enjoyment of reading and text comprehension. The authors suggest that children with high intrinsic motivation are more highly involved and concentrated in what they are reading. Deci and Ryan (1985) reported that intrinsically motivated students are likely to meet challenges constructively and with methods to solve problems. These findings may suggest that intrinsically motivated employees will benefit more from PA because they will learn more from the feedback they receive. Furthermore, since intrinsic motivation is concerned with motivation to perform a task for itself, it is highly related to measures of task involvement or task interest (Guay et al., 2000).

Accordingly, compared to employees with lower intrinsic motivation, those with higher intrinsic motivation should, to a greater extent, view feedback as task oriented which in turn should enhance learning and performance associated with PA (Kluger and DeNisi, 1996). Finally, experiencing pleasure and satisfaction inherent in job activities may not only enhance learning outcomes for intrinsically motivated employees, but also increase the probability that what they learn is used to improve performance. MacDuffie (1995), for instance, noted that a necessary condition for a HRM – firm performance relationship is that employees are motivated to apply their skills and knowledge through discretionary effort. Thus, I decided to add some information about motivation and its theories to the literature review.

Many factors can affect the performance of individual employees: their ability, motivation, the support they receive, the nature of job they are doing and their relationship with the organization. The human resource unit in an organization exists in part to analyze and help correct problems in these areas.

The performance that employers look for in individuals rests on ability, motivation, and the support individuals receive; however, motivation is often the missing variable. Motivation is the desire within a person causing that person to act. People usually act for one reason: to reach a goal. Thus, motivation is a goal-directed drive, and it seldom occurs in a void. The words need, want, desire, and drive are all similar to motive, from which the word motivation is derived (Mathis, 2007).

The study of motivation is the exploration of the energization and direction of behavior. It has been said that the study of motivation is an inquiry into the why of behavior. Indeed, the field of motivation is concerned with answering the why questions, although there are theories that have offered non-motivational answers by focusing only in direction, to the exclusion of the energization

A motive is a reason for doing something. Motivation is concerned with the factors that influence people to behave in certain ways. The three components of motivation are: (Edward and Richard, 1991)

- ↳ Direction: what a person is trying to do;
- ↳ Effort: how hard a person is trying;
- ↳ Persistence: how long a person keeps on trying?

(Armstrong, 2001), believes that motivating other people is about getting them to move in the direction you want them to go in order to achieve a result. Motivating oneself is about setting the direction independently and then taking a course of action which will ensure that you will get there. Motivation can be described as a goal-directed behavior. People are motivated when they expect that a course of action is likely to lead to the attainment of a goal and a valued reward.

He further believes that well-motivated people are those with clearly defined goals who take action that they expect will achieve these goals. Such people may be self-motivated, and as long as this means that they are going in the right direction to achieve what they are to achieve, then this is the best form of motivation. Most of us, however, need to be motivated to a greater or lesser degree. The organization as a whole can provide the context within which high level of motivation can be achieved by providing incentives and rewards, satisfying work, and opportunities for learning and growth. But managers still have a major part to play in using their motivating skills to get people to give the best, and to make good use of the motivational process provided by the organization.

Motivation represents a measurable increase in both job satisfaction and productivity. The motivated worker does his job better and likes it more than those folks who are not so motivated. What truly motivates people is the following set of factors: opportunity for

achievement and accomplishment, learning and growth, discretion, and worthwhile work. These are items that generate strong feeling of loyalty, satisfaction, enthusiasm and all those other things we want to see in those whose paychecks we sign (Grote, 2002).

Motivation is all-embracing, thus encompassing the motivation to work, and concerns innate, acquired and learnt needs. It also incorporates the desire to even out dissonances and reach agreements (for example in what a person contributes and receives in return); hence it determines basic positions, helps people to discover what they are striving for and defines goals. The fundamental willingness to work hinges on motivation. Motivation influences the choice of job or career type; it determines the personal value placed on work and success in the career; it governs the level of ambition; it is also responsible for a greater or a lesser need for power, for a desire to please others or for indifference towards them. It has been demonstrated that it is impossible not to be motivated: there is constant inducement from motives and influence from desires to give direction to our lives and thus also to our work. Motivation can be likened to an engine, which moves our vehicle along the career and work path with more or less force, more or less speed and more or less energy (Kessler, 2003).

2. Motivation theories

Motivation theories are built in a set of assumption about the nature of people and about the factors that give impetus to action. These assumptions, and the theories that follow from them, can be viewed as falling a long a descriptive continuum ranging from the mechanistic to the organismic. Mechanistic theories tend to view the human organism as passive, that is, as being pushed around by the interaction of psychological drives and environmental stimuli whereas organismic theories tend to view the organism as active. According to the later perspective, organisms have an intrinsic needs and psychological drives and these intrinsic needs provide energy for the organism to act on the environmental and to manage aspects of their drives and emotions (Edward and Richard, 1991)

Approaches to understanding motivation differ because many individual theorists have developed their own views and theories. They approach motivation from different starting points, with different ideas in mind, and from different backgrounds. No one approach is considered to be the “ultimate.” Each approach has contributed to the understanding of human motivation.

2.1. Maslow's hierarchy of needs

The most famous classification of needs is the one formulated by Maslow (Armstrong, 2001). One theory of human motivation that has received a great deal of exposure in the past was developed by Abraham Maslow. In this theory, Maslow classified human needs into five categories (As shown in figure 4 below) that ascend in a definite order. Until the more basic needs are adequately fulfilled, a person will not strive to meet higher needs. Maslow's well-known hierarchy is composed of (Mathis, 2007)

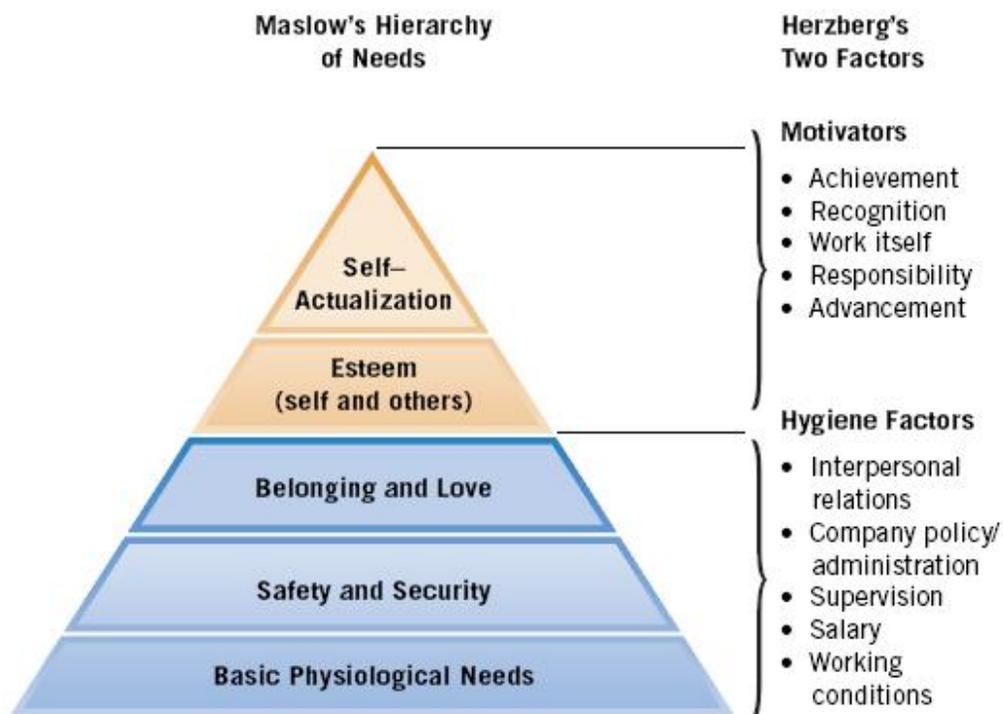
p physiological needs,

- safety and security needs,
- belonging and love needs,
- esteem needs, and
- Self-actualization needs.

An assumption often made by those using Maslow's hierarchy is that workers in modern, technologically advanced societies basically have satisfied their physiological, safety, and belonging needs. Therefore, they will be motivated by the needs for self-esteem, esteem of others, and then self-actualization. Consequently, conditions to satisfy these needs should be present at work; the job itself should be meaningful and motivating.

Maslow's theory of motivation states that when a lower need is satisfied, the next highest becomes dominant and the individual's attention is turned to satisfying this higher need. The need for self-fulfillment, however, can never be satisfied. He said that "man is a wanting animal" only unsatisfied need can motivate behavior and the dominant need is the prime motivator of behavior (Armstrong, 2001).

Figure 4: Maslow's Hierarchy of Needs (Mathis, 2007)



2.2. Herzberg's motivation/hygiene theory

Frederick Herzberg's motivation/hygiene theory assumes that one group of factors, motivators, accounts for high levels of motivation. Another group of factors, hygiene, or maintenance factors, can cause discontent with work. The implication of Herzberg's

research for management and HR practices is that although managers must carefully consider hygiene factors in order to avoid employee dissatisfaction, even if all these maintenance needs are addressed, people may not be motivated to work harder. Only motivators cause employees to exert more effort and thereby attain more productivity, and this theory suggests that managers should utilize the motivators as tools to enhance employee performance (Mathis, 2007).

Herzberg's theory has been strongly attacked. The research method has been criticized because no attempt was made to measure the relationship between satisfaction and performance. It has been suggested that the two-factor nature of theory is an inevitable result of the questioning method used by the interviewers. It has also been suggested that wide and unwarranted inferences have been drawn from small and specialized samples and that there is no evidence to suggest that the satisfiers do improve productivity (Armstrong, 2001).

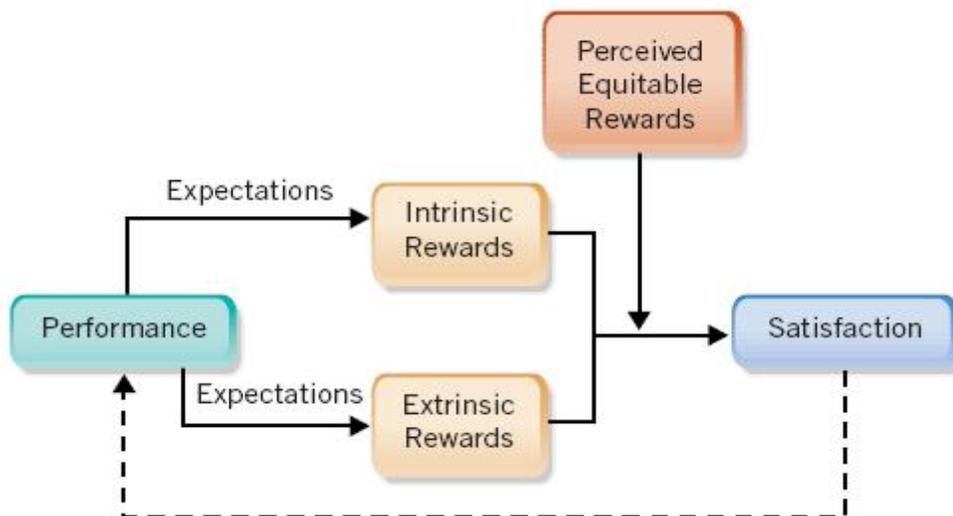
2.3. Process Theories of Motivation

Process theories suggest that a variety of factors may prove to be motivating, depending on the needs of the individual, the situation the individual is in, and the rewards the individual expects for the work done. Theorists who hold to this view do not attempt to fit people into a single category, but rather accept human differences.

One process theory by Lyman Porter and E.E. Lawler focuses on the value a person places on a goal as well as the person's perceptions of workplace equity, or fairness, as factors that influence his or her job behavior. In a work situation, perception is the way an individual views the job. Porter and Lawler model indicates that motivation is influenced by people's expectations. If expectations are not met, people may feel that they have been unfairly treated and consequently become dissatisfied.

Using the Porter and Lawler model, as shown in figure 5 below, suppose that a salesclerk is motivated to expend effort on her job. From this job she expects to receive two types of rewards: intrinsic (internal) and extrinsic (external). For this salesclerk, intrinsic rewards could include a feeling of accomplishment, a feeling of recognition, or other motivators. Extrinsic rewards might be such items as pay, benefits, good working conditions, and other hygiene factors. The salesclerk compares her performance with what she expected and evaluates it in light of both types of rewards she receives. She then reaches some level of job satisfaction or dissatisfaction. Once this level is reached, it is difficult to determine what she will do. If she is dissatisfied, she might put forth less effort in the future, she might work harder to get the rewards she wants, or she might just accept her dissatisfaction. If she is highly satisfied, it does not always mean she will work harder. She may even slack off a bit, saying, "I got what I wanted" (Mathis, 2007).

Figure 5: Porter and Lawler motivation model (Lawler and Porter, 1966).



(Armstrong, 2001) says that the process or cognitive theory is certainly more useful to manage because it provides more realistic guidance on motivation techniques. The processes are:

- ⌚ Expectations (expectation theory)
- ⌚ Goal achievement (goal theory)
- ⌚ Feelings (equity theory)

3. Incentives

Most organizations recognize that they have a responsibility to their employees to provide them with insurance and other programs for their health, safety, security and general welfare. These programs are called benefits and include all financial rewards that generally are not paid directly to the employee. Benefits cost the firm money, but employees usually receive them indirectly. The employee does not receive money but does obtain the benefit of health insurance coverage. This type of compensation has two distinct advantages:

- ⌚ It is generally nontaxable to the employee
- ⌚ The cost of some benefits may be much less for large groups of employees than for individuals (Mondy et al, 2002).

Incentives are simple, crude but effective, and no fine tuning or complex cogitation can be expected: when a bonus is promised for boosting pre-tax profit by X, then perhaps not all, but certainly most people will want to achieve X. They would indeed like to earn the bonus. Money is a key to this, but self-esteem, ambition, and the desire to perform and compete play a role. The promise of a bonus is crude as an incentive because it does not allow for any nuances. For example, when it is feared that X cannot be reached under prevailing market conditions, then reducing advertising expenses might lower the costs.

That may secure X in the short term, but retribution will soon come in the form of a falling market share (Kressler, 2003).

Generally speaking, benefits are provided to employees because of their membership in the organization. Benefits are typically not related to employee productivity; therefore, while they may be valuable in recruiting and retaining employees, they do not serve as motivation for improved performance. An equitable and effective incentive plan should help organizations attract, retain, and motivate. Such a plan will create a more evenhanded situation for employees.

Incentives are growing in importance as a tool of management for several important reasons:

- Production of goods and services in many industries has become unbelievably sophisticated and complex, which has required managers to draw on the creativity, skills, and human capital of line workers who often have local information about their work.
- Production processes for many goods and services have become global in scope, which necessarily means that many workers must work far removed from their supervisors, who have no way of monitoring what the workers are doing each day.
- Firms have, to a growing extent, relied on "outsourcing," which means firms are buying more and more of their inputs from parts to human resources services from outside suppliers whose business goals are not always in line with the business goals of the buyers.
- The hierarchical organizational structures of many firms have been "flattened," which implies fewer layers of managers and super-visors.
- The pace of technological and organizational innovations and change has speeded up, increasing the extent to which decision making has devolved to lower and lower levels within firms' organizational structures (McKenzie, 1998).

A first important step towards improving pay for performance is to better understand the motivational mechanism of bonuses. When employees fully participate in developing, implementing and updating the performance-reward standards, three processes are triggered. First, productivity problems are more readily identified and solved. This is particularly true when teamwork techniques, such as quality circle are in force. Second, intrinsic motivation grows as the employee finds greater personal enjoyment and challenge in her or his work. Third, increased two-way information flow between management and employees, empowers the employees. In turn, each of these three processes increases one's chances of earning the promised bonus, via lower cost and or higher productivity (Robert and Angelo, 1992).

4. Types of Incentives/Benefits

According to Mondy and Noe (2003) benefits can be divided into two main categories: financial and nonfinancial benefits. In the coming pages the researcher is going to brief the reader on the components of each category.

1. Financial benefits

Financial benefits are in turn divided into two main categories: direct and indirect. Direct financial compensation mainly includes wages, salaries commission and bonuses and they are beyond the scope of this research. Indirect financial compensation; however, are divided into two main categories: legally required benefits which currently account for about 10% of total compensation costs and voluntary benefits that are provided by the employers without the requirement of law (Mondy and Noe, 2005)

1.1. Legally required benefits

Legally required benefits comprise social security, unemployment compensation, workers' compensation and family and medical leave.

1.1.1. Social security

Employers are required to share equally with employees the cost of old age, survivors', and disability insurance. Employers are required to pay the full cost of unemployment insurance. Other forms of protection were added including disability insurance, survivor's benefits and Medicare. Disability insurance protects employees against loss of earning resulting from incapability.

1.1.2. Unemployment compensation

Another benefit required by law is unemployment compensation. In the USA each state operates its own unemployment compensation system and provision differ significantly from state to state. Employers finance this benefit by paying a tax on the first \$7,000 of annual earning for each employee. The tax is paid to state and federal compensation funds (Mathis, 2007).

1.1.3. Worker's compensation

Worker's compensation benefits provide a degree of financial protection for employees who incur expenses resulting from job-related accidents or illness. Employers pay the entire cost of worker's compensation insurance, and their past experience with job-related accident and illness determines their premium expenses (Mondy and Noe, 2005).

1.1.4. Family and medical leave act

Passed in 1993, the family and medical leave act covers all employers with 50 or more employees who live within 75 miles of the workplace and includes federal, state and private employers. Only employees who only worked 12 months and 1250 hours in the previous years are eligible for leave under the FMLA act (Mathis, 2007)

1.2. Discretionary / voluntary benefits

The following benefits are not legally required. The organizations voluntarily provide numerous other benefits:

1.2.1. Payment for time not worked

In providing payment for time not worked, the employers recognize that employees need time away from the job for many purposes. Included in this category are paid vacations, payment for holidays not worked, sick pay, and payment for injury duty, National Guard or other military reserve duty, voting time and bereavement time. It is also common for organizations to provide payments to assist employees in performing civic duties. Some payments for time not worked are provided for time off routinely taken during work hours. Common benefits in this area include rest periods, coffee breaks, lunch period, clean up time, and travel time (Mondy and Noe, 2005).

A) Paid vacations

Paid vacations are a common benefit. Employers often use graduated vacation time scales based on employees' length of service. Some organizations allow employees to accumulate unused vacations and many other organizations are allowing employees to buy additional vacations or sell unused vacations back to employer (Mathis, 2007).

B) Sick pay

Each year many firms allocate to each employee a certain number of days for sick leave, they may use when ill. Employees who are too sick to report to work continue to receive their pay up to maximum of days accumulated. As for vacation days the number depends on seniority (Mondy and Noe, 2005).

C) Sabbaticals

A sabbatical leave is paid time off the job to develop and rejuvenate oneself. Sabbatical leaves are common in institution of higher education. A sabbatical might prevent the loss of a skilled leader (Barbeito, 2004).

1.2.2. Health care

Health benefits are an important part of an employee's indirect financial compensation. Benefits for health care represent the most expensive in the area of indirect financial compensation. In addition, employers may utilize one of the following managed-care options (Mondy and Noe, 2005):

A) Health organizations:

Cover all services for a fixed fee but control is exercised over which doctors and health facilities a member may use regardless of the precise form, managed-care systems strive to control health-care costs.

B) Capitation:

Capitation typically the reimbursement method used by primary care physicians, is an approach to health care where providers negotiate a rate for health care for covered life over a period of time. Some critics fear that since this system shifts the incentive for physicians away from providing care towards limiting care, it results in cost cutting at the expense of health-care quality.

C) Defined contribution Health-care system:

In this option, companies give each employee a set amount of money annually with which to purchase health-care coverage. In this health-care system, employees could shop around, probably using online services, for plans that meet their individual needs.

D) Medical saving accounts:

This option allows employees to set a sick pretax money to pay for medical bills in the coming year that aren't covered by their regular health insurance, including costs liked deductibles and co-payments.

E) Major Medical benefits:

Many plans provide for major medical benefits to cover extra ordinary expenses that result from long-term as serious health problems.

F) Utilization review:

Utilization review is a process that scrutinizes medical diagnoses, hospitalization, surgery, and other medical treatment and care prescribed by doctors. The objective of this process is, of course to hold down costs.

G) Dental and vision care

Dental plans may cover 70 to 100 percent of the cost of primitive procedures and 50 to 80 percent of restorative procedures. Vision-care plans may cover all or part of the cost of eye examinations and glasses.

H) Other medical coverage

In addition to doctor office visits, health insurance typically includes hospital room and board costs, service charges and surgical fees.

1.2.3. Life insurance:

It is common for employers to provide life insurance for employees. Life insurance is bought as a group policy, and the employer pays all or some of the premium, but the level of coverage is usually low and is tied to the employee's base pay. A typical level of coverage is one-and-a half or two times an employee's base salary (Mathis, 2007).

1.2.4. Retirement plans:

Retirement is currently a hot topic because the aging baby boomer generation is retirement. Employers are in the middle of this challenge since they are one of our society's primary providers of retirement income (Mondy and Noe, 2005).

A) Defined benefit plans

Retirement plans are generally either defined benefit plans or defined contribution plans. A defined contribution plan is formal retirement plan that provides the participant with a fixed benefit upon retirement.

B) Defined contribution plan

A defined contribution plan is a retirement plan that requires specific contributions by an employer to a retirement or savings fund established for the employee.

C) Cash balance plans

A cash balance plan is such a plan, with elements of both defined benefit and defined contribution plans. It resembles a defined contribution plan in that it uses an account balance to communicate the benefit amount. However, it is closer to being a defined benefit plan because the employer normally bears the responsibility for and the risks of managing the assets (Mondy and Noe, 2005).

D) Disability protection

This type of insurance provides continuing income protection for employees who become disabled or unable to work. Long-term disability insurance is much more common because employers cover short term disability situations by allowing employees to accrue the sick leave granted annually (Mathis, 2007).

1.2.5. Employee stock option plans:

An employee stock option plan is a plan in which a firm contributes stock shares to a trust. The trust then allocates the stock to participating employee accounts according to employee earnings.

1.2.6. Supplemental unemployment benefit

Supplemental unemployment benefit first appeared in auto industry labor agreement in 1955. They provide additional income for employees receiving unemployment insurance benefits. These plans have spread to many industries and are usually financed by the company (Mondy and Noe, 2005).

1.2.7. Employee Services

Organizations offer a variety of benefits that can be termed employee services. These benefits encompass a number of areas including of areas including relocation benefits, child care, educational assistance, food services/subsidized cafeterias, financial services and legal services

A) Relocation

When an organization recruits employees that live distant from the work place, it usually pay them relocation benefits. In some cases they may pay for rent of apartment or the tuition fees of kids.

B) Child Care

Another benefit offered by some firms is subsidized child care. These benefits are effective recruitment aids and help reduce absenteeism.

C) Educational Assistance

Some organizations, in order to increase the capacity of employees, offer educational assistance. Coverage of this assistance differs from an organization to another. UNRWA, for example, provides up to 50% or less than US\$1000 annually.

D) Food Services/Subsidized cafeterias

Firms that supply food services or subsidized cafeterias provide an exception to this rule. What they hope to gain in return is increased productivity, less wasted time, enhance employee morale, and in some instance, a healthier work force. Most firms that offer free or subsidized lunches feel that they get a high payback in terms of employee relations (Mondy and Noe, 2005).

E) Financial Services

Some organizations may grant employees loans without interest for accommodation, education, health or other urgent issues.

F) Legal Services

Some firms offer its employees legal service in case of purchasing new properties or setting some legal cases

1.2.8. Premium Pay

Premium pay is compensation paid to employees for working long periods of time or working under dangerous or undesirable conditions (Mondy and Noe, 2005):

A) Hazard Pay

Hazard pay is an additional payment the employees receive due to working in risky jobs or due to working under risky situations. It is noteworthy that most UN organizations pay hazard pay for employees particularly the international ones.

B) Shift Differentials

Some employees may be asked to work for a night shift. Usually organizations pay those employees special allowances for this shift.

2. Nonfinancial Compensation

Non-financial rewards are provided by performance management through recognition, the provision of opportunities to succeed, skills development and career planning, and enhancing job engagement and commitment. Performance management involves recognizing people's achievements and strengths. They can be informed through feedback about how well they are performing by reference to achievements and behaviors. They can be thanked, formally and informally, for what they have done. They can be helped to understand how they can do even better by taking action to make the best use of the opportunities the feedback has revealed (Armstrong, 2006). In nonfinancial benefits we

have two main factors: the job as a total compensation factor and the job environment as a total compensation factor.

2.1. The Job as a Total Compensation Factor

Some jobs can be so stimulating that the incumbent is anxious to get to work each day. At the evening meal, details of what happened on the job may be shared with family or friends. Unwillingness to change jobs for additional financial compensation suggests that the job itself is indeed an important reward.

On the other hand, a job may be so boring or distasteful that an individual dreads going to work. This condition is sad considering the time a person devotes to his or her job. The job itself is a central issue in many theories of motivation. According to job characteristics theory, employees experience intrinsic compensation when their jobs rate high on five core job dimensions: skill variety, task identity, task significance, autonomy, and feedback. These characteristics create the potential for increased performance, lower absenteeism and turnover, and higher employee satisfaction (Mondy and Noe, 2005).

2.1.1. Skill Variety.

The extent to which the work requires several different activities for successful completion indicates its skill variety. For example, low skill variety exists when an assembly-line worker performs the same two tasks repetitively. The more skills involved, the more meaningful the work. Skill variety can be enhanced in several ways. Job rotation can break the monotony of an otherwise routine job with little scope by shifting a person from job to job (Mathis, 2007).

2.1.2. Task Identity

The extent to which the job includes a “whole” identifiable unit of work that is carried out from start to finish and that results in a visible outcome is its task identity. For example, one corporation changed its customer service processes so that when a customer calls with a problem, one employee, called a Customer Care Advocate, handles most or all facets of the problem from maintenance to repair. As a result, more than 40% of customer problems are resolved by one person while the customer is still on the line (Mathis, 2007).

2.1.3. Task Significance

The impact that the job has on other people constitutes task significance, another component of job enrichment. When performer of a person’s job influences the life of others, the employee often realizes a real sense of achievement (Mondy and Noe, 2005).

2.1.4. Autonomy

The extent of individual freedom and discretion in the work and its scheduling indicates autonomy. More autonomy leads to a greater feeling of personal responsibility for the

work. Efforts to increase autonomy may lead to what was characterized as job enrichment by Frederick Herzberg (Mathis, 2007).

2.1.5. Feedback

The amount of information employees receive about how well or how poorly they have performed is feedback. The advantage of feedback is that it helps employees to understand the effectiveness of their performance and contributes to their overall knowledge about the work. At one firm, feedback reports from customers who contact the company with problems are given directly to the employees who handle the customers' complaints, instead of being given only to the department manager (Mathis, 2007).

2.2. The Job Environment as a Total Compensation Factor

Performing a challenging, responsible job in pigsty would not be rewarding to most people. The physical environment of the job must also be satisfactory. In addition, the psychological climate must be positive. Employees can draw satisfaction from their work through several nonfinancial factors. Reasonable policies, competent supervisors, congenial co-workers, appropriate status symbols, and pleasant physical working conditions are all important features. Another factor of increasing importance is the flexibility employees have in their work situations (Mondy and Noe, 2005):

2.2.1. Sound Policies

Human recourse policies and practices reflecting management's concern for its employees can serve as positive rewards. If a firm's policies show consideration rather than disrespect, fear, doubt, or lack of confidence, the result can be rewarding to both the employees and the organization (Mondy and Noe, 2005).

2.2.2. Competent Employees

Successful organizations emphasize continuous development and assure employment of competent managers and nonmanagers. Competitive environments and the requirement for teamwork will not permit otherwise (Mondy and Noe, 2005).

2.2.3. Congenial Co-Workers

Although a few individuals in this world may be quite self-sufficient and prefer to be left alone, they will become lonely indeed in the team-oriented organizations that exist today (Mondy and Noe, 2005).

2.2.4. Appropriate Status Symbols

Status symbols are organizational rewards that take many forms such as office size and location, desk size and quality, private secretaries, floor covering, and job title. Some firms

make liberal use of these types of rewards; others tend to minimize them (Mondy and Noe, 2005).

2.2.5. Working Conditions

The definition of working conditions has broadened considerably during the past decade. At one time, an air-conditioned and reasonably safe and healthy workplace was satisfactory. Today, many organizations consider numerous additional factors as important. A flexible workspace featuring such practices as flextime and telecommuting definitely enhances the nonfinancial compensation package (Mondy and Noe, 2005).

2.2.6. Flextime

Flextime is the practice of permitting employees to choose their own working hours, within certain limitations (Mondy and Noe, 2005). Flextime programs may be useful in luring back retirees or others who previously worked for the organization. The main advantage in hiring former employees is that their performance is known (Kennedy, 1994)

2.2.7. Compressed Workweek

The compressed workweek is an arrangement of work hours that permits employees to fulfill their work obligation in fewer days than the typical five-day workweek. A common compressed workweek is four 10-hour days.

Working under this arrangement, employees have reported greater job satisfaction. In addition, the compressed workweek offers the potential for better use of leisure time for family life, personal business, and recreation (Mondy and Noe, 2005).

2.2.8. Job Sharing

It is common in some organizations to divide the responsibilities, duties and compensation of one post between two employees. This action is known as job sharing.

2.2.9. Flexible Compensation (Cafeteria Compensation)

Flexible compensation plans permit employees to make yearly elections to largely determine their compensation package by choosing between taxable cash and numerous benefits. Cafeteria plans permit flexibility in allowing each employee to determine the compensation components that best satisfy his or her particular needs (Mondy and Noe, 2005).

2.2.10. Telecommuting

Advances in technology have created the opportunity for employees to conduct their work or from home or various distance locations. This can be a major plus, eliminating

communicating cost and times and allowing blocks of work that fit personal schedules (Barbeito, 2004).

2.2.11. Part-Time Work

Due to rush of work for a specific period of time some organization recruit employees on daily basis as to compensate for lack of employees. UNRWA, sometimes if the staff member is qualified and shows high motivation, recruits the same staff after retirement age on daily basis to perform the same duties and responsibilities and to train the new staff who will replace him.

2.2.12. Modified Retirement

Modified retirement is an option that permits older employees to work fewer than their regular hours for a certain period preceding retirement. This option allows an employee to avoid an abrupt change in lifestyle and mover gracefully into retirement. It also affords employers the opportunity to capitalize on needed experience and skills at a relatively low cost (Mondy and Noe, 2005).

3. Other Compensation Issues

There are other benefits that deserve to be mentioned, the most important of which are the following:

3.1. Severance Pay

Personnel policies generally state a notice requirements when employees resign or are terminated. During the notice period, employees are paid their normal salaries and benefits (Barbeito, 2004).

3.2. Comparable Worth

Comparable worth requires the value for dissimilar jobs, such as company nurse and welder, to be compared under some form of job evaluation and pay rates for both jobs to be assigned according to their evaluated worth

3.3. Pay Secrecy

Some organizations tend to keep their pay rates secret for various reasons. If a firm's compensation plan is illogical secrecy may indeed be appropriate because only a well-designed system can stand careful scrutiny. An open system would almost certainly require managers to explain the rationale for pay decisions to subordinates. Secrecy, however, can have some negative side effects including a distortion of the actual rewards people receive (Mondy and Noe, 2005).

3.4. Pay Compression

Pay compression is created when the pay differential between one or more pay levels becomes too small. This situation most likely occurs when labor market pay levels increase more rapidly than current employees' pay raises. Pay compression may also take place when firms make pay adjustments at the lower end of the job hierarchy without commensurate adjustments at the top (Momdy and Noe, 2005).

Chapter Four: UNRWA and Performance Appraisal

Preface

Appraising the performance of employees at UNRWA is a must. Each supervisor rates the performance of his subordinates annually. Two reports are available for this purpose. Recently UNRWA has launched OD initiative to increase the efficacy of the appraisal system and to overcome the areas in which the current system falls short.

This chapter will mainly be based on two references the personnel directive of the Agency which includes all the rules and regulations that govern the performance appraisal at UNRWA, and UNRWA's official web site which includes all the information related to structure and objectives of programs and implementing departments. Another source of information is interviews that will be conducted with senior officers in the personnel division and human resource management department. This chapter will deal with the following four main issues:

1. UNRWA overview
2. UNRWA programs
3. Performance appraisal at UNRWA
4. Performance appraisal incentives at UNRWA
5. OD and performance appraisal at UNRWA

1. UNRWA overview

1.1. Establishment

Immediately after the Arab-Israeli hostilities of 1948, emergency assistance to Palestine refugees was provided by international organizations such as the International Committee of the Red Cross, League of Red Cross Societies and the American Friends Service Committee. In November 1948, the United Nations established the United Nations Relief for Palestine Refugees (UNRPR) to extend aid and relief to Palestine refugees and coordinate efforts of NGOs and other UN bodies such as the United Nations International Children's Emergency Fund (UNICEF), World Health Organization (WHO) and Food and Agriculture Organization (FAO) and the International Refugee Organization. The United Nations established the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) under UN General Assembly Resolution 302 (IV), of 8 December, 1949, as a subsidiary organ of the United Nations. UNRWA's mandate has been renewed every three years since 1949, and is expected to continue to be renewed pending a just settlement to the refugee problem (UNRWA website, 2008).

Since its establishment, the Agency has delivered its services in times of relative calm in the Middle East, and in times of hostilities. It has fed, housed and clothed tens of thousands of fleeing refugees and at the same time educated and given health care to hundreds of thousands of young refugees.

UNRWA is unique in terms of its long-standing commitment to one group of refugees and its contributions to the welfare and human development of four generations of Palestine refugees. Originally envisaged as a temporary organization, the Agency has gradually adjusted its programs to meet the changing needs of the refugees. Today, UNRWA is the main provider of basic services - education, health, relief and social services - to over 4.5 million registered Palestine refugees in the Middle East (UNRWA website, 2008).

UNRWA was mandated " to carry out direct relief and works programs in collaboration with local governments," to "consult with the Near Eastern governments concerning measures to be taken preparatory to the time when international assistance for relief and works projects is no longer available" and to plan for the time when relief was no longer needed. UNRWA's mandate has been repeatedly renewed by the UN General Assembly. The current mandate runs till 30 June, 2011, wherein the UN General Assembly has expressed its awareness of the "continuing needs of Palestine refugees throughout the occupied Palestinian territory and in other fields of operation" and noted that the "functioning of the Agency remains essential in all fields of operation" (UNRWA website, 2008).

1.2. Funding

Most funding comes from voluntary contributions of donor states. UNRWA's largest donors are the United States, European Commission, the U.K and Sweden. Other major donors include the Gulf Arab States, Scandinavian countries, Japan and Canada. A small

portion comes from non-governmental organizations and concerned individuals. The United Nations Secretariat finances 110 international staff posts from its regular budget and UNESCO and WHO provide assistance in the staffing of the education and health programs (UNRWA website, 2008).

The European Commission was the largest donor in 2007, followed by the USA. However, in terms of donations relative to population size and GDP per capita, the Scandinavian countries top the list.

When UNRWA was established as a temporary agency the United Nations and member states thought it would be in the interest of both UNRWA and the refugees if the Agency was able to collect voluntary contributions of any amount from member states. However, the United Nations finances all international staff posts from its regular budget.

Donor countries strongly support UNRWA's work, and the Palestine refugees. In their eyes, UNRWA provides important human development for Palestine refugees in the region, crucial emergency assistance in times of need, and a measure of stability in an often volatile environment.

In terms of national currencies, contributions are increasing. UNRWA's budget is dollar-based and UNRWA expenditures are in dollars. In recent years, Agency income and expenditure have increased as a result of the falling US dollar. However, despite the overall growth in contributions, funding is not keeping pace with the growth of the refugee population nor with increased refugee needs. This has led to worrying erosion in the quality of UNRWA services. The number of registered refugees in the oPt, Syria, Lebanon and Jordan has increased by more than 100,000 between June 2006 and June 2007 (UNRWA website, 2008).

UNRWA's regular cash and in-kind budget for 2007 is US\$ 505 million, although expenditure is likely to be less because of forecast shortfalls in donation income. Due to the humanitarian crisis in the occupied Palestinian territory caused by the conflict and Israeli closures, UNRWA has launched repeated emergency appeals for emergency food, employment and cash assistance. In 2007 the Agency is asking for an additional \$246 million to cover these emergency needs (UNRWA website, 2008).

More than half of UNRWA's budget is spent on the education program, which in 2007 was budgeted to receive \$277.2 million. The health program was forecast to receive \$95.9 million while the relief and social services program were to receive \$43 million. Operational and common services were to receive \$89 million combined (UNRWA website, 2008).

1.3. Beneficiaries

For operational purposes, UNRWA has defined Palestine refugee as any person whose "normal place of residence was Palestine during the period 1 June 1946 to 15 May 1948 and who lost both home and means of livelihood as a result of the 1948 conflict." Palestine

refugees eligible for UNRWA assistance, are mainly persons who fulfill the above definition and descendants of fathers fulfilling the definition.

In May 1951, UNRWA inherited a list of 950,000 persons from its predecessor agencies, the United Nations Relief for Palestine Refugees, the International Committee of the Red Cross and the American Friends Service Committee.

In the first 4 months of operations, UNRWA reduced this list to 860,000 persons, based on "painstaking census efforts", "fraudulent claims" and a desire to "remove undeserving individuals from its relief rolls (UNRWA website, 2008).

The 1948 registered refugees and their descendants now number over 4.5 million, and mainly reside in the West Bank, Gaza, Jordan, Lebanon or Syria. These are the refugees covered under UNRWA's mandate.

It should be noted that UNRWA's definition of refugees is necessarily restricted to those eligible to receive its aid, as the definition explicitly states that the refugee must have lost both home and means of livelihood to be eligible for registration with UNRWA. Thus, for the purposes of repatriation or compensation, as envisaged in UN General Assembly (UNGA) Resolution 194 (III) of December 1948, the term "Palestine refugee" is used with a different, much less restrictive meaning as compared to UNRWA's need-based definition (UNRWA website, 2008).

UNRWA services are available to all Palestine refugees, over 4.5 million, who are registered with the Agency in the Area of Operations (Jordan, Lebanon, Syrian Arab Republic, the West Bank and Gaza Strip). Not all Palestine refugees opted to register with UNRWA and not all those who opted to register were eligible to receive service. There are many Palestinian refugees who are not registered with UNRWA or who reside outside UNRWA's areas of operation, and are therefore unable to have access to UNRWA services.

The UN General Assembly has asked on an annual basis the Commissioner-General of UNRWA "to continue to provide humanitarian assistance, as far as practicable, on an emergency basis, and as a temporary measure, to persons in the area who are currently displaced and in serious need of continued assistance as a result of the June 1967 and subsequent hostilities (UNRWA website, 2008).

There have been times when UNRWA's assistance has been extended to persons who do not fall within the standard definition of a Palestine refugee. For instance, in 1988, from the outbreak of the first Intifada and based on the urging of the UNGA, UNRWA pledged to provide "as far as practicable, humanitarian assistance on an emergency basis, and as a temporary measure, to non-refugees in the occupied territories who are in serious need".

During the second Intifada in the West Bank and Gaza, which began in 2000, UNRWA also provided some food assistance to non-refugees suffering from Israeli closures in isolated areas of the West Bank.

2. UNRWA programs

UNRWA helps Palestine refugees through four main programs: Education, Health, Relief, and Microfinance and Microenterprise Program.

2.1. Education

The Palestine refugee community has traditionally placed great emphasis on education as the key to a better future. Despite often difficult circumstances, Palestinians are one of the most highly educated groups in the Middle East. This achievement has been made possible in large part by the contribution of UNRWA in educating three generations of refugees.

UNRWA operates one of the largest school systems in the Middle East and has been the main provider of basic education to Palestine refugees for nearly five decades. The Agency provides primary and junior secondary schooling free of charge for all Palestine refugee children in the area of operations. Vocational and technical training courses are given in the eight UNRWA vocational training centers. The Agency also runs an extensive teacher-training program, and offers university scholarships to qualified refugee youth (UNRWA website, 2008).

UNRWA aims to give Palestine refugee pupils a basic education comparable to that provided in government schools in the region, so that they are on an equal footing in gaining access to educational and employment opportunities. Consequently, UNRWA schools use the same curricula and textbooks as the host government/Authority schools, and pupils sit, wherever applicable, for national exams at each stage of the education cycle.

In the educational sector UNRWA has achieved the following (UNRWA website, 2008):

- p** Access to free elementary and preparatory education for all Palestine refugee children;
- p** A school system with low repetition rates, low drop-out rates and high levels of academic achievement;
- p** Full gender equity since the 1960s, with 50.2 per cent of pupils being females in 2001/2002;
- p** 60,000 graduates from UNRWA's vocational and technical training centers, and some 17,000 from UNRWA pre-service teacher training centers and education science faculties by 2000;
- p** Established, in the West Bank in 1962, the first residential women's vocational training centre in the Middle East;
- p** University scholarships for thousands of young refugees

2.2. Health

UNRWA's health program aims to protect, preserve and promote the health of Palestine refugees and to meet their basic health needs. Since its establishment, the Agency has been the main health care provider for the Palestine refugee population, providing the following health services:

- Primary health care
- Nutrition and supplementary feeding
- Assistance with secondary health care
- Environmental health in refugee camps

Through Health Program, UNRWA has succeeded in achieving the following (UNRWA website, 2008):

- Infant mortality rates have dropped from 180 deaths per 1,000 live births in the 1960s, to 32-35 per 1,000 in the 1990s. This is well ahead of the World Health Organization (WHO) target for developing countries of 50 per 1,000 by the year 2000.
- Protein-calorie malnutrition, highly prevalent in the 1950s and 1960s, was eliminated by the 1990s.
- The mother-and-child health clinics have contributed to a significantly lower rate of infant mortality in the refugee population in Gaza compared with the non-refugee population in Gaza and the West Bank (32 deaths per 1,000 compared with 44 per 1,000).
- As a result of the expanded program of immunization and immunization campaigns, the last confirmed case of polio was reported in 1993, and no cases of tetanus were reported during the 1990s.
- A special formula for the treatment of diarrhoea and dehydration used widely today by WHO and UNICEF (United Nations Children's Fund) was pioneered by UNRWA.
- Growth charts to monitor children's development were introduced well ahead of other aid agencies.
- The Agency runs one of the most cost effective health services in the region, spending US\$15 per registered refugee per year and with comparable or higher results than other health services in the region.

2.3. Relief and Social Services

UNRWA aims to ensure a minimum standard of nutrition and shelter for Palestine refugees and the Agency's relief and social services program supports the poorest refugee families who are unable to meet their own basic needs. The program also facilitates longer-term social and economic development for refugees and their communities without prejudice to their rights as refugees recognized in United Nations General Assembly resolutions. This program comprises two main activities:

2.3.1. Relief Services

- Refugee families in special hardship case
- Food aid
- Cash assistance
- Emergency relief
- Shelter rehabilitation

2.3.2. Social Services

- Poverty alleviation
- Community development

2.4. Microfinance and Microenterprise Program

UNRWA launched its microfinance and Microenterprise program (MMP) in the West Bank and Gaza Strip in June 1991. This initiative was taken in response to rapidly deteriorating economic conditions marked by high unemployment and spreading poverty following the outbreak of the first Intifada in 1987 and the Gulf War. After 1993 the program intensified its activities in support of the peace process through UNRWA's Peace Implementation Program (UNRWA website, 2008).

The MMP is now organized around four revolving loan funds in Gaza and two in the West Bank. These make loans to, small-scale enterprises in Gaza and the West Bank (the Small-Scale Enterprise product), to women organized in groups in Gaza only (the Solidarity Group Lending product), to Microenterprise in Gaza and the West Bank (the Microenterprise Credit product), and to workers and low-paid professionals (Consumer Lending product) (UNRWA website, 2008).

At the end of 1996 the Agency had set a target date of 31 December 1999 for the program to be fully self-sufficient. However, this target date had to be brought forward due to the budget crisis facing the Agency and the program started to meet its operational costs from 1 January 1998 (a year ahead of the original schedule). However, by the end of 2001 the program was covering 88.5 percent of its operational costs from interest income; the future

cost recovery of the program depends on the loosening of the recessionary pressures, primarily the trade constraints imposed by the closure (UNRWA website, 2008).

The Small-Scale Enterprise (SSE) product was established in Gaza and the West Bank in 1991 with a capital fund of US\$407,000. This fund has now reached almost US\$10 million, to which the Government of the United States of America has contributed 35 percent. In 1994, the MMP launched its first microcredit initiative by establishing in Gaza a new Solidarity Group Lending (SGL) product with a small fund of US\$42,270. This was followed by the establishment of the Microenterprise Credit (MEC) product in Gaza in 1996, and another in the West Bank early in 1998. The donor-based capital fund for these three Microenterprise initiatives now stands at US\$3 million, almost 30 percent of which has been donated by the United States. In February 2002, a new Consumer Lending product was piloted in one of the poorest areas in Jabalia refugee camp in Gaza with a small fund of US\$50,000 from the 1999 AGFUND prize (UNRWA website, 2008).

These small-scale and Microenterprise credit products promote small business development opportunities, create new jobs and safeguard old ones, and help the poorest in the society.

3. Performance appraisal at UNRWA

The grading system at UNRWA begins with grade 1 (the lowest) and ends with grade 20 (the highest). The performance of employees from grade 1 to 3 is not appraised. Only a form is filled by the direct supervisor to specify whether this employee is needed any more. The performance of employees from grade 4 to 15 is appraised once a year. Special form is designated for this end. However employees whose grades are from 16 to 20 have another form. The majority of employees fall in the second category of grading which is between 4 and 15.

The report that is used for the appraisal of employees from grade 4 and 15 is derived from different performance appraisal methods i.e. a combination of methods is used.

There are several rules and regulations that govern the performance appraisal system at UNRWA. These regulations exist in the personnel directive of the Agency.

3.1. Timing of appraisal:

The performance of each employee is appraised at least once a year near the employee's anniversary date. As stated in the personnel directive "The work and conduct of every staff member will be evaluated, reviewed and recorded in a confidential periodic report not less than once in each year of the staff member's service" (Personnel Directive No A/14).

Periodic reports will be submitted at the following times, provided that new reports need not necessarily be prepared when recent reports are available:

- p** not later than two weeks prior to the incremental date of every staff member;

- Ⓟ not later than two weeks prior to a staff member's reclassification for service
- Ⓟ not later than two weeks prior to the completion of any probationary period, instituted upon reassignment if the reassignment is not to be confirmed, or imposed for disciplinary reasons under the provisions of Staff Rule.
- Ⓟ In addition to the above, at any other time that may be required.

3.2. Initiation of Periodic Reports

Periodic reports are completed in accordance with the instructions printed on the relevant form and, having regard to the organizational structure of the administrative unit concerned, compiled and verified by the appropriate officials designated there in. Chief, Personnel Division in Headquarters and UNRWA Representatives in Field Offices are responsible for ensuring that reporting officers are formally designated throughout all levels of the administration.

When periodic reports are prepared for staff members who are employed in a professional or technical capacity, arrangements are made by the principal supervisor for these aspects of their work to be evaluated on the prescribed form by the appropriate officials responsible for the technical or professional direction of their employment, then The periodic report will be forwarded by the principal supervisor to the Personnel Office (Personnel directive, 2008).

3.3. The purpose of performance appraisal

The purpose of periodic reporting is to establish an impartial assessment of the quality of a staff member's service with the following objectives in view:

- Ⓟ To assist the Administration in its assignment of staff members to functions and responsibilities which are compatible with their demonstrated proficiency.
- Ⓟ To facilitate the determination of a staff member's eligibility for promotion, and, in particular; to determine a staff member's eligibility to receive an annual increment.
- Ⓟ To provide supervisors, periodically, with a formal means of reviewing the work of staff members and to ensure that supervisors bring to the staff member's attention any aspects of work or conduct which are the subject of less than satisfactory report; and
- Ⓟ To provide proper documented material for certificates of service that may be requested by staff members (Personnel Directive, 2008).

3.4. Uses of performance appraisal

In the upgrading of employees, the personnel division uses the last three reports of performance appraisal of the incumbent. Those whose performance is indicated as less than good are not considered for the post. Although this is not completely accurate as the performance of an employee in one post may not be equal to the performance of the same employee in another post. The output of performance appraisal should be used for different human resource functions including training, career planning and succession planning.

However, this is not the case here. We are looking forward to overcome all these obstacles in the OD through the implementation of new performance appraisal system that is based on performance indicators to better measure the performance of employees. For example, the performance of teachers will be evaluated at the end of scholastic year and will be measured against predetermined criteria¹.

3.5. The performance appraisal report

Performance appraisal at UNRWA is known as periodic evaluation report. As mentioned earlier, there are two reports for performance appraisal: one for appraising the performance of employees from grade 4 to 15 and the second is for appraising the performance of employees from grade 16 to 20. The first periodic evaluation report consists of five parts as shown in annex 4.

⌘ Part One

Part includes personal data about the appraises such as reasons report is required, date report must be returned to Personnel Office, grade, name, employee number, job title, post number, station, duty station, salary and date of entry on duty.

⌘ Part Two

Part two consists of five main sections:

- 1. Section one:** section one is titled as performance factors and includes
 - A) **Industry:** the rating under this heading indicates the staff member's willingness to work, regardless of quantity or quality of output. Under industry we have five descriptive ratings: lacking in application, satisfactory, a hard working staff member, a very hard working staff member, and outstanding industrious.
 - B) **Quantity of output:** the purpose of this question is to assess whether the staff member's output is what may be considered a reasonable norm for the job, or whether it is above or below that norm. The question here is concerned with speed of work not with quality. Under the quantity of out put we have the following five ratings: output regularly insufficient, satisfactory, produces good output, maintains a high standard of output, and outstanding output.
 - C) **Quality of output:** Here the question is entirely concerned with the accuracy and thoroughness with which the work is done. Under the quality of output we have five ratings as follows: His/her work as a whole is of poor quality, her/his performance is satisfactory, her/his work is of good quality, maintains high standard, and makes a distinctive distribution.

¹ An interview with Mr. Dia Al Shatali, Deputy Field Personnel Officer at UNRWA, 18 March 2008

- D) **Punctuality:** An acceptable standard of punctuality is when the staff member conscientiously attends her/his duty at established hours, rarely arrives late or leaves early, and always asks permission for minor absences. Under punctuality we have these ratings: less than satisfactory standard, satisfactory standard, and noted for strict punctuality.
2. **Section two:** section two includes two main parts: personality factors and supervisory capacity. In this section the rater have to indicate the relevancy in addition to rating:
- A) **Reliability:** The appraiser have to indicate the relevancy by clicking on either not applicable, relevant, and especially important. After that the appraisers have to select either: not reliable, not quite as reliable as he/she should be, reasonably reliable, has a good record of reliability and very conscientious and reliable. It is noteworthy that the report does not state what is actually meant by reliability, initiative, judgment, and personal relations. The only sentence mentioned in this regard is that these personality factors are self-explanatory.
- B) **Initiative:** As in reliability, the appraiser has to indicate the relevancy and then give the suitable appraisal which goes into three ratings: tends to wait for direction, shows reasonable degree of initiative, and has initiatives and exercises it constructively.
- C) **Judgment:** the rater here gives one of the following five ratings: judgment is not good, judgment is sometimes at fault, generally takes a sound view, his/her view of matters in nearly always sound and comprehensive, and the last one judgment is consistently sound and well.
- D) **Personal relations:** the appraiser has to select any of the following five ratings: tends to have difficulties in dealing with people, maintains reasonably good relations, and maintains good relations.
- E) **Ability to supervise staff:** The aim of this factor and the one that follows is to measure the supervisory capacity. Thus, they are not applicable unless two or more persons are supervised. In this factor we have three main ratings: tends not to be an efficient supervisor, staff work well for him/her, and very successful in obtaining best efforts of her/his staff.
- F) **Ability to organize work:** here the appraiser has to give one on the following three factors which are: less than satisfactory in controlling and planning his or her work, plans and controls work satisfactorily and an exceptionally effective organizer.
3. **Section three:** this section is titled as additional comment and designed to be used for covering any points not adequately dealt with above, including any specially strong or weak points.

4. Section four: This section relates to the notification of staff member. The appraisee's signature should appear on this section as it indicates concisely to what extent the supervisor has discussed this report with the staff member to be appraised.

5. Professional or technical competence: this section is to be completed by immediate supervisor responsible for professional or technical direction. In this section we have five ratings: insufficient knowledge and skills to do the job, his/her knowledge of his/her field of work is not yet fully adequate, adequately equipped for the matters she/he deals with, has a good grasp of her/his field of work, and has an unusually thorough and comprehensive mastery of her/his field of work.

⌘ Part three: This part is to be completed by the intermediate reporting officer or by principal officer if there is no intermediate level. In this part the appraiser selects one of the following overall ratings:

- A) A staff member with an unsatisfactory performance.
- B) A staff member who maintains only a minimum standard of efficiency.
- C) A staff member who maintains a good standard of efficiency.
- D) A staff member with a very good performance.
- E) An exceptionally competent staff member of unusual merit.

The supervisor who selects the first statement above should elaborate in the space that comes after the reason behind selecting this option. Another space is provided for the overall technical rating which is provided by the supervisors in the intermediate or final level.

⌘ Part four: This part is for the endorsement of the principal supervisor before submission to personnel office.

⌘ Part five: This part is designated for the signature of the staff member. The signature does not necessarily mean that the employee agrees with the evaluations contained in the report.

The second periodic evaluation report (for more details see annex 2) which is designated for appraising the performance of employees whose grades are from 16 to 20 consists of five sections as follows:

⌘ Section one

This section is to be completed by the personnel branch. It includes information about the appraisee including: name, entry on duty, duty station, functional title, duration in this function, post number, department, category and level, duration at this level, and period covered by this report.

p Section two

Section two consists of two parts. The first part is to be completed by the staff member and goes around two main points: the main assignments accomplished by the appraisee during the reporting period and the second point is about any training undertaken by the appraisee during the reporting period.

The second part is to be completed by the first reporting officer. In this part the appraiser indicates agreement and comments on the previous main assignments, any advice or instructions given by the appraiser to the appraisee during the reporting period and the discussion date of this report with the appraisee.

p Section three

This section is to be completed by the first reporting officer. In this section instruction are given to appraisers to bear in mind the staff member's level of duties and responsibilities so as not to judge him/her by inappropriate standards or by personality traits. The appraiser should add his comment and select one of six ratings (outstanding, very good, satisfactory, somewhat below standards, poor and not applicable) for the following factors:

1. Professional/technical competence (knowledge, skills and experience the staff member possesses in his / her field of work ability to stay abreast of latest developments).
2. Quality of work accomplished (where accurately and precision of work produced are particularly relevant).
3. Quantity of work accomplished.
4. Speed of work (ability to meet schedules and deadlines when required).
5. Initiative (demonstrated aptitude to produce new ideas and/or bring about constructive innovation).
6. Ability to work independently or with minimum supervision.
7. Work relationship (effectiveness in working harmoniously with other staff members or persons outside the organization in official contracts).
8. Punctuality as regard working hours.
9. Written and working expression in working languages (ability to communicate in clear, concise and effective manner). In this factor the appraiser rates the performance of employee under his supervision in written and oral skills.
10. Effectiveness in supervision (ability to motivate, maintain and direct a productive work unit).
11. Planning and organization of work.
12. Skills in producing a solution
13. Ability to negotiate and persuade.

In the coming points the appraiser fills in writing the space provided to him:

14. In this space the rater comments on the staff member's attitude to the UN
15. In this space the rater indicates any assignments that the appraisee performed effectively.
16. This space is designated for adding additional points that have not been adequately covered and that are considered significant for the evaluation.
17. This space is provided to the appraiser to indicate points on which he wishes the staff member to improve his performance in during the next reporting period.

The last space is designated for the signature of appraiser, date, name and title

⌘ Section four

This section is to be completed by the second reporting officer. In point "A" of this section, the first reporting officer comments on the adequacy of counseling and guidance given to staff member and discusses the performance of the appraisee with the second reporting officer. In point "B" an overall rating is given to the appraisee by selecting one of five ratings: an outstanding performance, a very good performance, a satisfactory performance, a performance that does not fully meet standards, and a poor performance. Appraisers who select either outstanding or a poor performance have to indicate the reasons behind the selection. In part "C" of this section if the appraisal of the second reporting officer differs from that of the first reporting officer a comment should be stated.

⌘ Section five

This section is to be completed by both field director and the headquarters department head. A space is provided for the signature of this report.

4. Performance appraisal incentives at UNRWA

The current performance appraisal system at UNRWA offers few incentives to employees whose performances are rated as outstanding. Generally, employees need a kind of incentive or reward to sustain excellent performance. Recently UNRWA has dedicated part of its budget to cover this initiative. The director of UNRWA operations in 2007 decided to award financial reward to employees whose performances are rated as outstanding. A considerable amount was disbursed on excellent performers who were nominated by department heads and direct supervisors. Furthermore, all department heads in Gaza Field Office were requested to nominate one of the employees to be included in the newsletter that is published by the Agency. The nominator has to give reasons why this employee in particular was selected and what are his achievements. In addition a special consideration is given to excellent performers, where they are being nominated by the director of the Gaza Field for higher grade posts.

Few decisions are based on the appraisal of employees. Only employees with poor performance receive a letter from the personnel indicating that their performance will be evaluated for the second time after three months. If they sustain the same rating their contracts will be terminated by the Agency. Employees with grade 12 and above are

required to achieve at least 3 in the overall rating. Otherwise they receive a notification from the Personnel division to improve their performance or their contracts will also be terminated.

In some special cases, UNRWA sometimes extend the duration of the contract for a specific period beyond the retirement age. In order to extend the services of the staff member beyond the retirement age, the performance of the employee must be fully satisfactory. Moreover, only staff receiving three, four or five in the periodic report can be considered for missions. To sum up, an extension of the staff member contract is subject to satisfactory performance.

5. OD and performance appraisal at UNRWA

For more than a half century, UNRWA has made substantial contributions to the human development of Palestine refugees. It is well known, however, that indicators which once documented the Agency's successes in health, education, relief, social services and other sectors are now in decline. In many areas these indicators compare unfavorably with host authority services as well as with international standards (OD documents, 2008).

In late 2005, the Commissioner-General decided to launch a comprehensive OD initiative designed to strengthen and sustain the Agency's capacity for program management and delivery. She asked the Deputy Commissioner-General to coordinate the OD process.

5.1. The OD process

The strengths and weaknesses of the Agency were identified by reviewing various external reports and internal studies and by engaging consultants to carry out a rapid organizational assessment (ROA).

During the ROA, the consultants visited the five Fields and the Headquarters Offices. The consultants found staff extremely interested in the OD process and very articulate about the issues. There was a strong demand for change, but considerable skepticism about the possibilities of successful change (OD documents, 2008).

5.2. Aims of the OD process

The OD process brings together all the initiatives designed to strengthen UNRWA's capacity to serve Palestine refugees effectively and efficiently. Embracing a holistic and comprehensive approach, OD is a continuous process of reflection, learning and action.

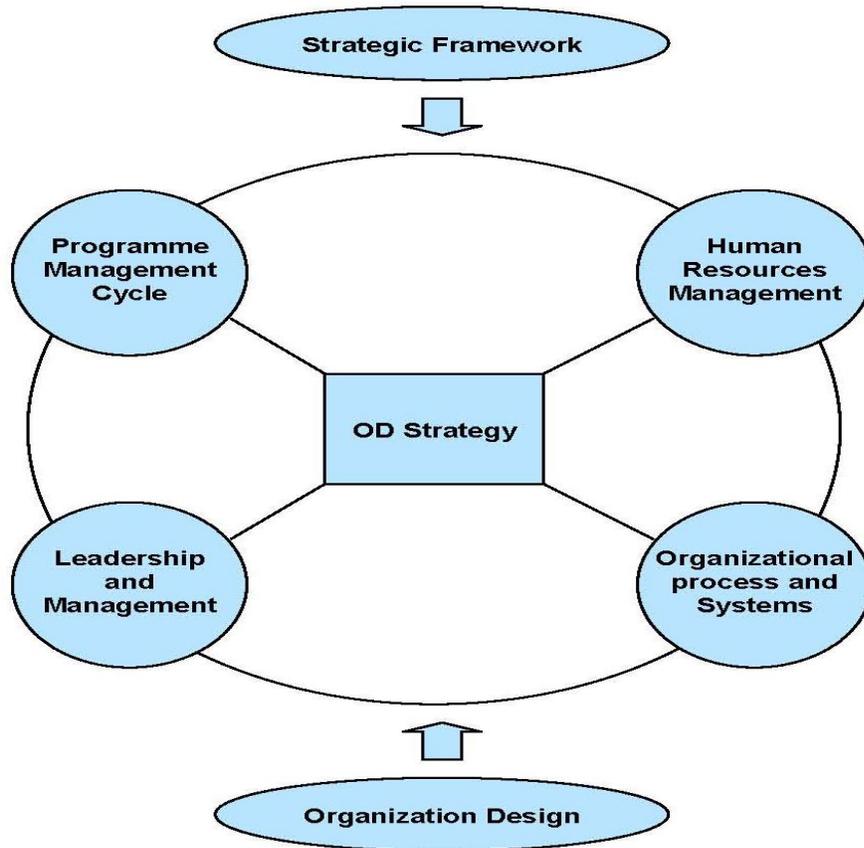
This process, initiated by the Commissioner-General and owned by the Management Committee (MC), has already started. While OD is a continuous process, a three-year program of specific initiatives has been introduced. Although these initiatives are presented individually, they are best appreciated as components of an integrated whole. Their importance and value for our Agency lie in their aggregate impact (OD documents, 2008).

Some of these initiatives have already started, others will begin shortly and still others will have to wait for external funding. For those initiatives requiring external financing, the Agency is seeking sufficient funds to cover implementation until the end of 2009.

5.3. Four levers of change

In developing the OD strategy, the Agency identified four key levers of change that will help the entire Agency adopt and operate under the “strategy, policy, accountability, results and envelopes "SPARE" paradigm. These levers are mutually reinforcing, and they are critical to the desired changes taking hold. These levers will lead to significant improvements in efficiency and effectiveness in all aspects of the organization, thereby facilitating both better services to refugees and a more satisfying internal work environment (OD documents, 2008).

Figure 6: Strategy, Policy, Accountability, Results and Envelopes "SPARE" paradigm



5.4. The HRM strategies

Seven strategies have been developed to guide HRM in the Agency (unpublished document):

- a) **Staffing:** To provide the Agency with a sustainable, competent, motivated and adaptable workforce, thereby ensuring that knowledge is retained and enhanced in the Agency.
- b) **Training and Development:** To ensure that staff have the knowledge, skills and attitudes to perform their current duties and responsibilities successfully, and are prepared for future challenges and opportunities.
- c) **Performance Management:** To establish and maintain a performance management system for staff that is clear and objective, is free of bias and abuse, encourages dialogue and feedback and is consistent with the strategic objectives for the Agency, thereby ensuring that all staff perform effectively.
- d) **Compensation Management:** To develop a competitive, motivating and cost-effective compensation system that: (i) enhances the Agency's ability to attract and retain high-caliber staff; (ii) recognizes team and individual contributions; and (iii) ensures that all posts are classified at appropriate levels in accordance with transparent, objective and equitable principles.
- e) **HR Service Delivery in the Field Offices and HQ:** To provide HR services that are clear, flexible, reliable, confidential and empowering, through the development of HR capacity and user-friendly and efficient HR policies, processes and systems.
- f) **Gender Equality:** To develop and implement measures to enhance the gender balance, particularly among senior staff; to develop policies to promote and empower women; to promote gender awareness among staff at all levels—through training; to ensure managers are accountable for achieving gender equality;
- g) **Line Management:** To ensure that all managers are competent and accountable for their HRM roles in partnership with the relevant HR service providers (OD documents, 2008).

5.5. Initiative Performance management

The performance management system for staff currently in use within the Agency utilizes four different types of report form, completed annually on the anniversary of appointment. The general perception of the process is that it is purely a paper exercise which does little to honestly evaluate performance in an atmosphere of openness in the Agency. Although

the documentation broadly conforms to accepted standards for appraisal documentation, there are a number of areas where it falls short.

Areas of concern in the current system include the following (OD documents, 2008):

- ⓑ Personal objectives of individual staff are not established and, as a result, the performance of staff is not evaluated against individually tailored objectives.
- ⓑ The objectives of the Agency/Department/Program do not cascade down into the personal objectives of individuals therein.
- ⓑ Staffs are not required to complete a personal development plan that can be used, in part, by management in assisting individual staff to develop.

Inconsistencies occur in how the forms are completed. The Agency-wide tendency appears to be to “over mark” staff rather than give “satisfactory” ratings. Similarly, it is common for ratings to be inflated when compared with comments made by the supervisor on the form concerning the staff member’s performance (OD documents, 2008).

5.5.1. Employee participation

Employees should participate with their supervisors in the creation of their own performance goals. These should be directly related to the goals of the department, and ultimately to the strategic plans for the Agency. Mutual agreement is a key to success. A plan wherein the employee feels some degree of ownership is more likely to be accepted than one that is imposed upon him/her.

5.5.2. Self assessment

Employees should be invited to comment on their own performance and achievements against objectives, before the interview takes place.

5.5.3. Personal development plan

All employees should be encouraged to prepare a personal development plan (PDP) as part of the performance review process. This should be used to help plan a training program for the individual.

5.5.4. Competency framework

The revised performance review system should integrate with any future competency framework which will be developed for the Agency.

5.5.5. Mid-term review

One of the most common mistakes made in performance reviews is to perceive the process as an isolated event, rather than an ongoing process. In order to be more effective the new performance review system should include a mid-term review. This would allow for a review of progress during the year, and for both parties to make any necessary adjustments to the objectives or plans. Frequent “mini” appraisals and feedback sessions will help ensure that employees receive the ongoing guidance, support and encouragement their need.

One challenge that cannot be easily overcome in the drafting of a form is how to ensure the evaluation is honest. In this regard, supervisors need to appreciate the importance of giving their staff frank feedback on performance strengths and weaknesses. This will be a key element in management training. The system will be implemented gradually, starting with members of the Senior Management Committee, followed by middle managers in HQ and the Field Offices.

5.6. Aims

To develop a simplified system of assessing performance and recording concerns that

- p** focuses on improving performance through discussion and feedback, and
- p** Links annual salary increases and promotions to performance.

The system will be sympathetic to the culture of the organization whilst providing the tools necessary to allow better management, and development of individual staff members. Note will be taken of the shortfalls in the current system (such as the lack of individual objectives and performance development plans) and steps taken to eradicate these shortfalls in the new system. The new system will be based on objective assessments and will feed into the competency framework. The system will be unbiased and discrimination free, and will be applied consistently throughout the Agency, with a common use of terminology, procedures and practices. There will be a visible link between the objectives of the Agency, department and those of the individual, so that staff members can see the contribution they are making to the overall success of the organization (OD documents, 2008).

- p** To communicate to all staff members the main features of the new system, and to make them aware of how it is going to be implemented, and the benefits that will be gained by adopting this new approach to performance management.
- p** To provide initial training for managers who have to review the performance of others on the use of the new system, and in the techniques of successful staff appraisal. A key element of this training will address the importance of frank feedback on performance strengths and weaknesses.

5.7. Outputs

A new performance management system will be developed for the Agency that meets the Aims identified above. A guide will be developed for use by managers and staff that explains the operation of the new system and provides an explanation of the features and benefits of the new performance evaluation process. Alternative ways of communicating the new system to staff will also be considered, e.g. issuing guidelines in both English and Arabic, preparing an in house video, teleconferencing.

A number of suitably qualified internal staff will be selected and trained as facilitators for training workshops that are designed to teach managers the skills necessary for conducting a successful performance review and to explain the operation of the new system.

Training workshops will be held throughout all regions of the Agency's operation for all managers with a responsibility for conducting performance reviews and also awareness seminars will be held, in order to explain the operation of the new system to all staff (OD documents, 2008).

Chapter Five: Previous Studies

Preface

Many researches have been conducted on the satisfaction of employees on performance appraisal. Some of these researches reached a conclusion, that satisfaction is correlated to the fairness of the appraisal system, others, however, confirmed that there is no correlation between satisfaction and the fairness of appraisal system. At UNRWA, this is the first study to cover this area of research as no researches were made in regard to either satisfaction of employees on performance appraisal or any other aspects of performance appraisal. This chapter will include:

- p** Palestinian Studies
- p** Arabic Studies
- p** International Studies

1. Palestinian Studies

1.1. (Shourab, 2007)

This study aimed at identifying the merits and demerits of incentives system in the main municipalities of Gaza Strip, identifying the effect of incentives on motivating employees and identifying the effect of performance appraisal on employees' performance and motivation.

The study found out that municipalities are incapable of paying incentives due to the financial crisis they undergo, there are no plans at the Gaza Strip municipalities to offer incentives to their employees, usually incentives take the form of verbal support rather than financial rewards and the results of performance appraisal are not used for promotion and those whose performances are rated as unsatisfactory are not subject to training or demotion. The study recommended introducing incentives scheme to motivate employees and utilizing the performance appraisal result in favor of training and promotion.

1.2. (Edwan, 2006)

The purpose behind conducting this study was to evaluate the performance appraisal system at the three vocational centers in the Gaza Strip.

The study found out that performance appraisal standards are subjective however they are static, vocational training centers depend mainly on the direct supervisor's observation to compile data about the performance of subordinates, only one method is used to appraise the performance of employees regardless of the grade, and the period for appraising the performance of employees is sufficient.

The study recommended that performance appraisal reports should be more elastic and different methods should be used to appraise the performance of employees.

1.3. (Awad, 2005)

The purpose behind conducting this study was to evaluate the Palestinian National Authority's performance appraisal system in the Gaza Strip. The main subject of the study was the performance appraisal system of the PNA after its amendments in 2004.

The study found out that employees are unsatisfied about the current appraisal system due to different disadvantages in the system.

The study recommended that performance appraisal system should be seriously considered, specifying performance standards that are based on the job description.

1.4. (Muranekh, 2004)

This study focused on appraising the effect of work environment on the satisfaction of employees working in the industrial sector facilities in the Gaza Strip. The study examined 258 industrial facilities.

The study proved that there is a correlation between the following variables (qualification, sex, internal work environment, scope of work, some moral incentives, some laws of the Palestine labor, some external work environment) and the level of satisfaction.

The study recommended increasing the level of concern on employees and their problems, increasing salaries, improving work conditions particularly health including heating, ventilation and lighting.

1.5. (Nouno, 2004)

This study aims at analyzing performance appraisal systems at governmental higher education institutions in the Gaza Strip. The research problem of this study can be summarized in identifying the main problems in performance appraisal that are behind the lack in developmental aspects in the higher education institutes. The study found out that the current appraisal system does not include the requirement of successful appraisal system, the system lacks practical and objective criteria, the systems lacks methods of data collection for appraising performance, appraisal is only conducted by direct supervisor, and employees who are in charge of appraisal are in need for training.

2. Arabic studies:

2.1. (Jwaidai, 2007)

This study aimed at identifying the advantages and disadvantages of performance annual reports in the general management of meteorology and environmental protection in the Kingdom of Saudi Arabia.

The study found out that jobs do not have objective standards to evaluate performance of appraisees, employees do not know the results of their appraisal reports, the annual reports of performance do not help in booming the employees' performance level, the annual reports of performance do not help in motivating employees, the annual reports of performance are not fair, secrecy is required when preparing the performance report, the results of the reports are not used for developmental purposes and the performance reports do not help in finding out the employees who are suitable to occupy higher administrative positions.

The study recommended that performance appraisal reports should include subjective standards, each job should have its own appraisal criteria, employees should be briefed on the importance of performance appraisal reports, and performance reports should provide

administration with feedback regarding training, career planning and organizational development.

2.2. (Al-Gamdi, 2006)

This study aimed at identifying the performance level of the receptionists in the military hospital in Riyadh and Kharj, identifying the proficiency level of the receptionists in the military hospital in the same hospital, identify the satisfaction level of the clients towards the performance of the receptionists in the military hospital, and examining the variations in the levels of satisfaction among the clients towards the performance of the receptionists in the military hospital.

The study found out that there is a high level of proficiency among the receptionists in the military hospital in Riyadh and Kharj, there is a high level of satisfaction among the clients towards the performance of the receptionists in general, there is no essential difference between the average degrees of the satisfaction of clients towards the effective performance of the receptionists, there is a shortage of planning in the reception desks where they work and there is no adequate training to meet the needs of the receptionists.

The study recommended briefing receptionists on the results of their performance appraisal, promotion should be directly correlated to the results of appraisal system and enriching the job description to include performance appraisal standards.

2.3. (Adel, 2005)

The study aimed at identifying the level of satisfaction among employees working on Jordanian Hotels. The study included the three, four and five star hotels and employees who have more than a year of experience.

The study found out that the level of satisfaction at Jordanian hotels was average. The most important factors affecting the level of satisfaction are: leadership style, work environment, hotel management, hotel organization, compensation and incentives.

The study recommended unifying leadership and orders, avoiding duplications in order, streamlining communication, and showing more concern to compensation and employees' questions.

2.4. (Abu Ramadan, 2004)

This research aimed at identifying university employees' level of satisfaction, identifying the most important factors that achieve satisfaction and providing decision makers with useful information about their employees in order to take the suitable decisions.

The study found out that the most important factors in achieving satisfaction among university employees are job security, job stability and salary. The study also found out that the satisfaction of employees rated %57.8.

The study recommended that financial incentives should be increased to sustain employees' satisfaction.

2.5. (Hawana, 1998)

This study found out that the fairness in appraisal system depends on the appraisees knowing their merits and demerits. New suggestions to remedy the demerits should be introduced. The study also found out that even if the recruitment process was conducted subjectively this does not necessarily mean that the performance of these candidates should not be thoroughly evaluated. Moreover, fairness of appraisal system as concluded by the study should be conducted more than a time a year.

2.6. (Salama, 1997)

In this study the researcher examines the efficiency of performance appraisal systems in the Saudi Arabia and discusses the amendments that took place to develop the performance appraisal system particularly the legislation that was issued in 1984. This legislation has changed the performance appraisal standards. The difference among post titles has been taken into consideration and the change in responsibilities as well. A new system of factors and weights has been introduced in order to measure accurately the performance level. Different methods have been also introduces to promote communication between appraisers and appraisees. The system also includes annual committees from specialists in the general services apparatus to analyze reports and raise the results to each apparatus officer separately.

2.7. (Tanash and Lawzi, 1995)

This study aimed at exploring the opinions of the employees in the Jordanian foundations towards the annual appraisal report. The researchers designed a questionnaire for this end that was distributed on 642 employees.

The study proved that researchees have negative opinion towards performance appraisal reports for career planning or organizational development. Different individual differences have negatively affected the opinions of employees which are qualification and supervisory level. The study recommended changing the current performance appraisal report.

2.8. (Sawaf, 1991)

This study aimed at comparing the performance appraisal reports in Saudi Arabia and Egypt in order to benefit from the experience of both countries in developing the performance appraisal. The study discussed the similarities and differences in both systems. The researcher reached the following conclusions: diversifying performance appraisal reports, providing the managerial sections with freedom margin to setting a system that can best evaluate the employees, and setting special performance appraisal report for the evaluation of employees in the higher ranks. The study recommended that the

role of the manager should only be constrained to commenting on the overall performance report and should be extended to include evaluating the employees.

3. International Studies

3.1. (Palmer and Loveland, 2008)

The authors investigated the effect of group discussion, such as may occur formally in panel interview scenarios, assessment centers, or 360-degree feedback situations, on judgments of performance.

The authors hypothesized that group discussion would (a) make ratings less accurate, (b) polarize impressions that were already good or poor as reflected by greater contrast effects, and (c) increase positive halo.

Participants were 360 English-speaking introductory psychology students at a large state university in the southern United States.

Results indicated that group discussion resulted in less accurate ratings and greater contrast effects. Additional analyses suggested that group discussion increased positive halo.

3.2. (Jawahar, 2007)

This study examines the influence of perception of fairness on performance appraisal reactions. The researcher examines whether distributive justice and procedural justice are positively related to satisfaction with performance appraisal ratings and interactional justice is positively related to satisfaction with the rater.

One hundred and sixty three were surveyed at Midwest one month after conducting the appraisal of the organization.

The study found out that distributive justice (satisfaction with appraisal rating) had the greatest influence on satisfaction with ratings and procedural justice had the most influence on satisfaction with appraisal system.

3.3. (Law, 2007):

This article illustrates how performance appraisals are a relic of external-control boss-management, and explain why the performance appraisal process is generally disliked by both the appraiser the employee being appraised. The article also discusses the goals and underlying assumptions held by managers and human resources personnel; moreover the article identifies some of the counterproductive aspects of performance appraisals. Finally the article explores alternatives to performance appraisals, focusing on workplace relationships and communications.

3.4. (Bard, 2006):

The purpose of this study was to explore alternative relationships between performance appraisal satisfaction and employee outcomes in the form of self-reported work performance, affective organizational commitment and turnover intention. A cross-sectional survey of 593 employees from 64 Norwegian savings banks showed that performance appraisal satisfaction was directly related to affective commitment and turnover intention. The relationship between performance appraisal satisfaction and work performance, however, was both mediated and moderated by employees' intrinsic work motivation. The form of the moderation revealed a negative relationship for employees with low intrinsic motivation and a positive relationship for those with high intrinsic motivation. Implications for practice and directions for future research are discussed.

3.5. (Hoofft et al., 2006):

The present study examined the validity of self-, supervisor-, and peer-ratings of 195 employees in a Dutch public organization, using scores on an In-Basket exercise, an intelligence test, and a personality questionnaire as external criterion measures. Interrater agreement ranged from .28 to .38. Variance in the ratings was explained by both method and content factors. Support for the external construct validity was rather weak. Supervisor-ratings were not found to be superior to self-and peer-ratings in predicting the scores on the external measures.

Studies on the validity of 360° feedback ratings mostly focused on construct validity by comparing the ratings within and between the different sources. The main purpose of the current study therefore was to investigate the external construct validity of multi-source ratings within a nomological network of cognitive and personality measures. The current study extends the work that has been performed in this area by examining the external construct validity of 360° ratings using not only an AC exercise, but an intelligence test and a personality questionnaire as well.

The authors concluded by confirming that the results of the current study and previous research on the reliability and validity of 360 ratings raise the question regarding whether 360 feedback ratings should be used for administrative purposes.

3.6. (Jawahar, 2006):

The author of this research extends the stream of research on appraisal feedback in three important ways. First, he reexamines the relationship between five variables and satisfaction with appraisal feedback. Each variable has been examined as a predictor of satisfaction with appraisal feedback in separate studies but not in a single study. Examine these predictors in a single study and thus, investigating the relative influence of these variables on rater's satisfaction with appraisal feedback is a unique contribution of this study. Second, the limitations of previous studies investigating the influence of satisfaction with appraisal feedback influences future job performance. Third, the assertion that satisfaction with feedback could influence the development of favorable job and

organizational attitudes made by many researchers has never been empirically examined. Thus a third contribution of the researcher's study is that it is the first study to investigate if satisfaction with appraisal feedback is related to job satisfaction, organizational commitment, and turnover intentions.

Survey responses from 112 employees were matched with their performance ratings from two different appraisal periods to test specific hypothesis. Results indicate that satisfaction with rater and previous performance ratings influence employees' satisfaction with appraisal feedback. Satisfaction with appraisal feedback was positively related to turnover intentions. Supervisory status moderated the relationship between satisfaction with appraisal feedback and subsequent performance such that the relationship existed only for supervisory employees who, in addition to receiving feedback about their own performance, also provided feedback to their subordinates.

3.7. (Spicer and Rusli, 2006):

This paper reports the results of research exploring the extent to which those undertaking appraisals apply systematic processes to their decision-making, represented in terms of the cognitive processing models applied by appraisers. Results of 22 cognitive mapping interviews exploring appraisal practice, undertaken with appraisers in the Malaysian education system, are described. The resultant cognitive maps have been explored for what they tell us about the cognitive processing models underlying appraisers' decision-making. Results suggest that the practice of appraisal evidenced in interviews demonstrates the presence of cognitive processing that reflects theoretical cognitive processing models, although some differences are observed between less experienced and experienced appraisers' models. Implications from the interview findings for the practice of appraisal are identified.

The research was undertaken in the Malaysian education system. The appraisal system employed here is designed as a systematic and cyclical annual process, with specified periodic reviews and monitoring of progress against agreed targets seen as an ongoing process. There was an equal split in terms of gender (11 male, 11 female), and respondents' ages were in the range 36–55.

3.8. (Boyd and Kyle, 2004)

The current "organizational justice" literature proposes that public managers should analyze both distributive and procedural justice components in designing and implementing various human resource interventions. This article shows that distributive and procedural justice conceptions are not the only constructs that should be analyzed. Instead, social justice concerns need to be addressed in addition to— or perhaps as an antecedent to— distributive and procedural concerns. Social justice from a critical theory perspective is analyzed within an open-systems theory framework, and is presented within the context of performance appraisal systems that are generally regarded as one of the key human resource interventions. Implications of social justice concerns and visions of a more just future for performance appraisals are discussed.

Employees may feel that outcomes received are incongruent with the inputs they give at work. In essence employees may feel that they are not receiving appropriate outcomes in the form of money, recognition, and decisions that directly affect them. From this perspective, the primary premise of distributive concerns is that feelings of discomfort motivate employees to restore equity by altering their behaviors, attitudes, or both.

3.9. (Becker and Miller 2002)

In this study the authors included appropriate controls and used expert ratings to develop “true score” for assessing accuracy. This study is an examination of the influence of three variables on performance ratings:

- A) The sequence of viewing and rating performance.
- B) The delay between viewing and rating performance.
- C) Whether the target of the performance rating was the same person as the anchor.

Three hundred undergraduate college students (91 men and 209 women) participated in the study as part of a course requirement. Participants were randomly assigned to cells of the experimental design with the caveat that there was an equal number in each cell. The authors used college students because evaluating college teaching performance is a task students are expected to perform in the college setting and therefore is a task familiar to them.

The authors concluded their experiment by indicating that the present results underscore the need for caution when interpreting the results of studies of contrast (or assimilation) effects that have not used appropriate control conditions or measures of accuracy. The authors of this study recommended that future researchers should investigate for further the possibility that contrast effects improve rating accuracy. They should always include control conditions and measures of accuracy, if are need to increase our understanding of how contrast effects influence performance appraisal.

3.10. (Ellicson, 2002)

This study examines the determinants of job satisfaction of municipal government employees. This research tests the relative influence of 11 environmental variables and three demographic factors on variation on job satisfaction among 1227 researchees.

The regression analysis revealed that environmental factors such as promotional opportunities, pay and benefits satisfaction, performance appraisal satisfaction, equipment and resources, training, workload and supervisory relationship are positively related to overall job satisfaction. In contrast, demographic variables were relatively poor predictors of job satisfaction. Moreover, the study found out that satisfaction with the performance appraisal process as well as good relationships with supervisors had significant effects on overall job satisfaction of municipal government employees.

The researcher recommended that local governments should strive to eliminate discomfort and distrust of the performance appraisal process and develop work environment that foster mutually trustworthy relationship with supervisors through better communication and employee empowerment.

¶ Conclusion

The previous researches have some ideas in common. Most of them identified the reasons behind the dissatisfaction of employees on performance appraisal. Among the many reasons behind the dissatisfaction are: lack of incentives, unfair report and/or system and misuse of performance appraisal output for career planning and organizational development.

The previous researches briefed the researcher on some aspects that affect the satisfaction of employees on performance appraisal system. Part of the results that were found through out this study come on line with the previous researches and other findings were the privilege of this study.

The researcher used different tests to examine the correlation between the factors that affect employees' satisfaction on performance appraisal system and the satisfaction. Moreover, the effect on another dimension which is raters' errors has been examined to see whether it has an effect on the overall satisfaction of employees on performance appraisal system. None of the previous researches tries to find if there is a correlation between employees' satisfaction on performance appraisal and the reduction of raters' errors.

Chapter Six: Research Methodology

Preface:

This chapter aims at introducing a detailed presentation of methodology and procedures which were thoroughly adopted to conduct this study on UNRWA's Area Staff Satisfaction on Performance Appraisal and Its Incentives in the Gaza Field Office. The following main issues will be dealt with in this chapter:

- Study methodology and data Collection
- Study population
- Validity and Reliability of questionnaire
- Sample selection
- Analysis of sample
- Statistical methods

1. Study methods and data collection

Analytical descriptive techniques were used to sustain quantitative and qualitative measurement and analysis. The researcher utilized different tools to collect primary and secondary data as follows:

1.1. Secondary data

To introduce the theoretical literature of the subject, the researcher used the following data sources:

- Books and references in English about performance appraisal and incentives.
- Periodicals, published papers and articles.
- UNRWA's reports and statistics
- Web sites and electronic versions.

1.2. Primary data

In order to analyze the qualitative and quantitative data of the study, questionnaire was used as a tool for collecting primary data. Although questionnaires may be cheap to administer compared to other data collection methods, they are expensive in terms of design time and interpretation.

The questionnaire which was especially designed for this research consists of the following parts

- Part One: considers the personal characteristics of the researchees.
- Part two: considers five dimensions; periodic report, performance incentives, raters' errors, use of performance appraisal output, and satisfaction of employees on the aforementioned dimensions.

The second part consists of a set of forty five questions selected to measure the level of UNRWA's area staff satisfaction on performance appraisal and its incentives. Researchees were requested to fill the questionnaire through writing a number that ranges from 1 to 100 for each question. Researchees were provided clear instructions to fill the questionnaire and it was made clear to them that the more the answers are close to 100 the more they agree with the statement to be measured.

Every question has 100 alternative answers according to scale which ranges from 1 to 100. 1 means absolute disagreement with the statement and 100 means absolute agreement. This scale has been transformed to quantitative degree as shown in table (1) below:

Table 1: The significance of answers

No.	The answer	Relative weight
1.	≤ 10	1
2.	11 – 20	2
3.	21 – 30	3
4.	31 – 40	4
5.	41 – 50	5
6.	51 – 60	6
7.	61 – 70	7
8.	71 – 80	8
9.	81 – 90	9
10.	> 90	10

2. Study population

There are 9507 area employees working at UNRWA Gaza Field Office. UNRWA's classification system includes 20 grades beginning from grade one the lowest and ending with grade twenty the highest. The researcher divided the grades of employees into five main categories. The first category which contains employees from grade 1 to 3 (980 employees) were excluded from the sample because they are not subject to performance appraisal. Table (2) below shows the number and percentage of employees in each category: ²

Table 2: distribution of UNRWA's employees according grades

No.	Grade Category	Number of Employees	Percentage
1.	4 - 8	2811	32.97%
2.	9 – 11	5171	60.64%
3.	12 – 15	466	5.46%
4.	16 - 20	79	0.93%
Total		8527	100%

² The table is based on UNRWA's statistics as of 22nd April 2008

3. Validity and reliability of the questionnaire

The measurement has been applied on 30 employees who were randomly selected according to grade by utilizing the stratified random method aiming at checking the validity and reliability of the questionnaire. The researcher multiplied the percentage that each grade category represents in the population, by the number required (30) to conduct the pilot study. The pilot sample has been distributed on the 24th of April 2008 and was collected the same day.

3.1. Validity of referees

The initial questionnaire has been given to a group of referees to judge its validity according to its content, the clearness of its items meaning, appropriateness to avoid any misunderstanding and to assure its linkage with the study objectives and hypothesis.

3.2. Validity of the questionnaire

Validity refers to the degree to which an instrument measures what it is supposed to be measuring. Validity has a number of different aspects and assessment approaches. Statistical validity is used to evaluate instrument validity, which include criterion-related validity and construct validity.

To insure the validity of the questionnaire (criterion-related validity and structure validity) Pearson test was used which measures the correlation coefficient between each paragraph in one field and the whole field

3.2.1. Dimensions' structure validity

The researcher assessed the dimensions' structure validity by calculating the correlation coefficient of each dimension of the questionnaire and the whole of the questionnaire

⌘ Correlation between the questionnaire dimensions and the total of it.

The correlation between the score of each dimension and the total score of the questionnaire has been calculated, and the correlation between the score of every item and the total score of its dimension has been calculated as well. (See table 3 below)

Table 3: Correlation coefficient "r" between the questionnaire dimension and the total of it

No.	Dimensions	r	Sig.
1.	Fairness of performance appraisal report	0.947**	0.000
2.	Performance appraisal incentives	0.789**	0.000
3.	Performance appraisal process	0.840**	0.000
4.	Utilizing performance appraisal outputs	0.736**	0.000
5.	Employees' satisfaction	0.905**	0.000

From table (3) the researcher observes that, there is a high and significant correlation between every dimension and the whole questionnaire. This significant correlation can be shown in the value of "r" which lies between 0.736 and 0.947. These values mean that the questionnaire enjoys a high validity coefficient.

3.2.2. Criterion related validity

Pearson test was used to measure the correlation coefficient between each statement in one dimension and the whole dimension.

⌘ Correlation between every measure in the fairness of appraisal report dimension and the entire dimension.

Table (4) shows the correlation coefficient between every measure score in the fairness of the appraisal system and the entire score of the dimension to which it belongs. All the measures enjoy strong and significant correlation coefficients, the "r" values lie between 0.699 and 0.876 which clearly indicates that the first dimension i.e. fairness of the appraisal system enjoys high validity coefficient.

Table 4: Correlation coefficients between every measure in the fairness of performance report dimension and the whole dimension

No.	Dimensions	r	Sig.
1.	All statements in the performance appraisal report are clear and measurable.	0.818**	0.000
2.	The current appraisal report is fair transparent and subjective.	0.845**	0.000
3.	The items of performance appraisal report include all the tasks that I perform.	0.845**	0.000
4.	The current appraisal report truly evaluates the employees' competencies.	0.865**	0.000
5.	The appraisal report briefs the employee on his merits.	0.828**	0.000
6.	The appraisal report briefs the employee on his demerits.	0.876**	0.000
7.	The appraisal report assesses the training needs of employees	0.860**	0.000
8.	The current appraisal report is based on the job description of the post.	0.834**	0.000
9.	Employees are interviewed and briefed on their merits and demerits before being appraised.	0.773**	0.000
10.	When an employee feels that his performance was unfairly appraised, a due committee is formulated to review his report and take the necessary action.	0.699**	0.000
11.	The current appraisal report encourages competition among different departments	0.861**	0.000
12.	The appraisal report helps in solving problems that limit the abilities of employees to perform effectively.	0.818**	0.000

⌘ Correlation between every measure in the incentives of appraisal report dimension and the entire dimension.

Table (5) shows the correlation coefficient between every measure score in the incentives of the appraisal system and the entire score of the dimension to which it belongs. All the measures enjoy strong and significant correlation coefficients, the "r" values lie between 0.614 and 0.898 which clearly indicates that the second dimension i.e. incentives of the appraisal system enjoys high validity coefficient.

Table 5: Correlation coefficients between every measure in the incentives of performance appraisal dimension and the whole dimension

No.	Dimensions	r	Sig.
13.	Usually any increase on the basic salary is tied to performance.	0.614**	0.000
14.	UNRWA offers financial incentives for employees whose performances are rated as outstanding.	0.713**	0.000
15.	Employees receive verbal incentives When their performances meet the supervisors' expectations.	0.876**	0.000
16.	The administration endeavors to identify the achievements of employees to assign the appropriate incentives for them.	0.898**	0.000
17.	The appraisal process provides subjective criteria for employees' promotion.	0.740**	0.000
18.	The results of performance appraisal are taken into consideration when an employee is on leave and the department looks for a substitute for this employee.	0.713**	0.000
19.	UNRWA honors employees whose performances are outstanding.	0.714**	0.000
20.	The incentives that UNRWA provides help developing the performance of employees.	0.841**	0.000

⌘ Correlation between every measure in the appraisal process dimension and the entire dimension.

Table (6) below, shows the high and significant correlation coefficients between every item score in the third dimension i.e. the appraisal process and the whole dimension. The "r" values are located between 0.753 and 0.910, which means that there is a high validity coefficient between the appraisal process dimension and its total.

Table 6: Correlation coefficients between every measure in the appraisal process dimension and the whole dimension

No.	Dimensions	r	Sig.
21.	The appraiser uses previous performance report when he needs to evaluate the performance of an employee.	0.830**	0.000
22.	The appraisal of supervisor usually follows central tendency.	0.832**	0.000
23.	The supervisor usually gives undeserved high rating either to avoid controversy or termination of services.	0.753**	0.000
24.	Supervisors rate employees in the lower level to encourage them develop their performances.	0.893**	0.000
25.	The supervisors' appraisals are usually affected by some general characteristic such as coming early, religiousness and political affiliation.	0.855**	0.000
26.	The supervisor rating is negatively or positively affected by the last action or task carried out by the employee before the appraisal period.	0.910**	0.000
27.	Supervisors' ratings are affected by gender of appraisees.	0.884**	0.000
28.	Supervisors' appraisal is negatively or positively affected by the relationship with the appraisees.	0.841**	0.000
29.	No training is provided to appraisers on performance appraisal system or report.	0.765**	0.000
30.	The supervisors do not observe and record the performance of employees during the entire appraisal period.	0.797**	0.000

⌘ Correlation between every measure in the dimension of utilization of performance appraisal outputs and the entire dimension.

Table (7) below, shows the high and significant correlation coefficients between every item score in the dimension of utilization of performance appraisal outputs and the whole dimension. The "r" values are located between 0.478 and 0.908, which clearly means that there is a high validity coefficient between the fourth dimension and its total.

Table 7: Correlation coefficients between every measure in the dimension of utilization of performance appraisal outputs and the whole dimension

No.	Dimensions	r	Sig.
31.	Performance appraisal output is used for planning UNRWA's human resources strategies.	0.843**	0.000
32.	Performance appraisal output is used to judge the subjectivity and transparency of the recruitment process.	0.869**	0.000
33.	Performance appraisal outputs are used to assess employees' training needs.	0.897**	0.000
34.	When an employee is absent, UNRWA replaces him based on the results of performance appraisal.	0.807**	0.000
35.	Performance appraisal outputs are taken into consideration when the Agency fills a vacancy or consider an employee for promotion.	0.908**	0.000
36.	UNRWA terminates the contracts of employees whose performance is frequently observed as poor.	0.478**	0.008
37.	The current appraisal report raises results and recommendations for the administration to carry out.	0.843**	0.000

⌘ Correlation between every measure in the dimension of employees' satisfaction and the entire dimension.

From table (8) below, the researcher observes that there is a high and significant correlation coefficients between every item score in the dimension of employees' satisfaction on performance appraisal and the whole dimension. The "r" values are located between 0.749 and 0.947, which clearly means that there is a high validity coefficient between the fifth dimension and its total.

Table 8: Correlation coefficients between every measure in the dimension of employees' satisfaction and the whole dimension

No.	Dimensions	r	Sig.
38.	I feel satisfied about the current appraisal report	0.859**	0.000
39.	I feel satisfied about the way may supervisor fills the performance appraisal report.	0.749**	0.000
40.	I feel satisfied about UNRWA utilization of performance appraisal outputs.	0.871**	0.000
41.	UNRWA's current appraisal system is suitable.	0.895**	0.000
42.	I feel satisfied on the incentives provided by UNRWA for outstanding performance.	0.880**	0.000
43.	The current appraisal report achieves the objective for which it was designed.	0.909**	0.008
44.	UNRWA's appraisal report helps employees in fulfilling their ambitions and needs.	0.896**	0.000
45.	The current appraisal report helps employees develop and enhance their performance.	0.947	0.000

3.3. Reliability of questionnaire

The reliability of an instrument is the degree of consistency which measures the attribute it is supposed to measure. The less variation an instrument produces in repeated measurements of an attribute, the higher its reliability. Reliability can be equated with the stability, consistency, or dependability of a measuring tool.

After applying the questionnaire and treating the data by SPSS program, the researcher calculated the reliability of the questionnaire by two tools:

3.3.1. Reliability by Alpha-Cronbach

The questionnaire has been applied on a pilot sample consists of 30 employees working in Gaza Field office. Alpha-Cronbach coefficient for the sample has been calculated, it equals 0.979 which means that the questionnaire has a high reliability coefficient. It is approximately the same result for every dimension of the questionnaire (see table 9)

Table 9: Alpha-Cronbach coefficient for the four dimensions of the questionnaire

No.	Dimensions	No. of Questions	Alpha
1.	Fairness of performance appraisal report	12	0.953
2.	Performance appraisal incentives	8	0.905
3.	Performance appraisal process	10	0.944
4.	Utilizing performance appraisal outputs	7	0.909
5.	Employees' satisfaction	8	0.955
Total of the questionnaire		45	0.979

3.3.2. Reliability by Split-half method

The second method which was used to measure the reliability of the questionnaire is the split-half method. In this way the whole tool measures are divided into two divisions (odd and even) and then the measures of every dimension were divided into two divisions (odd and even) as well. The correlation between the two halves has been calculated; it equals 0.920 for the entire questionnaire. After using the adjusted Spearman-Brown equation the reliability coefficient became 0.958. It means that the questionnaire has a high degree of reliability. By calculating the correlation for each dimension we found that we have almost similar results which mean that every dimension has a high reliability degree (see table 10).

Table 10: Reliability coefficient by using the split-half method for the dimensions of the questionnaire

Dimensions	No. of Questions	Pearson correlation coefficient	Adjusted Spearman-Brown method
Fairness of performance appraisal report	12	0.720	0.837
Performance appraisal incentives	8	0.743	0.852
Performance appraisal process	10	0.776	0.874
Utilizing performance appraisal outputs	7	0.789	0.882
Employees' satisfaction	8	0.815	0.898
The whole questionnaire	45	0.920	0.958

4. Sample Selection

In order to ensure that particular grades within the study population are adequately represented in the sample, and in order to improve efficiency by gaining greater control on the composition of the sample, the researcher utilized stratified random method according to grade in collecting the sample. The percent that each grade category represents in the

total number of employees was multiplied by the required number of sample which is 400. Table (11) shows the distribution of stratified random sample among grades:

Table 11: Sample selection by using stratified random sampling

No.	Grade Category	Number of Employees	Percentage	Sample
1.	4 - 8	2811	32.97%	132
2.	9 - 11	5171	60.64%	242
3.	12 - 15	466	5.46%	22
4.	16 - 20	79	0.93%	4
Total		8527	100%	400

Four hundred and thirty five questionnaires were distributed to ensure the collection of the required number of questionnaires which is 400. The response percentage was 94% i.e. 410 out of 435 questionnaires were collected, and ten were not valid.

5. Analysis of the sample

In this section the characteristics of the sample was examined on both the personal and organizational level. The results were as follows:

5.1. Age

Table (12) below, reflects the distribution of sample according to Age. Employees who are less than 30 years represent 39.50% of sample, others from 30 to < 40 years represent 36.75%, others from 40 to < 50 represent 14.75% and the last category "> 50" represent 9% of the sample. These results reflects that 76.25 of the research sample were less than 40 years old

Table 12: distribution of sample according to age

No.	Age	Frequency	Percentage
1.	Less than 30 years	158	39.50%
2.	From 30 to < 40 years	147	36.75%
3.	From 40 to < 50 years	59	14.75%
4.	> 50 years	36	9%
Total		400	100%

5.2. Gender

There was an equal split in terms of gender in the sample, as 50 percent of the sample was male and the other half was female as shown in table (13) below. This reflects that the Agency encourages female rather than male and that the Agency is an equal opportunity employer.

Table 13: Distribution of sample according to gender

No.	Gender	Frequency	Percentage
1.	Male	200	50%
2.	Female	200	50%
Total		400	100%

5.3. Marital status

Table (14) below, shows that 79.50% of the sample is married, 18.75% is single and those who are neither married nor single represent 2.75% of the sample.

Table 14: Distribution of sample according to marital status

No.	Marital Status	Frequency	Percentage
1.	Married	318	79.50%
2.	Single	75	18.75%
3.	Others	7	1.75%
Total		400	100%

5.4. Qualification

Table (15) below shows that 73% of the sample has Bachelor or equivalent certificates, 15% has diploma after the secondary school, 7.5% has master, 3% has only secondary school certificate or less, and 1.5% has higher diploma. These figures reflect that the majority of the sample has university degree or more which probably reflects capabilities and efficiency of the sample.

Table 15: Distribution of sample according to qualification

No.	Qualification	Frequency	Percentage
1.	Secondary school or less	12	3%
2.	Diploma after secondary school	60	15%
3.	Bachelor or equivalent certificate	292	73%
4.	Higher Diploma	6	1.5%
5.	Master	30	7.5%
6.	Doctorate	0	0
Total		400	100%

5.5. Experience

Table (16) below shows that 43% of sample fall in category 3 "less than 6 years experience", 31.5% has more than nine years experience, 15.75% fall in the category of 6 to less than 9 years experience and the remaining 9.75 has less than three years experience. These results reflect that 47.25% of the sample has more than 6 years experience which indicates the capability of the sample study.

Table 16: Distribution of sample according to experience

No.	Experience	Frequency	Percentage
1.	Less than 3 years	39	9.75%
2.	From 3 to < 6 years	172	43%
3.	From 6 to < 9 years	63	15.75%
4.	More than 9 years	126	31.5%
Total		400	100%

6. Statistical methods

The following statistical methods have been used in this research:

- Alpha-Cronbach to determine the reliability of the questionnaire.
- Split-half to measure the reliability of questionnaire.

- ⓑ Pearson correlation coefficient: to determine the validity of the internal consistency by finding the correlation between every statement and its dimension.
- ⓑ Frequencies
- ⓑ Percentage
- ⓑ Means
- ⓑ Relative weight
- ⓑ One sample T-Test to check the differences between the mean of the responses of every dimension and the average mean.
- ⓑ Pearson correlation to test the relation between two variables of parametric and normally distributed data.
- ⓑ One Way Anova to test differences.

Chapter Seven: Empirical Framework Hypothesis Testing & Discussion

Preface

In this chapter, data analysis results will be explained, analyzed and discussed to measure to what extent UNRWA's area employees are satisfied about performance appraisal and its incentives in the Gaza Field Office. This chapter will discuss the following main issues:

1. Type of data
2. Analyzing the dimensions of the questionnaire
3. Testing the hypothesis

1. Type of data

In small sample studies usually conducting Kolomogrov Simrnov Test is necessary to examine whether the data is parametric or non parametric. As the sample of this research is 400, it is considered as parametric and follows the normal distribution. Therefore, parametric tests can be used to study each item of the questionnaire dimension.

2. Analyzing and discussing the dimension of the questionnaire

One sample T-Test has been applied to check the difference between the mean of the sample individuals' responses about performance appraisal and its incentives. The test value was identified as 6. The following tables show the mean, T-Value and sig for each statement in the questionnaire's dimensions. When the mean is > 6 and the sig is < 0.05 the statement is statistically valid and the respondents agree on the statement. When the mean is < 6 and sig. is < 0.05 the statement is statistically valid and respondents disagree on the statement. If, however, the sig. is > 0.05 then the respondents are neutral in their responses to the statement. The positive value of t-value also reveals that respondents agree with the statement and vice versa. In the following pages the researcher is going to analyze the statements of each dimension separately:

2.1. Analyzing the first dimension

The first dimension discusses the fairness of the performance appraisal report that is currently in use at UNRWA. The results are shown in table (17) below:

Table 17: One sample T-Test for Fairness of performance appraisal report dimension

The first dimension " fairness of performance appraisal report"				
No.	Statement	Mean	T-Value	Sig.
1.	All statements in the performance appraisal report are clear and measurable.	5.09	-6.670	.000
2.	The current appraisal report is fair transparent and subjective.	5.00	-7.589	.000
3.	The items of performance appraisal report include all the tasks that I perform.	4.57	-9.463	.000
4.	The current appraisal report truly evaluates the employees' competencies.	4.67	-9.695	.000
5.	The appraisal report briefs the employee on his merits.	4.48	-10.661	.000
6.	The appraisal report briefs the employee on his demerits.	4.45	-11.152	.000
7.	The appraisal report assesses the training needs of employees	3.72	-17.46	.000
8.	The current appraisal report is based on the job description of the post.	3.92	-15.138	.000
9.	Employees are interviewed and briefed on their merits and demerits before being appraised.	3.95	-13.045	.000
10.	When an employee feels that his performance was unfairly appraised, a due committee is formulated to review his report and take the necessary action.	3.10	-23.038	.000
11.	The current appraisal report encourages competition among different departments	3.46	-18.461	.000
12.	The appraisal report helps in solving problems that limit the abilities of employees to perform effectively.	3.50	-18.008	.000
The entire dimension		4.16	-13.37	.000

Analysis of table (17) shows the following in regard to each statement in the fairness of UNRWA's performance appraisal report:

1. In the first statement we notice that sig. is .000 which is < 0.05 , the t-value is -6.670 and the mean is 5.09 which is < 6 . This indicates that respondents disagree with the statement which says that all statements in performance appraisal report are clear and measurable. The statements in the performance appraisal report are neither clear nor measurable. The precise explanation given to some adjectives in the report is not enough. Even some adjectives such as reliability, initiative, judgment, and personal relations are considered as self-explanatory. No clear identification of these adjectives is provided to supervisors to better evaluate their subordinates. The current report contains qualitative rather than quantitative indicators which hardens the rater tasks and deprives ratees measurable feedback.

2. Table (18) above for the second statement shows that the sig. value is $.000 < 0.05$, the t-value is -7.589 and the mean is $5.00 < 6$ which indicates that respondents disagree with this statement. The performance appraisal report in the view point of respondents is neither clear nor transparent nor subjective. Since the current report does not include measurable and clear indicators, then raters can manipulate the results of the report without being observed or reviewed by the higher management levels. Thus the report lacks transparency, subjectivity and fairness.
3. The t-test results for the third statement of the first dimension show that respondents disagree with this statement. As shown in the table above, the sig. is $.000$, the t-value is -9.463 and the mean is 4.57 which is < 6 . This indicates that part of the tasks assigned to employees is not evaluated or even included in the performance appraisal report. Because the report is not based on job analysis and job description which include the responsibilities and duties assigned to employees it is viewed by respondents as lacking thoroughness.
4. In the fourth statement the sig. value was $.000$ which is < 0.05 , the t-value was -9.695 , and the mean was 4.67 which is < 6 . This indicates that the respondents disagree with the statement and indicates that the performance appraisal report does not truly evaluate the employees' competencies. Part of the report includes a point about professional or technical competence. This statement, however, is not enough to measure the competencies of employees.
5. Respondents disagree with statement as indicated from the sig. which equals $.000 < 0.05$, the t-value which equals -10.661 , and the mean which equals $4.48 < 6$. The current appraisal report currently in use at UNRWA does not enable employees to diagnose their merits or strengths. The report includes three adjectives which are reliability, initiative and judgment. No explanation is given to these qualitative adjectives as they are considered as self-explanatory. After being appraised employees should have some feedback about their performance in order to enhance their merits. Identifying the merits of employees is also of great importance to the administration as to utilize the output of the performance appraisal report and to consider those with some merits for higher grade posts.
6. Respondents disagree with statement as indicated from the sig. which equals $.000 < 0.05$, the t-value which equals -11.152 , and the mean which equals $4.45 < 6$. The same as mentioned in statement number 5 above, employees after being appraised know nothing about their demerits. They know nothing about the areas that need enhancement and development. Employees do not know what areas should be improved and how. It is supposed that performance appraisal report provide employees with some feedback about the areas in which their performance falls short in order to improve these areas to get higher appraisal results and not to be subject to and disciplinary measures.

7. As shown in the table above, the sig. is .000 which is < 0.05 , the t-value is -17.460 and the mean is 3.72 which is < 6 . This indicates that respondents disagree with this statement. If the current appraisal system does not provide either employees or administration with feedback about their merits and demerits, then it can assess the training needs of employees. Usually the training needs are identified after determining the areas in which employees need development or enhancement. As the current report does not reveal these areas so it does not assess the training needs of employees.
8. Respondents disagree with this statement as indicated by the sig. value which is .000 < 0.05 , the t-value which equals -15.138 and the mean which equals 3.92 < 6 . This indicates that the statement is statistically valid and that the current appraisal report is not based on job description. A good verification of this statement is the fact that one appraisal report is available to evaluate all employees from grade four to grade 15 regardless of the nature of job or post title. The report includes nothing about the tasks and responsibilities that employees are assigned to; only common qualitative words are given.
9. The previous table shows that respondents disagree with this statistically valid statement. The sig. is .000 < 0.05 , the t value is -13.045 and the mean is 3.95 which is < 6 . Interview is perceived as a complementary part of the appraisal process. Usually interviews with appraisees are conducted because the subordinates are requested to sign the report and because a statement in the report is stating to what extent the appraiser discussed the report with the employee. The purpose behind conducting the interview is to justify the rate provided by the supervisor and not to brief employees on their demerits and merits.
10. The result of T-Test of this statement reveals that the statement is statistically valid and that researchees disagree with the statement because the sig. is .000 < 0.05 the t-value is -23.038 and the mean is 3.1 which is < 6 . No due process exists at UNRWA to review the rating of employees. When employees complain about the results of appraisal report, their complaints are not taken into consideration by the senior management. Supervisors are considered as godfather of performance appraisal report and employees do not have the right to complain about the unfair rating. This could be due to fact that the current report contains qualitative rather quantitative phrases and can not be discussed by a neutral committee.
11. Performance appraisal report is supposed to encourage competition among different departments. When researchees provided answers to this statement, the feedback obtained indicates that employees disagree with this statistically valid statement. The sig. is .000 < 0.05 , the t-value is -18.461, and the mean is 3.46 which is < 6 . These indicators prove that the current appraisal report does not increase competition among different departments. Due to grievance of the report, employees with similar post titles but in different departments do not exert effort to compete. Even at the departmental level, each department should have its own standards and should compete with other departments to obtain higher performance ratio which is not applicable here.

12. Respondents disagree with this statement as indicated by the sig. value which is $.000 < 0.05$, the t-value which equals -18.008 and the mean which equals $3.5 < 6$. The current performance appraisal report in use by UNRWA does not reveal the problems that limit the employees' abilities to carry out the duties and responsibilities that they are assigned to efficiently and effectively. Part of the report should be dedicated to reveal these problems in order to feed the administration back on these problems.

From the previous results one can elicit that UNRWA's appraisal report is unfair in view point of employees where the sig. for the entire dimension is $.000 < .05$, the mean for the total dimension is $4.16 < 6$, and the t-value is -13.37 . This obviously reflects that employees see UNRWA's performance appraisal report as unfair. This requires the need to adopt another form of performance appraisal in order to achieve satisfaction on performance appraisal. The results of this dimension come on line with other previous researchers:

- a) Mahi (2007) this study found out that, respondents are unsatisfied about the performance appraisal report as a result of lacking objective standards and being unfair.
- b) Edwan (2006); in the study the researcher found out that the performance appraisal standards are subjective however they are static, vocational training centers depend mainly on the direct supervisor's observation to compile data about the performance of subordinates, only one method is used to appraise the performance of employees regardless of the grade. The ultimate finding of this study is that employees are unsatisfied about the current appraisal report due to the aforementioned reasons.
- c) Awad (2005) who concludes that employees are unsatisfied about performance appraisal due to different disadvantages including the fairness of the report.

2.2. Analyzing the second dimension

The second dimension discusses the incentives provided by UNRWA to employees based on the result of the appraisal process. The findings of this dimension were as shown in table (18) below:

Table 18: One sample T-Test for incentives of performance appraisal report dimension

The Second dimension " incentives of performance appraisal report dimension "				
No.	Statement	Mean	T-value	Sig.
1.	Usually any increase on the basic salary is tied to performance.	3.63	-18.981	.000
2.	UNRWA offers financial incentives for employees whose performances are rated as outstanding.	4.85	-8.824	.000
3.	Employees receive verbal incentives When their performances meet the supervisors' expectations.	4.43	-11.071	.000
4.	The administration endeavors to identify the achievements of employees to assign the appropriate incentives for them.	3.72	-17.342	.000
5.	The appraisal process provides subjective criteria for employees' promotion.	3.33	-20.872	.000
6.	The results of performance appraisal are taken into consideration when an employee is on leave and the department looks for a substitute for this employee.	3.82	-15.521	.000
7.	UNRWA honors employees whose performances are outstanding.	3.20	-19.411	.000
8.	The incentives that UNRWA provides help developing the performance of employees.	3.56	-16.513	.000
The entire dimension		3.81	-13.07	.000

From the previous table, one can find out the following in regard to each statement:

1. The low sig. value which is $.000 < 0.05$ indicates that the statement is statistically valid and the mean value which is $3.63 < 6$ and the negative sign of the t-value indicates that respondents disagree with the statement. This indicates that researchees are unaware of the regulations and rules of the Agency. Each employee is entitled to a salary increment annually if his or her performance is rated as good. This increment is known as step. Due to the fact that few and very few employees are rated in the lower rating scale, they do not know that if they are rated as poor performers they are not entitled for this salary increment.
2. The sig. value is $.000 < 0.05$, the mean is $4.85 < 6$, the t-value is -8.824 which indicates that respondents disagree with this statement which says that UNRWA offers financial incentives for employees whose performances are rated as very good. In fact, respondents' answers to this statement are inaccurate. During the last year, UNRWA has reimbursed thousands of dollars for employees whose performances were rated as very good or outstanding. But no effort has been exerted from the Agency to brief other employees on this incentive as to motivate them. Therefore, in my point of view a

matter of communication exists i.e. the Agency failed to communicate that those with very good performance will be considered for meritorious increment or salary allowances.

3. Respondents disagree with this statement as indicated by the sig. value which is $.000 < 0.05$, the t-value which is -11.071 and the mean which is $4.43 < 6$. This again indicates that employees with outstanding or very good performance do not even receive verbal incentives for their performance from their managers.
4. The respondents disagree that UNRWA's administration endeavors to identify the main achievement of employees to assign the appropriate incentives to them. This is indicated from the sig. which $.000 < 0.05$, the t-value which is -17.342 and the mean which is $3.72 < 6$. No place in the current appraisal report is provided for supervisors to sort out the key achievement of employees with outstanding performance. This eventually leads to the frustration and disappointment of employees simply because poor performance employees will be treated as equal as outstanding performance employees.
5. The sig. value which is $.000 < 0.05$ indicates that the statement is statistically valid, the mean which is $3.33 < 6$, and the negative value of the t-value -20.872 indicate that respondents disagree with the statement. The performance appraisal process does not provide subjective criteria for employees' promotion. It is supposed that employees with excellent performance will be considered for promotion to higher posts, which is not applicable at the Agency. Only after the delegation of authorities to field directors some employees were considered for promotion to higher grade posts. Even employees with outstanding performance have to apply to vacant posts just like any other external candidate.
6. Respondents disagree with this statement as indicated by the sig. value which is $.000 < 0.05$, the t-value which is -15.521 and the mean which is $3.82 < 6$. When the supervisor looks for a replacement of an employee for a reason or another, the results of performance appraisal report is not taken into consideration. One of the factors which may play key role in selecting this employee is experience.
7. The result of T-Test for this statement, as shown in the table above, reveals that the statement is statistically valid and that researchees disagree with the statement as indicated by the sig. which is $.000 < 0.05$ the t-value which is -19.411 and the mean which is 3.2 which is < 6 . No due process exists at UNRWA to review the rating of employees. UNRWA does not honor employees with outstanding performance in front of their colleague in order to motivate others to develop their performance. In my point of view, this result supports the previous disagreement result which was obtained from statement number two in this dimension. Although a considerable amount has been disbursed to cover the expenses of incentives for employees with outstanding performance, researchees provided answer that the Agency does not offer financial incentives for this category of employees.

8. Respondents disagree with this statistically valid statement as indicated by the sig. value which equals $.000 < 0.05$, the t-value which equals -16.513 and the mean which is $3.56 < 6$. The researchees believe that the package of incentives provided to employees by the Agency does not help develop the performance of employees. Employees are not motivated to enhance their performance in order to obtain these incentives or financial rewards.

The researcher also notices from the previous table that the sig. for the entire dimension is $.000 < .05$, the t-value is -13.07 and the mean is $3.81 < 6$ which indicates that the sample disagrees with the statements of the dimension and reflects the need to increase the package of incentives provided to employees whose performance is rated as outstanding. The results obtained, come on line with other previous studies as follows:

1. Muranekh (2004); the study proved that there is a correlation between the following variables (qualification, sex, internal work environment, scope of work, some moral incentives, some laws of the Palestine labor, some external work environment) and the level of satisfaction.
2. Bard (2006) showed that performance appraisal satisfaction was directly related to affective commitment, turnover intention and incentives. The lack of incentives in the firm was one of the main reasons behind dissatisfaction of employees.

2.3. Analyzing the third dimension

The third dimension discusses the mistakes that are committed by raters during the appraisal process. The findings in table (19) reveal that there are mistakes committed by raters. The results of t-test of this dimension show the following:

Table 19: One sample T-Test for mistakes of performance appraisal process dimension

The third dimension " Mistakes of performance appraisal process "				
No.	Statement	Mean	T-Value	Sig.
1.	The appraiser uses previous performance report when he needs to evaluate the performance of an employee.	6.85	6.176	.000
2.	The appraisal of supervisor usually follows central tendency.	6.93	7.577	.000
3.	The supervisor usually gives undeserved high rating either to avoid controversy or termination of services.	4.06	-17.345	.000
4.	Supervisors rate employees in the lower level to encourage them develop their performances.	4.03	-16.457	.000
5.	The supervisors' appraisals are usually affected by some general characteristic such as coming early, religiousness and political affiliation.	6.47	3.641	.000
6.	The supervisor rating is negatively or positively affected by the last action or task carried out by the employee before the appraisal period.	6.82	6.827	.000
7.	Supervisors' ratings are affected by gender of appraisees.	4.69	-10.155	.000
8.	Supervisors' appraisal is negatively or positively affected by the relationship with the appraisees.	6.50	4.280	.000
9.	No training is provided to appraisers on performance appraisal system or report.	6.81	6.003	.000
10.	The supervisors do not observe and record the performance of employees during the entire appraisal period.	6.65	4.474	.000
The entire dimension		5.98	-.50	.617

1. Respondents agree with this statement as indicated by the sig. value which is $.000 < 0.05$, the t-value which is 6.176 and the mean which is $6.85 > 6$. This indicates that supervisors go back to the performance appraisal report of the last year and rate their employees accordingly. It is noteworthy that last report of performance appraisal is valid only for the year in which the performance of appraisees was appraised. However, in order for supervisors to justify their ratings, in front of appraisees and administration, they resort to last year appraisal report. The analysis of respondents' answers to this statement reveals that supervisors commit this mistake during the appraisal process.
2. The second mistake which is also committed by supervisors when they fill the appraisal report is rating employees within a narrow range usually the middle or average which is known as central tendency. The results of t-test to this statement reveals that respondents agree with this statement as indicated by the sig. value which $.000 < 0.05$, the t-value which equals 7.577 and the mean which is $6.93 > 6$. The results indicate that

supervisors resort to rate their employees in a narrow band in the middle of the rating scale. A poor performer employee may be rated in the average scale and an excellent performer employee may also be rated in the average scale of the report. This will lead to consider both of them as equal in their performance which is not actually the case.

3. Respondents disagree with this statistically valid statement as indicated by the sig. value which equals $.000 < 0.05$, the t-value which equals -17.345 and the mean which is $4.06 < 6$. This indicates that supervisors do not rate their employees in the high end of the scale rate. This indicates that only a few supervisors are lenient with their employees. A reasonable justification could be that supervisors who rate employees in the higher scale rate have to provide justification in the report for this rating. Therefore as indicated by the statement number two above supervisors resort to central tendency.
4. Respondents disagree with this statistically valid statement as indicated by the sig. value which equals $.000 < 0.05$, the t-value which equals -16.457 and the mean which is $4.03 < 6$. These findings indicate that supervisors do not rate their employees in the lower level of the rating scale i.e. supervisors are not strict with their employees. This result also supports statement number two above which states that supervisors resort to central tendency when they rate their employees.
5. Another mistake which is committed by supervisors when they appraise their employees is the halo effect which means that supervisor rate employees high or low on all items because of one characteristic. The t-test of this statement reveals that the sig. value is $.000 < 0.05$, the t-value is 3.641 , and the mean is $6.47 > 6$. This indicates that respondents agree with this statement. This also indicates that the rating of supervisors is affected by some general characteristics such as coming early to work, religiousness and political affiliation. Some managers may rate their employees high or low in the appraisal report because of one or more of the previous characteristics.
6. Another mistake which is committed by supervisors when they fill the performance appraisal report is known as recency effect. Recency effect means that supervisors give greater weight to recent events when appraising employees under their supervision. It may be difficult for supervisors to remember how the performance of their subordinates was seven or eight months ago. Therefore, the rating of their subordinates is negatively or positively affected by the last action. The sig. is $.000 < 0.05$, the t-value is 6.827 and the mean is $6.82 > 6$. This indicates that respondents agree with this statement.
7. The t-test result of this statement reveals that the rating of supervisors is not affected by the gender of ratees. Thus no rater bias based on sex is available. The sig. is $.000 < 0.05$, the t-value is -10.155 and the mean is $4.69 < 6$ which indicates that respondents disagree on the statement which says that the rating of supervisors is affected by the gender of the appraisee.
8. The sig. value for this statement is $.000 < 0.05$, the t-value is 4.280 and the mean is $6.5 > 6$ which means that respondents agree that the rating of supervisors is positively or negatively affected by the relationship with the appraisee.

9. Respondents agree that supervisors do not receive training on either the performance appraisal system or report at UNRWA. The respondents' answers are elicited from the sig. value which equals $.000 < 0.05$, the t-value which equals 6.003, and the mean which equals $6.81 > 6$. This answer confirms the responses that were obtained on the statements above. If supervisors were trained on performance appraisal system and filling the report the mistakes committed by them could either have been eliminated or reduced.
10. Respondents agree that supervisors do not observe the performance of employees during the appraisal period and rate their employees accordingly. This statement is confirmed from the sig. value which equals $.000 < 0.05$, the t-value which equals 4.474, and the mean which equals $6.65 > 6$. The answers obtained from respondents confirm statement number six above which states that recency bias exists when supervisors rate their employees. If supervisors were to observe the performance of their subordinates during the appraisal period, this error, recency effect, would have been eliminated.

We also notice from the previous table that the sig. for the entire dimension is $.617 > .05$, the t-value is $-.50$ and the mean is 5.98 which is relatively very close to 6. This dimension was designed to diagnose the mistakes committed by supervisors during the appraisal process. Since not all mistakes in the dimension were committed by supervisors, these results affected the overall mean and sig. of the entire dimension. Thus the mean of the dimension indicates that respondents were neutral in their opinion towards mistakes of supervisors. This reflects the need to train raters on performance appraisal in order to avoid and get rid of the mistakes. The results of this dimension agree with some previous studies as follows:

- a) Spicer and Rusli (2006); the appraisal of raters is affected by the recency effect. This action has resulted on dissatisfaction among employees on the transparency of the appraisal.
- b) Ellicson (2002); the study found out that satisfaction with the performance appraisal process as well as good relationships with supervisors had negative significant effects on overall job satisfaction of municipal government employees.

2.4. Analyzing the fourth dimension

The fourth dimension discusses the uses of performance appraisal output at UNRWA. The findings in table (20) reveal that UNRWA does not use the output of performance appraisal process for career planning or development. The results of t-test of this dimension show the following:

Table 20: One sample T-Test for Utilizing performance appraisal outputs dimension

The fourth dimension " Utilizing performance appraisal outputs"				
No.	Statement	Mean	T-Value	Sig.
1.	Performance appraisal output is used for planning UNRWA's human resources strategies.	3.83	-17.742	.000
2.	Performance appraisal output is used to judge the subjectivity and transparency of the recruitment process.	3.83	-16.542	.000
3.	Performance appraisal outputs are used to assess employees' training needs.	3.26	-20.477	.000
4.	When an employee is absent, UNRWA replaces him based on the results of performance appraisal.	3.10	-21.799	.000
5.	Performance appraisal outputs are taken into consideration when the Agency fills a vacancy or consider an employee for promotion.	3.21	-29.921	.000
6.	UNRWA terminates the contracts of employees whose performance is frequently observed as poor.	4.94	-8.134	.000
7.	The current appraisal report raises results and recommendations for the administration to carry out.	3.26	-20.136	.000
The entire dimension		3.63	-19.25	.000

1. The t-test result of the first statement in the fourth dimension reveals that respondents disagree with the statement which says that UNRWA uses the output of performance appraisal report for planning human resource strategies. The sig. is $.000 < 0.05$, the t-value is -17.742 and the mean is $3.83 < 6$ which indicates that respondents disagree with the statement. When UNRWA assesses the human resource strategies, data that describes the promotability and potential of staff particularly those in the higher grade level must be available. A well designed appraisal system provides a profile of the organization's human resource strengths and weaknesses to support this effort. This data could be useful for management succession planning at UNRWA. However this is not the case at UNRWA. In fact data related to performance appraisal is not processed or even aggregated and manipulated.
2. Respondents disagree with this statement as indicated by the sig. value which is $.000 < 0.05$, the t-value which equals -16.542 and the mean which equals $3.83 < 6$. Performance appraisal report could be helpful in predicting the performance of applicants. In interviews for example, the interviewing committee may use the previous performance appraisal of the applicant to have more obvious knowledge about how the performance of this applicant is expected to be. Also in validating selection tests, employee ratings may be used as the variable against which test scores are compared. Unfortunately, respondents believe that this is not the case at UNRWA.

3. Respondents disagree that UNRWA uses performance appraisal outputs to assess the training needs of employees. The sig. value is $.000 < 0.05$, the t-value equals -20.477 and the mean equals $3.26 < 6$. The performance appraisal report should provide the administration with feedback about the poor performers in order to provide them with the appropriate training courses that could improve their performance. The current appraisal report, as indicated by the respondents' answers, does not assess the training needs of employees this fact reveals that there are problems in both performance appraisal and training.
4. The sig. value is $.000 < 0.05$, the t-value equals -21.799 and the mean equals $3.1 < 6$ which indicates that respondents disagree with this statement which says that when an employee is absent, UNRWA replaces him based on the results of performance appraisal. When looking for a substitute of an absent employee the results of the performance appraisal results should be taken into consideration.
5. Respondents disagree that UNRWA uses performance appraisal outputs when the need for filling a vacant post emerges or when an employee is considered for promotion. The answers of respondents is confirmed through the sig. value which equals $.000 < 0.05$, the t-value which equals -20.921 and the mean which equals $3.21 < 6$.
6. The t-test result for this statement reveals that respondents disagree with this statement as indicated by the sig. value which equals $.000$, the t-value which equals -8.134 , and the mean which equals $4.94 < 6$. In fact in very few cases some employees were fired as a result of their poor performance. Due to the scarcity of such cases and due to central tendency ratings, employees reported that poor performers will not be fired as a result of their performance. Actually, some employees and in order to either show themselves as caring about the interest of the organization or to get rid of some employees resort to evaluating employees in the lower rating levels.
7. The sig. value for this statement is $.000 < 0.05$, the t-value is -20.136 and the mean is $3.26 < 6$ which means that respondents disagree with this statement which says that the current appraisal report raises results and recommendation for the administration to fulfill. The report should provide the administration with some recommendations regarding the required training courses for poor performers to improve their performance, promotion and/or demotion of employees.

We notice from table (20) above that the sig. is $.000$, the t-value is -19.25 and the mean is $3.63 < 6$ which reflects that respondents are unsatisfied about the UNRWA's utilization of performance appraisal out put for planning human resource, career planning and organizational development. This reflects the need to exert more efforts to utilize the results of the current appraisal report for different human resource functions including training. The findings of this dimension are shared with other previous studies:

- a) Shourab (2007); this study found out that the results of performance appraisal are not used for promotion and those whose performances are rated as unsatisfactory are not subject to training or demotion.

- b) Tanash and Lawzi (1995); the study proved that researchees have negative opinion towards performance appraisal reports due to lack of use of performance appraisal results for career planning or organizational development.

2.5. Analyzing the fifth dimension

The fifth dimension discusses the satisfaction of employees. The findings of this dimension were as shown in table (21) below:

Table 21: One sample T-Test for employees' satisfaction dimension

The fifth dimension " employees' satisfaction"				
No.	Statement	Mean	T-Value	Sig.
1.	I feel satisfied about the current appraisal report	4.18	-12.812	.000
2.	I feel satisfied about the way may supervisor fills the performance appraisal report.	4.44	-10.703	.000
3.	I feel satisfied about the utilization of UNRWA performance appraisal outputs.	3.82	-16.089	.000
4.	UNRWA's current appraisal report is suitable.	4.11	-14.327	.000
5.	I feel satisfied about the incentives provided by UNRWA for outstanding performance.	3.23	-21.834	.000
6.	The current appraisal report achieves the objective for which it was designed.	3.34	-19.461	.000
7.	UNRWA's appraisal system helps employees in fulfilling their ambitions and needs.	3.26	-20.610	.000
8.	The current appraisal report helps employees develop and enhance their performance.	3.35	-19.049	.000
The entire dimension		3.71	-16.86	.000

1. Respondents are not satisfied about the current appraisal report as indicated by the sig. value which equals $.000 < 0.05$, the t-value which equals -12.812 and the mean which equals $4.18 < 6$. The negative answer to this statement supports the previous answers which were obtained from respondents in the first dimension. Respondents disagreed with the twelve statements of the first dimension which were thoroughly selected to measure the fairness of the of the appraisal performance report.
2. When respondents were asked whether they are satisfied about the way their supervisors fill the report, they indicated that they are unsatisfied. We notice from table (21) that the sig. value was $.000 < 0.05$, the t-value was -10.703 and the mean was $4.44 < 6$. These values summarize the results of the third dimension in which researchees were asked about some mistakes that may be committed by their direct

supervisors when they fill the performance appraisal report. Out of ten mistakes, respondents agreed that seven exist.

3. Table (21) for this statement reveals that respondents are unsatisfied about the way UNRWA uses the outputs of performance appraisal report. The sig. value as shown in the table above, equals $.000 < 0.05$, the t-value equals -16.098 and the mean equals 3.82 which is < 6 . The answer to this statement comes in line with the previous answers that were obtained from respondents to the fourth dimension. We notice from aforementioned dimension results that respondents disagreed with all the statements which were designed to measure their satisfaction on UNRWA's utilization of performance appraisal outputs.
4. Respondents disagree with this statement which says that UNRWA's current appraisal report is suitable. The sig. value for this statement was $.000 < 0.05$, the t-value was -14.327 and the mean was $4.11 < 6$. UNRWA's area staffs believe that the current performance report applied at the Agency needs to be changed for it is unsuitable.
5. Table (21) for this statement reveals that respondents are unsatisfied about the incentives provided to them in liaison of performance appraisal. The sig. value as shown in the table above, equals $.000 < 0.05$, the t-value equals -21.834 and the mean equals 3.23 which is < 6 . The answer to this statement comes in line with the previous answers that were obtained from respondents to the second dimension. We notice from the respondents answers to second dimension that they negatively answered all the statements that were selected to measure their satisfaction on performance appraisal incentives.
6. Respondents disagree that UNRWA's appraisal report achieves the objective for which it was designed as indicated by the sig. value for this statement which equals $.000 < 0.05$, the t-value which is -15.521 and the mean which is $3.34 < 6$.
7. Respondents disagree that the current system of performance appraisal helps employees fulfill their ambitions and needs. We notice from table (21) above that sig. value is $.000 < 0.05$ which means that the statement is statistically valid, the t-value was -19.411 and the mean which was $3.26 < 6$.
8. Respondents disagree that the current system of performance appraisal helps employees develop and enhance their performance. We notice from table (21) above that sig. value was $.000 < 0.05$ which means that the statement is statistically valid, the t-value was -16.513 and the mean which was $3.35 < 6$.

The results of the entire dimension reveal that employees are unsatisfied about the current performance appraisal system due to the bias or unfairness of the system, lack of incentives, mistakes that committed by raters and lack of use of the performance appraisal results for career planning and organizational development. The respondents also believe that the current report needs to be changes. These results are obtained from the low mean

value which is $3.71 < 6$, the t-value which is -16.86 and the sig. which is $.000$. This reflects the need to amend or change the current appraisal report, and take whatever action deemed necessary to achieve the satisfaction of employees on performance appraisal. The satisfaction of employees on the current appraisal system will eventually lead to high motivated employees, increased productivity and transparent system.

Table 22: Factors affecting employees' satisfaction on performance appraisal

Factors affecting employees' satisfaction on performance appraisal				
No.	Questionnaire Dimensions	Mean	T-Value	Sig.
1.	Fairness of performance appraisal report	4.16	-13.37	.000
2.	Incentives of performance appraisal	3.81	-13.07	.000
3.	Mistakes of performance appraisal process	5.98	-.50	.617
4.	Utilizing performance appraisal outputs	3.63	-19.25	.000
Total		4.40	-11.54	.000

Table (22) above shows the factors that affect the satisfaction of employees on performance appraisal. The table shows that the sig. for the entire factors is $.000 < .05$ which reflects that these dimensions are statistically valid. The negative t-value reveals that employees in general disagree with the statements of the four dimensions and the relative mean value $4.40 < 6$ reveals that this percentage is far below the 6. This reflects the need to amend the current performance report, increase incentives, reduce mistakes and utilize the output of performance appraisal report favorably.

3. Testing the study hypotheses

3.1. The study hypotheses

- p Hypothesis One:** There is a significant correlation between the satisfaction of employees on UNRWA's performance appraisal, and the fairness of the report.
- p Hypothesis two:** There is a significant correlation between the satisfaction of employees on the UNRWA's performance appraisal, and the incentives provided to them.
- p Hypothesis three:** There is a significant correlation between the satisfaction of employees on UNRWA's performance appraisal, and the reduction of raters' errors.
- p Hypothesis four:** There is a correlation between the satisfaction of employees on the UNRWA's performance appraisal, and the use of the results of performance appraisal system for organizational development and career planning.

p Hypothesis five: There is a significant difference among employees regarding their satisfaction on UNRWA's performance appraisal, attributed to the following independent variables:

- A. Grade
- B. Qualification
- C. Experience
- D. Age

Hypotheses were examined by using Pearson correlation; the findings are shown in table (23) below:

Table 23: Correlation between satisfaction and performance appraisal

No.	Statement	Pearson Correlation	Sig.
1.	Hypothesis one	.741**	.000
2.	Hypothesis two	.778**	.000
3.	Hypothesis three	-.302**	.000
4.	Hypothesis four	.741**	.000

** . Correlation is significant at the 0.01 level (2-tailed)

p Hypothesis One: There is a significant correlation between the satisfaction of employees on UNRWA's performance appraisal, and the fairness of the report.

In order to examine the hypothesis, the researcher correlated the mean for the first dimension (fairness of appraisal report) and the first statement in the fifth dimension. Table (23) shows that the correlation is (.741**), the sig. is .000 < 0.05 therefore the relationship between UNRWA's employees satisfaction on performance appraisal report and the fairness of the report is significant. The positive value of the correlation indicates that the correlation is positive. This means that the more the report is fair the more satisfied UNRWA employees will be. This result agrees with most of the significant prior researches as follows:

1. Mahi (2007) this study found out that, respondents are unsatisfied about the performance appraisal report as a result of lacking objective standards and being unfair.
2. Edwan (2006); in the study the researcher found out that employees in the performance appraisal standards are subjective however they are static, vocational training centers depend mainly on the direct supervisor's observation to compile data about the performance of subordinates, only one method is used to appraise the performance of employees regardless of the grade. The ultimate finding of this

study is that employees are unsatisfied about the current appraisal report due to the aforementioned reasons.

3. Awad (2005) who concludes that employees are unsatisfied about performance appraisal due to different disadvantages including the fairness of the report.
4. Nouno (2004) who found out that, employees are unsatisfied about the performance appraisal report because the current report does not include the requirement of successful appraisal system; the system lacks practical and objective criteria and is unfair.
5. Hawana (1998) who found out that, employees are unsatisfied about performance appraisal report because they considered the report as unfair. The report is unfair in the view point of the employees because it does not provide them with feedback about their merits and demerits.
6. Jawahar (2007); the study found out that distributive justice (satisfaction with appraisal rating) had the greatest influence on satisfaction with ratings and procedural justice had the most influence on satisfaction with appraisal system.
7. Ellicson (2002); The regression analysis of this study revealed that environmental factors such as promotional opportunities, pay and benefits satisfaction, performance appraisal satisfaction, equipment and resources, training, workload and supervisory relationship are positively related to overall job satisfaction. In contrast, demographic variables were relatively poor predictors of job satisfaction.

p Hypothesis two: There is a significant correlation between the satisfaction of employees on UNRWA's performance appraisal, and the incentives provided to them.

In order to examine the second hypothesis, the researcher correlated the mean for the second dimension (performance appraisal incentives) and the fifth statement in the fifth dimension. Table (23) shows that the correlation is (.778**), the sig. is .000 < 0.05 therefore the relationship between UNRWA's employees satisfaction on performance appraisal report and performance appraisal incentives is significant. The positive value of the correlation indicates that the correlation is positive. This means that in order for UNRWA to increase the satisfaction of employees on performance appraisal, the incentives provided to them must be increased. This result agrees with most of the significant prior researches as follows:

1. Adel (2005); the study found out that the level of satisfaction at Jordanian hotels was average. The most important factors affecting the level of satisfaction are: leadership style, work environment, hotel management, hotel organization, compensation and incentives.

2. Mahi (2007); the study found out that there is a correlation between job satisfaction and different independent variables including incentives in the general management of meteorology and environmental protection in the Kingdom of Saudi Arabia.
3. Ellicson (2002) The regression analysis revealed that environmental factors such as promotional opportunities, pay and benefits satisfaction, performance appraisal satisfaction, equipment and resources, training, workload and supervisory relationship are positively related to overall job satisfaction.
4. Boyd and Kyle (2004), the result of this study revealed that there is a positive correlation between job satisfaction and numerous independent variables including incentives.

p Hypothesis three: There is a significant correlation between the satisfaction of employees on UNRWA's performance appraisal, and the reduction of raters' errors.

In order to examine the third hypothesis, the researcher correlated the mean for the third dimension (raters' errors) and the second statement in the fifth dimension. Table (23) shows that the correlation is (-.302**), the sig. is .000 < 0.05 therefore the relationship between UNRWA's employees satisfaction on performance appraisal report and performance appraisal incentives is significant. The negative value of the correlation indicates that the correlation is negative. This means that in order for UNRWA to increase the satisfaction of employees on performance appraisal, errors of raters should be reduced or eliminated the incentives provided to them must be increased. This result also agrees with most of the significant prior researches as follows:

1. Awad (2005); the study found out that there is a negative correlation between job satisfaction and raters' errors. Employees are unsatisfied about the performance appraisal report because the appraisal process is insubjective and biased.
2. Palmer and Loveland (2008); the results of this study indicated that group discussion resulted in less accurate ratings and greater contrast effects. Additional analyses suggested that group discussion increased positive halo and lead to the unsatisfaction of employees on jobs.
3. Jawahar (2007); the study found out that distributive justice (satisfaction with appraisal rating) had the greatest influence on satisfaction with ratings and procedural justice had the most influence on satisfaction with appraisal system. Rater bias on the contrary leads to job unsatisfaction as viewed by the respondents.
4. Boyd and Kyle (2004); this article shows that distributive and procedural justice conceptions are not the only constructs that should be analyzed. Instead, social justice concerns need to be addressed in addition to distributive and procedural concerns. Justice of raters also essential to achieve employees' satisfaction within the context of performance appraisal systems.

- p Hypothesis four:** There is a significant correlation between the satisfaction of employees on UNRWA's performance appraisal, and the utilization of performance appraisal output for career planning and development.

In order to examine the fourth hypothesis, the researcher correlated the mean for the fourth dimension (utilization of performance appraisal output) and the third statement in the fifth dimension. Table (23) shows that the correlation is (.741**), the sig. is .000 < 0.05 therefore the relationship between UNRWA's employees satisfaction on performance appraisal report and performance appraisal incentives is significant. The positive value of the correlation indicates that the correlation is positive. This means that in order for UNRWA to increase the satisfaction of employees on performance appraisal, better utilization of performance appraisal output should exist. This result also agrees with most of the significant prior researches as follows:

1. Mahi (2007); the study found out that the annual reports of performance appraisal do not help in booming the employees' performance level and that the annual reports of performance appraisal do not help in motivating employees. In addition, the study found out that the results of performance appraisal report are not used for developmental purposes.
 2. Shourab (2007); this study found out that the results of performance appraisal are not used for promotion and those whose performances are rated as unsatisfactory are not subject to training or demotion.
 3. Tanash and Lawzi (1995); the study proved that researchees have negative opinion towards performance appraisal reports due to lack of use of performance appraisal results for career planning or organizational development.
 4. Jawahar (2006); the study examined whether satisfaction with feedback could influence the development of favorable job and organizational attitudes. The study found out that there is a positive relationship between satisfaction and developmental uses of performance appraisal.
 5. Boyd and Kyle (2004), the study found out that, employees may feel that outcomes received from performance appraisal are incongruent with the inputs they give at work. In essence employees may feel that they are not receiving appropriate outcomes in the form of money, recognition, and decisions that directly affect them.
- p Hypothesis five:** There is a significant difference among employees regarding their satisfaction on UNRWA's performance appraisal, attributed to the following independent variables:

- A. Age
- B. Qualification
- C. Grade
- D. Experience

In order to examine the fifth hypothesis, the researcher used one-way ANOVA test by which the mean for each characteristic (age, qualification, grade and experience) was examined separately along with the mean of the fifth dimension which is about employees' satisfaction. The result of the test is shown in table (24) below:

Table 24: multiple comparison between employees' satisfaction and some characteristics

No.		F	Sig.
1.	Age	8.500	.000
2.	Qualification	9.976	.000
3.	Grade	.719	.541
4.	Experience	13.799	.000

Based on the above table (24) the following results can be concluded:

- p Age:** The sig. value is $.000 < 0.05$ which reveals that there is a significant difference between employees satisfaction on performance appraisal attributed to differences in age.

Building on the above statement, the researcher used post hoc range tests in One-Way ANOVA to determine which means differ. As we have four age groups, the researcher used Tukey test which uses the Studentized range statistic to make all of the pairwise comparisons between groups. The results are shown in table (25) below:

Table 25: multiple comparison between age categories by using post hoc Tukey test

Age Categories Comparisons		Mean Difference	Sig.
< 30 years	from 30 to < 40	-.37743	.510
	From 40 to < 50	-1.66478*	.000
	> 50	-1.30155*	.017
From 30 to < 40	< 30 years	.37743	.510
	From 40 to < 50	-1.28735*	.003
	> 50	-.92412	.158
From 40 to < 50	< 30 years	1.66478*	.000
	From 30 to < 40	1.28735*	.003
	> 50	.36323	.888
> 50	< 30 years	1.30155*	.017
	From 30 to < 40	.92412	.158
	From 40 to < 50	-.36323	.888

*.The mean difference is significant at the .05 level

From table (25) above, mean difference reveals that the differences between age groups where in favor of the third group (From 40 to < 50) where the mean difference is 1.66478*. Although all group categories are unsatisfied about performance appraisal, the third group is classified according to mean difference as the most satisfied group among all age groups. This is due to the fact that this age category has spent more time at UNRWA than the first and the second categories thus they are classified as the least unsatisfied group about performance appraisal.

p Qualification: The sig. value is .000 < 0.05 which reveals that there is a significant difference between employees satisfaction on performance appraisal attributed to difference in qualification.

Building on the above statement, the researcher used post hoc range tests in One-Way ANOVA to determine which means differ. As we have six major categories in qualification, the researcher used Tukey test which uses the Studentized range statistic to make all of the pairwise comparisons between groups. The results are shown in table (26) below:

Table 26: multiple comparison between qualification categories by using post hoc Tukey test

Qualification Categories Comparisons		Mean Difference	Sig.
Secondary school or less	Diploma	-.53333	.952
	B.A	1.36915	.276
	Higher diploma	-.93750	.930
	Master	.60833	.942
Diploma	Secondary school or less	.53333	.952
	B.A	1.90248*	.000
	Higher diploma	-.40417	.994
	Master	1.141167	.190
B.A	Secondary school or less	-1.36915	.276
	Diploma	-1.90248*	.000
	Higher diploma	-2.30665	.121
	Master	-.76082	.439
Higher diploma	Secondary school or less	.93750	.930
	Diploma	.40417	.994
	B.A	2.30665	.121
	Master	1.54583	.579
Master	Secondary school or less	-.60833	.942
	Diploma	1.14167	.190
	B.A	.76082	.439
	Higher Diploma	-1.54583	.579

*.The mean difference is significant at the .05 level

From table (26) above, mean difference reveals that the differences between qualification groups where in favor of the second group (Diploma) where the mean difference is 1.90248*. Although all groups within the qualification category are unsatisfied about performance appraisal, the second group (Diploma) is classified according to mean difference as the most satisfied group among all groups. This is due to the fact that this group can not easily find job opportunities somewhere else and that they represent great part of the sample thus they are classified as the least satisfied group among all categories.

p Grade: The sig. value is .541 > 0.05 which reveals that there is no significant difference between employees satisfaction on performance appraisal attributed to difference in grade. This could be due to the fact that each group category has its

own problems with performance appraisal and thus they were all unsatisfied about performance appraisal in the same level.

- p Experience:** The sig. value is $.000 < 0.05$ which reveals that there is a significant difference between employees satisfaction on performance appraisal attributed to difference in years of experience.

Building on the above statement, the researcher used post hoc range tests in One-Way ANOVA to determine which means differ. As we have four major categories in experience, the researcher used Tukey test which uses the Studentized range statistic to make all of the pairwise comparisons between groups. The results are shown in table (27) below:

Table 27: multiple comparison between experience categories by using post hoc Tukey test

Experience Categories Comparisons		Mean Difference	Sig.
< 3 year experience	From 3 to < 6	.88726	.142
	From 6 to < 9	-.52320	.690
	> 9 years experience	-.76923	.276
From 3 to < 6	< 3 year experience	-.88726	.142
	From 6 to < 9	-1.41046*	.000
	> 9 years experience	-1.65649*	.000
From 6 to < 9	< 3 year experience	.52320	.690
	From 3 to < 6	1.41046*	.000
	> 9 years experience	-.24603	.904
> 9 years experience	< 3 year experience	.76923	.276
	From 3 to < 6	1.65649*	.000
	From 6 to < 9	.24603	.904

*.The mean difference is significant at the .05 level

From table (27) above, the mean difference reveals that the differences between experience groups where in favor of the fourth group (> 9 years experience) where the mean difference is 1.65649*. Although all groups within the experience category are unsatisfied about performance appraisal, the fourth group (> 9 years experience) is classified according to mean difference as the most satisfied group among all groups. This could be due to the fact that this group has spent the longest period among all categories in UNRWA and that the possibility of turnover and finding other post is for them very difficult thus they were the least unsatisfied group among all experience categories.

Chapter Eight Conclusion and Recommendations

Preface:

After presenting and discussing the findings of the research, this chapter discusses the key findings and recommendations that the researcher suggests to enhance and promote the strengths of the current system and overcome the areas in which the current appraisal system falls short. This chapter will discuss the following two main issues:

1. Conclusion
2. Recommendations

1. Conclusion

In light of the findings that were presented in the last chapter, one can say that UNRWA's area staffs are unsatisfied about the current performance appraisal system. This unsatisfaction on performance appraisal is attributed to different reasons as revealed through out the analysis of the study.

The system as revealed through the analysis of the data is not based on job analysis and the job description does not contain clear standards upon which employees' performance can be measured. Furthermore, the report currently in use by UNRWA contains qualitative rather than quantitative standards, and contains unclear or measurable statements. In addition, part of the daily tasks assigned to employees is not included in the report, and the report does not evaluate the employees' competencies.

Another point of major concern is that no due process is formulated in UNRWA to discuss performance appraisal issues. Employees who have some complaints about the process are not legally authorized to discuss their own issues in front of a legal committee. Besides there is no post assigned for performance appraisal which is a major function of human resource, thus employees do not know to whom there complaints should be carried and raters do not know whom to consult.

In the first hypothesis we assumed that there is a correlation between UNRWA's area staff satisfaction on performance appraisal and the fairness of the report we found out that the sig. is $.000 < .05$ which clearly indicates that the relationship between satisfaction on performance appraisal and the fairness of the report exist. We also found out that the correlation is (.741**) which evidently indicates that the correlation is positive.

Data compiled from employees through questionnaire revealed that the Agency does not designate specific incentive package for employees whose performances are rated as outstanding. Moreover, employees do not receive verbal incentives when they deserve or when their performances are rated as outstanding. In addition, employees are not promoted for higher post based on the results of their performance. The personnel directive does not clearly state that employees with outstanding performance are eligible for a kind of rewards or incentives.

In the second hypothesis we assumed that there is a correlation between UNRWA's area staff satisfaction on performance appraisal and the incentives provided to them we found out that the sig. is $.000 < .05$ which clearly indicates that the relationship between satisfaction on performance appraisal and incentives exist. We also found out that the correlation is (.778**) which evidently indicates that the correlation is positive.

Data compiled from respondents indicates that some mistakes are committed by raters when they evaluate the performance of employees under their supervision. Some of the mistakes are: using previous year performance appraisal report to evaluate the performance of employees, appraisers tend to use central tendency, appraisers are affected by general characteristics and political affiliation, raters are positively and negatively affected by

recent actions of appraisees, the relationship between appraisers and appraisees affect the subjectivity of the report, raters are not trained on the current report of performance appraisal and they do not observe and monitor the performance of employees and appraise them accordingly.

In addition, the performance appraisal interviews which are conducted by the supervisors do not brief employees on their merits and demerits. They are viewed as a complementary part to the appraisal process.

In the third hypothesis we assume that there is a correlation between UNRWA's area staff satisfaction on performance appraisal and the reduction of raters' errors. We found out that the sig. is $.000 < .05$ which indicates that the relationship between satisfaction on performance appraisal and the fairness of the report exist. We also found out that the correlation is $(-.302^{**})$ which evidently indicates that the correlation is negative. This clearly means that there is a negative relationship between raters' errors that are committed by supervisors during the appraisal process and the satisfaction of employees on performance appraisal.

In the fourth dimension of the questionnaire different statements have been formulated to measure whether the output of the performance appraisal report is thoroughly used for developmental purposes, career planning, planning of UNRWA's human resource strategies and succession planning. Data compiled from respondents indicates that the output of performance appraisal report is not properly used by the Agency.

Based on the results that were presented in chapter seven, the output of the performance appraisal report is not used for planning UNRWA's human resource strategies. The output is not also used to evaluate the subjectivity of the recruitment process. Moreover, the output of the performance appraisal report is not used to assess the training needs of employees which clearly indicate that there is shortfall in both human resource functions: training and performance appraisal. The data compiled from respondents also indicates that the output is not used for succession planning, promotion or disciplinary measures against employees whose performance is appraised as below standards.

In the fourth hypothesis we assumed that there is a significant correlation between the satisfaction of employees on UNRWA's appraisal system and the utilization of performance appraisal output for career planning and development. We found out that the sig. is $.000 < .05$ which indicates that the relationship between satisfaction on performance appraisal and the utilization of performance appraisal output for career planning and development exist. We also found out that the correlation is $(.741^{**})$ which evidently indicates that the correlation is positive. This clearly means that there is a positive relationship between the satisfaction of employees on performance appraisal and the use of the report for career planning and development.

Analysis of the fifth dimension showed that the current performance report is unsuitable as viewed by the respondents. In addition, we also found out that the current appraisal report does not achieve the objectives, for which it was designed. Moreover, the report does not

help employees fulfill their ambitions and needs, neither it helps employees develop and enhance their performance.

In the last hypothesis we assume that there a significant difference among employees regarding their satisfaction on UNRWA's appraisal system attributed to the following independent variables:

- ⓑ Age
- ⓑ Qualification
- ⓑ Grade
- ⓑ Experience

Analysis of this hypothesis revealed that there is a significant difference among age groups on performance appraisal. The difference was in favor of the group from 40 to < 50. This group is considered as more satisfied about performance appraisal than the three other groups. In qualification, we also found out that there is a significant difference among employees regarding their satisfaction on performance appraisal. Results revealed that Diploma holders are the least unsatisfied group among the six qualification group categories. In grade, we found out that there is insignificant difference among employees in regard to their satisfaction on performance appraisal. In addition, when we examined whether there is a significant difference among employees in experience categories in regard to their satisfaction on performance appraisal, we found out that there is a significant difference in favor of employees who spent more than nine years of experience.

2. Recommendations

In light of the aforementioned results the researcher recommends the following, wishing from top management levels to take them into account and put them into action:

1. Establishing a post for performance appraisal officer, whose tasks include compiling and sorting data about performance appraisal, training raters and ratees on performance appraisal to ensure avoiding some of the mistakes, coordinating with the administration in regard to the proper utilization of performance appraisal output, and liaison with training officer in regard to conducting training courses for employees.
2. Developing software for compiling data about employees' performance appraisal report that can be easily obtained when needed.
3. Amending the job description of posts to include performance indicators that can easily be measured through performance appraisal.
4. Appraising the performance of employees at the end of each year and not on the anniversary of employees' entry on duty date. Because among the purposes behind conducting appraisal is to compare the performance of employees within a specific period and because this will benefit the Agency on the budgetary level.
5. Changing the current report of performance appraisal and replace it by other reports that can truly measure the performance of employees.
6. Developing a manual for performance appraisal at UNRWA and stating clearly the package of incentives assigned for outstanding performance employees and the disciplinary measures that might be taken against employees when the performance is rated as poor.
7. Training raters and ratees on performance appraisal system.
8. Ensuring that performance appraisal interviews are conducted in accordance with norms and regulations.
9. Increasing and diversifying the performance appraisal incentives in order to motivate employees.
10. Honoring employees by holding celebrations for employees whose performance is rated as outstanding and distributing the incentives on them before their colleagues.
11. Providing employees with feedback about their performance either through interview or through an official letter indicating the degree that the employee achieved and the consequences of this result.

12. Using the output of performance appraisal to assess the training needs of employees.
13. Using the output of performance appraisal to evaluate the transparency of the recruitment process.
14. Using performance appraisal output for succession planning.
15. Formulating a due process to negotiate the performance of employees when they complain about the fairness of the process.
16. Examining the reliability and validity of the new approach of performance appraisal that will be adopted by the Agency through the OD, to ensure that the new system will meet the expectations of the employees and will be consistent with the strategic mission of UNRWA.

3. Suggested Further Studies

This is the first study to be conducted on performance appraisal at UNRWA. This field of research is completely new and deserves more exploration. The researcher suggests the following research areas for further studies:

1. UNRWA's adopted performance appraisal system, validity and reliability
2. Organizational development and performance appraisal at UNRWA
3. Job satisfaction at UNRWA
4. Intrinsic motivation at UNRWA

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Islamic University
Graduates Studies Deanery
Business Administration dept.
College of Commerce



Questionnaire No.

Date

Dear Colleagues

The attached questionnaire is a tool for collecting data to conduct a thesis about "UNRWA's Area Staff Satisfaction on Performance Appraisal System and Its Incentives in the Gaza Field Office" to be submitted in partial fulfillment of the requirement for MS Degree in Business Administration. Therefore, achieving this objective requires your participation to answer all questions thoroughly, honestly and subjectively. You are kindly reminded that all submitted information will be treated as confidential and will be of major concern to us.

Thank you for your cooperation

Researcher

Jamal Mustafa Abu Musa

Ⓟ Please put (ü) before the sentence that best correspond to your status

Part One: General Information

Ⓟ **Age**

Less than 30 years <input type="checkbox"/>	From 30 to less than 40 <input type="checkbox"/>
From 40 to less than 50 <input type="checkbox"/>	More than 50 <input type="checkbox"/>

Ⓟ **Gender**

Male <input type="checkbox"/>	Female <input type="checkbox"/>
-------------------------------	---------------------------------

Ⓟ **Marital Status**

Married <input type="checkbox"/>	Single <input type="checkbox"/>
Others <input type="checkbox"/>	

Ⓟ **Qualification**

Secondary or less <input type="checkbox"/>	Diploma <input type="checkbox"/>
Bachelor or Equivalent <input type="checkbox"/>	Higher Diploma <input type="checkbox"/>
Master <input type="checkbox"/>	Doctorate <input type="checkbox"/>

Ⓟ **Experience**

Less than 3 years <input type="checkbox"/>	From 3 to less than 6 <input type="checkbox"/>
From 6 to less than 9 <input type="checkbox"/>	More than 9 <input type="checkbox"/>

⌘ Grade

From 4 to 8 <input type="checkbox"/>	From 9 to 11 <input type="checkbox"/>
From 12 to 15 <input type="checkbox"/>	From 16 to 20 <input type="checkbox"/>

Please respond by putting a number from 1 to 100 that best corresponds to how you feel about each statement taking into account that 1 means absolute disagreement and vice versa.

Part Two: Questionnaire dimensions

⌘ The first dimension: fairness of performance appraisal report

This dimension aims at identifying the fairness, transparency and subjectivity of the report.

First Dimension		
No.	Dimensions	Agreement 1- 100
1.	All statements in the performance appraisal report are clear and measurable.	
2.	The current appraisal report is fair, transparent and subjective.	
3.	The items of performance appraisal report include all the tasks that I perform.	
4.	The current appraisal report truly evaluates the employees' competencies.	
5.	The appraisal report briefs the employee on his merits.	
6.	The appraisal report briefs the employee on his demerits.	
7.	The appraisal report assesses the training needs of employees	
8.	The current appraisal report is based on the job description of the post.	
9.	Employees are interviewed and briefed on their merits and demerits before being appraised.	
10.	When an employee feels that his performance was unfairly appraised, a due committee is formulated to review his report and take the necessary action.	
11.	The current appraisal report encourages competition among different departments	
12.	The appraisal report helps in solving problems that limit the abilities of employees to perform effectively.	

⌘ The second dimension: Performance Appraisal Incentives

This dimension aims at identifying the incentives that UNRWA offers to employees whose performances are rated as outstanding

The second dimension		
No.	Dimensions	Agreement 1- 100
13.	Usually any increase on the basic salary is tied to performance.	
14.	UNRWA offers financial incentives for employees whose performances are rated as outstanding.	
15.	Employees receive verbal incentives when their performances meet the supervisors' expectations.	
16.	The administration endeavors to identify the achievements of employees to assign the appropriate incentives for them.	
17.	The appraisal process provides subjective criteria for employees' promotion.	
18.	The results of performance appraisal are taken into consideration when an employee is on leave and the department looks for a substitute for this employee.	
19.	UNRWA honors employees whose performances are outstanding.	
20.	The incentives that UNRWA provides help developing the performance of employees.	

⌋ The third dimension: Raters' Errors

This dimension aims at identifying the mistakes that are committed by raters during the appraisal process

The Third Dimension		
No.	Dimensions	Agreement 1- 100
21.	The appraiser uses previous performance report when he needs to evaluate the performance of an employee.	
22.	The appraisal of supervisor usually follows central tendency.	
23.	The supervisor usually gives undeserved high rating either to avoid controversy or termination of services.	
24.	Supervisors rate employees in the lower level to encourage them develop their performances.	
25.	Supervisors' appraisals are usually affected by some general characteristic such as coming early, religiousness and political affiliation.	
26.	The supervisor rating is negatively or positively affected by the last action or task carried out by the employee before the appraisal period.	
27.	Supervisors' ratings are affected by the gender of appraisees.	
28.	Supervisors' appraisal is negatively or positively affected by the relationship with the appraisees.	
29.	No training is provided to appraisers on performance appraisal system or report.	
30.	The supervisors do not observe and record the performance of employees during the entire appraisal period.	

⌋ The fourth dimension: Utilization of performance appraisal output

This dimension aims at identifying the level to which UNRWA uses the performance appraisal out put for career planning, succession planning, training and organizational development.

The fourth dimension		
No.	Dimensions	Agreement 1- 100
31.	Performance appraisal output is used for planning UNRWA's human resources strategies.	
32.	Performance appraisal output is used to judge the subjectivity and transparency of the recruitment process.	
33.	Performance appraisal outputs are used to assess employees' training needs.	
34.	When an employee is absent, UNRWA replaces him based on the results of performance appraisal.	
35.	Performance appraisal outputs are taken into consideration when the Agency fills a vacancy or considers an employee for promotion.	
36.	UNRWA terminates the contracts of employees whose performance is frequently observed as poor.	
37.	The current appraisal report raises results and recommendations for the administration to carry out.	

p The fifth dimension: Employees Satisfaction

This dimension aims at identifying the extent to which employees are satisfied about the performance appraisal system

The fifth dimension		
No.	Dimensions	Agreement 1- 100
38.	I feel satisfied about the current appraisal report	
39.	I feel satisfied about the way may supervisor fills the performance appraisal report.	
40.	I feel satisfied about UNRWA utilization of performance appraisal outputs.	
41.	UNRWA's current appraisal system is suitable.	
42.	I feel satisfied about the incentives provided by UNRWA for outstanding performance.	
43.	The current appraisal report is valid and reliable.	
44.	UNRWA's appraisal report helps employees in fulfilling their ambitions and needs.	
45.	The current appraisal report helps employees develop and enhance their performance.	

بسم الله الرحمن الرحيم

الجامعة الإسلامية - غزة

عمادة الدراسات العليا

كلية التجارة

قسم إدارة الأعمال



رقم الإستبانة:

تاريخ تعبئة الإستبانة:

الإخوة / الأخوات الكرام
السلام عليكم ورحمة الله وبركاته.....

الإستبانة المرفقة عبارة عن أداء لجمع البيانات اللازمة لإجراء دراسة بعنوان:

مدى رضا موظفي الوكالة في مكتب غزة الإقليمي عن نظام تقييم الأداء والحوافز المترتبة عليه وذلك كمتطلب للحصول على درجة الماجستير في إدارة الأعمال من الجامعة الإسلامية بغزة. لذلك فإن بلوغ هذا الهدف يحتاج منكم المشاركة الفعالة في الإجابة على جميع أسئلة الإستبانة بدقة وموضوعية. علماً بأن جميع ما ورد في الاستبانة سيكون موضع العناية والاهتمام ولن يستخدم إلا لأغراض البحث العلمي.

تفضلوا بقبول فائق الاحترام والتقدير على حسن تعاونكم.

الباحث

جمال مصطفى أبو موسى

الرجاء وضع علامة (U) أمام العبارة المناسبة

القسم الاول: معلومات عامة

الغرض من هذا الجزء هو معرفة بعض المتغيرات الشخصية و الوظيفية الخاصة بكم.

p الفئة العمرية:

<input type="checkbox"/>	من 30 الى أقل من 40 سنة	<input type="checkbox"/>	أقل من 30 سنة
<input type="checkbox"/>	50 سنة فأكثر	<input type="checkbox"/>	من 40 الى أقل من 50 سنة

p الجنس:

<input type="checkbox"/>	أنثى	<input type="checkbox"/>	ذكر
--------------------------	------	--------------------------	-----

p الحالة الاجتماعية:

<input type="checkbox"/>	أعزب	<input type="checkbox"/>	متزوج
		<input type="checkbox"/>	غير ذلك

p المؤهل العلمي:

<input type="checkbox"/>	دبلوم بعد الثانوية	<input type="checkbox"/>	ثانوية عامة أو أقل
<input type="checkbox"/>	دبلوم عالي	<input type="checkbox"/>	بكالوريوس او ما يعادلها
<input type="checkbox"/>	دكتوراه	<input type="checkbox"/>	ماجستير

p عدد سنوات العمل في الوكالة:

<input type="checkbox"/>	من 3 الى أقل من 6 سنوات	<input type="checkbox"/>	أقل من 3 سنوات
<input type="checkbox"/>	9 سنوات فأكثر	<input type="checkbox"/>	من 6 الى أقل من 9 سنوات

p الدرجة الوظيفية:

<input type="checkbox"/>	من 9 الى 11	من 4 الى 8	<input type="checkbox"/>
<input type="checkbox"/>	من 16 الى 20	من 12 الى 15	<input type="checkbox"/>

p الرجاء حدد نسبة الموافقة على العبارات التالية عن طريق كتابة درجة الموافقة من 1-100% حيث كلما اقتربت الاجابة من 100% دلت على الموافقة والعكس صحيح.

القسم الثاني: محاور الدراسة

p المحور الاول: عدالة نموذج تقييم الاداء

يهدف هذا المحور الى التعرف على مدى شفافية وعدالة نموذج تقييم الأداء في الوكالة

المحور الأول		
الرقم	الفقرة	درجة الموافقة من 1 إلى 100%
1.	جميع فقرات نموذج تقييم الأداء واضحة وقابلة للقياس.	
2.	يتميز نموذج تقييم الأداء الحالي بالشفافية والموضوعية والعدالة.	
3.	عناصر النموذج الحالي لتقييم الأداء شاملة لجميع عناصر العمل الذي أقوم به.	
4.	نموذج تقييم الاداء الحالي يقيس قدرات الموظف الفعلية.	
5.	يمكن نموذج تقييم الاداء الحالي الموظف من التعرف على مواطن القوة لديه.	
6.	يمكن نموذج تقييم الاداء الحالي الموظف من التعرف على مواطن الضعف لديه.	
7.	يحدد نموذج تقييم الاداء الحالي الحاجات التدريبية للموظف.	
8.	يراعي نموذج تقييم الاداء الحالي الوصف الوظيفي للموظف.	
9.	يتم تقييم الموظف بعد مقابلته واطلاعه على مواطن القوه والضعف لديه.	
10.	عند الشعور بالظلم تشكل لجنة للبحث والمراجعة مع الجهات العليا لاتخاذ ما يلزم بشأن التظلم في عملية التقييم.	
11.	يشجع نموذج تقييم الاداء المنافسة بين الإدارات المختلفة.	
12.	يساهم نموذج تقييم الاداء في كشف المشكلات التي تحد من فعالية الإنجاز.	

p المحور الثاني: حوافز تقييم الأداء

يهدف هذا المحور الى التعرف على الحوافز التي تقدمها الوكالة لاصحاب التقديرات العالية في تقييم الأداء.

المحور الثاني		
الرقم	الفقرة	درجة الموافقة من 1 إلى 100%
13.	نسبة الزيادة التي تطرأ على الراتب مرتبطة بنتائج التقييم.	
14.	تقدم الوكالة مكافآت مالية للموظفين ذوي التقديرات العالية.	
15.	يحصل الموظف على الثناء والتقدير من قبل رئيسه المباشر عند حصوله على نتيجة تقييم مرتفعة.	
16.	تسعى الإدارة إلى معرفة أهم الانجازات التي يحققها الموظف وذلك من أجل تقديم الحافز المناسب له.	
17.	توفر عملية التقييم أسس موضوعية لترقية العاملين.	
18.	تتراعي الوكالة مستوى اداء الموظف عند ملء وظيفة شاغرة في نفس المستوى الادارى.	
19.	تقوم الإدارة بتكريم الموظفين اصحاب التقديرات العالية.	
20.	الحوافز التي تقدمها الوكالة تساعد على الارتقاء بأداء الموظفين.	

ب المحور الثالث: أخطاء عملية التقييم

يهدف هذا المحور الى التعرف على الازخطاء التي تتم أثناء عملية التقييم من قبل المدير

المحور الثالث		
الرقم	الفقرة	درجة الموافقة من 1 الى 100%
21.	يستعين المدير بتقارير الاداء السابقة عند تقييم الموظف.	
22.	يعتمد المدير الوسطية في تقييم اداء الموظفين.	
23.	يقوم المدير باعطاء تقييم عالي للموظف بدافع الشفقة و عدم الرغبة في القضاء على مستقبله الوظيفي.	
24.	يعتمد المدير تقييم منخفض للموظفين لدفعهم لتحسين ادائهم.	
25.	يتأثر تقييم المدير بالانطباع العام للموظف كالحضور مبكراً والأمانة والتدين والانتماء السياسي.	
26.	يتأثر تقييم المدير بالتصرف الأخير للموظف قبل فترة التقييم سواء كان سلبى أو ايجابى.	
27.	يتأثر تقييم المدير بجنس الموظف موضع التقييم.	
28.	يتأثر تقييم المدير سلباً أو إيجاباً بعلاقته مع الموظف المراد تقييمه.	
29.	لا يتم تدريب المدير على نظام ونموذج تقييم الأداء.	
30.	لا يقوم المدير بملاحظة أداء الموظف طوال فترة التقييم ليتم تقييمه بعداله.	

p المحور الرابع: استخدامات نتائج تقييم الاداء

يهدف هذا المحور الى التعرف على مدى استخدام الوكالة لنتائج تقييم الاداء لغرض التدريب, التخطيط المهني, تخطيط الموارد البشرية, التخطيط التعاقبي والتنمية.

المحور الرابع		
الرقم	الفقرة	درجة الموافقة من 1 الى 100%
.31	يتم الاستفادة من نتائج نظام تقييم الأداء في تخطيط سياسة الوكالة للموارد البشرية.	
.32	يتم الاستفادة من نظام تقييم الأداء في الحكم على سلامة سياسة التوظيف في الوكالة.	
.33	يتم استخدام نظام تقييم الأداء في تحديد الاحتياجات التدريبية للعاملين.	
.34	عند غياب احد الموظفين فانه يتم احلال موظف اخر من نفس المستوى الاداري بناء على نتائج تقييم الاداء.	
.35	عند وجود شاغر في أحد الاقسام يتم اخذ نتائج تقييم الاداء في عين الاعتبار لملء هذا الشاغر.	
.36	يتم الاستغناء عن من لا يصلح للعمل بناءً على نتائج تقييم الأداء.	
.37	يقدم نموذج تقييم الأداء الحالي نتائج و توصيات للإدارة لتنفيذها.	

p المحور الخامس: رضا الموظفين

يهدف هذا المحور إلى التعرف على مدى رضا موظفين الوكالة عن نظام تقييم الأداء بمكوناته: النموذج، عملية التقييم، الحوافز، واستخدامات نموذج التقييم.

المحور الخامس		
الرقم	الفقرة	درجة الموافقة من 1 الى 100%
38.	أشعر بالرضا عن نموذج تقييم الأداء الحالي.	
39.	أشعر بالرضا عن أداء مديري في تعبئه نموذج تقييم الأداء.	
40.	أشعر بالرضا عن استخدامات الوكالة لنتائج تقييم الأداء.	
41.	نموذج تقييم الأداء الحالي مناسب.	
42.	أشعر بالرضا عن الحوافز المقدمة من الوكالة لتقييم الأداء.	
43.	يحقق نموذج تقييم الأداء الغرض الذي صمم من اجله.	
44.	يساعد نظام تقييم الأداء على تحقيق طموحات وحاجات الموظف في العمل.	
45.	يساعد نظام تقييم الأداء على تحسين وتطوير أداء الموظف.	

⌘ Referees who judged the reliability of the questionnaire

1.	Dr. Sami Abu El Rooss
2.	Dr. Rushdi Wadi
3.	Dr. Samir Safi
4.	Mr. Ibrahim El- Habil (UNRWA - Deputy Field Administration Officer)
5.	Mr. Iyad Edwan (Master in Business Administration)
6.	Mr. Basel Quandeel (Master in Business Administration)
7.	Mr. Ziad Sheikh Dieb (Master in Business Administration)

UNRWA Form No. 06.1.304.1



CONFIDENTIAL

U.N.R.W.A
PERIODIC REPORT FOR GRADES 04-15 (PRE 1999)
AND LEVEL IB-IVB (1999) AREA STAFF

To be submitted in accordance with Personnel Directive No. A/14 and Chapter IX of Personnel Manual in respect of Area Staff Members. Read instructions at the beginning of the form before completing it.

Part 1		Personnel Data			
		Reason report is required:			
Date report must be returned to Personnel Office:					
Name:			Job Title:		
Employee Number:			Post Number:		
Grade(Level)Step:			Salary:		Currency:
Station:					
Duty Station:		EOD Date:		At this salary level since:	
Part 2		Section 1 Performance Factors			
		(a) Industry	Lacking in application <input type="checkbox"/>	Satisfactory <input type="checkbox"/>	A hard working staff member <input type="checkbox"/>
(b) Quantity of output	Output regularly insufficient <input type="checkbox"/>	Satisfactory <input type="checkbox"/>	Produces good output <input type="checkbox"/>	Maintains a high standard of output <input type="checkbox"/>	Outstanding output <input type="checkbox"/>
(c) Quality of output	Her/his work as a whole is of poor quality <input type="checkbox"/>	Her/his performance is satisfactory <input type="checkbox"/>	Her/his work is of good quality <input type="checkbox"/>	Maintains a high standard <input type="checkbox"/>	Makes a distinguished contribution <input type="checkbox"/>
(d) Punctuality	Less than satisfactory standard <input type="checkbox"/>	Satisfactory standard <input type="checkbox"/>		Noted for strict punctuality <input type="checkbox"/>	

Section 2 : Personality Factors (Indicate relevancy in addition to rating)				
	Not Applicable	Relevant	Especially important	
(a) Reliability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Judgement <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Judgement is not good <input type="checkbox"/> Judgement is sometimes at fault <input type="checkbox"/> Generally takes a sound view <input type="checkbox"/> Her/his view of a matter is nearly always sound and comprehensive <input type="checkbox"/> Judgement is consistently sound and well balanced.
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Not reliable				
<input type="checkbox"/> Not quite as reliable as she/he should be				
<input type="checkbox"/> Reasonably reliable				
<input type="checkbox"/> Has a good record of reliability				
<input type="checkbox"/> Very conscientious and reliable				
(b) Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Personal Relations <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Tends to have difficulties in dealing with people <input type="checkbox"/> Maintains reasonably good relations <input type="checkbox"/> Maintains good relations
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Tends to wait for direction				
<input type="checkbox"/> Shows reasonable degree of initiative				
<input type="checkbox"/> Has initiative and exercises it constructively				
Supervisory Capacities (Not applicable unless two or more persons are supervised)				
(e) Ability to Supervise Staff	<input type="checkbox"/> Tends not to be an effective supervisor <input type="checkbox"/> Staff work well for her/him <input type="checkbox"/> Very successful in obtaining best efforts of her/his staff			(f) Ability to Organize Work <input type="checkbox"/> Less than satisfactory in controlling and planning her/his work <input type="checkbox"/> Plans and controls work satisfactorily <input type="checkbox"/> An exceptionally effective organizer
Section 3: Additional Comments (To be used for covering any points not adequately dealt with above, including any specially strong or weak points.)				
Section 4: Notification to Staff Member				
State concisely to what extent you have discussed this report with the staff member				
Date Signature Title				
Section 5: Professional or Technical Competence (to be completed by immediate supervisor responsible for professional or technical direction)				
Insufficient knowledge and skills to do the job	Her/his knowledge of her/his field of work is not yet fully adequate	Adequately equipped for the matters she/he deals with	Has a good grasp of her/his field of work	Has an unusually thorough and comprehensive mastery of her/his field of work
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date Signature Title				

Part 2 Continued

Part 3	Overall Rating (To be completed by intermediate reporting officer or by principal officer if there is no intermediate level)
	Keeping in mind the requirements of the post, and basing upon the foregoing ratings, plus your personal observation and knowledge of the staff member's performance, check one of the following overall ratings:
	1 <input type="checkbox"/> A staff member with an unsatisfactory performance.
	2 <input type="checkbox"/> A staff member who maintains only a minimum standard of efficiency.
	3 <input type="checkbox"/> A staff member who maintains a good standard of efficiency.
	4 <input type="checkbox"/> A staff member with a very good performance.
5 <input type="checkbox"/> An exceptionally competent staff member of unusual merit.	
	If you have checked the first statement above, please elaborate:
	If you disagree with any of the ratings made in Part 2 above, give your comments:
	Date Signature Title
	Overall Technical Rating (To be completed by supervisors at intermediate or final level)
	Comments as may be required:
	Date Signature Title
Part 4	Endorsement of Principal Supervisor before submission to Personnel Office
	I have taken note of the contents of this report and comment as follows: (Comments are optional)
	Date Signature Title
Part 5	Staff Member Signature
	After all the Sections have been completed, the staff member must sign the original of the report and be given a copy thereof. The signature merely acknowledges that the staff member has read the report and received a copy. It does not necessarily indicate agreement with the evaluations contained in the report
	Date Signature of staff member

INSTRUCTIONS FOR COMPLETING A PERIODIC REPORT**A. RESPONSIBILITY FOR COMPLETION**

Part1: To be completed by Personnel Office.

Part2: Sections 1 to 4 inclusive, to be completed by immediate supervisor at administrative level. Section 5 to be completed by immediate technical supervisor if applicable.

Part3: To be completed by intermediate supervisor at administrative and technical levels as applicable.

Part4: To be completed by principal supervisor. If there is no intermediate level of administration, the principal supervisor will complete sections 3 and 4.

Part5: To be completed and signed by the staff member as acknowledgment that she/he has read the report and received a copy of thereof.

B. EXPLANATION OF EFFICIENCY FACTORS

This periodic report form is designed so as to distinguish four basic performance factors (Part 2, Section 1) which are equally relevant to any occupation, and upon which a satisfactory rating is an essential qualification for both an annual increment and promotion. The personalty factors in Part 2, Section 2, will not necessarily affect qualification for annual increment, but will definitely affect eligibility for promotion.

Industry: The rating under this heading should indicate the staff member's willingness to work, regardless of quantity or quality of output.

Quantity of Output: The purpose of this question is to assess whether the staff member's output is what may be considered a reasonable norm for the job, or whether it is above or below that norm. The question is concerned with speed of work, not with quality.

Quality of Output: Here the question is entirely concerned with the accuracy and thoroughness with which the work is done.

Knowledge of Job: If the staff member merely knows and understands her/his job sufficiently well, give her/him a middle rating. If you are frequently required to repeat instructions on the same points, give her/him a lower rating. If she/he is in complete command of her/his job and thoroughly understands it from all aspects, she/he may deserve a higher rating.

Punctuality: An acceptable standard of punctuality is one in which a staff member conscientiously attends her/his duty at established hours, rarely arrives late or leaves early, and always asks permission for minor absences. Any standard, which reflects less than this conscientious approach to duty, should be given a lower rating.

The factors of **Reliability, Initiative, Judgement** and **Personal Relations** are self-explanatory. However, they may not all be equally relevant in every job, and the reporting officer must indicate the degree of relevancy in one of the three boxes arranged horizontally against the factor concerned. If the factor is not applicable, this should be indicated and no rating should be made.

C. EXPLANATION OF THE RATING BOXES

Either a five-point or three-point rating is employed in Part 2 of the form.

THREE POINT RATING

The lower rating is in all cases to be regarded as implying a standard which, on balance, is less than satisfactory. The middle rating must only be given if the reporting officer is satisfied that the staff member's performance under that factor meets at least the minimum standards of the post. A middle rating is not derogatory. The higher rating must only be given when the staff member's performance under that factor is definitely above what may be regarded as a reasonable standard for the post.

FIVE POINT RATING

The five-point rating enables the reporting officer to place the staff member in two additional positions relative to the acceptable form in the middle. The rating immediately above the middle indicates a very good performance, but is short of being exceptional. The rating immediately below the middle represents the bare minimum standard which is acceptable. In the overall rating in Part 3 of the form, a number 2 rating is regarded as the minimum overall rating necessary for qualifying the staff member for annual increment.

D. TECHNICAL COMPETENCE

This periodic report form has been designed to meet, as far as possible, the requirements of purely technical reporting. Administrative supervisors are responsible, at all levels, for ensuring that staff members who occupy technical posts are reported on appropriately by their technical supervisors in Part 2, Section 5 and in Part 4. The remaining sections of this periodic report form are intended to be administrative in character.



U.N.R.W.A.

SENIOR MANAGEMENT AREA STAFF PERFORMANCE EVALUATION REPORT

SECTION I To be completed by the Personnel Branch		
NAME (Last,first,middle)	ENTRY ON DUTY DATE	DUTY STATION
FUNCTIONAL TITLE	IN THIS FUNCTION SINCE	POST NUMBER
DEPARTMENT OR OFFICE/DIVISION SECTION/UNIT		
CATEGORY AND LEVEL	AT THIS LEVEL SINCE	PERIOD COVERED BY THIS REPORT
SECTION II		
PART A - To be completed by the staff member		
1. Describe the main assignments you have accomplished during the reporting period:		
2. Indicate any training undertaken during the reporting period, including type and duration:		
PART B - To be completed by the first reporting officer		
1. Indicate your agreement or comment on main assignments mentioned in part A. para 1.		
2. What advice or instructions regarding staff member's performance were given throughout the reporting period.		
3. Area Staff Circular No. A/6/89 of 10 October 1989, requires that you have a discussion with the staff member before completing section III. Please indicate the date on which such discussion took place.		

SECTION III - To be completed by the first reporting officer

In rating the staff member's performance below, please bear in mind the staff member's level of duties and responsibilities so as not to judge him/her by inappropriate standards or by personality traits unrelated to his/her work. Item 10 is to be rated only for staff members, whose duties involve supervisory responsibility and items 11 - 13 only for staff members in the professional category and principal officers. For items which are of no special importance to the staff member's functions or on which the reporting officer has insufficient evidence to make an assessment, enter "Not applicable" and explain the reason under "Comments". For all items applicable to the staff member, every rating should be supplemented by a statement under "Comments", giving explanation or examples illustrative of the rating. A report will not be considered complete unless such comments are given in respect of each of the rated items.

RATINGS: A: Outstanding; B: Very good; C: Satisfactory; D: Somewhat below standard; E: Poor; NA: Not applicable.

Enter in the column below the rating which most nearly describes the staff member's performance.

1.	Professional/technical competence (knowledge, skills and experience the staff member possesses in his/her field of work ability to stay abreast of latest developments).	RATING	COMMENTS
2.	Quality of work accomplished (Where accuracy and precision of work produced are particularly relevant, please elaborate on these aspects in the comments).		
3.	Quantity of work accomplished		
4.	Speed of work (ability to meet schedules and deadlines when required).		
5.	Initiative (demonstrated aptitude to produce new ideas and/or bring about constructive innovation).		
6.	Ability to work independently or with minimal supervision.		
7.	Work relationship (effectiveness in working harmoniously with other staff members or persons outside the Organization in official contacts).		
8.	Punctuality as regards working hours.		

9.	Written and oral expression in working language(s) (ability to communicate in a clear, concise and effective manner). If the staff member works in more than one language, rate each separately by entering the rating followed by the initial of each language in parentheses.	RATING	COMMENTS
		WRITTEN	
		ORAL	
10.	Effectiveness in supervision (ability to motivate, maintain and direct a productive work unit). Indicate below the number and level of staff under his/her supervision:		
11.	Planning and organization of work (effectiveness of plans, programmes and objectives developed; skilful use of time and resources to achieve a maximum efficiency).		
12.	Skill in producing a solution (ability to identify problems, power of analysis and soundness of recommendations and decisions).		
13.	Ability to negotiate and persuade.		
14.	Comment on the staff member's attitude to the United Nations.		
15.	Indicate any assignment(s) which the staff member performed in a particularly effective way.		
16.	If you feel there are any points which have not been adequately covered and which would add significantly to the evaluation of the staff member, comment here.		
17.	Indicate any points, if any, on which you wish staff member to improve during the next reporting period.		
Signature:			
Name and Title:			
Date:			

SECTION IV - To be completed by the second reporting officer

A. Before completing this section, please discuss the staff member's performance with the first reporting officer and, if you deem it necessary, with the staff member. Ascertain the extent to which the first reporting officer and the staff member have had job-related consultations during the reporting period. On the basis of your knowledge of the work situation and the discussions, comment below on the adequacy of counselling and guidance given to the staff member. If discussion with the first reporting officer cannot be held, please give an explanation instead of the comments.

B. Keeping in mind the requirements of the post, please check one of the following statements describing the staff member's performance.

1.	<input type="checkbox"/>	An outstanding performance	2.	<input type="checkbox"/>	A very good performance	3.	<input type="checkbox"/>	A satisfactory performance
4.	<input type="checkbox"/>	A performance that does not fully meet standards	5.	<input type="checkbox"/>	A poor performance			

Should you have checked statement 1 or 5 above, please elaborate.

C. If you differ from what the first reporting officer has said in section III, give your comments

Signature:

Date:

Name and Title:

SECTION V

This section is to be completed by both the field director and the headquarters department head in the case of field staff, and by the headquarters department head only in the case of headquarters staff.

(i) I take note of this report	To be completed by field director	To be completed by headquarters department head
	(Place a check mark here)	(Place a check mark here)
Signature:		
Name and Title:		
Date:		

After the sections have been completed, the staff member must sign the original of the report and be given a copy thereof. The signature merely acknowledges that the staff member has read the report and received a copy. It does not necessarily indicate agreement with the evaluations contained in this report.

Date: Signature of staff member: