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The Reality of Salaries' Justice in Compensation Practices

Case Study: UNRWA Gaza Field

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واقع عدالة الرواتب في ممارسات التعويض

دراسة حالة: وكالة الامم المتحدة لغوث و تشغيل اللاجئين- مكتب غزه الاقليمي

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يقول الله في كتابه الكريم

بسم الله الرحمن الرحيم

"إِنَّ الَّذِينَ آمَنُوا وَعَمِلُوا الصَّالِحَاتِ وَأَقَامُوا الصَّلَاةَ وَآتَوُا الزَّكَاةَ لَهُمْ أَجْرُهُمْ عِنْدَ رَبِّهِمْ وَلَا خَوْفٌ عَلَيْهِمْ وَلَا هُمْ يَحْزَنُونَ"

صدق الله العظيم

(سورة البقرة, الآية 277)

I

Dedication

I dedicate this Research to my respective parents who have been my constant source of inspiration. They have given me the drive and discipline to tackle any task with enthusiasm and determination. Without their support any success in my life would not have been made possible.

Also, I would like to extend my deep appreciation and gratitude to my wife, sons, daughters, brothers, sisters and all my family who did not reserve any effort in supporting me.

Acknowledgment

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Abstract

The purpose of this research is to examine a perceived justice of compensation practices in the United Nations Relief and Works Agency (UNRWA). To this end the research has been conducted in UNRWA Field in Gaza. More specifically, the study aimed at examining the influence of compensation practices on attitudes towards the organization.

The study used the analytical descriptive method which assessed and described the effect of salaries on UNRWA employees. A number of important factors have been employed in the study including remunerative packages in UNRWA, host government and broader local market; the level of budget responsibility and accountability; qualifications and experience requirements; training and (higher) education. The chosen descriptive method helped to compare, contrast and illuminate the study findings to produce meaningful results.

A survey questionnaire has been used to obtain the primary data. The sample size was calculated at (378) out of the study population (11,889, based on March 2013's statistics). The researcher has used a stratified random sample covering all occupations and grade levels who are available UNRWA Field Gaza.

A survey questionnaire has been used to obtain primary data. The calculated sample size was 378 out of the total population of 11,889 (statistics of March 2013). The researcher has used a stratified random sample covering all occupations and grade levels found in UNRWA Field Gaza.

The data analysis shows that the respondents' answers are negative to the first three items of the questionnaire including salaries of the host government (where UNRWA operates), salaries of the local market and UNRWA budget. These three variables do not have any statistically significant correlation with a perceived justice in UNRWA compensation system. This has been attributed to miscommunications and lack of trust issue in UNRWA compensation policy and practice. The respondents' answers suggest that job descriptions and classification practices have statistically significant (positive) correlation with a perceived justice in UNRWA compensation. At the same time, the given responses clearly demonstrate that personal qualifications such as training and education higher than those required by the job do not have any statistically significant relationship with a perceived justice in UNRWA compensation system. The latter effect is due to the fact that UNRWA does not recognize higher training and education credentials in its remuneration or career development practices.

As a result of a thorough analysis of the study findings the paper puts forth practical recommendations, specifically, a) enhancement of communication channels with staff as communication on pay matters leads to positive perceptions of justice of pay system among employees; b) upholding of internal and external equity of staff salaries.

ملخص

ان الغرض من هذا البحث هو دراسة واقع عدالة الرواتب في ممارسات تعويض موظفي الانروا. و لتحقيق هذا الغرض، فقد أجري هذه البحث في مكتب غزة الاقليمي للأونروا من أجل تقييم تأثير ممارسات التعويض على عدالة الرواتب في الأونروا، ودراسة مدى تأثير سياسة و ممارسات تعويض الموظفين على مواقف الموظفين تجاه الوظيفة والمنظمة.

اتبع الباحث في هذه الدراسة المنهج الوصفي التحليلي و الذي يصف ويقيم مدى تأثير رواتب الموظفين في الحكومات المضيفة للأونروا و مستوى الرواتب في السوق المحلية و الموازنة و مستوى المسؤولية والمساءلة والمؤهلات المطلوبة والخبرة المطلوبة والتدريب وشهادة التعليم, و التي هي الاعلى من متطلبات الوظيفة ,على عدالة الرواتب في الأونروا. و قد تم استخدام المنهج الوصفي من اجل المقارنة، وشرح وتقييم النتائج من أجل تنظيم نتائج ذات معنى.

تم الحصول على البيانات الأولية من خلال استبانه قام الباحث على عينة من الموظفين. و قد تم حساب حجم العينة في (378 موظف) من مجتمع الدراسة البالغ (11,889 موظف، استنادا إلى إحصاءات مارس 2013). وقد استخدم الباحث عينة عشوائية طبقية تغطي جميع المهن والدرجات الوظيفية المتوفرة في مكتب غزة الميداني للأونروا.

ويلاحظ من تحليل البيانات أن اراء المبحوثين لم تتفق مع المتغيرات الثلاثة الأولى من الاستبانة و التي تشتمل على المرتبات في الحكومة المضيفة للأونروا و الرواتب في السوق المحلية وموازنة الأونروا حيث لم يثبت لهذه المتغيرات أي علاقة ذات دلالة إحصائية في عدالة الرواتب في الأونروا. ويعزى هذا إلى مستوى فاعلية قنوات الاتصال و درجة ثقة الموظفين في سياسة نظام تعويض الموظفين في الأونروا. و لقد اتفق أفراد العينة مع نظام توصيف و تصنيف الوظائف المتبع في الانروا حيث ثبت ان لهذين المتغيرين علاقة ذات دلالة إحصائية في عدالة الرواتب في الأونروا، ومع ذلك، فقد اختلف المبحوثين مع المتغيرين المتعلقين في المواصفات الفردية بما في ذلك التدريب وشهادات التعليم الاعلى من متطلبات الوظيفة حيث لم يثبت لهما أي علاقة ذات دلالة إحصائية مع عدالة الرواتب في الأونروا و يعزى ذلك الى ان نظام التعويض في وكالة الغوث لا يلحظ هذين المتغيرين لا في مكافآت الموظفين ولا في تطورهم الوظيفي.

لقد أوصى الباحث بتعزيز قنوات التواصل بين الادارة والموظفين وذلك لدوره في تعزيز مفهوم العدالة و الشعور بمدى تحققها. كما أوصى بالعمل على تحقيق العدالة الداخلية والخارجية لمرتبات الموظفين.

Chapter 1
General Framework

1.1 Introduction

Following the 1948 Arab-Israeli conflict, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, UNRWA, was established by United Nations General Assembly resolution 302 (IV) of 8 December 1949 to carry out direct relief and works programs for Palestine refugees. The Agency began operations on 1 May 1950. In the absence of a solution to the Palestine refugee problem, the General Assembly has repeatedly renewed UNRWA's mandate, most recently extending it until 30 June 2014. Unlike other United Nations organizations which work through local authorities or executing agencies, UNRWA provides its services directly to Palestine refugees. It plans and carries out its own activities and projects, and builds and administers facilities such as schools and clinics. The Agency currently operates or sponsors over 900 installations with some 30,000 staff throughout its area of operations. Because UNRWA services such as education and health care are the type of services normally provided within the public sector, the Agency cooperates closely with governmental authorities in the area of operations, who also provide some services to Palestine refugees (UNRWA WEB, 2012)

In late 2005, the Commissioner-General decided to launch a comprehensive Organization Development initiative "OD" designed to strengthen and sustain the Agency's capacity for programme management and delivery.

The Agency Medium Term Plan "MTP", which was replaced and considered by the OD, recognized the workforce as its most valuable asset. It is for this reason that HRM has been chosen as a lever. The importance of the Agency's staff to the provision of service standards across the Agency is reflected in the following passage from the MTP:

"Over recent years, insufficient attention to staff training and development has been a factor in the deterioration of service standards across the Agency. From this standpoint, renewed investment in building the capacity of UNRWA's human resources is an independently worthy objective as well as a vital means by which strategic objectives can be realized. Given that 99% of UNRWA's some of 30,000 staff are Palestinians, most of them refugees, investing in staff capacity will ultimately benefit the Palestinian community, while also contributing to the quality and impact of the Agency's interventions. For these reasons, the MTP incorporates multi-faceted capacity-building components, embracing human resource and career development needs, management information skills and enhance capacity

for research and analysis. These components could form the basis for a more comprehensive strategy for staff development*."* (OD, UNRWA intranet, p5)

The objective of this research is to shed the light on the Agency Human Resources Management as leverage for change. Seven strategies have been developed to guide Human Resources Management in the Agency (OD, UNRWA intranet, p18). This research is dedicated to the fourth strategy; compensation management**.** The goal to be achieved through this strategy is 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.

1.2   Research problem

Compensation practices have taken on a strategic focus with advocates expressing the need for the development of compensation theory and practice to be associated with organizational strategy. Accordingly, compensation practitioners express that the design of pay systems will be more efficient and effective if they are consistent with the organization's strategy and goals (Anthony et al., 2002; Gomez-Mejia et al., 2000).

Pay design consists of two major dimensions. Firstly, pay structure is often defined as the range of pay rates for different work, skills and/or performance within an organization (Bender, 2003; Milkovich and Newman, 2009). For example, pay rates are differently allocated according to the number of job levels, differences between the job levels and reward bases (i.e., job and/or performance) (Anthony et al., 2002; Henderson, 2006), secondly, pay level is often defined as the average of the group of rates which includes a combination of several pay components such as base pay, increases, benefits, allowances and perquisites (Henderson, 2006; Milkovich and Newman, 2008). It differs according to jobs in the organization, jobs in a specific department, or combination of any job types in the organization for achieving external competitive equity (Anthony et al., 2002; Henderson, 2006). Therefore managers must have a clear idea of the goals, types and elements of pay systems because they may attract, retain and motivate competent employees to sustain and maintain organizational competitiveness in a global economy (Lawler, 1995, 2000; Ismail, 2006).

Within a compensation management framework, many scholars, such as Mathieu and Zajac (1990), May et al., (2002), Roberts et al., (1999) advocate that the ability of management to adequately allocating the level and structure of pay based on proper rules (i.e., the value of the job, the level of personal contributions and performance levels) may lead to an increased job satisfaction (Mathieu and Zajac, 1990; Roberts et al., 1999; May et al., 2002). Surprisingly, a careful observation of such relationships reveals that effect of pay design issues on job satisfaction is indirectly affected by perceptions of distributive justice (Bloom, 1999; May et al., 2002; Ismail et al., 2008).

In a compensation framework, distributive justice is often defined as fairness in the actual distribution of rewards (deCarufel, 1986; Sweeney and McFarlin, 1993; Greenberg, 2003). For example, if an individual perceives that the structure and level of pay are adequately distributed based on proper rules, this will invoke employees' perceptions of distributive justice. As a result, it may lead to a higher job satisfaction in organizations (see Adams, 1963, 1965; Bloom, 1999; May et al., 2000).

UNRWA pay policy defines the host government in the respective area of operation as its salary comparator. Whenever the level of UNRWA salaries, those are based on the respective host government, are not enough to attract and/or retain qualified staff in a particular occupation(s), salaries in the private sector will be surveyed with the object to determine a salary supplement than can ensure the agency ability to recruit and/or retain qualified staff. In addition, comparing this attitude with other UN and international organizations hiring local staff in the Palestinian Occupied Territories, this attitude might seem to be irrelevant or even unjust.

Therefore, this research examines the reality of the UNRWA Gaza Field employees' position of compensation practices and their effect on salary justice.

1.3   Research Question

To what extent is the UNRWA Area Staff Pay Policy just in setting its salaries?

1.4   Research Objectives

This research is thus aimed at achieving two main objectives:

(1)   Assessing the influence of compensation practices on salary justice in UNRWA; and

(2)   Examining the influence of compensation practices and compensation satisfaction on attitudes towards the job and the organization.

1.5   Importance of this research

Importance for UNRWA: The research will provide UNRWA policy decision makers with valuable information about:

1.   Strategies for attracting and retaining qualified staff to work in UNRWA

2.   The reality of the organizational justice of UNRWA salaries.

3.   New perspectives in determining a new policy of the fairness of salaries

Importance for government: The research will provide the Palestinian public officials with valuable information about:

1.   Reviewing the current salary system for the public employees

2.   Adopting new policies of the salary scale to increase efficiency and effectiveness.

1.6   Research variables

Independent variable

1.   Salaries in UNRWA host governments
2.   Salaries in the local market
3.   Budget
4.   Level of Responsibility and accountability
5.   Qualifications Required
6.   Experience Required
7.   Training
8.   Higher education certificate than job requirement

Dependent Variables

Salaries' Justice in UNRWA

Conceptual Map

The conceptual map describes the relationship between the eight independend variables with the dependet variable. The eight indpendent variables are desribed as follows:

1) Salaries in the host governments: this describes the relationship between salaries paid for civil servants in the host government and salaries for locally recruited staff in UNRWA. The purpose of including this independent varibale

2) Salaries in the local market: this describes the relationship between salaries paid for employees in the local market and salaries for locally recruited staff in UNRWA;

3) Budget: this describes the relationship between UNRWA budget and salaries for locally recruited staff in UNRWA;

4) Level of responsibilities and accountabilities: this decribes the relationship between job level and its salary particularly for locally recruited staff in UNRWA;

5) Job qualifications: this descibes the relationship between the qualification required for the job and ats salary;

6) Experience: this descibes the relationship between experience required for a job and its salary;

7) Training: this descibes the relationship between job related training and salary

8) Education certificate higher than job requirements: this descibes the relationship between possessing Academic qualifications higher that thise required for a job and its salary.
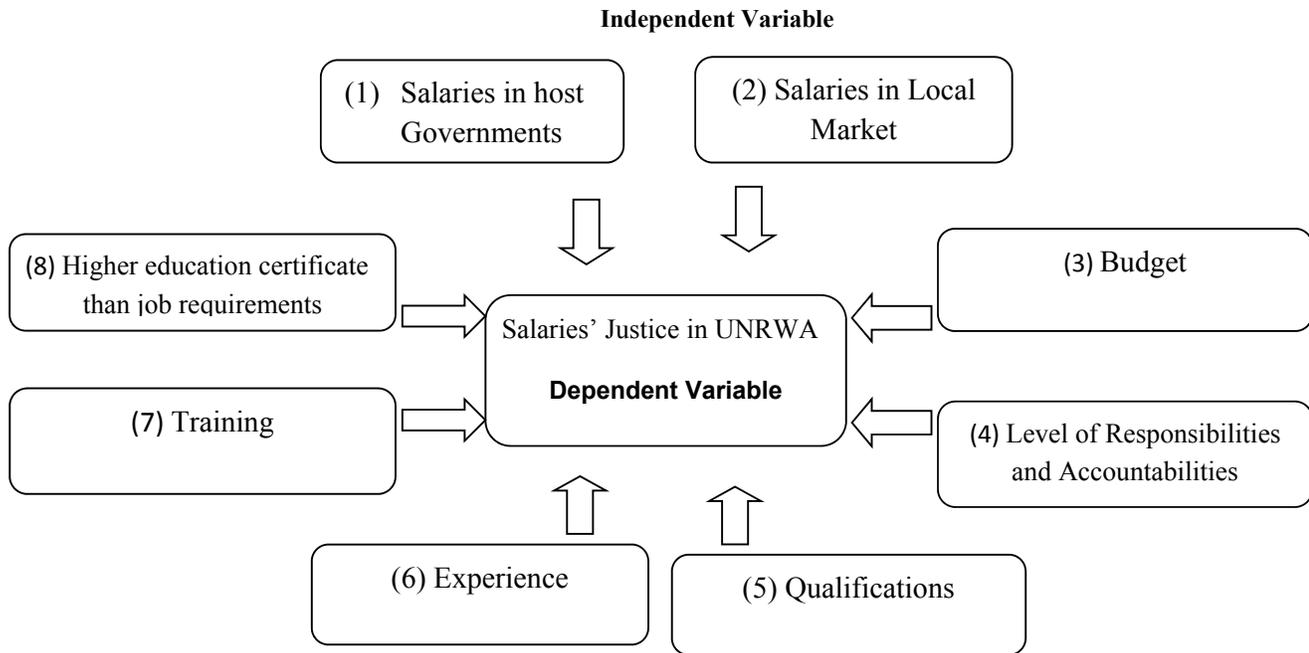
Developed by the researcher

1.7   Research hypothesis

The research evidence suggests the following hypotheses:

H-1   There is a statistical relationship between salaries in UNRWA host governments and UNRWA salaries at a level of ≤ 0.05.

H-1   There is a statistical relationship between salaries in the local market and UNRWA salaries at a level of ≤ 0.05.

H-3   There is a statistical relationship between budget and UNRWA salaries at a level of ≤ 0.05.

H-4   There is a statistical relationship between Job responsibilities and accountabilities and UNRWA salaries at a level of ≤ 0.05.

H-5   There is a statistical relationship between qualifications required and UNRWA salaries **at a level of** ≤ 0.05.

H-6   There is a statistical relationship between job experience requirements and UNRWA salaries at a level of ≤ 0.05.

H-7   There is a statistical relationship between job related training and UNRWA salaries at a level of ≤ 0.05.

H-8   There is a statistical relationship between education certificates higher than job requirements and UNRWA salaries at a level of ≤ 0.05.

Chapter 2
Theoretical Framework

2.1   Introduction

Human Resources Management becomes a fundamental division in the organization structure. It is mandated to manage all activities relating to employees. These activities normally include recruiting and hiring of new employees, orientation and training of current employees, employee benefits, and retention. Human Resources formerly called personnel (Business dictionary, 2013).

Business dictionary defines human resources management as the process of hiring and developing employees so that they become more valuable to the organization. Human Resource Management (HRM) includes conducting job analyses, planning personnel needs, recruiting the right people for the job, orienting and training, managing wages and salaries, benefits and incentives, evaluating performance, resolving disputes, and communicating with all employees at all levels. Examples of core qualities of HRM are extensive knowledge of the industry, and effective negotiation skills. Human Resources Management formerly called personnel management (Business dictionary, 2013).

Experiments on large Indian firms to introduce a modern management practices, including modern HR practices around piece-rate pay for workers and pay for performance for managers, find large effects on productivity and profitability McKenzie and Roberts (2010)

Compensation management is an integral part of HRM approach to managing people and as such it supports the achievement of business objectives and it is strategic in the sense that it addresses longer term issues relating to how people should be valued for what they want to achieve; It is therefore integrated with other HRM functions, especially those concerned with human resources development as suggested by Armstrong and Brown (2005).

Human Resources' cost used to be considered as the single greatest operating expense for organizations (UNRWA, 2011). Thus, a critical question for organizations is how to allocate pay to gain the utmost return on this investment. Such allocation of resources, as well as pay-driven employee attraction, retention, and motivation, are a function of employers' pay structure decisions.

Researchers came from different theoretical frameworks have conducted extensive researches on the effects of such pay structure factors as organizational pay level (Gerhart & Rynes, 2003) and intra-organization pay dispersion (Shaw et al., 2002)

Management of the organizations usually assumes that justice, from employees' point of view, means only that they receive desirable outcomes. In the essence, management is confusing outcome favorability with outcome justice. Favorability is a judgment of personal worth or value; Justice is a judgment of moral propriety. Evidence shows that outcome justice and outcome favorability are distinct (Skitka et al., 2003)

Equity, in particular internal and external equity, is a crucial and fundamental factor in determining pay rates. The fairness of a compensation policy can be assessed by employees' pay levels in relation to those of their colleagues and employees in comparable jobs in the larger market.

Pay equity perception is a function of several factors, such as comparisons with people in similar positions within the organization, comparisons with people in similar positions outside the organization, comparisons with one's own pay in the past, and structural and administrative elements of the organization's pay system. The perception of pay equity is a fundamental objective of the pay structure (Milkovich & Newman, 2002). Hence, assessing pay equity perceptions is critical to understanding potential interdependence among pay structure elements and pay comparisons.

2.2   Compensation practices

2.2.1 Background

Compensation is an important tool in human resources. An effective compensation system design significantly influences organizational development by revealing external competitiveness, internal equity and individual equity. External competitiveness attracts talent, and internal equity helps companies to retain talent by ensuring that employees and colleagues making the same contributions obtain the same compensation. Individual equity allows employees to feel that their potential is fully rewarded; thus, they are encouraged (Hsin-Hsi Lai, 2011)

Compensation practices are governed by compensation philosophies and strategies and contain arrangement in the shape of policies and strategies, guiding principles, structures and procedures which are devised and managed to provide and maintain appropriate types and levels of pay, benefits and other forms of compensation (Bob, 2011).

Employees should be managed properly and motivated by providing a just remuneration and compensation in comparison with that provided in the local market. The lucrative compensation will also serve the need for attracting and retaining the best employees.

2.2.2 Definitions

2.2.2.1 Compensation

Compensation could be defined "as a return in exchange between employers and their employees" for being an employee of the organization, or as a reward for a job well done (Brown, 2003). The HR Guide (2013) to the Internet defines compensation as a systematic approach to providing monetary value to employees in exchange for work performed. Compensation strategy is a set of tools used by management to further the objectives of the organization. It can assist in recruitment, improving job performance, achieving equity, promoting and enhancing job satisfaction, reducing turnover and improving relations with unions. And it can be adapted to changes in organizational needs, goals, and available resources.

The terms of compensation, salary and wages, remuneration and reward and/or pay system are often used interchangeably in organizations, but there meaning refers to the same thing (Bergman & Scarpello, 2002; Milkovich & Newman, 2009)

In order to analyze the effect of compensation and the way the employees are influenced by it, compensation has to be looked at from two different dimensions; extrinsic and intrinsic rewards (Long 2006, page 126)

Extrinsic Rewards: are these rewards described as tangible, such as cash payments and deferred elements like job security or opportunities for promotion. These rewards could be further divided into direct rewards and indirect rewards. Direct rewards include cash compensation such as base pay, skills pay, performance pay etc., and indirect rewards like

non-cash, or benefit items, that protect an employee's income or contribute to the employee's standard of living.

Intrinsic Rewards: could be defined as the effect of interaction of the employee with the work environment. These rewards are valued internally by the employee. These include opportunities for personal growth, quality of work life, job satisfaction, challenges, personal and professional development opportunities, a sense of belonging, freedom to act, visionary leadership. To sum up, total compensation is the sum of all the direct and indirect compensation elements used by an organization to compensate its employees.

Based on the above definitions, the researcher concludes that compensation is the remuneration received by an employee in return for his/her contribution to the organization. It is an organized practice that involves balancing the work-employee relation by providing financial and non-financial benefits to employees.

2.2.2.2Compensation Management

Compensation management is one of the corner stones of Human Resources Management (HRM). It covers the fields of formulating policies and strategies and their implementation with the objective of compensating employees fairly, equitably and consistently in accordance with their value to the organization (Armstrong, 2005).

Compensation provided to employees can be direct rewards like financial benefits and/or indirect in the form of non-financial benefits known as perks, time off, etc. Compensation does not include only base salary but it is the sum total of all rewards and allowances provided to the employees in return for their services. An effective compensation practice offered to employees would it contribute to high organizational productivity.

Base salary is considered as the basis for total compensation. It establishes the standard of living for employees. It also serves as the primary indication of the value the organization places on the role an employee plays and on the contributions the employee makes

2.2.2.3 Compensation Practices

Business dictionary (2013) defines compensation practices as basing an employee's salary on his or her performance, over a predetermined period and according to an agreed upon criteria.

There are three primary approaches to determining pay. The first is job-based pay on which compensation is based on the job value. The second is merit pay which is based on the role an employee plays in the organization and how well they perform that role. The third is person-based pay, which is based on what an employee brings to the organization, in the form of knowledge, skills, abilities and behaviors. The effectiveness of a pay system is measured by multiple criteria including cost, productivity, innovation, quality, financial, and attitudinal dimensions (Gerhart et al., 1995)

A. Job-based pay

Job based pay is also known as membership and seniority based rewards where an employer provides the type, level and/or amount of financial and non-financial payments based on job value (e.g., pay rates are allocated according to employees' skills, efforts, responsibilities, and job conditions) (Bergmann & Scarpello, 2002; Figart, 2000; McShane & Von Glinow, 2005). For example, the forms of job based pay implemented in organizations are time based pay, membership based pay and tenure based pay.

Adoption of such pay systems, although may still be appropriate and applicable in stable and highly predictable business conditions (Wilton, 2010; Mahoney, 1992; Kanter, 1989), is gradually viewed as insufficient to attract, retain and motivate competent employees to increase organizational performance (Bergmann & Scarpello, 2002; Maurer et al., 1995).

In job-based compensation system, pay structure consists of job families defined for pay purposes and a number of grades or steps in the structure and pay differentials between them.

Pay structure refers to the nature of pay differentials between different positions and individuals within an organization or a work unit (see Gerhart & Milkovich, 1992, Fossum & McCall, 1997; Gerhart et al., 1995). It determines what is known as the 'base pay' component of the employee total compensation.

Under job-based pay, when individuals are promoted or offered higher-paying jobs they automatically are rewarded for taking these jobs before they demonstrate their ability to perform the required work.

B.   Merit Pay

Human Resources Guide (2013) defines merit pay as: an incentive plan implemented on an institutional wide basis to give all employees an equal opportunity for consideration, regardless of funding source. The merit increase program is implemented when funds are designated for that purpose by the institution's administration, dependent upon the availability of funds and other constraints.

Merit pay is defined as an increase in an employee's monthly salary on an annual basis. It is an individual-level pay that is based on performance, usually assessed by an employee's immediate supervisor. Like all pay-for-performance plans, merit pay connects individual performance to pay and, at least theoretically, forges a link between pay expenditure and individual productivity (Gerhart et al., 2009, 261; Heneman 1992, Heneman & Werner 2005).

Merit pay has the advantages of allowing the employer to differentiate pay given to high performers, allowing a differentiation between individual and company performance and allowing the employer to satisfactorily reward an employee for accomplishing a task that might not be repeated (such as implementation of new systems), however, this pay is subjective.

Merit pay in organizations is designed to induce high effort by rewarding productivity, but in educational institutions often merit pay is awarded too broadly to be an effective incentive. Some studies show that merit pay can motivate above average performers (Marsden French and Kubo 2001). Burgess and Ratto (2003) note that early "in their careers, workers need to demonstrate that they are hard workers", so additional incentives are redundant.

Although merit-based pay theoretically has advantages, other disadvantages have to be considered. Researches show that government workers whom the system is applied on them to manipulate the system (Courty and Marschke 2003, Courty and Marschke 2004). In Kenya, student achievement-based compensation failed to increase teachers" classroom

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attendance (Glewwe et al., 2002). On the other hand, merit pay could be a demotivate factor for teamwork (Burgess et al. 2001, Belfield and Heywood 2008, Hanshaw 2004). Further, Foldesi (1996) sees merit pay as "skews incentives such that the appearance of yearly results supersedes risk-taking or long-term investment". Not being able to adequately measure performance is a challenge facing the system and can become a frustrating factor that can negatively affects motivation (Marsden French and Kubo 2001).

C.   Person-based Pay

Person-based pay is a compensation system that is based on what the employee brings to the organization, in the form of knowledge, skills, abilities and behaviors. In this regard, the researcher would discuss three types of person-based pay: a) Performance-based pay b) Skill-based pay and c) Knowledge-based pay.

C.1   Performance-based pay

There are many different terms expressing the concept of compensating persons for what they bring to the organization, rather than what they have achieved at a given point in time. Performance based pay is also known as person based pay where an employer provides the type, level and/or amount of financial and non-financial payments based on employees' skills, knowledge, competencies and/or merit (Bender, 2003; Blau & Kahn, 2003; Henderson, 2009).

Open markets and global competition drive employers to shift their compensation program from a traditional job-based pay to performance-based pay in order to support their organizational strategy and goals (Henemen et al., 2000; Lawler, 2000).

There are two major types of performance-based pay: team based pay (gain-sharing) and pay for individual performance (e.g., merit pay, lump sum bonus, promotion based incentives and variable pay) (Milkovich & Newman, 2009). Through performance based pay, high performers' needs and expectations are rewarded by additional payment on the top of their basic pay (Chang & Hahn, 2006; Lee et al., 1999). This means, pay structure and level are now conditional upon the level of performance, skills, knowledge and/or competency exhibited by the employees become detrmininat factors for distributing rewards unlike the job-based system where the nature of job structure determines the pay level (Amuedo-Dorantes & Mach, 2003; Appelbaum & Mackenzie, 1996; Lee et al., 1999).

Researchers interpret pay adequacy from three different dimensions: individual, cultural and organizational perspectives. From an individual perspective, adequacy of pay is often viewed based on a social comparison theory, which posits that an individual perceives the adequacy of the type, level and/or amount of pay based on a comparison between what he/she receives and what he/she expects. Individual will perceive the type, level and/or amount of pay as adequate if he/she views that the pays are provided equitable with his/her contribution (e.g., ability to perform job, merit, skills and/or performance) (Adams, 1963 & 1965; Skarlicki & Folger, 1997; Sweeney & McFarlin, 1993). From cultural perspective, an individualistic culture perceives adequacy of pay as equity (e.g., equitable or inequitable pay) whereas a collective culture perceives adequacy of pay as equality, pay for the length of service or seniority and pay for individuals' needs (Giacobbe-Miller et al., 1998; Money & Graham, 1999). From organizations' point of view, adequacy of pay is often defined as the type, level and/or amount of pay which is provided by an employer to its employee who work in different job groups based on the organizational policy and procedures (Anthony et al., 1996; Milkovich & Newman, 2009).

Researches proved an indirect relationship between pay for performance, job satisfaction and the feeling of interactional justice (Ismail et al., 2007; Omar & Ogenyi, 2006; Pettijohn et al., 2001). From organizational behavior perspective, researchers, such as Greenberg (1996, 2003), McShane and Von Glinow (2005) and Skarlicki and Folger (1997) view interactional justice as an important aspect of organizational justice theories, which states that an individual is often sensitive to the quality of interpersonal treatment that they receive from their managers during the enactment of organizational procedures. If an individual perceives that decision makers (e.g., manager or supervisor) practice fair treatments (e.g., shows respect and accountable) in performance appraisal systems, this will invoke employees' feelings of interactional justice.

By applying the justice theory on pay for performance system, employees' feelings of interactional justice would be revealed whenever managers provide them with a fair treatment in determining type, level and/or amount of pay based on performance ratings and equality in appreciating employees. Doing so would increase job satisfaction (Bies et al., 1988; Greenberg, 1996 & 2003; Skarlicki & Folger, 1997). However, little is known about the

mediating role of interactional justice in performance based pay literature (Adams, 1963 & 1965; Shaw et al., 1999; Ismail et al., 2007).

Performance-based pay is, theoretically grounded and supported in the expectancy theory (Pearce and Perry 1983) and the reinforcement theory (Perry et al., 2006). Expectancy theory is founded on a belief that people will exert every effort if they expect their efforts will be valued (Van Eerde and Thierry, 1996). Applying this theory on performance-based pay, employees will work harder if they expect appreciation or financial rewards and associate those awards with their increased efforts. On the other hand, reinforcement theory suggests a direct relationship between a desired target behavior (e.g., performance) and its consequences (e.g., pay, appreciation). It proposes that compensation can be used to make consequences for desired behaviors i.e. high performance will reinforce the behaviors (Perry et al., 2006).

Several factors seem to be connected to the success of performance-based pay. Such as high levels of trust, adequate rewards, effective performance appraisals, close geographic proximity (Brudney and Condrey 1993; Condrey and Brudney 1992), and degree of professionalism (Andersen, 2007).

Despite the theoretical grounds that support performance-based pay, researches results are open to interpretation. As noted, studies within the medical context were largely positive (Andersen 2007; Davidson et al. 1992; Dowling and Richardson 1997; Heneman et al., 1988; Hickson et al., 1987 ; Hutchison et al., 1996; Kouides et al., 1998 ; Krasnik et al., 1990 ; Shaw et al., 2003). In contrast, research in the regulatory and financial sectors found that performance-based pay is generally perceived as divisive (Bertelli, 2006; Gaertner, 1985; Gaertner and Akinnusi 1984; Marsden 2004; Marsden and Richardson, 1994; Nachmias and Moderacki, 1982; O'Toole and Churchill, 1982).

C.2   Skill-based Pay

Business dictionary (2013) defines skill-based pay as a remuneration system in which employees are paid wages on the basis of number of job skills they have acquired.

Oxford dictionary for human resources (2013) definition: skill-based pay system is an input-based payment system in which employees receive increases in pay for undergoing training and adding to their range or depth of skills. Schemes are often based on a modular

training programme (which may itself be linked to a National Vocational Qualification) which enables employees to acquire a series of work-relevant skills. The reward typically takes the form of progression through an incremental scale with the successful completion of each unit of training leading to an enhanced salary or hourly rate. Skill-based pay is most commonly applied to manual or technical workers and is associated with forms of work organization, like team working, which require functional flexibility. In the United States, skill-based pay is often referred to as pay-for-knowledge.

The main objectives of skill-based pay are to motivate skill acquisition and to utilize behaviors. Murray and Gerhart (1998) suggest that "both the Job Characteristic Model (Hackman & Oldham, 1980) and the Valence-Instrumentality-Expectancy (VIE) model (Vroom, 1964) can be used to explain how a skill-based pay plan can increase employees' motivation". Fairness perceptions of the pay system including the distributive (outcome) fairness (Adams, 1965) and the fairness of procedures used to make the pay decisions (procedural justice) (Konovsky, 2000) are also important in determining employee perceptions and reactions to alternative pay schemes such as the skill-based pay system.

Skills provide workforce with opportunity for employment, as well as opportunities for higher earnings. On the other hand, skills provide employers with an important means of achieving competitiveness. Skill-based pay links base rate of the employee to job-related skills the employee has learned, the level of skill mastery or a combination of both.

C.3   Knowledge-based Pay

Oxford dictionary for human resources (2013) definition: is a payment system in which pay increases are linked to the successful completion of training. Pay-for-knowledge can form part of a set of high performance work practices because it promotes skill.

Business dictionary (2013) defines Knowledge-based pay as, a system of payment where employees are compensated based on their individual skill level and education attainment. Under this system, employees are rewarded for reaching certain goals in education, training and skill development. Knowledge-based pay systems provide incentive for employees to improve their skill set and education.

Analyzing the aforementioned definitions reveals that knowledge-based pay is a salary differentiation system that bases compensation on an individual's education, experience, knowledge, skills or specialized training.

The difference between the two systems, knowledge-based pay and skills-based pay, could be realized from their definitions. Knowledge-based pay considers the employee education, experience, knowledge, skills or specialized training while through skills-based pay employees are paid based on the number of job skills they have acquired.

2.2.3 Conclusion

Base salary is the source of calculating employees' compensation package. An effective design and administration of salary programs would increase the organization's ability to attract and to retain skills those are critical to its success. The importance of base salaries should not be underestimated.

Human Resources managers have a role in designing base pay program of the organization and its administration. Effective contribution to the pay program requires human resources managers to understand the concepts and principles those are fundamental to the organization's programs, and to be able to produce and apply alternative approaches and competitive practices. In addition, they should be knowledgeable of the organization practices and their applications in order to ensure the fair application of the organization's compensation policy and its role on achievement of the organization's objectives.

2.3. Justice

2.3.1 Background

Organization justice could be defined as a concept that expressed employees' perceptions about the extent to which they were treated fairly (Greenberg, 1990). Organ (1988) stated that "distributive justice is arguments on status, seniority, production, effort, needs and determination of payment. Employee perceives, and form perceptions on how they are treated in an organization". Another element derived from organizational justice is the element of trust gained by employees when they perceive that they are treated fairly by their supervisor (Zainuba, 2002). Zainuba (2002) went further and suggest "Even though numerous journals has indicated that procedural justice tend to take a more active role in terms of perceiving fairness but in this study interactional justice influenced an employees

intention to perform citizenship behavior and it brought in a new perspective that fair treatment predicts citizenship behavior compared to fair rewards".

Researches in justice accept the existence of three distinct types of justice: distributive, procedural, and interactional (Cropanzano et al., 2001; Konovsky, 2000).

Previous researches supported the existence of relationship between individuals' attitudes and behavior and each type of justice (see Cohen-Charash & Spector, 2001; Colquitt et al., 2001, for meta-analytic reviews). Recent researches have questioned the benefits of focusing exclusively on specific type of justice, suggesting the examination of overall justice judgments (Ambrose & Arnaud, 2005; Hauenstein et al, 2001; Lind, 2001a, 2001b; Tornblom & Vermunt, 1999).

2.3.2   Types of Justice

Employees appraise three families of workplace events. They examine the justice of outcomes (distributive justice), the justice of the formal allocation processes (procedural justice), and the justice of interpersonal transactions they encounter with others (interactional justice). Distributive, procedural, and interactional justice tends to be correlated. They can be meaningfully treated as three components of overall fairness (Ambrose & Arnaud, 2005; Ambrose & Schminke, 2007), and the three types of justice can work together. However, if one's goal is to promote workplace justice, it is useful to consider them separately and in detail. This is because each component is engendered in distinct ways, arising from different managerial actions.

A.   Distributive Justice

Price and Mueller (1986: p. 122) define distributive justice as "the degree to which rewards and punishments are related to performance inputs" This definition of distributive justice is based on equity theory (Adams, 1963), which suggests that a person will judge a situation as equitable when her effort to outcome ratio is equal to that of another person. Thus, distributive justice does not refer to the quantity of rewards and punishments dispensed by the organization, but rather to the equity of the rewards divided among the employees. Distributive justice has been shown to be significantly and positively related to pay satisfaction, and general job satisfaction (DeConinck et al., 1996). However, it is also

possible that reward contingencies are linked to decreased autonomous motivation because they are experienced as controlling the person's behavior at work (Deci et al., 1999).

B.   Procedural Justice

Procedural justice refers to method and steps followed by an organization to allocate outcomes, but not the outcomes themselves. Procedural justice specifies the roles of participants within the decision-making processes. Kim and Mauborgne (1991, 1993) reported that "when managers believed that their headquarters used a fair planning process, they were more supportive of the plan, trusted their leaders more, and were more committed to their employers". In their Blue Ocean Strategy, Kim and Mauborgne (2005) explained the reason by stating that "fair processes lead to intellectual and emotional recognition. This, in turn, creates the trust and commitment that build voluntary cooperation in strategy execution". Procedural injustice, on the other hand, produces "intellectual and emotional indignation," resulting in "distrust and resentment" (Kim and Mauborgne, (2005:p. 183). Ultimately, this reduces cooperation in strategy execution.

In conclusion, procedural justice affects workers believe about the organization as a whole. When employees perceive process as just, they will show greater loyalty and more willingness to behave to best interests of the organizations, they are also less likely to betray the institution and its leaders.

C.   Interactional Justice

Interactional justice may be considered as the simplest of the three types of justice. It refers to how one person treats another. A person is interactional just when appropriately shares information and avoids rude or cruel remarks. In other words, there are two aspects of interactional justice (Colquitt et al., 2001). The first part, also called informational justice, refers to whether one is honest in providing a true rationale when things go wrong. Second part, also known as interpersonal justice, refers to the respect and dignity with which one treats another. In a quasi-experimental study, Skarlicki and Latham (1996) trained union leaders to behave more justly. Among other things, these leaders were taught to provide explanations and apologies (informational justice) and to treat their reports with courtesy and respect (interpersonal justice). When work groups were examined three months later, individuals who reported to trained leaders exhibited more helpful citizenship behaviors than individuals who reported to untrained leaders.

2.4 Compensation Practices in UNRWA

In this chapter, the researcher will discuss compensation practices applied by UNRWA in determining the salaries of its locally recruited staff. UNRWA policy comprises two major sections, the first one is the Agency Area (local) Staff Pay Policy which is applied when determining salary scales for locally recruited staff, while the second part, which is called Special Occupational Allowance, is applied when the Agency faces recruitment and/or retention problem because of the level of salaries offered by the Agency which is not compatible in the local market.

2.4.1 Definition of pay policy

A pay philosophy is a company's commitment to how it values employees. A consistent pay philosophy gives the company and the employee a frame of reference when discussing salary in a negotiation.

The goal of a pay philosophy is to attract, retain, and motivate employees. For companies in the private sector, this usually requires a competitive pay philosophy. For companies in the public sector, this means a well-rounded philosophy, with a focus on benefits and work life (salary.com, 2013)

For illustration purposes, the researcher will present two types of pay policy followed by two different institutions as sample to pay policy.

2.4.2 The Agency Area Staff Pay Policy

The Agency had documented its pay policy for its locally recruited staff (area staff) which stipulates the following (The Agency Area Staff Pay Policy, 1990):

1.   It is the objective of the agency to optimize its human resources so as to ensure the best possible services are provided to refugee community. This can be ensured by applying the correct remuneration, providing acceptable conditions of service for staff members and by applying the correct classification grades to the approved posts.

2.   With a view to realizing this objective, the Agency will conduct regular reviews of Area Staff pay in conjunction with comparator(s) pay and decide on adjustments required if any. Adjustments in any given year for all fields and Headquarters will be made at the same time, normally in the second half of the fiscal year.

3.   Notwithstanding paragraph 2 above, the Agency will make interim adjustments when exceptional circumstances warrant.

4.   In determination how available funds will be allocated between fields during these salary surveys, the Agency will take into account:

(A)   The relationship between UNRWA pay and that of the comparators(s) [as defined in 5 below] through salary surveys; and

(B)   The legal minimum wage of comparator, where such is considered relevant by the Agency.

5.   UNRWA will normally define the comparator as follows:

a)   The government of the host country for the fields of Jordan, Syria, Lebanon and UNRWA headquarters Amman.

b)   In the occupied territories the comparable Arab employees and relevant Israeli Government remuneration levels as determined by the Agency.

c)   The remuneration levels for General Services and professional categories in Headquarters (Vienna)

6.   In conducting salary surveys to establish the relationship between UNRWA pay and that of the Comparator(s), the Agency will encourage staff participation by:

a.   briefing Area staff representatives on the salary survey process at the beginning of the salary survey;

b.   Permitting Area staff representatives to brief the salary survey team members on information they may have knowledge of and/or which may be relevant to the collection of salary survey data.

c.   Permitting Area staff representatives to participate in the collection of data in an observer role;

7.   In exceptional circumstances when it would not be possible to compare the relationship between UNRWA pay and that of the comparator, the Agency will take into account the level of pay required for a living wage i.e. the level of pay to ensure an acceptable living standard as established by the Agency.

8.   The Agency will grant salary increments of one step within the same grade annually to area staff members whose service is deemed to be satisfactory or better (Area staff rule A /103.2).

9.   On promotion of an area staff member to a higher grade, the Agency will grant an increase in remuneration nearest but not less than the value of two incremental steps in the higher grade (Area staff rule A /103.3).

10.   The agency will encourage regular dialogue with staff representatives to identify staff needs and attempt to satisfy those needs as far as possible within the agency's financial resources.

It is to be noted that following the existence of Palestinian in Gaza and the West Bank, host government for locally recruited staff in Gaza and the West Bank had been changed to be the Palestinian Authority. The movement of UNRWA Headquarters from Vienna to Gaza led a gradual closure of UNRWA Headquarters (Vienna) as such paragraph (5.c) becomes irrelevant.

Special Occupational Allowance (SOA) Policy

SOA (1996) is a post allowance related to the duties of a post and not a personal allowance of an incumbent. Payment of SOA is made in order to enable the Agency to recruit for posts or retain their existing incumbents when sufficient evidence exists that the established pay levels alone (salary and related allowances) are not sufficient to attract or retain staff whose occupations are in high demand on the local market. The allowance does not form part of separation benefits, nor is it subject to deduction for Provident Fund contributions. The allowance is transitional in nature (i.e., it should be reduced proportionately with increases in the base salary as a result of salary surveys unless the Field Director provides new evidence to support payment of SOA at a different level).

2.4.4 Salary Survey Methodology

Salary survey is governed by the Agency Area Staff pay Policy effective 1 August 1990 and the agreement with the staff union to conduct a salary survey each other year in each respective area of operations; having the circumstances warranted as a result of salary change in the adopted comparator; a salary survey to be conducted before the completion of the two years.

1.   Having the decision made to conduct salary survey, Human Resources Department starts salary survey preparation summarized as follows:

a)   Benchmarks jobs are selected on the basis of the following criteria: They represent the most populous jobs in the Agency and if feasible all levels of work; they are considered to be representative of the grade level i.e. they are properly classified; and they can be matched with the comparator. Each benchmark job requires a benchmark job description to be used in job matching;

b)   Requesting the management in the respective area to arrange for meeting with the responsible officials of the comparative institutions in the host government.

c)   A salary survey team is to be convened. The team will meet the officials and collect salary data per each selected benchmark job. Then analyze these data and recommend a course of actions to be taken if needed.

d)   The Agency management will decide whether to increase or to freeze salaries based on the salary survey results.

2.4.5   Sample of Pay Policy

The following describes the compensation policy adopted by the University of Arizona (UA):

2.4.5.1 Introduction

In order to fulfill its mission, the University of Arizona shall maintain a compensation program directed toward attracting, retaining and rewarding a qualified and diverse workforce. Within the boundaries of financial feasibility, employee compensation shall be externally competitive and internally equitable and shall be based upon performance as recognized within the work unit.

2.4.5.2 University of Arizona's Compensation Objectives:

a)   An externally competitive position in the market means that:

- Average salaries will be targeted at the average salary levels of employees in comparable positions in our various labor markets.

- Average salaries may exceed the average of the particular labor market in order to recognize exceptional recruiting and retention needs, or for purposes of attracting and retaining employees in areas where the university is or aspires to be a national or international leader.

b)   An internally equitable position means that:

- Within the parameters of discipline, function, and individual effectiveness employees shall be paid similarly for similar work.

c)   Administering compensation to reflect this policy and these objectives means that:

- Salaries will be reviewed on an on-going basis by the University. These analyses will support the institution's efforts to obtain appropriate salary funding from the state legislature. As funding permits, salary increases shall

focus on maintaining market alignment, supporting internal equity, recognizing length of service, maintaining key personnel, and recognizing performance.

- Compensation should be based on the results of performance reviews as required by University policy.

- Consideration should be given to recognition for team/unit as well as individual efforts as part of a performance based pay program.

- Salaries for new employees should be established at levels that recognize the individual's skills and experience while considering the salary levels of current employees within the same job title.

Chapter 3
Previous Studies

3.1 Introduction

The third chapter of the previous studies includes twenty foreign studies these are relative to the research topic from the researcher point of view. The researcher exerted every effort to include some Arabic studies, these efforts revealed that Arabic studies seem not covered such topic

3.2 Foreign Studies

3.2.1 Atul Mitra et al., 2011 "A comparative examination of traditional and skill-based pay plans"

The purpose of this paper is to make a comparative assessment of the relationship between types of pay plans and several workforce-level outcomes in 214 organizations. The plans include pay that is skill-based, job-based, and market-based. The types of workforce-level outcomes include workforce flexibility, attitudes, membership behaviors, and productivity. The paper also assesses the relationship between the success of pay plans and workforce productivity/membership behaviors.

Design/methodology/approach – Survey data from 214 organizations are used to test the hypothesized relationships using hierarchical regression analysis and partial least square techniques.

Findings – Results support a significant and positive relationship between skill-based pay plans, workforce flexibility, and workforce attitudes. Skill-based pay plans, when compared with market-based pay plans, are found to positively relate to workforce membership behaviors, and workforce attitudes mediate this relationship. Similarly, workforce flexibility mediates the positive relationship between skill-based plans and workforce productivity. The success of skill-based plans depends on significant improvements in workforce productivity and membership behaviors. The fit between the pay plan and the facility's climate/culture moderates the relationship between workforce productivity and the pay plan's success.

Recommendations – The results indicate that skill-based pay plans are superior for achieving several organizational and employee outcomes. The authors discuss the implications of these results for research and practice.

Originality/value – Limited comparative empirical evidence exists on the effects of different types of pay systems on organizational outcomes. The paper seeks to address this gap.

3.2.2 Michael Armstrong et al., 2011 "Increasing the effectiveness of reward management: an evidence-based approach"

The purpose of this paper seeks to explore the reasons why many organizations do not evaluate the effectiveness of their reward policies and practices, examines the approaches used by those organizations which do evaluate, and develops a model of evidence-based reward management which describes how evaluation can take place.

Design/methodology/approach – The paper draws on a study of why organizations do or do not evaluate reward and an examination of what organizations taking evaluation seriously were doing about it. The study was based on a survey of 173 reward and HR practitioners and 13 case studies.

Findings – The survey found that only 46 per cent of respondents carried out a full evaluation. Other surveys have established that an even lower proportion evaluated. Those organizations which evaluate reward do so because they recognize that it is necessary to obtain value for money from their considerable expenditure on pay. Those who do not evaluate offer a number of reasons, but the most important was lack of resources or time. It was established that while an evidence-based approach was desirable there was no set pattern of conducting an evaluation.

Recommendations – Information about the evaluation practices of the case study organizations and the concept of evidence-based reward management as an approach to evaluation provide guidance to practitioners on how they can measure the effectiveness of their reward policies and practices.

Originality/value – The paper extends the pioneering research of Corby et al. to develop new insights into the process of reward evaluation.

3.2.3 I.M. Jawahar & Thomas H. Stone, 2011 "Fairness perceptions and satisfaction with components of pay satisfaction"

The purpose of this paper is to integrate two streams of research and investigate the associations of different forms of justice perceptions on attitudinal reactions to four components of compensation: pay level, pay raises, benefits, and structure and administration. In doing so, it responds to calls for more primary studies linking interactional justice perceptions to pay satisfaction.

Design/methodology/approach – In total, 151 technology professionals employed at an international consulting company were surveyed to investigate hypotheses. Structural equation modeling was used to test the model.

Findings – As hypothesized, distributive justice was related to satisfaction with pay level, procedural justice to satisfaction with benefits, raises and pay structure and administration, and informational justice to pay level and structure and administration.

Research limitations/implications – The primary limitations of this research are the cross-sectional research design and a single source of survey data.

Recommendations – Since pay dissatisfaction is significantly related to numerous employee outcomes and attitudes toward pay meditate the relationship between compensation and work outcomes, understanding the role of perceived justice may facilitate managers' ability to influence pay satisfaction. HR policies and managers' behaviors can influence pay satisfaction as much or more than actual pay (distributive justice). For example, results for informational justice suggest pay satisfaction can be increased by clearly and candidly explaining and communicating the organization's procedures and processes.

Originality/value – This paper is the first to examine associations between the four-factor justice model and components of pay satisfaction and demonstrate that informational justice adds additional explained variance for pay level, raises, and structure and administration.

3.2.4 Robert E. Till & Ronald Karren, 2011 "Organizational justice perceptions and pay level satisfaction"

The purpose of this paper is to compare the relative importance or effects of individual equity, external equity, internal equity, procedural justice, and informational justice on pay level satisfaction.

Design/methodology/approach – The paper uses a policy-capturing methodology to determine the importance of the five factors and considers both group analyses and individual analyses of the data.

Findings – Of the three types of equity, individual equity was the most important factor on pay level satisfaction. External equity and the three other factors were important for many individuals, and this was shown through the individual analyses.

Research limitations/implications – The number of scenarios given to each participant was limited due to possible fatigue.

Recommendations – The findings will help managers make judgments on how to respond to conflicts between internal alignment and external market conditions. Knowledge of which factors are most important will help managers create more effective compensation programs.

Originality/value – This is the first multi-justice study to find the relative effects of justice perceptions on pay level satisfaction, and it includes informational justice.

3.2.5   Denis Chênevert & Michel Tremblay, 2011 "Between universality and contingency: An international study of compensation performance"

The purpose of this study is to examine whether the performance of the compensation system is better explained by the Universalist approach or the contingent approach. The paper also attempts to determine the type of fit that yields the most promising gains in terms of perception of performance.

Design/methodology/approach – Data were collected by questionnaire from 602 large organizations in three countries (Canada, France, and the UK), and from this, five hypotheses were formulated and tested using moderated regression analysis.

Findings – The study shows that having an optimal relationship among compensation policies (intra-activity fit) leads to a more efficient compensation system than that obtained following an alignment with business strategies (vertical strategic fit) and with organizational development strategies (internal organizational fit). However, the results suggest that the Universalist perspective cannot be rejected.

Recommendations – Human resources managers should exercise prudence regarding the pairing of compensation policies with various organizational characteristics, particularly those related to compensation management policies, because it is the interaction between compensation policies and their management methods that most influences the perception of performance. Of all these management policies, transparency of salary information seems to be central to the contingency perspective.

Originality/value – One of the most interesting contributions of this research is the identification of negative alignments that may result in negative performance. The joint application of two compensation policies, which, individually, have a positive influence on performance, can create a negative interaction. Contingency is therefore not always desirable, and prudence is recommended in the types of alignments introduced.

3.2.6 Nancy E. Day, 2011 "Perceived pay communication, justice and pay satisfaction"

Although some research shows that positive outcomes occur when workers understand how their pay is determined, little is known about the dynamics of how pay communication affects pay satisfaction. This research proposes that the relationships between pay communication and pay satisfaction exist because justice perceptions mediate them. Pay communication is of particular interest to managers of public sector organizations, where many aspects of the pay system are in the public domain, and without adequate communication, may be easily misunderstood by workers. The purpose of this paper is to discuss these issues.

Design/methodology/approach – The study consists of a sample of 384 employees of a Midwestern public university in the USA who completed two questionnaires. Structural equation modeling is used.

Findings – Pay communication has both direct and mediated relationships with pay satisfaction (satisfaction with pay level, benefits, pay raise, and pay administration). Distributive justice accounts for more variance in all pay satisfaction dimensions than procedural justice. Interpersonal and information justice are essentially unrelated to pay satisfaction.

Research limitations/implications – The sample over-represents women, non-minorities, and workers with long-service records. Results may not be generalizable to other organizational contexts, particularly to private sector organizations.

Recommendations – Perceived pay communication predicts not only pay satisfaction, but also perceptions of organizational justice. In turn, justice's mediation is critical to enhancing satisfaction with pay. Organizations should carefully design and implement pay communication programs.

Originality/value – First, the relationships between perceived pay communication and pay satisfaction are shown to be, in part, based on justice perceptions. Second, issues of pay communication have rarely been studied in US public sector organizations, which require open pay systems. Third, this paper presents improvements in measures and other methods over past research in pay communication.

3.2.7   Daniel E. Martin, 2011 "Internal compensation structuring and social bias: Experimental examinations of point"

Purpose – Research regarding pay inequities between the sexes is well established; however, internal compensation strategies and perceived labor pools (percentage of gender/minority applicants) have not been explored in depth. This paper aims to address this issue.

Design/methodology/approach – A total of 381 business students and 101 compensation specialists/managers participated in two experimental studies to establish the impact of perceived labor pools' ethnicity and gender on compensable factor weighting.

Findings – Results supported hypotheses that significant discriminatory weighting of compensable factors would be established by the perceived ethnicity of the labor pool, the perceived gender of the labor pool, and participant gender.

Research limitations/implications – A limitation of study one could be the population (business students) who may reflect a lack of knowledge of and/or a potential lack of interest in strategic compensation. Many of the students are likely to have had work experience but their exposure to compensation concepts was potentially limited. Accordingly, study two was conducted with experienced compensation specialists/managers in a real-world setting. While study two was methodologically stronger, evaluators were from an area with high proportions of technology occupations where compensation specialists may be more familiar with external compensation surveys due to rapid changes in jobs.

Recommendations – The ramifications of potential discrimination at the compensable factors weighting stage of defining compensation internal alignment are tremendous. The implications for pay structure, perceived fairness, and motivation can have an immense impact on overall organizational productivity and success. Internal equity discrimination can

also have ramifications for vast litigation (the author was consulted by the EEOC in the use of the research for the purposes of class action lawsuits).

Social implications – As business students generally aspire to become members of the managerial cadre, the dangers of potential explicit or implicit bias in the weighting of compensable factors (and their interactions) can reduce the efficiency of the compensation plan, hamper motivation of those hired to work within its structure, and potentially set the stage for class action litigation. Accordingly, those tasked with teaching job evaluation (be they business professors, consultants, or human resources managers) need to address issues of social bias and encourage the committee to challenge the biases of which they may or may not be aware.

Originality/value – After a groundswell of interest in comparable worth and sex-related errors in job evaluation in the mid-1980s, research failed to establish perceived incumbent, applicant, and labor pool ethnicity and ethnocentrism on internal compensation structuring. This study builds on past research by establishing the impact of ethnocentrism on internal compensation structuring in point factor job evaluation, extending workplace ethnocentrism theory by applying it to Title VII in implementation, data collection and interpretation of job evaluation and, most importantly, establishing the impact of perceived labor pools' demographics (and subsequent proportions of racial/ethnic group members associated) on differential compensatory factors weighting.

3.2.8 Angela Wright, 2011 "Modernizing away gender pay inequality? Some evidence from the local government sector on using job evaluation"

Purpose – This paper aims to focus on the use of job evaluation used as a mechanism to increase gender pay equality, drawing on data from the UK local government sector.

Design/methodology/approach – Several research methods are used to collect data, including requesting information from local councils using the Freedom of Information Act, 2000, together with document analyses and interview data.

Findings – While the paper questions the effectiveness of job evaluation in achieving pay equality objectives, within a pay and labour market that tends to favour male-dominated jobs, it nevertheless finds some pay improvements for women resulting from job-evaluated pay

system changes and suggests the use of pay progression systems could lead to further pay advancements for women.

Recommendations – This research has a number of limitations and further inquiries are needed to assess the impact of the slow progress of pay and grading reviews within local government. Methodologically isolating the effect of job evaluation from that of the other pay determination factors presents a significant challenge.

Originality/value – Focuses on the implementation in the local government sector of the 1997 single status agreement (SSA), which has been very slow. While overall funding and resources to implement the agreement have been low, there are, it is argued in this paper, other issues, centering on assumptions about job evaluation and its use to reduce gender pay inequality, which contribute to implementation difficulties.

3.2.9   Carolyn Stringer et al., 2011 "Motivation, pay satisfaction, and job satisfaction of front-line employees"

Purpose – This paper aims to explore the complex relationships between intrinsic and extrinsic motivation, pay satisfaction and job satisfaction at the retailer that uses a pay-for-performance plan for front-line employees.

Design/methodology/approach – This paper draws on a single organization case study across seven stores, and uses a survey, archival documents, open-ended questions and researcher interaction with employees and managers.

Findings – The results provide some support for the complementary nature of intrinsic and extrinsic motivation. Intrinsic motivation was positively associated with pay and job satisfactions, whereas extrinsic motivation was negatively associated with job satisfaction, and not associated with pay satisfaction. The qualitative insights indicate that pay fairness is important, and those who perceived pay was not fair generally made comparisons with others or felt that pay did not reflect their effort. It is also found that the majority of employees perceived that goals were clear.

Research limitations/implications – The dominance of extrinsic motivation without including behavioural, social, and psychological factors in agency theory research is questioned. The

research finds no support for "crowding out", but rather finds some evidence of "crowding in" where intrinsic motivation is enhanced, to the detriment of extrinsic motivation.

Recommendations – The findings highlight that managers should enhance both intrinsic and extrinsic motivation, and pay employees well to increase job satisfaction.

Originality/value – Few studies examine incentives for front-line employees, and there is evidence that minimum wage employees can have high intrinsic motivation. Perceptions of pay fairness can vary across motivation levels, age, and gender.

3.2.10 Julie Cloutier & Lars Vilhuber, 2008 "Procedural justice criteria in salary determination"

Purpose – The purpose of this research is to identify the dimensionality of the procedural justice construct and the criteria used by employees to assess procedural justice, in the context of salary determination.

Design/methodology/approach – Based on a survey of 297 Canadian workers, the paper uses confirmatory factor analysis (CFA) to test the dimensionality and the discriminant and convergent validity of our procedural justice construct. Convergent and predictive validity are also tested using hierarchical linear regressions.

Findings – The paper shows the multidimensionality of the procedural justice construct: justice of the salary determination process is assessed through the perceived characteristics of allocation procedures, the perceived characteristics of decision-makers, and system transparency.

Research limitations/implications – Results could be biased towards acceptance; this is discussed. The results also suggest possible extensions to the study.

Recommendations – Knowledge of the justice standards improves the ability of organizations to effectively manage the salary determination process and promote its acceptance among employees. Emphasizes the need to adequately manage the selection, training, and perception of decision makers.

Originality/value – The paper identifies the standards of procedural justice for salary determination processes. It contributes to the theoretical literature by providing a new multidimensional conceptualization, which helps to better understand the psychological process underlying the perception of procedural justice. The presence of a dimension associated with decision makers is novel and critical for compensation studies.

3.2.11 Kulno Türk, 2008 "Performance appraisal and the compensation of academic staff in the University of Tartu"

Purpose – The present study aims to show the role of performance appraisal in the motivating and compensating of academic staff. The goal of the paper is achieved through comparing performance appraisal and compensation policies and systems in the University of Tartu. One of the aims is also to find out the level of satisfaction of the academic staff with the appraisal and compensation systems in two faculties of the University of Tartu.

Design/methodology/approach – Research was carried out on the academic staff at the faculty of Economics and Business Administration (hereafter FEBA) and the Faculty of Education (hereafter FE) at Tartu University. It is based on the analysis of quantitative and qualitative research methods. The author carried out document analysis and two original and anonymous questionnaires. In order to achieve this aim, 125 lecturers were questioned, from whom 52 percent returned their filled in questionnaires. In addition to that, qualitative data from five semi-structured interviews with senior management and lecturers, incorporating individual interviews were analyzed.

Findings – Firstly, results showed that the performance appraisal and compensation system (pay-for-performance system) has guaranteed a highly motivated core of staff. Secondly, teaching loads and research activities of the academic staff have increased over the years. Faculties need to establish performance appraisal and compensation systems in order to show clearly defined causality between compensation and performance of academic staff. A good and well-functioning performance appraisal system would help the educators to make their mark in the organizational setting of their faculty.

Recommendations – In addition to suggestions for improvement, limitations of the results will be addressed. The survey was carried out in two faculties at the University of Tartu. Unfortunately, the survey yielded only 65 usable responses, thus it could be claimed that the

dataset is too small for making any conclusive generalizations. However, when taking into consideration that the survey was anonymous, the author believes that a 52 per cent response rate can be considered a very good result. Another limitation involves the dynamic nature of appraisal systems. Since, the appraisal procedures are still being developed, the systems described might now be out of date.

Originality/value – The present paper is valuable as it is the first one to examine the role of performance appraisal and compensation (pay-for-performance) systems in Estonian and Baltic Universities.

3.2.12 Roberto Luna-Arocas & Joaquín Camps, 2008 "A model of high performance work practices and turnover intentions"

Purpose – This paper aims to clarify the relationship between human resource practices and staff retention by selecting three high performance work practices (precursors) and one outcome variable (turnover intentions), and trying to demonstrate the mediator role of employee commitment and job satisfaction in this relationship.

Design/methodology/approach – The proposed model has been analyzed with a sample of 198 employees and a structural equation modeling methodology.

Findings – Salary strategies and job enrichment strategies were positively related to job satisfaction. Job enrichment strategies and job stability strategies were positively related to employee commitment. Employee commitment was negatively related to turnover intentions. The relationship between job satisfaction and turnover intentions was mediated by employee commitment

Research limitations/implications – One limitation of the findings is the use of self-report questionnaires to collect data on all measures. Another potential limitation concerns the measurement of some latent factors with only two observable variables.

Recommendations – Turnover continues to be a serious problem for businesses. The proposed model suggests the use of specific practices that develop satisfaction and commitment as an intermediate step to low turnover intentions.

Originality/value – A sample of 198 workers was used as the source of information. This information offers clear advantages over the more widely used samples from managerial directors or statistical data gathered in human resource practices, as in this case. The perceptions of those people on whom these measures are directly carried out are readily accessible.

3.2.13 Ling Li & Michael E. Roloff, 2007 "Organizational culture and compensation systems: An examination of job applicants' attraction to organizations"

Purpose – Compensation influences applicants' perceptions of a position's attractiveness, but there has been limited analysis of how different compensation systems might reflect organizational cultures and influence organizational attractiveness. This article seeks to explore these issues.

Design/methodology/approach – An experiment was conducted in which 288 undergraduates reacted to scenarios describing a company that distributed salaries and benefits based on either merit or on seniority. Individual differences were also measured and analyzed. Analysis of variance and moderated regression were used to test the hypotheses.

Findings – Relative to seniority-based compensation systems, the cultures of organizations relying on merit were perceived to be more aggressive, reward-oriented, and less decisive. Unexpectedly, the psychological contracts of organizations using merit systems were generally perceived to be more relational and less transactional than those using seniority-based systems. Individual differences were not related to attraction to the organization regardless of its compensation systems. Finally, individuals were least attracted to organizations that distributed both salaries and benefits based on seniority relative to those using a mixed compensation distribution system or one based entirely on merit.

Research limitations/implications – The sample was composed of undergraduates who responded to a hypothetical job scenario. The scenario only included information about how salary and benefits are allocated. Future research should use more experienced samples that are considering actual positions.

Recommendations – Findings indicate how information about compensation systems might be used in job descriptions to encourage applicants.

Originality/value – This study was the first to find that merit/seniority-based compensation systems for determining salary and benefits reflect different organizational cultures to job applicants and influence job applicants' attraction to organizations.

3.2.14 Ogenyi Ejye Omar & Victoria Odu Ogenyi, 2006 "Determinants of pay satisfaction of senior managers in the Nigerian Civil Service"

Purpose – The purpose of this paper is to investigate senior managers' satisfaction with pay in the Nigerian Civil Service.

Design/methodology/approach – A field study was undertaken to test the hypotheses. The sample was drawn from senior managers in the Nigerian Civil Service. A quantitative methodological approach was used based on questionnaire designed to measure the variables that literature review has identified as having relationship with pay satisfaction.

Findings – The finding of this research paper shows that pay incentive scheme is a distinctive dimension of pay satisfaction among senior managers in the Nigerian Civil Service; and the perception of pay-for-performance determines the level of satisfaction with pay.

Research limitations/implications – The sample size is very small relative to the total federal civil service population. Only senior managers were selected for questioning and may not reflect the general opinion in the Nigerian Civil Service. The sample is limited to the Federal Civil Service and excludes state and local government services in a federally governed country.

Practical implications – The study has important implications for organizations and human resource practitioners in Nigeria to design their compensation and benefit programmes.

Originality/value – This research is one of the few studies that explore pay incentive schemes as a distinct dimension of pay satisfaction relevant to the Nigerian work environment. It adds value to the study of organizational justice by demonstrating that procedural justice, interactional justice, and distributive justice, influence pay satisfaction.

3.2.15 Dimitrios M. Mihail & Kristina Antigoni Elefterie, 2006 "Perceived effects of an MBA degree on employability and career advancement: The case of Greece"

Purpose – Given this rapid expansion in business schools and MBA graduate numbers, the purpose of this paper is to assess whether and how graduate management education offered in Greece makes better managers.

Design/methodology/approach – To this purpose an empirical research was conducted, interviewing 68 MBA graduates from a Greek business school, to assess whether and to what extent, MBA training can influence managerial competencies, employability and career development. More specifically, the paper tests the hypotheses that gaining an MBA will: provide graduates with business-related competencies; enhance graduates' employability; promote career advancement and lead to increased compensation.

Findings – Analyzing graduates' perceptions and attitudes, the findings indicate that MBA studies have a positive effect on skills, employability and compensation and a much moderate effect on career advancement.

Research limitations/implications – This is an exploratory study that seeks to analyze the self-reports of a limited number of respondents. A large-scale national survey involving graduates from numerous academic institutions across the country would result in a more comprehensive assessment of the effectiveness of MBA studies on managers in Greece.

Recommendations – This study has shown that an accredited MBA program seems to add value to graduates' managerial skills and employability in an ever-changing labor market.

Originality/value – Given the dearth of empirical research on management education in Greece, this study contributes to debates in the wider academic community discussing the impact of MBA studies on managerial jobs.

3.2.16 Shawn M. Carraher et al., 2006 "Compensation satisfaction in the Baltics and the USA"

Purpose – This study aims to examine the extent to which the demographic and work-related variables of educational level, gender, age, salary level, organizational tenure, and union membership are useful predictors of satisfaction with pay level, benefits, raises, and the

structure/administration of a compensation system. These variables have previously been utilized in the prediction of satisfaction with pay levels, but have not been tested as useful predictors of the other three dimensions of compensation satisfaction.

Design/methodology/approach – This study used multiple regression analyses and samples of 423 employees in the USA with a 63 percent response rate and 519 employees in the Baltics with a 73 percent response rate.

Findings – It was found that not all of the variables are equally useful predictors of each of the four dimensions of compensation satisfaction and that differential prediction is occurring among the four dimensions and across the two world regions. Surprisingly, it was found that in seven of the eight analyses the strongest predictor of satisfaction with the four dimensions of compensation satisfaction is job tenure, while actual compensation level, which was expected to be the strongest predictor, was found to be quite weak.

Recommendations – A major weakness is that all of the data were self-reported. Ideally the demographic and work-related variables would have been collected directly from the organization in addition to being collected from employees. A second limitation is that the characteristics of the present sample may limit the generalizability of the results. An inordinate number of the subjects were unionized, female, and married. The major implication is that the paper supports the differential prediction for various dimensions of compensation satisfaction and for the need to explore for additional variables that can account for significant proportions of the variance in these dimensions.

Originality/value – The paper is the first of its kind to examine in a single or cross-cultural setting the relationship between common demographic and work-related factors and compensation satisfaction while controlling for organizational level. The literature review traverses the research in the area stretching from the 1940s to 2005 and makes specific suggestions for future research that could advance the field.

3.2.17 Julie Dickinson, 2006 "Employees' preferences for the bases of pay differentials"

Purpose – The aim of this study was to investigate whether perceptions of fair pay are characterized by social norms about the appropriate bases of pay differentials.

Design/methodology/approach – In order that the employees could voice their opinions without the restrictions of pre-coded categories individual interviews were carried out with employees from five private sector organizations. The design of the study allowed an examination of attitudes towards pay criteria in the context of changes in organizational pay structures towards more individualism in pay awards.

Findings – The most popular bases of pay were "responsibility", "qualifications" and "performance". The attitudes appeared to reflect widespread norms about the most appropriate bases of pay. There was some evidence for an interaction between employee attitudes towards pay determination and organizational characteristics on the design and implementation of pay policies.

Research limitations/implications – The interview methodology restricted the size of the sample and consequently the generalizations that can be made from the findings. Future research could use qualitative or quantitative methods to check whether the findings replicate with different types of groups of employees.

Recommendations – The paper contains useful information for human resource practitioners about maintaining "felt fairness" in the design of new pay systems.

Originality/value – The qualitative approach of this study produces rich information about employee perceptions of pay differentials in the context of current changes towards more individualized pay determination

3.2.18 Eunmi Chang & Juhee Hahn, 2006 "Does pay-for-performance enhance perceived distributive justice for collectivistic employees?"

Purpose – To examine the effect of pay-for-performance on distributive justice and the moderating effect of commitment performance appraisal in the case of Korean employees.

Design/methodology/approach – Data were collected from 28 companies and 656 employees. Moderated regression analyses were employed.

Findings – Findings show that pay-for-performance enhances employees' perception of distributive justice only when there is a commitment performance appraisal practice.

Additional analysis shows that the commitment performance appraisal practices of a company influence employee perceptions of such practices in a U-shape fashion.

Research limitations/implications – Since, data were collected from 28 companies, the results may need to be modified before being generalized to/for Korean companies.

Recommendations – It is notable that only when accompanied by commitment performance appraisal does pay-for-performance enhance employee perception of distributive justice. Managers in Korean companies should consider implementing commitment appraisal practices when they want to utilize pay-for-performance.

Originality/value – This paper notes the fundamental changes in the pay systems in Korean companies, and offers practical implications for managers starting out on a pay-for-performance system.

3.2.19 W.D. McCausland et al., 2005 "Some are punished and some are rewarded: A study of the impact of performance pay on job satisfaction"

Purpose – To investigate whether significant differences exist in job satisfaction (JS) between individuals receiving performance-related pay (PRP) and those on alternative compensation plans.

Design/methodology/approach – Using data from four waves (1998-2001) of the British Household Panel Survey (BHPS), a Heckman-type econometric procedure is applied that corrects for both self-selection of individuals into their preferred compensation scheme and the endogeneity of wages in a JS framework.

Findings – It is found that while the predicted JS of workers receiving PRP is lower on average compared to those on other pay schemes, PRP exerts a positive effect on the mean JS of (very) high-paid workers. A potential explanation for this pattern could be that for lower-paid employees PRP is perceived to be controlling, whereas higher-paid workers derive a utility benefit from what they view as supportive reward schemes.

Research limitations/implications – As the study utilizes data from the UK only, its results cannot be generalized to other countries characterized by distinct labour market contexts. Furthermore, the quality of the estimates depends on the quality of the identifying restrictions

which, in these types of studies, are always somewhat ad hoc. However, the available tests for evaluating the quality of the identifying restrictions indicated that they are appropriate for the models used.

Recommendations – The findings of the paper suggest that using performance pay as an incentive device in the UK could prove to be counterproductive in the long run for certain low-paid occupations, as far as employee JS is concerned.

Originality/value – This paper is the first to have attempted to correct for the selectivity issue when considering the effect of PRP on JS. Its implications should be of interest to human resource managers when designing the compensation strategies of their organizations.

3.2.20 Stuart C. Carr et al., 2005 "Pay diversity across work teams: doubly de-motivating influences?"

Purpose – The purpose of this paper is to examine the impact of pay diversity between groups, for example, across competing workplace teams.

Design/methodology/approach – In Study I, 60 future managers from Newcastle, Australia, were paid either $1 or $2 to work on an identical intrinsically motivating task, either on an individual basis or as members of pay-diverse groups. In Study II, with 84 future managers in Darwin, Australia, the $1/$2 group pay dichotomy was made more realistic, by positioning the pay either at the bottom ($1) or top ($2) rungs of a pay ladder, or embedding it within a wider pay scale ($1 at a first, and $2 at the second tertile).

Findings – In Study I, between individually paid workers, both below- and above-average payment were linked to low intrinsic motivation, whereas between groups, those in the higher pay bracket remained more motivated compared to their lower-paid group counterparts. In Study II, when pay was polarized, intrinsic motivation was higher in the higher-paid compared to lower-paid groups; but when pay was embedded, this comparative advantage dissipated.

Originality/value – Taken together, Studies I and II suggest that pay diversity across groups will de-motivate both lower- and higher-paid groups, except perhaps when a group tops the pay ladder.

3.3   Comments on the previous studies:

Revision of the previous foreign studies those are directly or indirectly related to the subject facilitates the preparation of the study's theoretical framework. Findings and frameworks of the previous studies had enriched the research. From the researcher point of view, the most important comments on previous studies could be summarized as follows:

- ❖ A part of previous studies show that compensation practices can impact employee performance and commitment. Some compensation components raise employees' commitment to work, while others motivate employees' performance and output as provided by (Kulno Türk, 2008; Roberto Luna-Arocas & Joaquín Camps, (2008); or employees' satisfaction as provided by (Carolyn Stringer et al., 2011)

- ❖ Other part of previous studies analyzed the impact of compensation system on employees' behavior as provided by (Atul Mitra et al., 2011; Denis Chênevert & Michel Tremblay, 2011; Kulno Türk, 2008; Ling Li, Michael E. Roloff, 2007; Eunmi Chang & Juhee Hahn, (2006)

- ❖ Third part of the previous study proved some evidence for an interaction between employee attitudes towards pay determination and organizational characteristics on the design and implementation of pay policies as provided by (Julie Dickinson, 2006)

- ❖ The fourth part of the previous studies proved the relationship between organization justice perception and pay level satisfaction as provided by (Robert E. Till & Ronald Karren, 2011). In this study it was proved that of the three types of equity, individual equity was the most important factor on pay level satisfaction. External equity and the three other factors were important for many individuals, and this was shown through the individual analyses.

- ❖ Some previous studies studied private sector as provided by (Atul Mitra et al., 2011; Denis Chênevert & Michel Tremblay, 2011; Carolyn Stringer et al., 2011; Julie Dickinson, 2006), others from public organizations such as (Nancy E. Day, 2011; Kulno Türk, 2008; Shawn M. Carraher et al., 2006

❖ The researcher noticed the diversity of methodology used in the previous studies. It varies between descriptive approach, and case studies. Also, the different method of determining the targeted population, the great majority of the studies defined the population, while others depend on theory-based literature, case studies frameworks and empirical studies.

❖ To the knowledge of the researcher, this is the first time to conduct such a research on compensation systems applied on an organization belong to the United Nations. Unlike other studies on the subject where the impact of compensation system on employee satisfaction or performance was examined, this study has examined the impact of compensation practices on the salary justice itself. Eight factors were used to examine justice of salaries entitled to UNRWA area staff host governments, labor market, budget, duties and responsibilities, job qualification required, job experience required, training and qualification higher than job requirement. The add value to the existing literature on salary justice and employee work attitude and behavior especially in the context of an organization belong to the United Nations. It should be of interest to UNRWA management in designing effective compensation system and practices that ensure justice of its salaries.

Chapter 4
Research Methodology

4.1 Introduction

This chapter addresses the methodology used in the study and deals with data collection, population and sample, research instrument, variables measurement, reliability and validity of the instrument, scoring techniques, data-gathering procedures and the procedure of statistical analysis.

The study used the analytical descriptive method which describes and assesses the effect of Salaries in UNRWA host governments, Salaries in the local market, Budget Level of responsibility and accountability, Qualifications required, Experience required, Training and Higher education certificate than job requirement on salaries' justice in UNRWA. The descriptive method to compare, explain and evaluate findings in order to organize meaningful results.

4.2 Research Methodology

Where the analytical descriptive technique compares, explains and evaluates in order to generalize meaningful results to enrich knowledge, the research adopted this technique to sustain quantitative and qualitative measurement and analysis. On the one hand, the analytical part is to explain and to explore the impact of UNRWA host governments, Salaries in the local market, Budget Level of responsibility and accountability, Qualifications required, Experience required, Training and Higher education certificate than job requirement on salaries' justice, on the other hand, the descriptive part attempts to illustrate the concept of compensation practices from the researcher point of view and its impact on salary justice.

4.3 Data Collection

Secondary data and primary data were collected for this study. The secondary data was collected from:

- Electronic Scientific Journal through websites;
- Thesis and dissertations accessed the university websites;
- Text books available on the websites
- UNRWA's Internal documents and its website
- The Islamic University's library

The primary data obtained from survey questionnaire that has been developed based on the literature and has been modified regarding the supervisor's recommendation, the experts and academic judgments.

4.4   Study Population and Sample

The population frame of this study consisted of all employees, male and female, working at different departments and programmes in UNRWA Gaza Field Office.

The sample size was calculated at (378) out of the study population (11,889, based on March 2013's statistics). The researcher has used a stratified random sample covering all occupations and grade levels who are available UNRWA Field Office Gaza. A questionnaire has been developed and distributed to the targeted employees in all categories.

4.5   Research Instrument

The researcher had designed and used questionnaire as a main research instrument. The questionnaire consists of two parts; the first designated to socio-demographic information about respondents such as sex, age, marital status, academic qualifications, job title, grade level and years of experience. The second part consisted of 8 fields used to assess the impact of compensation practices on UNRWA salary justice its locally recruited staff, these 8 fields are UNRWA host governments, Salaries in the local market, Budget Level of responsibility and accountability, Qualifications required, Experience required, Training and Higher education certificate than job requirement.

4.6   Data Measurement

In order to be able to select the appropriate method of analysis, the level of measurement must be understood. For each type of measurement, there is/are an appropriate method /s that can be applied and not others. In this research, numerical scale 1-10 is used, where "1" indicates a weak answer while "10" indicates a strong answer.

4.7   Data Validity and Reliability Test

The researcher applied the following two methods to examine and measure the validity of the questionnaire:

- **Experts Validation**

Eight experts in the field form three universities, The Islamic University-Gaza, Bir Ziet University and Amman Arab University-Jordan, had evaluated the questionnaire which had been revised as per their recommendations.

- **Pilot Study**

A pilot study was conducted to assess the validity and reliability of data that will be collected using the questionnaire. The questionnaire was distributed based on random sample consisted of 40 respondents. The objective of this pilot study is to provide a trial run of the questionnaire which involves testing the wording of questions, identifying ambiguous questions, testing the techniques that will be used to collect the targeted data.

4.7.1 Test of Normality for each field

Table (4.1) shows the results for the Kolmogorov-Smirnov test of normality. From Table (4.1), the p-value for each field is greater than 0.05 level of significance, then the distribution for each field is normally distributed. Consequently, parametric tests will be used to perform the statistical data analysis.

Table (4.1): Kolmogorov-Smirnov test

Field	Kolmogorov-Smirnov	
	Statistic	**P-value**
Salaries in UNRWA host governments	0.869	0.437
Salaries in the local market	0.627	0.827
Budget (financial situation)	0.492	0.969
Level of Responsibility and accountability	0.935	0.346
Qualifications Required	0.877	0.425
Experience Required	0.854	0.459
Training	0.563	0.909
Higher education certificate than job requirement	0.648	0.795
All paragraphs of the questionnaire	0.876	0.426

4.7.2 Statistical Analysis Tools

The researcher used both qualitative and quantitative data analysis methodology. The Data analysis will be made utilizing (SPSS 20). The researcher would utilize the following statistical tools:

1) Kolmogorov-Smirnov test of normality.
2) Pearson correlation coefficient for Validity.
3) Cronbach's Alpha for Reliability Statistics.
4) Frequency and Descriptive analysis.
5) Parametric Tests (One-sample T test).

T-test is used to determine if the mean of a paragraph is significantly different from a hypothesized value 6 (Approximately the middle value of numerical scale 1-10). If the P-value (Sig.) is smaller than or equal to the level of significance, $\alpha = 0.05$, then the mean of a paragraph is significantly different from a hypothesized value 6. The sign of the Test value indicates whether the mean is significantly greater or smaller than hypothesized value of 6. On the other hand, if the P-value (Sig.) is greater than the level of significance, $\alpha = 0.05$, then the mean of a paragraph is insignificantly different from a hypothesized value 6.

4.7.3 Validity of Questionnaire

Validity refers to the degree to which an instrument measures what it is supposed to be measured. Validity has a number of different aspects and assessment approaches. Statistical validity is used to evaluate instrument validity, which include internal validity and structural validity.

4.7.3.1 Internal Validity

Internal validity of the questionnaire is the first statistical test that is used to test the validity of the questionnaire. It is measured by a scouting sample, which consists of 40 questionnaires and measures the correlation coefficients between each paragraph in one field and the whole filed.

Table (4.2) clarifies the correlation coefficient for each paragraph of the "Salaries in UNRWA host governments" and the total of the field. The p-values (Sig.) are less than 0.05,

so the correlation coefficients of this field are significant at α = 0.05, so it can be said that the paragraphs of this field are consistent and valid to measure what was set out to be measured.

Table (4.2): Correlation coefficient of each paragraph of "Salaries in UNRWA host governments" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The Agency conducts regular salary surveys in order to ensure the fairness of its salaries	.734	0.000*
2.	The Agency selects the host government as salary comparator pursuant to its pay policy	.631	0.000*
3.	The Agency selects benchmark jobs to survey their salaries in the host government for salary comparison purpose	.701	0.000*
4.	Salaries of the selected benchmarks job represent the salaries of all jobs in each respective grade.	.776	0.000*
5.	The Agency grants equal salary increase to all jobs sharing the grade of the benchmark jobs	.721	0.000*
6.	Salaries in the Agency stay ahead of salaries in the comparator	.689	0.000*
7.	Salaries in the Agency stay even with salaries in the comparator	.651	0.000*
8.	Salaries in the comparator stay ahead of salaries in the Agency	.612	0.000*
9.	The total financial rewards in the Agency is higher than that of same position in the host government	.696	0.000*
10.	The total financial rewards in the Agency is even with that of same position in the host government	.736	0.000*
11.	The total monetary rewards in the host government is higher than that of same position in the Agency	.518	0.001*

* Correlation is significant at the 0.05 level

Table (4.3) clarifies the correlation coefficient for each paragraph of the "Salaries in the local market" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation

coefficients of this field are significant at α = 0.05, so it can be said that the paragraphs of this field are consistent and valid to measure what was set out to be measured.

Table (4.3): Correlation coefficient of each paragraph of " Salaries in the local market " and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The Agency conducts salary surveys in the labor market for particular grade or occupation those the Agency faces retention/recruitment difficulties	.568	0.000*
2.	The Agency conducts salary survey in the labor market for all jobs fall under the same grade or occupation those the Agency faces retention/recruitment difficulties	.606	0.000*
3.	14. The Agency Applies the salary survey results only on the surveyed jobs those the Agency faces retention/recruitment difficulties	.562	0.000*
4.	The Agency conducts regular salary survey in the labor market to ensure the compatibility between its salaries with those in the labor market	.708	0.000*
5.	The Agency applies the salary survey results on all jobs sharing the occupation and grade of the surveyed job those the Agency faces retention/recruitment difficulties	.745	0.000*
6.	The Agency salaries for the surveyed jobs, those the Agency faces retention/recruitment difficulties, stay ahead of similar positions in the labor market	.362	0.015*
7.	The Agency salaries for the surveyed jobs, those the Agency faces retention/recruitment difficulties, stay even with similar positions in the labor market	.332	0.024*
8.	Total salaries in the Agency determined by the grade level of the job and its occupation	.569	0.000*

* Correlation is significant at the 0.05 level

Table (4.4) clarifies the correlation coefficient for each paragraph of the "Budget (financial situation) " and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at α = 0.05, so it can be said that the paragraphs of this field are consistent and valid to measure what was set out to be measured.

Table (4.4): Correlation coefficient of each paragraph of "Budget (financial situation)"
and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The Agency applies the results of the salary survey regardless its financial situation	.609	0.000*
2.	The Agency maintains a consistent salary relationship with its comparator	.372	0.013*
3.	The Agency discusses with staff representatives the most fair salary increase in case there is not enough financial resources	.682	0.000*
4.	The Agency makes retroactive payment of salaries when funds become available for salary increase	.617	0.000*
5.	The Agency exerts every effort to collect extra donations to cover its expenses including salaries	.627	0.000*
6.	The management of the Agency advocates the right of its employees in receiving fair salaries in the international community	.757	0.000*
7.	The Agency increases the number delegates in the word to convince countries to provide more donations to support its operations	.637	0.000*
8.	The Agency avails funds whenever there is solid base to upgrade posts	.720	0.000*

* Correlation is significant at the 0.05 level

Table (4.5) clarifies the correlation coefficient for each paragraph of the " Level of Responsibility and accountability " and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at α = 0.05, so it can be said

that the paragraphs of this field are consistent and valid to measure what was set out to be measured.

Table (4.5): Correlation coefficient of each paragraph of " Level of Responsibility and accountability " and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The Agency maintains a written and classified job description for each available job	.635	0.000*
2.	The Agency conducts regular job analysis exercise to ensure the validity of duties and responsibilities assigned to each respective job in order to determine the appropriate job grade	.732	0.000*
3.	The Agency regularly update Job descriptions to ensure the validity of their duties, responsibilities and qualification and subsequently their grades	.669	0.000*
4.	The Agency has job classification system used to determine job grade	.844	0.000*
5.	The Agency has formal job evaluation plan to maintain accurate jobs relativity and grades	.759	0.000*
6.	The Agency evaluates revised job descriptions to ensure the accuracy of their grades	.732	0.000*
7.	There are jobs at same level of responsibilities but with different grades	.459	0.002*
8.	There is evident that same posts have different grades across the Agency	.382	0.019*

* Correlation is significant at the 0.05 level

Table (4.6) clarifies the correlation coefficient for each paragraph of the "Qualifications Required" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at α = 0.05, so it can be said that the paragraphs of this field are consistent and valid to measure what was set out to be measured.

Table (4.6): Correlation coefficient of each paragraph of "Qualifications Required" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The Agency determines the required qualifications for each job	.839	0.000*
2.	The Agency considers qualifications in determining the job grade	.772	0.000*
3.	Jobs requiring equal qualification are classified at the same grade	.436	0.004*
4.	People who apply for jobs in the Agency must possess the qualification required of the job in order to ensure internal equity	.618	0.000*
5.	The Agency hires employee who lacks part of the required job qualifications at grade lower than the post grade	.429	0.005*
6.	The Agency hires the person who meets the required job qualifications at grade same of the post grade	.789	0.000*
7.	The Agency provides equal opportunity for male and female who possess the qualifications required of the job	.616	0.000*

* Correlation is significant at the 0.05 level

Table (4.7) clarifies the correlation coefficient for each paragraph of the "Experience Required" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to measure what was set out to be measured.

Table (4.7): Correlation coefficient of each paragraph of "Experience Required" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The Agency specifies the experience required for each job	.587	0.000*
2.	The Agency considers the required experience when determining the job grade	.740	0.000*
3.	Persons who apply for jobs at the Agency must have the required years of experience	.741	0.000*
4.	The Agency hires candidates who lacks some of the required years of experience at grade lower than the post grade	.476	0.002*
5.	The Agency hires candidates who have the required years of experience at grade same of the post grade	.721	0.000*
6.	The Agency financially rewards new hires who have years of experience more than those of required years for the job	.597	0.000*
7.	The Agency follows the labor market practices in rewarding years of experience those are more than the required years for the job	.483	0.002*

* Correlation is significant at the 0.05 level

Table (4.8) clarifies the correlation coefficient for each paragraph of the " Training " and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at α = 0.05, so it can be said that the paragraphs of this field are consistent and valid to measure what was set out to be measured.

Table (4.8): Correlation coefficient of each paragraph of "Training" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The Agency specifies training courses required for each job	.616	0.000*
2.	The Agency considers the required training courses when determining the job grade	.723	0.000*
3.	Persons who apply for jobs in the Agency must be participated the required training courses	.506	0.001*
4.	The Agency financially rewarding employee who participated in training courses more than required for the job	.680	0.000*
5.	The Agency provides equal training opportunity for each respective occupation and grade	.640	0.000*
6.	The Agency follows the labor market practice in rewarding training courses	.745	0.000*
7.	Training courses give the opportunity for career development at the Agency	.429	0.006*

* Correlation is significant at the 0.05 level

Table (4.9) clarifies the correlation coefficient for each paragraph of the "Higher education certificate than job requirement" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at α = 0.05, so it can be said that the paragraphs of this field are consistent and valid to measure what was set out to be measured.

Table (4.9): Correlation coefficient of each paragraph of "Higher education certificate than job requirement" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The Agency financially reward qualifications more than those of job requirements	.592	0.000*
2.	The total financial rewards is higher than that of same qualification in the host government	.726	0.000*
3.	The total financial rewards is even than that of same qualification in the host government	.745	0.000*
4.	The total financial rewards is lower than that of same qualification in the host government	.347	0.021*
5.	The total financial rewards is higher than that of same qualification in the labor market	.648	0.000*
6.	The total financial rewards is even than that of same qualification in the labor market	.824	0.000*
7.	The total Financial rewards in the labor market is higher than that of the Agency for the same qualification	.633	0.000*

* Correlation is significant at the 0.05 level

4.7.4 Structure Validity of the Questionnaire

Structure validity is the second statistical test that is used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one filed and all the fields of the questionnaire that have the same level of the liker scale.

Table (4.10) clarifies the correlation coefficient for each filed and the whole questionnaire. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all the fields are significant at $\alpha = 0.05$, so it can be said that the fields are valid to be measured due to what was set out to achieve in the main aim of the study.

Table (4.10): Correlation coefficient of each field and the whole of questionnaire

No.	Field	Pearson Correlation Coefficient	P-Value (Sig.)
1.	Salaries in UNRWA host governments	.682	0.000*
2.	Salaries in the local market	.694	0.000*
3.	Budget (financial situation)	.606	0.000*
4.	Level of Responsibility and accountability	.776	0.000*
5.	Qualifications Required	.761	0.000*
6.	Experience Required	.819	0.000*
7.	Training	.582	0.000*
8.	Higher education certificate than job requirement	.570	0.000*

* Correlation is significant at the 0.05 level

4.7.5 Reliability of the Research

The reliability of an instrument is the degree of consistency to which an attribute is measured (Polit & Hunger,1985). The less variation an instrument produces in repeated measurements of an attribute, the higher its reliability. Reliability can be equated to the stability, consistency, or dependability of a measuring tool. The test is repeated to the same sample of people on two occasions and then compares the scores obtained by computing a reliability coefficient (Polit & Hunger, 1985).

4.7.6 Cronbach's Coefficient Alpha

This method is used to measure the reliability of the questionnaire between each field and the mean of the whole fields of the questionnaire. The normal range of Cronbach's coefficient alpha value is between 0.0 and + 1.0, and the higher values reflects a higher degree of internal consistency. The Cronbach's coefficient alpha was calculated for each field of the questionnaire.

Table (4.11) shows the values of Cronbach's Alpha for each filed of the questionnaire and the entire questionnaire. In the fields, values of Cronbach's Alpha were in the range of from 0.721 and 0.884. This range is considered high; the result ensures the reliability of each field

of the questionnaire. Cronbach's Alpha equals 0.923 for the entire questionnaire which indicates an excellent reliability of the entire questionnaire.

Table (4.11): Cronbach's Alpha for each filed of the questionnaire

No.	Field	Cronbach's Alpha
1.	Salaries in UNRWA host governments	0.884
2.	Salaries in the local market	0.706
3.	Budget (financial situation)	0.772
4.	Level of Responsibility and accountability	0.808
5.	Qualifications Required	0.736
6.	Experience Required	0.731
7.	Training	0.721
8.	Higher education certificate than job requirement	0.742
	All paragraphs of the questionnaire	0.923

Therefore, it can be said that the researcher proved that the questionnaire was valid, reliable, and ready for distribution for to the population sample.

Chapter 5
Data Analysis and Discussion

5.1   Introduction

This study is designated to respond to the objectives and to hypotheses stipulated in chapter one. Accordingly, findings those are responding to the set objectives will be discussed and compared with findings of the previous studies.

5.2   Personal data

5.2.1   Gender

Table No. (5.1) showing that 66.5% of the sample are Males and 33.5% of the sample are Females.

UNRWA statistics show that female staff represent a higher percentage of the Agency workforce in Gaza compared with male staff; male 47.2% to female 52.8% of the Agency workforce in Gaza. Deviation between the analyzed sample and real database is attributed to the fact that the researcher had included all programmes and service departments in the study. Number of female staff in Education programme, the largest programme that represents about 64% of the workforce, is higher than male staff, while male staff in the other programmes and departments, the remaining 36% of the Agency workforce in Gaza, are representing the higher percentage. Though, the researcher did not give any preferences to gender in distributing the questionnaire, not having gender equity in all programmes led to this deviation.

It is to be noted that the Agency policy and practice provides a gender equity, this is inconsistent with the study of (Daniel E. Martin, 2011) where gender discrimination in compensable factors was one of the research findings.

Table (5.1): Gender

Gender	Frequency	Percent
Male	224	66.5
Female	113	33.5
Total	337	100.0

5.2.2 Age

Table No.(5.2) shows that 13.4% of the sample are " 20 –29 years ", 30.8% of the sample are of "30 – 39 years ", 34.4% of the sample are of "40 – 49 years " and 21.4% of the sample are of "50 – 60 years.

From the researcher point of view such distribution is very realistic and consistent with the table that showing the distribution of staff based on years of experience below. However, when comparing the percentage of newly recruited staff represented in the age category 20-29 with staff those are close or already reached retirement age indicates the existence of contract modality other than regular one.

Table (5.2): Age

Age	Frequency	Percent
20 –29 years	45	13.4
30 – 39 years	104	30.8
40 – 49 years	116	34.4
50 – 60 years	72	21.4
Total	337	100.0

5.2.3 Marital Status

Percentages have shown in Table (5.3) commensurate with reality and people customs and traditions in Gaza. In accordance with table (5.2), 86.6% of respondents are at age ranged between 30 to 60 years old, linking this with Table (5.3) which shows 86.1% of the respondents are married reveals only 0.5% are unmarried for several reasons.

Table (5.3): Marital Status

Marital Status	Frequency	Percent
Not married	47	13.9
Married	290	86.1
Total	337	100.0

5.2.4 Education

Table No.(5.4) shows that 3.3% of the sample are " Secondary education or below degree " holders, 10.4% of the sample are " Diploma " holders , 63.8% of the sample are " Bachelor " holders and 22.5% of the sample are " Master degree or above " holders.

Bachelor degree is the minimum job requirements for the great majority of occupations at grades 9-16, master degree is requested for senior positions at grades 17 to 20 inclusive. Staff at grades 9-20 represents 73.04% of the Agency workforce. Table (5.4) below showing that 86.4% of the respondents possess academic qualifications those are not less than bachelor degree; the agency minimum requirements; this is consistent with the Agency policy. Occupations classified at grades 1-4, the entry level to the Agency workforce, represent 10.79% of the Agency workforce in Gaza. However, this study is presented by 3.3% of the respondents only. This could be attributed to the nature of study and level of statements in the questionnaire those make staff in this category reluctant to respond; this is supported by a feedback received when the researcher collected the questionnaires.

Table (5.4): Education

Education	Frequency	Percent
Secondary & below	11	3.3
Diploma	35	10.4
Bachelor	215	63.8
Master and above	76	22.5
Total	337	100.0

5.2.5 Years of Experience

Table No.(5.5) shows that 15.7% of the sample have experience " Less than 5 years", 17.2% of the sample have experience "5 – 9 year ",19.9% of the sample have experience "10- 14 years " and 47.2% of the sample have experience "15 years and more " .

Percentages shown in table (5.5) below commensurate with percentages revealed in table (5.2) that showing distribution of work force based on age. Also, years of experience start to be job requirements for all jobs at grades 5-20 inclusive, staff at these grades

represent 89.21% of the Agency workforce in Gaza. On the other hand, table (5.5) illustrates that 67.1% have years of experience in the Agency exceeding 10 years. This indicates the low turnover rate amongst the Agency employees in Gaza field. This could be attributed to the economic and political situations prevailing in Gaza for more than two decades and their impact on the unemployment rate prevails in Gaza.

Table (5.5): Years of Experience

Years of Experience	Frequency	Percent
Less than 5 year	53	15.7
5 – 9 years	58	17.2
10- 14 years	67	19.9
15 years and more	159	47.2
Total	337	100.0

5.3   Fields' analysis and Research hypothesis:

5.3.1   Analysis of the field "Salaries in host governments"

Table (5.6): Means and Test values for "Salaries in UNRWA host governments"

Item	Mean	Mean (%)	Test value	P-value (Sig.)
All paragraphs of the filed	**5.00**	**49.99**	**-15.28**	**0.000***

The mean of the field "Salaries in UNRWA host governments" equals 5.00 (49.99%), Test-value = -15.28, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this field is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to field of "Salaries in UNRWA host governments".

The analysis shows that 49.99% of respondents agreed with using salaries for civil servants in the host government as basis for determining UNRWA salaries for the its locally recruited staff. This reflects the disagreement of respondents to the Agency pay policy and its application.

The hypothesis

1. **Salaries in host governments have significant relationship with UNRWA salaries at a level of ≤ 0.05.**

Table (5.7) shows the following results:

- The mean of paragraph #2 "The Agency selects the host government as salary comparator pursuant to its pay policy" equals 6.15 (61.49%), Test-value = 0.97, and P-value = 0.167 which is greater than the level of significance $\alpha = 0.05$. Then the mean of this paragraph is insignificantly different from the hypothesized value 6. The researcher concludes that the respondents (Do not know, neutral) to this paragraph.

- The mean of paragraph #5 "The Agency grants equal salary increase to all jobs sharing the grade of the benchmark jobs" equals 5.40 (54.00%), Test-value = -3.74, and P-value = 0.000 which is smaller than the level of significance . The sign of the test is negative, so the mean of this paragraph is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to this paragraph

- The mean of paragraph #10 "The total financial rewards in the Agency is even with that of a similar position in the host government" equals 3.44 (34.35%), Test-value = -21.87, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to this paragraph.

- The mean of paragraph #11 "The total financial rewards in the host government is higher than that of same position in the Agency" equals 4.90 (48.97%), Test-value = -7.15, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph

is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to this paragraph.

- The mean of the field "Salaries in UNRWA host governments" equals 5.00 (49.99%), Test-value = -15.28, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this field is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to field of "Salaries in UNRWA host governments ".

Pursuant to the Agency Area Staff Pay Policy, salaries of civil servants in the host government are used as a basis when determining salaries of its locally recruited staff in each respective area of operation. However, respondents disagreed with this field though it is a policy.

Findings could be attributed to two reasons, the first: the channel of communication between UNRWA management and staff comes through staff representatives with regards to the discussion and the description of the Agency Area Staff Pay Policy and salary survey methodology; it seems that Staff Representatives do not disclose such information to staff at large. Such a situation goes under the scope of recommendation provided by (Julie Cloutier, Lars Vilhuber, 2008). Second reason: employees compare their salaries with their counterparts in other United Nations' Agencies where the latter enjoying higher salaries. Staff members could attribute to linking their salaries to civil servants in the host government which makes their salaries less than their counterparts in other United Nations Agencies which seems to them as unfair practice, from their perspectives, since this does not reveal the external equity.

Table (5.7): Means and Test values for "Salaries in UNRWA host governments"

	Item	Mean	Proportional Mean (%)	Test value	P-value (Sig.)	Rank
1.	The Agency conducts regular salary surveys in order to ensure the fairness of its salaries	5.11	51.10	-6.46	0.000*	6
2.	The Agency selects the host government as salary comparator pursuant to its pay policy	6.15	61.49	0.97	0.167	1
3.	The Agency selects benchmark jobs to survey their salaries in the host government for salary comparison purpose	5.93	59.32	-0.48	0.316	2
4.	Salaries of the selected benchmarks job represent the salaries of all jobs in each respective grade.	5.60	56.05	-2.72	0.003*	3
5.	The Agency grants equal salary increase to all jobs sharing the grade of the benchmark jobs	5.40	54.00	-3.74	0.000*	5
6.	Salaries in the Agency stay ahead of salaries in the comparator	5.57	55.73	-2.72	0.003*	4
7.	Salaries in the Agency stay even with salaries in the comparator	4.03	40.33	-14.59	0.000*	10
8.	Salaries in the comparator stay ahead of salaries in the Agency	4.30	42.98	-11.02	0.000*	9
9.	The total financial rewards in the Agency is higher than that of same position in the host government	4.53	45.34	-9.61	0.000*	8
10.	The total financial rewards in the Agency is even with that of same position in the host government	3.44	34.35	-21.87	0.000*	11
11.	The total financial rewards in the host government is higher than that of same position in the Agency	4.90	48.97	-7.15	0.000*	7
	All paragraphs of the filed	5.00	49.99	-15.28	0.000*	

* The mean is significantly different from 6

5.3.2   Analysis of the field "Salaries in the local market"

Table (5.8): Means and Test values for "Salaries in the local market"

Item	Mean	Mean (%)	Test value	P-value (Sig.)
All paragraphs of the filed	4.92	49.25	-13.28	0.000*

* The mean is significantly different from 6

The mean of the field "Salaries in the local market" equals 4.92 (49.25%), Test-value = -13.28, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this field is significantly less than the hypothesized value 6. We conclude that the respondents disagreed to field of "Salaries in the local market "

The Analysis of the field "salaries in the local market" reveals that 49.25% of the respondents agreed to this field. This reflects the disagreement of respondents with this field.

The hypothesis

2. Salaries of local market have significant relationship with UNRWA salaries at a level of ≤ 0.05.

Table (5.9) shows the following results:

● The mean of paragraph #8 "Total salaries in the Agency determined by the grade level of the job and its occupation" equals 6.55 (65.51%), Test-value = 3.69 and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 6. The researcher concludes that the respondents agreed to this paragraph.

● The mean of paragraph #7 "The Agency salaries for the surveyed jobs the Agency faces retention/recruitment difficulties, stay even with similar positions in the labor market" equals 4.26 (42.64%), Test-value = -15.04, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to this paragraph.

● The mean of the field "Salaries in the local market" equals 4.92 (49.25%), Test-value = -13.28, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The

sign of the test is negative, so the mean of this field is significantly less than the hypothesized value 6. We conclude that the respondents disagreed to field of "Salaries in the local market "

Respondents' disagreement with this filed is consistent with the general policy of the Agency where salaries of civil servants in host government are used as a basis to determine UNRWA salaries for its locally recruited staff.

However, respondents' disagreement with the second and the third paragraphs could be referred to the impact of compensation practices on internal equity and subsequent perception of equity. Including other salary comparators, which is considered as a deviation from the general policy in the Agency, in order to provide a higher compensation package to certain occupations leads to compensating jobs at same grade level differently. It is of the researcher's point of view that compensation practices in UNRWA is inconsistent with the finding provided by (Robert E. Till, Ronald Karren, 2011)

Table (5.9): Means and Test values for "Salaries in the local market"

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The Agency conducts salary surveys in the labor market for particular grade or occupation those the Agency faces retention/recruitment difficulties	4.98	49.79	-7.68	0.000*	2
2.	The Agency conducts salary survey in the labor market for all jobs fall under the same grade or occupation those the Agency faces retention/recruitment difficulties	4.84	48.45	-8.99	0.000*	3
3.	14. The Agency Applies the salary survey results only on the surveyed jobs those the Agency faces retention/recruitment difficulties	4.67	46.74	-9.45	0.000*	5
4.	The Agency conducts regular salary survey in the labor market to ensure the compatibility between its salaries with	4.61	46.15	-10.06	0.000*	7

		Mean	Mean (%)	Test value	P-value (Sig.)	
	those in the labor market					
5.	The Agency applies the salary survey results on all jobs sharing the occupation and grade of the surveyed job those the Agency faces retention/recruitment difficulties	4.65	46.48	-9.50	0.000*	6
6.	The Agency salaries for the surveyed jobs, those the Agency faces retention/recruitment difficulties, stay ahead of similar positions in the labor market	4.81	48.08	-9.34	0.000*	4
7.	The Agency salaries for the surveyed jobs, those the Agency faces retention/recruitment difficulties, stay even with similar positions in the labor market	4.26	42.64	-15.04	0.000*	8
8.	Total salaries in the Agency determined by the grade level of the job and its occupation	6.55	65.51	3.69	0.000*	1
	All paragraphs of the filed	4.92	49.25	-13.28	0.000*	

* The mean is significantly different from 6

5.3.3 Analysis of the field "Budget (financial situation)"

Table (5.10): Means and Test values for "Budget (financial situation)"

Item	Mean	Mean (%)	Test value	P-value (Sig.)
All paragraphs of the filed	5.11	51.11	-8.86	0.000*

* The mean is significantly different from 6

The mean of the field "Budget (financial situation)" equals 5.11 (51.11%), Test-value = -8.86, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this field is significantly less than the hypothesized value 6. We conclude that the respondents disagreed to field of "Budget (financial situation) "

The Analysis of the field "Budget (financial situation)" reveals that 51.11% of the respondents agreed to this field. This reflects the disagreement of respondents with this field.

Research hypothesis

3. UNRWA Budget has a significant relationship with UNRWA salaries at a level of ≤ 0.05.

Table (5.11) shows the following results:

- The mean of paragraph #5 "The Agency exerts every effort to collect extra donations to cover its expenses including salaries" equals 6.09 (60.90%), Test-value = 0.61, and P-value = 0.271 which is greater than the level of significance $\alpha = 0.05$. Then the mean of this paragraph is insignificantly different from the hypothesized value 6. The researcher concludes that the respondents (Do not know, neutral) to this paragraph.

- The mean of paragraph #1 "The Agency applies the results of the salary survey regardless its financial situation" equals 3.79 (37.90%), Test-value = -13.97, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to this paragraph.

- The mean of the field "Budget (financial situation)" equals 5.11 (51.11%), Test-value = -8.86, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this field is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to field of "Budget (financial situation) ".

This could be attributed to a trust issue between staff and the agency management. From the researcher point of view, the financial ability of an organization to pay or increase salaries is something that must be considered when making a decision. This creates debate between the Agency policy to pay salaries compatible with civil servants' salaries in the host government and the ability to pay particularly when the host government provides a significant salary increase that cannot be financially absorbed easily. However, the past experience of the employees tells them that each time, and particularly upon conducting salary surveys, the agency declared a deficit in its budget, the agency granted salary increases after a pressure from staff representatives. The repeated incidents of change in the agency position led to raise a trust issue; staff starts not receiving the argument of funds are not available for salary increase positively.

Table (5.11): Means and Test values for "Budget (financial situation)"

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The Agency applies the results of the salary survey regardless its financial situation	3.79	37.90	-13.97	0.000*	8
2.	The Agency maintains a consistent salary relationship with its comparator	4.36	43.56	-11.89	0.000*	7
3.	The Agency discusses with staff representatives the most fair salary increase in case there is not enough financial resources	5.07	50.69	-6.47	0.000*	6
4.	The Agency makes retroactive payment of salaries when funds become available for salary increase	5.43	54.31	-3.51	0.000*	3
5.	The Agency exerts every effort to collect extra donations to cover its expenses including salaries	6.09	60.90	0.61	0.271	1
6.	The management of the Agency advocates the right of its employees in receiving fair salaries in the international community	5.23	52.28	-5.22	0.000*	5
7.	The Agency increases the number of delegates in the world to convince countries to provide more donations to support its operations	5.44	54.44	-3.85	0.000*	2
8.	The Agency avails funds whenever there is solid base to upgrade posts	5.43	54.26	-3.95	0.000*	4
	All paragraphs of the filed	5.11	51.11	-8.86	0.000*	

* The mean is significantly different from 6

5.3.4 Analysis of the Field "Level of Responsibility and accountability"

Table (5.12): Means and Test values for "Level of Responsibility and accountability"

Item	Mean	Mean (%)	Test value	P-value (Sig.)
All paragraphs of the filed	6.42	64.22	4.63	0.000*

* The mean is significantly different from 6

The mean of the filed "Level of Responsibility and accountability" equals 6.42 (64.22%), Test-value = 4.63, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 6. The researcher concludes that the respondents agreed to field of "Level of Responsibility and accountability ".

The Analysis of the field "Level of Responsibility and accountability" reveals that 64.22% of the respondents agreed to this field. This reflects the agreement of respondents with this field.

Research hypothesis

4. Job responsibilities and accountabilities affect UNRWA salaries at significant effect of ≤ 0.05.

Table (5.13) shows the following results:

- The mean of paragraph #1 "The Agency maintains a written and classified job description for each available job" equals 8.02 (80.21%), Test-value = 15.51, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 6. The researcher concludes that the respondents agreed to this paragraph.

- The mean of paragraph #6"The Agency evaluates revised job descriptions to ensure the accuracy of their grades" equals 5.58 (55.80%), Test-value = -3.24, and P-value = 0.001 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to this paragraph.

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- The mean of the filed "Level of Responsibility and accountability" equals 6.42 (64.22%), Test-value = 4.63, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 6. The researcher concludes that the respondents agreed to field of "Level of Responsibility and accountability ".

The researcher attributes the agreement of respondents to this field to the reason that UNRWA maintains updated job descriptions and applies job evaluation system when classifying jobs. Duties and responsibilities as well as grade level of the job are shown on the job description. Each employee sign on a copy of job description related to the position he/she will occupy. The procedures to revise job description are well known to staff at large.

Table (5.13): Means and Test values for "Level of Responsibility and accountability"

	Item	Mean	Proportional mean	Test value	P-value (Sig.)	Rank
1.	The Agency maintains a written and classified job description for each available job	8.02	80.21	15.51	0.000*	1
2.	The Agency conducts regular job analysis exercise to ensure the validity of duties and responsibilities assigned to each respective job in order to determine the appropriate job grade	6.11	61.05	0.75	0.226	5
3.	The Agency regularly update Job descriptions to ensure the validity of their duties, responsibilities and qualification and subsequently their grades	5.93	59.28	-0.51	0.304	6
4.	The Agency has job classification system used to determine job grade	6.28	62.78	1.98	0.024*	4
5.	The Agency has formal job evaluation plan to maintain accurate jobs relativity and grades	5.58	55.83	-3.16	0.001*	7

6.	The Agency evaluates revised job descriptions to ensure the accuracy of their grades	5.58	55.80	-3.24	0.001*	8
7.	There are jobs at same level of responsibilities but with different grades	7.01	70.06	7.78	0.000*	2
8.	There is evident that same posts have different grades across the Agency	6.77	67.70	5.40	0.000*	3
	All paragraphs of the filed	6.42	64.22	4.63	0.000*	

* The mean is significantly different from 6

5.3.5 Analysis of the field "Qualifications Required"

Table (5.14): Means and Test values for "Qualifications Required"

Item	Mean	Mean (%)	Test value	P-value (Sig.)
All paragraphs of the filed	7.14	71.39	13.26	0.000*

* The mean is significantly different from 6

• The mean of the filed "Qualifications Required" equals 7.14 (71.39%), Test-value = 13.26, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 6. The researcher concludes that the respondents agreed to field of "Qualifications Required ".

The Analysis of the field "Qualifications Required" reveals that 71.39% of the respondents agreed to this field. This reflects the agreement of respondents with this field.

Research hypothesis

5. Job qualification requirements have significant relationship with UNRWA salaries at a level of ≤ 0.05.

Table (5.15) shows the following results:

• The mean of paragraph #1 "The Agency determines the required qualifications for each job" equals 8.46 (84.61%), Test-value = 22.37, and P-value = 0.000 which is smaller

than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 6. The researcher concludes that the respondents agreed to this paragraph.

■ The mean of paragraph #5"The Agency hires employee who lacks part of the required job qualifications at grade lower than the post grade" equals 5.33 (53.25%), Test-value = -4.23, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to this paragraph.

• The mean of the filed "Qualifications Required" equals 7.14 (71.39%), Test-value = 13.26, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 6. The researcher concludes that the respondents agreed to field of "Qualifications Required ".

Respondents' agreement to this field could be attributed to the existence of regulatory framework that governs recruitment process in the Agency. Jobs' applicants should possess all qualifications required to the jobs they applied to.

Table (5.15): Means and Test values for "Qualifications Required"

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The Agency determines the required qualifications for each job	8.46	84.61	22.37	0.000*	1
2.	The Agency considers qualifications in determining the job grade	7.47	74.73	11.35	0.000*	4
3.	Jobs requiring equal qualification are classified at the same grade	5.82	58.20	-1.17	0.122	6
4.	People who apply for jobs in the Agency must possess the qualification required of the	7.75	77.51	13.33	0.000*	3

	job in order to ensure internal equity					
5.	The Agency hires employee who lacks part of the required job qualifications at grade lower than the post grade	5.33	53.25	-4.23	0.000*	7
6.	The Agency hires the person who meets the required job qualifications at grade same of the post grade	7.33	73.27	9.67	0.000*	5
7.	The Agency provides equal opportunity for male and female who possess the qualifications required of the job	7.79	77.87	13.01	0.000*	2
	All paragraphs of the filed	7.14	71.39	13.26	0.000*	

* The mean is significantly different from 6

5.3.6 Analysis of the field "Experience Required"

Table (5.16): Means and Test values for "Experience Required"

Item	Mean	Mean (%)	Test value	P-value (Sig.)
All paragraphs of the filed	5.94	59.36	-0.81	0.208

* The mean is significantly different from 6

The mean of the filed "Experience Required" equals 5.94 (59.36%), Test-value = -0.81, and P-value=0.208 which is greater than the level of significance $\alpha = 0.05$. Then the mean of this field is insignificantly different from the hypothesized value 6. The researcher concludes that the respondents (Do not know, neutral) to field of "Experience Required".

The Analysis of the field "Experience Required" reveals that 59.36% of the respondents agreed to this field. This reflects the disagreement of respondents with this field.

Research hypothesis

6. Job experience requirements have significant relationships with UNRWA salaries at a level of ≤ 0.05.

Table (5.17) shows the following results:

- The mean of paragraph #1 "The Agency specifies the experience required for each job" equals 8.49 (84.94%), Test-value = 23.16, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 6. The researcher concludes that the respondents agreed to this paragraph.

- The mean of paragraph #6 "The Agency financially rewards new hires who have years of experience more than those of required years for the job" equals 2.92 (29.15%), Test-value = -24.09, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly less than the hypothesized value 6 . The researcher concludes that the respondents disagreed to this paragraph.

- The mean of the filed "Experience Required" equals 5.94 (59.36%), Test-value = -0.81, and P-value=0.208 which is greater than the level of significance $\alpha = 0.05$. Then the mean of this field is insignificantly different from the hypothesized value 6. The researcher concludes that the respondents (Do not know, neutral) to field of "Experience Required".

The Agency determines the minimum number of years of experience required for each job and documents this on the related job descriptions. Recruitment against positions is bounded by job requirement. However, and in exceptional circumstances, the Agency may hire candidate with years of experience less than job requirements, in such cases, the candidate will be placed against grade less than the position's grade and on equivalency basis in accordance with the Agency standing policy.

Table (5.17): Means and Test values for "Experience Required"

	Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The Agency specifies the experience required for each job	8.49	84.94	23.16	0.000*	1
2.	The Agency considers the required	7.28	72.79	9.36	0.000*	3

	experience when determining the job grade					
3.	Persons who apply for jobs at the Agency must have the required years of experience	7.44	74.35	10.36	0.000*	2
4.	The Agency hires candidates who lacks some of the required years of experience at grade lower than the post grade	5.22	52.24	-5.01	0.000*	5
5.	The Agency hires candidates who have the required years of experience at grade same of the post grade	7.01	70.12	6.93	0.000*	4
6.	The Agency financially rewards new hires who have years of experience more than those of required years for the job	2.92	29.15	-24.09	0.000*	7
7.	The Agency follows the labor market practices in rewarding years of experience those are more than the required years for the job	3.02	30.21	-22.98	0.000*	6
	All paragraphs of the filed	5.94	59.36	-0.81	0.208	

* The mean is significantly different from 6

5.3.7 Analysis of the field "Training"

Table (5.18): Means and Test values for "Training"

Item	Mean	Mean (%)	Test value	P-value (Sig.)
All paragraphs of the filed	3.97	39.73	-20.91	0.000*

 * The mean is significantly different from 6

The mean of the field "**Training**" equals 3.97 (39.73%), Test-value = -20.91, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this field is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to field of "**Training**".

The Analysis of the field "Training" reveals that 39.73% of the respondents agreed to this field. This reflects the disagreement of respondents with this field.

Research hypothesis

7.   Job related training affects UNRWA salaries at significant effect of ≤ 0.05.

Table (5.19) shows the following results:

● The mean of paragraph #7"Training courses give the opportunity for career development at the Agency" equals 5.57 (55.73%), Test-value = -2.77, and P-value = 0.003 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to this paragraph.

● The mean of paragraph #4"The Agency financially rewarding employee who participated in training courses more than required for the job" equals 2.71 (27.10%), Test-value = -28.07, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to this paragraph.

• The mean of the field "**Training**" equals 3.97 (39.73%), Test-value = -20.91, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this field is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to field of "**Training**".

Results are sensible; the Agency follows the Job-based pay system in compensating its staff. Job-based pay system which is a common compensation structure where organizations pay based on expectations and requirements of a given job. Participating in training courses more than job requirements is, from the Agency point of view, an individual issue that would not be rewarded. The agency practice is inconsistent with the study of (O'Keeffe, T. 2002) which provides that learning organizations developed as a result of the pressures facing modern organizations and enables them to remain competitive in the business environment.

Table (5.19): Means and Test values for "Training"

	Item	Mean	Proportional mean	Test value	P-value (Sig.)	Rank
1.	The Agency specifies training courses required for each job	4.58	45.82	-9.17	0.000*	2
2.	The Agency considers the required training courses when determining the job grade	4.33	43.25	-11.94	0.000*	3
3.	Persons who apply for jobs in the Agency must be participated the required training courses	4.27	42.72	-11.95	0.000*	4
4.	The Agency financially rewarding employee who participated in training courses more than required for the job	2.71	27.10	-28.07	0.000*	7
5.	The Agency provides equal training opportunity for each respective occupation and grade	3.31	33.10	-20.58	0.000*	5
6.	The Agency follows the labor market practice in rewarding training courses	3.02	30.21	-24.55	0.000*	6
7.	Training courses give the opportunity for career development at the Agency	5.57	55.73	-2.77	0.003*	1
	All paragraphs of the filed	3.97	39.73	-20.91	0.000*	

* The mean is significantly different from 6

5.3.8 Analysis of the field "Higher education certificate than job requirement"

Table (5.20): Means and Test values for "Higher education certificate than job requirement"

Item	Mean	Mean (%)	Test value	P-value (Sig.)
All paragraphs of the filed	3.37	33.72	-33.04	0.000*

* The mean is significantly different from 6

The mean of the field "**Higher education certificate than job requirement**" equals 3.37 (33.72%), Test-value = -33.04, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this field is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to field of "**Higher education certificate than job requirement** ".

The Analysis of the field "Higher education certificate than job requirement" reveals that 33.72% of the respondents agreed to this field. This reflects the disagreement of respondents with this field.

Research Hypothesis

8. Education certificate higher than job requirements has significant relationship with UNRWA salaries at a level of ≤ 0.05.

Table (5.21) shows the following results:

- The mean of paragraph #4"The total financial rewards is lower than that of same qualification in the host government" equals 5.64 (56.40%), Test-value = -2.08, and P-value = 0.019 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to this paragraph.

- The mean of paragraph #3"The total financial rewards is even than that of same qualification in the host government" equals 2.33 (23.30%), Test-value = -35.10, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this paragraph is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to this paragraph.

- The mean of the field "**Higher education certificate than job requirement**" equals 3.37 (33.72%), Test-value = -33.04, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is negative, so the mean of this field is significantly less than the hypothesized value 6. The researcher concludes that the respondents disagreed to field of "**Higher education certificate than job requirement** ".

Respondents' disagreement to this field could be attributed to the same reason of the previous field "job related training". The Agency followed job-based compensation system where salary is paid based on expectations and requirements of a given job.

Table (5.21): Means and Test va

lues for "Higher education certificate than job requirement"

	Item	Mean	Proportional mean	Test value	P-value (Sig.)	Rank
1.	The Agency financially reward qualifications more than those of job requirements	2.34	23.43	-33.15	0.000*	6
2.	The total financial rewards is higher than that of same qualification in the host government	2.44	24.44	-30.91	0.000*	5
3.	The total financial rewards is even than that of same qualification in the host government	2.33	23.30	-35.10	0.000*	7
4.	The total financial rewards is lower than that of same qualification in the host government	5.64	56.40	-2.08	0.019*	1
5.	The total financial rewards is higher than that of same qualification in the labor market	2.85	28.53	-26.40	0.000*	3
6.	The total financial rewards is even than that of same qualification in the labor market	2.53	25.32	-33.46	0.000*	4
7.	The total Financial rewards in the labor market is higher than that of the Agency for the same qualification	5.47	54.74	-3.13	0.001*	2
	All paragraphs of the filed	3.37	33.72	-33.04	0.000*	

* The mean is significantly different from 6

Chapter 6

**Conclusions
&
Recommendations**

6.1   Introduction

In this chapter, the researcher will discuss the conclusion of finding as well as the recommendations resultant from this study.

6.2   Conclusions

The research investigates the reality of salary justice in compensation practices by studying the major factors influence the justice of UNRWA salaries. Three main factors founds to influence salary justice; Pay Policy, Internal Equity and External Equity.

In light of findings those were presented in chapter number five, the researcher sees that the most notable conclusions are:

❖   49.99% of the respondents agreed that there is a statistical significant relationship between "**salaries in UNRWA's the host government**" and salaries' justice in UNRWA for its locally recruited staff. This reflects a deficiency of the communication channels between UNRWA management and staff unions from one side and UNRWA employees from the other side.

❖   54% of the respondents agreed that there is a statistical significant relationship between statement number five of the variable "**salaries in the host government**", which stipulates that the Agency grants equal salary increase to all jobs sharing the grade of the benchmark jobs, and salaries' justice in UNRWA for its locally recruited staff. This means that 46% of the respondents agreed that the Agency does not grant equal salary increase to all jobs sharing the grade of the benchmark jobs. Such compensation practice challenges the internal equity and the concept of benchmarking.

❖   49.25% of the respondents agreed that there is a statistical significant relationship between **"Salaries of local market**" and salaries' justice in UNRWA for its locally recruited staff. This could be attribute to the payment of Special Occupation Allowance (SOA) based on the salaries prevail in the labor market for certain grades. This means that posts at the same grades are entitled to different compensation packages, such approach is inconsistent with the job-based compensation system followed by UNRWA.

❖   51.11% of the respondents agreed that there is a statistical significant relationship between "**UNRWA Budget"** and salaries' justice in UNRWA for its locally recruited staff**.** This indicates a trust issue between employees and management.

❖   70.06% of the respondents agreed that there is a statistical significant relationship between statement seven of the field "**Level of Responsibility and accountability**", which stipulates that "There are jobs at same level of responsibilities but with different grades", and salaries' justice in UNRWA. 67.70% of the respondents agreed that there is a statistical significant relationship between statement eight of the same field which stipulates that "There is evident that same posts have different grades across the Agency", and salaries' justice in UNRWA. This indicates, from respondents' point of view, discrepancies in job classifications.

❖   71.39% of the respondents agreed that there is a statistical significant relationship between "**Qualifications Required"** and salaries' justice in UNRWA for its locally recruited staff**.** This could be attributed to the existence of regulatory framework that governs recruitment process in the Agency.

❖   59.36% of the respondents agreed that there is a statistical significant relationship between "**Experience Required"** and salaries' justice in UNRWA for its locally recruited staff**.** This indicates the neutrality of the respondents or they simply do not know about the effect of this variable. Such status could be attributed to the existence of equivalency approach followed by the organization whenever the best candidate lack part of qualifications or experience required.

❖   39.73% of the respondents agreed that there is a statistical significant relationship between "**Job related training"** and salaries' justice in UNRWA for its locally recruited staff**,** and 33.72% of the respondents agreed that there is a statistical significant relationship between "**Education certificate higher than job requirements"** and salaries' justice in UNRWA for its locally recruited staff**.** This indicates, from respondents' point of view, that the Agency is neither reward nor acknowledges such additional training and academic qualifications those are on the top of job requirements.

6.3   Recommendations

The research indicates that there are areas in compensation practices where UNRWA management has to improve and/or to think about their streamlining in order to make them in line with the standing compensation policy, and the followed practice of the Agency. Such areas could be summarized as follows:

1. Communication is a retention strategy: UNRWA would benefit from communicating its pay policy and compensation practices to the employees. A sound policy that consistently applied creates a sense of fairness. Pay communication enhances justice perceptions, which increases pay satisfaction. Some previous studies provided that employees will be satisfied with their pay, they must believe that it is justly determined and distributed.

2. Internal equity: The Agency applies job classification system in order to determine the grade level of the post. A pay grade is a step within a compensation system that defines the amount of pay an employee will receive. The pay grade is generally defined by the level of the responsibilities performed within the job description of the position and the length of time the employee has performed the job. Payment of additional allowance for certain occupations or for group of posts challenges the internal equity and subsequently the salary justice. The agency should not pay allowances on the top of base salaries unless there is genuine need for such exception, this would be consistent to the Agency standing policy of Special Occupation Allowance (SOA).

3. External equity: research finding show that benchmark jobs may be granted salary increases at a percentage higher than other jobs sharing the benchmark job's grade. As long as the benchmark jobs are selected to represents all jobs in each respective grade, salary increase granted to all jobs sharing the same grade should be the same, otherwise, the percentage of salary increase granted to jobs other than benchmark jobs would not be based on the comparator's practice.

4. Post grades: The Agency should exert every effort to ensure that the same post must not have several grade levels.

5. Individual qualifications: researches provide that the relationship between learning and performance goes beyond tangible expectations; Reward and recognition is a catalyst for the development of organizational learning. Also, other research conducted on Britain labor market provided that the returns to academic qualifications are higher if individuals subsequently acquire a skilled rather than an unskilled job. Amongst vocational qualifications, only professional qualifications attract a statistically significantly different return according to job type, again earning a higher return in skilled jobs. Based on this, it is recommended to reward and recognize staff who acquire qualifications more than those requested for the job. This would motivate the staff to bring more skills to support the agency operation and management.

6.4 Recommended Studies

➢ The impact of job-based compensation system on staff motivation in UNRWA;

➢ A comparative study between UNRWA compensation package and that of the host government;

➢ The impact of changing the job-based compensation system to skills-based compensation systems on both employee and employer, a case study between UNRWA and one of its host governments.

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N.B.   The researcher checked all the above mentioned Websites on the 5th of July 2013.

Appendices

Appendix 1- Questionnaire Judgment Committee

Dr. Faris Abu Moumar	The Islamic University-Gaza
Dr. Rushdi Wadi	The Islamic University-Gaza
Dr. Sami Abu Alross	The Islamic University-Gaza
Mr. Ramadan Alomari (expert in the field)	The Islamic University-Gaza
Dr. Basheir Rayyes	Birzeit University
Dr. Nujude Habash	Birzeit University
Dr. Mohammed Abbas	Amman Arab University
Dr. Shawqi Naji Jawad	Amman Arab University

Appendix 2- Questionnaire in Arabic

الجامعة الإسلامية – غزة

عمـادة الدراسـات العليا

كلية التجارة – قسم إدارة الأعمال

الأخ/ت الفاضل/ة   السلام عليكم ورحمة الله وبركاته...

يقوم الباحث بإعداد دراسة بعنوان: " واقع عدالة الرواتب في ممارسات التعويض" وذلك استكمالاً لنيل درجة الماجستير في

إدارة الأعمال من الجامعة الإسلامية. و لقياس ذلك أعد الباحث الاستبانة المرفقة والتي تهدف إلى التعرف على آرائكم

نظراً للدور البارز الذي تلعبه الكفاءات الفلسطينية. اتخذ الباحث الموظفين العاملين في مكتب غزه الاقليمي مجتمعا

للبحث, و تشمل عينة الدراسة الموظفين المحليين على الدرجات 1–20. إن حرصكم على تقديم المعلومات الكافية بدقة

وموضوعية سيؤدي إلى الوصول إلى أفضل النتائج لموضوع الدراسة، مما سيعود بالنفع والخير على كافة مؤسسات

المجتمع الفلسطيني, بإذن الله, علماً بأن البيانات التي يتم الحصول عليها سوف تستخدم لأغراض البحث العلمي فقط.

شاكرين لكم حسن تعاونكم

وتفضلوا بقبول فائق الاحترام والتقدير،،،

الباحث/ حازم المصدر

القسم الأول: المعلومات الشخصية

الجنس	❑ذكر ❑ أنثى
العمر	❑ 29-20 ❑ 39-30 ❑49-40❑ 50-59 ❑ 60 فأكثر
الحالة الشخصية	❑أعزب ❑ متزوج ❑ أرمل❑ مطلق
المؤهل العلمي	❑ أقل من ثانوية عامة ❑ ثانوية عامة ❑ دبلوم ❑بكالوريس❑ماجستير❑دكتوراه
المسمى الوظيفي	
الدرجة الوظيفية	
سنوات الخبرة	❑ أقل من 5 سنوات ❑9-5 سنوات❑14-10 سنة ❑ أكثر من 15 سنة

القسم الثاني: سياسة رواتب الموظفين المحليين في الوكالة و تطبيقاتها

أرجو اختيار درجة من 1-10 أمام كل عبارة من العبارات الواردة في الاستبانة حيث تعبر الدرجة واحد عن عدم الموافقة الشديدة والدرجة 10 عن الموافقة الشديدة

الدرجة	الفقرات
	أ. **الرواتب في الحكومات المضيفة للأونروا**
	1.تجري الوكالة دراسات منتظمة لرواتب موظفيها المحليين لضمان عدالة رواتبهم
	2. تختار الوكالة الحكومة المضيفة كأساس لمقارنة رواتب موظفيها المحليين وفقا لسياسة الاجور فيها
	3. تختار الوكالة وظائف معيارية عندما تقوم باجراء دراسة مقارنة لرواتبها مع رواتب موظفي الدولة المضيفة
	4. يمثل راتب الوظيفة المعيارية المختارة رواتب جميع الوظائف المشاركة لها في الدرجة الوظيفية
	5. تمنح الوكالة جميع الوظائف التي تشترك مع الوظيفية المعيارية في الدرجة نفس الزيادة في الراتب
	6. تبقى رواتب الموظفين المحليين في الوكالة أعلى من رواتب الموظفين المقارنين في الدولة المضيفة
	7. تبقى رواتب الموظفين المحليين في الوكالة مساوية لرواتب الموظفين المقارنين في الدولة المضيفة
	8. تبقى رواتب الموظفين المقارنين في الدولة المضيفة أعلى من رواتب الموظفين المحليين في الوكالة
	9. يزيد إجمالي المكافآت المالية في الوكالة عن إجمالي المكافآت المالية التي تمنحها الحكومة المضيفة للوظائف المساوية
	10. يتساوى إجمالي المكافآت المالية في الوكالة مع إجمالي المكافآت المالية التي تمنحها الحكومة المضيفة للوظائف المساوية

	الفقرات
	11. يزيد إجمالي المكافآت المالية في الحكومة المضيفة عن إجمالي المكافآت المالية التي تمنحها الوكالة للوظائف المساوية
ب. الرواتب في السوق المحلي	
	12. تجري الوكالة دراسات للرواتب في سوق العمل و بشكل خاص للوظائف والدرجات الوظيفية التي تواجه فيها الوكالة صعوبات في استبقاءالموظفين أو في التوظيف
	13. تجري الوكالة دراسة للرواتب في سوق العمل لجميع الوظائف التي تواجه فيها الوكالة صعوبات في الاستبقاء/والتوظيف و التي تندرج تحت نفس طبيعة المهنة والدرجات الوظيفية
	14. تطبق الوكالة نتائج دراسة الرواتب على الوظائف التي شملتها الدراسة فقط
	15. تجري الوكالة دراسة منتظمة للرواتب في سوق العمل لضمان التوافق بين رواتبها والرواتب الموجودة في سوق العمل
	16. تطبق الوكالة نتائج دراسة الرواتب على كل الوظائف التي تشترك في المنصب والدرجة الوظيفية مع الوظائف التي شملتها الدراسة
	17. تبقى رواتب الوكالة للوظائف التي شملتها الدراسة، والتي تواجه فيه الوكالة صعوبات في الاستبقاء/التوظيف، أعلى من رواتب الوظائف المماثلة لها في سوق العمل
	18. تبقى رواتب الوكالة للوظائف التي شملتها الدراسة، والتي تواجه فيه الوكالة صعوبات في الاستبقاء/التوظيف، مساوية لرواتب الوظائف المماثلة لها في سوق العمل
	19. يعتمد إجمالي الراتب في الوكالة على درجة الوظيفة و طبيعة المهنة
ت. الموازنة (الوضع المالي)	
	20. تطبق الوكالة نتائج دراسة الرواتب مهما يكن موقفها المالي.
	21. تحاول الوكالة أن تكون رواتبها أعلى من الرواتب في الدولة المضيفة بمعدل نسبة مئوية ثابت
	22. تناقش الوكالة مع ممثلي الموظفين الطرق الأكثر عدالة لزيادة الراتب عندما تكون الموارد المالية المتاحة غير كافية
	23. تدفع الوكالة الرواتب بأثر رجعي عندما تكون الأموال متاحة لزيادة الراتب
	24. تبذل الوكالة الجهد الممكن لجمع المزيد من التبرعات لتغطية جميع نفقاتها بما في ذلك نفقات الرواتب
	25. تدافع إدارة الوكالة عن حق موظفيها في تلقي رواتب عادلة في المجتمع الدولي
	26. تزيد الوكالة من عدد مندوبيها في العالم بهدف إقناع الدول المانحة على تقديم المزيد من التبرعات لدعم عمليات الوكالة
	27. توفرالوكالة الأموال اللازمة لترقية الوظائف إذا كان سبب الترقية سليم
ث. مستوى المسؤولية والمساءلة	
	28. تحتفظ الوكالة بتوصيف وظيفي مكتوب ومصنف لكل وظيفة متاحة

الدرجة	الفقرات
	29. تجري الوكالة تحليل وظيفي منتظم لضمان صحة المهام والمسؤوليات المسندة لكل وظيفة متوفرة و ذلك بهدف تحديد الدرجة الوظيفية العادلة
	30. تحدث الوكالة التوصيف الوظيفي بشكل منتظم لضمان صحة واجباتها ومسؤولياتها والمؤهلات المطلوبه لها وبالتالي صحة درجتها الوظيفية
	31. تمتلك الوكالة نظام تقييم وظيفي يستخدم لتحديد الدرجة الوظيفية
	32. يوجد لدى الوكالة خطة لتقييم الوظائف المتاحة للحفاظ على الدرجات الوظيفية صحيحة و عادلة
	33. تقيم الوكالة التوصيف الوظيفي المعدل للوظيفة بهدف ضمان عدالة درجاتها الوظيفية
	34. يوجد في الوكالة وظائف على نفس المستوى من المسؤوليات ولكن على درجات وظيفية مختلفة
	35. يوجد في الوكالة وظائف لها درجات وظيفية متعددة
ج .المؤهلات المطلوبة	
	36. تحدد الوكالة المؤهلات المطلوبة لكل وظيفة
	37. تأخذ الوكالة بعين الإعتبار المؤهلات المطلوبة لكل وظيفة عند إجراء عملية تقييم الوظائف
	38. الوظائف التي تتطلب مؤهلات متساوية يتم تصنيفها على نفس الدرجة الوظيفية
	39. يجب على الأشخاص الذين يتقدموا لوظائف في الوكالة أن يكونوا حاصلين على المؤهلات المطلوبة للوظيفة
	40. توظف الوكالة الشخص الذي يفتقر إلى جزء من المؤهلات المطلوبة للوظيفة على درجة أقل من درجة الوظيفة
	41. توظف الوكالة الشخص الذي يمتلك المؤهلات المطلوبة للوظيفة على نفس درجة الوظيفة
	42. تقدم الوكالة فرص متساوية للذكور والإناث و الحاصلين على المؤهلات المطلوبة للوظيفة
ح . الخبرة المطلوبة	
	43. تحدد الوكالة الخبرة المطلوبة لكل وظيفة
	44. تأخذ الوكالة بعين الاعتبار الخبرة المطلوبة عند تحديد الدرجة الوظيفية
	45. يجب على الأشخاص الذين يتقدمون للوظائف في الوكالة أن يكون لديهم سنوات الخبرة المطلوبة
	46. توظف الوكالة الشخص الذي يفتقر إلى بعض سنوات الخبرة في درجة وظيفة أقل من الدرجة الوظيفية للمنصب
	47. توظف الوكالة الشخص الذي يمتلك سنوات الخبرة المطلوبة في نفس الدرجة الوظيفية للمنصب
	48. تكافئ الوكالة ماليا الموظفين الجدد الذين لديهم سنوات خبرة أكثر من متطلبات الوظيفة
	49. تتبع الوكالة ممارسات السوق في مكافأة سنوات الخبرة التي تزيد عن تلك المطلوبة للوظيفة

الدرجة	الفقرات
	خ . التدريب
	50. تحدد الوكالة الدورات التدريبية المطلوبة لكل وظيفة
	51. تأخذ الوكالة بعين الإعتبار الدورات التدريبية المطلوبة عند تحديد الدرجة الوظيفية لكل وظيفة
	52. يجب على الأشخاص الذين يتقدمون للوظائف في الوكالة أن يكونوا حاصلين على الدورات التدريبية المطلوبة
	53. تكافئ الوكالة ماليا الموظف الذي يحصل على دورات تدريبية تتوافق مع متطلبات الوظيفة
	54. تتكافأ الفرص التدريبية لكل الوظائف والدرجات الوظيفية في الوكالة
	55. تتبع الوكالة ممارسات سوق العمل حين مكافأة الدورات التدريبية
	56. تعطي الدورات التدريبية الفرصة للتطور الوظيفي في الوكالة
	د. الشهادات العلمية التي هي أعلى من متطلبات الوظيفة
	57. تقدم الوكالة مكافآت مالية للموظفين ذوي المؤهلات العلمية الأعلى من متطلبات الوظيفة
	58. يزيد إجمالي المكافآت المالية في الوكالة لذوي المؤهلات العلمية التي تزيد عن متطلبات الوظيفة عن الذي تمنحها الحكومة المضيفة لنفس المؤهلات
	59. تعوض الوكالة و الحكومة المضيفة المؤهلات العلمية بالتساوى
	60. يزيد إجمالي المكافآت المالية في الحكومة المضيفة لذوي المؤهلات العلمية التي تزيد عن متطلبات الوظيفة عن التي تمنحها الوكالة لنفس المؤهلات
	61. يزيد إجمالي المكافآت المالية في الوكالة لذوي المؤهلات العلمية التي تزيد عن متطلبات الوظيفة عن التي يتم منحها في سوق العمل لنفس المؤهلات
	62 تعوض الوكالة و سوق العمل المؤهلات العلمية بالتساوى
	63. يزيد إجمالي المكافآت المالية في سوق العمل لذوي المؤهلات العلمية التي تزيد عن متطلبات الوظيفة عن التي تمنحها الوكالة لنفس المؤهلات

Section 1: Personal information

Sex	❑ Male ❑Female
Age	❑ 20-29 ❑30-39 ❑40-49 ❑ 50-60
Marital Status	❑ Single ❑ Married ❑Widow ❑Divorced
Education	❑ Below Secondary ❑Secondary ❑Diploma ❑First degree ❑Second degree ❑PhD
Job Title	
Grade	
Years of Service	❑Less than 5 years ❑5-9 years ❑10-14 years ❑ more than 15

Section 2: The Agency Area Staff Pay Policy and its application

Please select from 1 to 10 where 1 represents a strong disagreement and 10 represents a strong agreement.

Statement	Level
A. Salaries in UNRWA host governments	
1. The Agency conducts regular salary surveys in order to ensure the fairness of its salaries	
2. The Agency selects the host government as salary comparator pursuant to its pay policy	
3. The Agency selects benchmark jobs to survey their salaries in the host government for salary comparison purpose	
4. Salaries of the selected benchmarks job represent the salaries of all jobs in each respective grade.	
5. The Agency grants equal salary increase to all jobs sharing the grade of the benchmark jobs	
6. Salaries in the Agency stay ahead of salaries in the comparator	
7. Salaries in the Agency stay even with salaries in the comparator	
8. Salaries in the comparator stay ahead of salaries in the Agency	
9. The total financial rewards in the Agency is higher than that of same position in the host government	
10. The total financial rewards in the Agency is even with that of same position in the host government	
11. The total monetary rewards in the host government is higher than that of same position in the Agency	

Statement	Level
B. Salaries in the local market	
12. The Agency conducts salary surveys in the labor market for particular grade or occupation those the Agency faces retention/recruitment difficulties	
13. The Agency conducts salary survey in the labor market for all jobs fall under the same grade or occupation those the Agency faces retention/recruitment difficulties	
14. The Agency Applies the salary survey results only on the surveyed jobs those the Agency faces retention/recruitment difficulties	
15. The Agency conducts regular salary survey in the labor market to ensure the compatibility between its salaries with those in the labor market	
16. The Agency applies the salary survey results on all jobs sharing the occupation and grade of the surveyed job those the Agency faces retention/recruitment difficulties	
17. The Agency salaries for the surveyed jobs, those the Agency faces retention/recruitment difficulties, stay ahead of similar positions in the labor market	
18. The Agency salaries for the surveyed jobs, those the Agency faces retention/recruitment difficulties, stay even with similar positions in the labor market	
19.Total salaries in the Agency determined by the grade level of the job and its occupation	
C. Budget (financial situation)	
20. The Agency applies the results of the salary survey regardless its financial situation	
21. The Agency maintains a consistent salary relationship with its comparator	
22. The Agency discusses with staff representatives the most fair salary increase in case there is not enough financial resources	
23. The Agency makes retroactive payment of salaries when funds become available for salary increase	

Statement	Level
24. The Agency exerts every effort to collect extra donations to cover its expenses including salaries	
25. The management of the Agency advocates the right of its employees in receiving fair salaries in the international community	
26. The Agency increases the number delegates in the word to convince countries to provide more donations to support its operations	
27. The Agency avails funds whenever there is solid base to upgrade posts	

D. Level of Responsibility and accountability	Level
28. The Agency maintains a written and classified job description for each available job	
29. The Agency conducts regular job analysis exercise to ensure the validity of duties and responsibilities assigned to each respective job in order to determine the appropriate job grade	
30. The Agency regularly update Job descriptions to ensure the validity of their duties, responsibilities and qualification and subsequently their grades	
31. The Agency has job classification system used to determine job grade	
32. The Agency has formal job evaluation plan to maintain accurate jobs relativity and grades	
33. The Agency evaluates revised job descriptions to ensure the accuracy of their grades	
34. There are jobs at same level of responsibilities but with different grades	
35. There is evident that same posts have different grades across the Agency	

E. Qualifications Required	
36. The Agency determines the required qualifications for each job	
37. The Agency considers qualifications in determining the job grade	
38. Jobs requiring equal qualification are classified at the same grade	

Statement	Level
39. People who apply for jobs in the Agency must possess the qualification required of the job in order to ensure internal equity	
40. The Agency hires employee who lacks part of the required job qualifications at grade lower than the post grade	
41. The Agency hires the person who meets the required job qualifications at grade same of the post grade	
42. The Agency provides equal opportunity for male and female who possess the qualifications required of the job	
F. Experience Required	
43. The Agency specifies the experience required for each job	
44. The Agency considers the required experience when determining the job grade	
45. Persons who apply for jobs at the Agency must have the required years of experience	
46. The Agency hires candidates who lacks some of the required years of experience at grade lower than the post grade	
47. The Agency hires candidates who have the required years of experience at grade same of the post grade	
48. The Agency financially rewards new hires who have years of experience more than those of required years for the job	
49. The Agency follows the labor market practices in rewarding years of experience those are more than the required years for the job	
G. Training	
50. The Agency specifies training courses required for each job	
51. The Agency considers the required training courses when determining the job grade	
52. Persons who apply for jobs in the Agency must be participated the required training courses	
53. The Agency financially rewarding employee who participated in training courses more than required for the job	
54 The Agency provides equal training opportunity for each respective occupation and grade	

Statement	Level
55. The Agency follows the labor market practice in rewarding training courses	
56. Training courses give the opportunity for career development at the Agency	
H. Higher education certificate than job requirement	
57. The Agency financially reward qualifications more than those of job requirements	
58. The total financial rewards is higher than that of same qualification in the host government	
59. The total financial rewards is even than that of same qualification in the host government	
60. The total financial rewards is lower than that of same qualification in the host government	
61. The total financial rewards is higher than that of same qualification in the labor market	
62. The total financial rewards is even than that of same qualification in the labor market	
63. The total Financial rewards in the labor market lower is higher than that of the Agency for the same qualification	