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## **Abstract**

# **Evaluating the Performance Appraisal System in Public Universities in Saudi Arabia and its Impact on Human Resource Decisions**

**Faiz A. Alqahtani**

In the changing and dynamic world, whilst companies endeavour to achieve their short and long term objectives in an efficient and effective manner, evaluating their human resources (HR) is regarded as an essential and fundamental process for achieving organisational objectives. However, the performance appraisal (PA) process is not only important for being the main provider of data in order to make HR related administrative decisions, but it also helps to provide information for identifying and influencing the development and satisfaction of the employees in carrying out their duties. This, in turn, contributes towards the achievement of the organisational objectives.

The universities are knowledge-based organisations dependent entirely on the commitment and innovation of their teaching staff, and, therefore, they are different in terms of the organisational activity from other institutions. However, the management of universities, as educational institutions, is not that much different from other organisations. Therefore, all the management issues faced in other organisations are also relevant to universities, including HR management strategies drawn from PA systems (PASs). Hence, this study aims to evaluate the current PAS in Saudi Arabian public universities according to the perceptions of the teaching members who are subject to the PA process. It also aims to develop a new PAS based on the results developed from the research.

In responding to the aim of the study, a questionnaire schedule was developed and conducted in four major public universities in Saudi Arabia. The researcher sent out 351 questionnaires, of which 197 were returned, giving a return rate of 56%.

The results of the empirical analysis demonstrate that the participants are not happy with the existing PAS. In addition, it reveals: communication, transparency and organisational problems related to both the ratees who are subject to the PAS and the raters who carry out the process; poorly designed forms are used in the process; and problems related to the procedures that regulate which may undermine the appraisal process. Thus, dissatisfaction with the existing PASs is established through various empirical analyses.

According to the findings of the study and the in-depth of the discussion of the analysed data, the study proposes an integrated and dynamic model for conducting the PA process. This proposed model is constructed with six stages: (1) Planning for Performance Appraisal; (2) Performance Execution; (3) Assessment (Informal Appraisal); (4) Performance Assessment (Formal Appraisal); (5) Interview; and (6) Action. In each stage several issues have been emphasised to improve overall efficiency of the PAS. The study also provides certain assumptions and recommendations for the successful development and implementation of the proposed model, which top level management in each university has to take into consideration to ensure the efficiency and effectiveness of human resources.

January 2010

## **DECLARATION**

The author of this thesis declares that this study is his own original work. None of the materials in this thesis has been submitted in support of an application for another degree qualification in this or any other university.

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## *Dedication*

*This thesis is dedicated to my beloved parents who provided me with love, care unlimited support and prayers.*

*I dedicate this work for my brothers and sisters for their encouragement.*

*I dedicate in deed this work also, to my beloved wife, who provided me with unlimited support in taking care of our family during my study, and who gave me the encouragement I needed to achieve my goal.*

*Last, I dedicate this work to my beloved children who suffered as a result of not spending sufficient time with them during the period of my study.*

## ACKNOWLEDGEMENT

In the name of Allah most gracious most merciful, praise be to Allah, the lord of the universe and peace and prayers be upon his final prophet and messenger.

I am thankful to Almighty Allah for his help, guidance on the success of my efforts during the course of writing this thesis.

In addition, I would like to express my deep appreciation and gratitude to my supervisor Dr. Mehmet Asutay, for the invaluable incentives, support and encouragement he provided during my study period.

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## **Chapter 1**

### **INTRODUCTION**

#### **1.1 INTRODUCTION**

Modern organisations aim to develop an efficient work environment in all aspects of their operations in order to achieve efficiency and effectiveness. An important asset of an organisation is its human resources (HR) which directly contributes to the development of the organisation and achievement of the organisational objectives. Since the 1970s, attention has been paid to the role played by HR in the growth of organisations. As a result, organisations now have HR departments to develop HR policies and strategies within human resources management HRM function. While selecting the best people is an important aspect of HR departments, sustaining and developing existing staff is another crucial dimension in any organisation as this will improve efficiency and effectiveness. For instance, a reduction in the turnover of staff will imply a reduction in transaction costs in terms of recruitment costs.

While the strategies for existing staff development are formulated by HR departments, identification of the needs and areas of development is determined through performance appraisal (PA) practices in HR departments.

PA practices are widely established in most public and private organisations all over the world. For instance, a US surveys have demonstrated the wideness of established PA practices in US. The study conducted by Bureau of National Affairs (1983) and determined that 91% of a sample of 244 US organisations operates systems of PA (Anderson, 1993). However, in spite of the increasing attention paid to the PAS in modern organisations, the PAs used are still insufficient, particularly in the way they are conducted and managed (Danielle and Buckley, 1998; Analoui and Khoury, 2004).

The history of PA can be traced back to 18<sup>th</sup> century. According to Danielle and Buckley (1998), PA was first used in the early 1800s as a formal process when an army general had to submit an individual assessment of each of his men to the US War department. In the past, organisations used PA as one of the means to achieve control over manpower and to provide information to make administrative decisions such as promotions, retention, discipline, salary increasing, layoff, and so on.

However, in modern times, practices and research have moved from narrow performance evaluation notions to what may be defined as efforts to enrich experiences and skills that improve effectiveness and increase the productivity of both employees and organisations (Kuvaas, 2006). Furthermore, PAs are used for additional purposes: organisations endeavor to use PA data to develop the efficiency and the effectiveness of human resources in order to provide customers with the best service and to encounter market competition as it becomes more intense and global in nature (Abusadda, 1996).

PA is also practiced in the public sector and this has its own definitions of appraisal since the nature of most work in the public sector is intangible and hard to set quantitative and time standards. Therefore, PA is considered to be subject to the personal judgment of line managers (raters), which consequently affects the future careers of employees. Hence, both the public and private sectors should have PAS that are sufficient, fair and beneficial in order to produce rational administrative decisions (Analoui and Fell, 1996).

In addition, PAs have many functions which theoretically serve PA stakeholders including employees who are subject to PA process; line managers, who conduct PA process; and organisations, which their final goals is subject to the result of PA process. However, as this study demonstrates, PAs can have considerable unsatisfactory results from PAS stakeholders. In other words, in practice common problems result in the failure of PAS in both public and private organisations.

This research focuses on PA practices in Saudi Arabian public universities. Like other organisations, educational institutions conduct PAs through measuring the performance of its teaching staff. This can be a challenging exercise for faculties and HR departments in universities; indeed, this has been the experience of public universities in Saudi Arabia in recent years. The nature of an academic role is hard to measure precisely, reflecting the challenge of measuring such intangible output. Faculty staffs at Saudi public universities are given a large amount of academic freedom, which makes it difficult for line managers to both appraise their performance and take advantage and develop their skills. Therefore, PA is important for universities to ensure that teaching staff gain as much satisfaction as possible from their academic jobs while making an effective contribution.

The following section presents details of the research process.

## **1.2 RESEARCH MOTIVATION AND RATIONAL**

Saudi Arabia is one of the Middle Eastern countries that have been very slow in adopting privatization, particularly in the field of higher education. As part of the integrated development policies in the field of education, public universities have significantly increased by almost 150% since 2000 when the present King Abdullah assumed responsibility. However, the increase in private universities has been unremarkable. Therefore, the burden of providing education is still the responsibility of the public sector. Consequently, the number of teaching staff has dramatically increased with the increase of investment from the government. In addition, in 2008 a decree has recently been issued by the King to increase the remuneration of university staff and to link institutional decisions on awards of contract continuation, promotion, and pay directly to merit. Hence, it is apparent that universities have to follow a reliable PA system that ensures remunerations and rewards are allocated on a fair basis. This new decree has therefore enhanced the importance of the PA system in Saudi universities.

However, the major problem faced by Saudi universities is not recruitment, but ways to increase the efficiency and effectiveness of faculty members in order to achieve a high quality of education. In the 2008 ratings for universities all over the world issued by accredited academic ranking institutions, Saudi universities have not achieved a good rank. Therefore, it is necessary to find a way to ensure the effectiveness of the human resources (professors, instructors, and teaching assistances) at academic institutions in Saudi Arabia based on reliable PAS.

Annual PA is the common method used to determine the efficiency and the effectiveness of a faculty in Saudi Arabia. However, the important question is whether the current PA systems have the ability to measure the faculty performance or not? In other words, do the systems generate all the information that reflects the effectiveness of the staff or not? Also, does the administration utilise the outcome of the PAS when it makes decisions related to its employees? Furthermore, does the management use the results of evaluations to review the HR policies?



In terms of PASs implemented in Saudi higher education, there are common problems which could be cited as shortcomings and even failure of PASs. The most common problems are communication and transparency. Importantly, problems with the existing PASs do not stop with characteristics or features related issues but extend into other realms such as organisational problems facing teaching members; line managers having inadequate managerial knowledge and skills to carry out the appraisal process effectively; poor design of the appraisal forms; or that the procedures and processes used in the performance appraisal are inadequate.

Taking the above into account, the motivation of this study arises from the following:

- (i) Issues in PA in the Saudi public sector in general and in the field of higher education in particular are still limited.
- (ii) The number of public universities in Saudi Arabia has increased dramatically since 2000. Consequently, the number of faculty staff has also increased, highlighting the importance for universities to provide feedback on the performance of their teaching staff in order to plan for human resources;
- (iii) As PA is the process associated with the history of an employee from joining an organisation until leaving; workers — including those in the academic field — should have feedback on their conduct in order to improve;
- (iv) As will be discussed in the literature review, achieving the goals of an organisation, organisational development, human resources policies and employee satisfaction rely mainly on PAS; hence the creation of an efficient PAS is essential for developing a successful business environment. The current study aims to identify the shortcomings of the existing PASs used in Saudi universities in order to determine how academic quality may be developed.

### **1.3 AIMS AND OBJECTIVES**

This study explores the current PAS used in Saudi Arabian higher education and evaluates its efficiency in reflecting the actual assessment for the effectiveness of university staff through the perception of participants. In addition, the study analyses the impact of PAS on administrative decisions which have a direct effect on the career of the faculty member. Finally, it aims to propose an enhanced PAS to render an effective and efficient PA.

In order to fulfil these aims, this research develops the following objectives:

- (i) To conduct a literature review to develop a better understanding of PAS in literature and practice;
- (ii) To review case studies from various countries to develop an understanding of the practical aspects of PAS;
- (iii) To conduct a questionnaire survey to collect primary data for the case study;
- (iv) To utilize statistical methods to analyze the primary data;
- (v) To precisely identify the problems linked to the following: (a) the subordinates (faculty members) who are subject to the PAS; (b) the managers who execute the evaluation of the PA; (c) the regulations and rules which determine the evaluation system; and (d) the evaluations forms.
- (vi) To locate the impact of the above mentioned items on the evaluation;
- (vii) To utilize qualitative method of interpretation to give better meaning to the results;
- (viii) To propose an enhanced PAS to render an efficient and effective new system.

#### **1.4 RESEARCH METHODOLOGY**

This study is a qualitative research study based on measuring the perceptions of participants on the identified research aims through the quantitative method of primary data collected from the field of public universities in Saudi Arabia. Through a questionnaire survey, the study explores the opinions and evaluates the perceptions of faculty members at Saudi public universities in relation to PA issues.

The questionnaire consists of ten main questions and under each question there are sub-questions. Thus, the questionnaire consists of 53 questions in total, excluding personal and demographic information. Respondents were presented with a five-point Likert-scale which provides options to express their preference in terms of how strongly they agree or disagree with statements. This simplifies the process of answering, coding, evaluating, and further analysis, and gives respondents motivation to answer the whole questionnaire.

351 questionnaires were distributed in four different regions (and hence four public universities) and 197 questionnaires were returned, making the return rate around 56%. A number of questionnaires were considered to be invalid due to either bias or

incompletion. Furthermore, the questionnaire was distributed according to certain criteria as discussed more detail in Chapter 6.

To attain the aims and the objectives and to test the proposed hypotheses of the study, the researcher used various types of empirical analysis including: descriptive analysis, one-tail t-test, binomial test chi-square test, Pearson Chi-Square, Fisher Exact for 2x2 discriminant analysis and factor analysis.

## **1.5 ORGANISATION OF THE STUDY**

In responding to the research aims and objectives in conducting the research, an expressive research plan is set out. A brief description of each chapter is presented below.

Chapter One introduces the research subject with a detailed discussion on the research motivation and rational, and the reasons behind conducting the current research.

Chapter Two presents the literature review, which focuses on the theoretical overview of PA, explaining the process and its importance. In addition, the components and problems related to the PA process are discussed, and finally , the characteristics of an effective PA are discussed in detail.

Chapter Three focuses on a theoretical overview of the PA related literature. The argument in this chapter is that PA is considered as an important resource which allows the administration to shape HR policies in order to achieve better management practices and performance. In addition, this chapter discusses the importance, role, and function of Human Resource Management (HRM); the impact of PA outcomes on HRM policies and decisions; and the common methods used when conducting PAs.

Chapter Four discusses the literature of empirical studies related to different cases of PA. This study will contribute to the ongoing research on the subject, emphasising the importance of PA. The literature survey in this chapter thus includes studies conducted in and on Saudi Arabia, as well as presenting case studies on the subject matter relating to other countries.

Chapter Five describes the current PA process applied in Saudi public universities. It provides details of the Saudi higher education system with the objective of contextualizing the case study. It also presents information about current PAS in Saudi higher education.

Chapter Six explains the methodology used in this study and describes the way in which this research was designed. In addition, the method used in choosing the population of the study, and the procedures implemented to select the study sample are discussed in detail. It also provides an explanation of the tools used for the selection of the data collection methods. Furthermore, it discusses the research process including the implementation of the empirical study. Finally, it provides a detailed account of the statistical analysis procedures.

Chapter Seven is the first empirical chapter. It presents and discusses the overall responses given to the questionnaire survey by revealing communication, transparency and organisational problems related to those who are subject to the appraisal process (ratees); the raters who carry out the process; the forms which are used in the process; the procedures that regulate and may undermine the appraisal process;. In sum, this chapter aims to provide an overview of current PASs by providing evidence through primary data. Thus, this chapter mainly provides empirical testing and findings through an examination of hypotheses 1, 2, 3, 4 and 5. For the purpose of testing these hypotheses, the following were employed: descriptive statistical analysis in the form of frequencies and percentages; mean and standard deviation; the Chi-Square Test; and the one-tailed t-Test in the case of one group.

Chapter Eight, the second empirical chapter, identifies the essential principles of conducting PA processes in Saudi universities. It highlights problems concerning the influence that the process has on the decisions related to human resources Therefore, in order to determine this, three hypotheses were formulated to discover the purposes of carrying out PA processes in the universities under investigation. In order to test these hypotheses Discriminant, Wilks' Lambda value, Chi-Square tests were utilised.

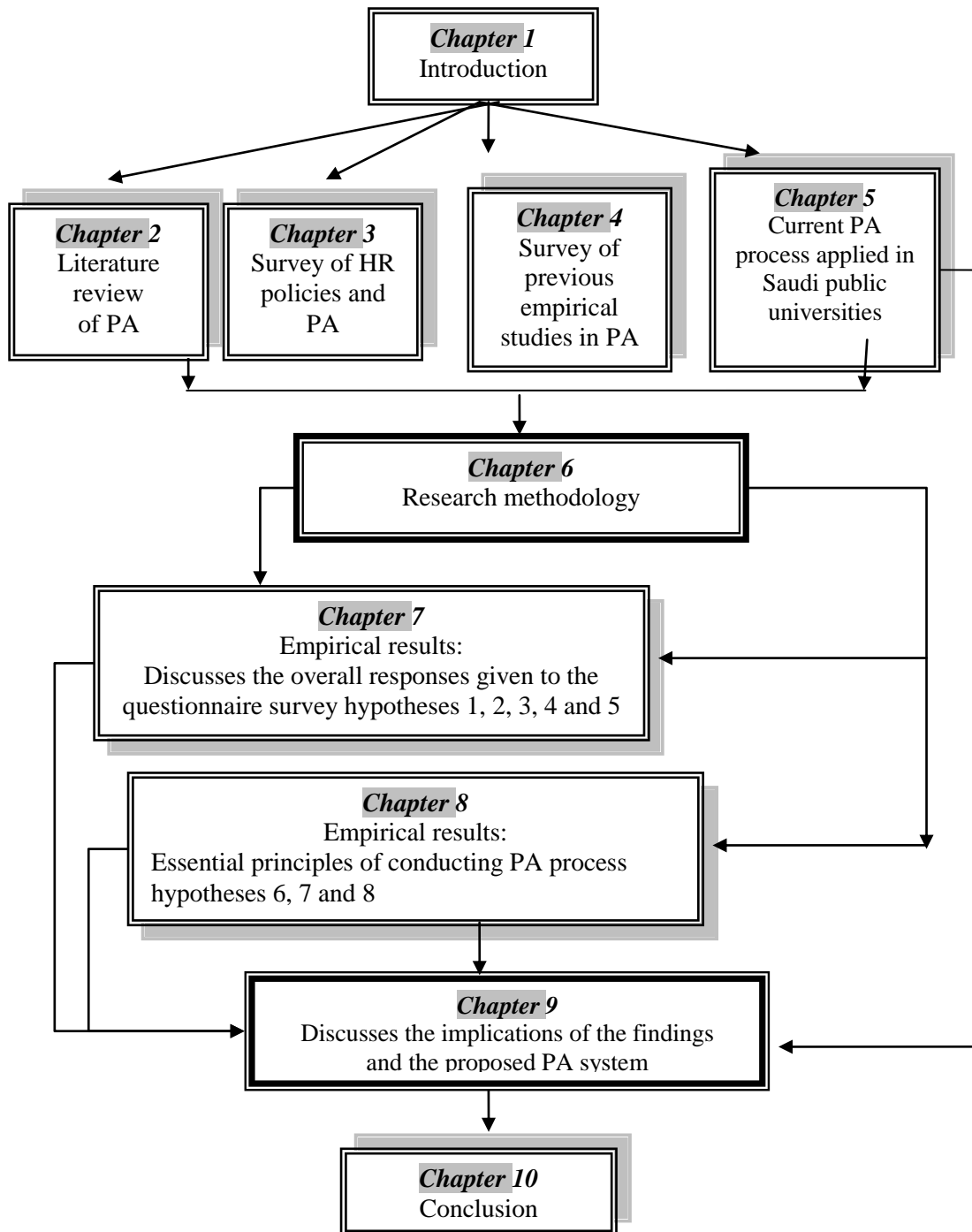
Chapter Nine discusses the implications of the findings in relation to the literature review and the empirical studies presented in chapter seven and eight in order to provide further meaning to the results through an interpretative method. In other

words, it brings together all the findings to develop a narrative and to contextualise the findings in the relevant literature. In addition, it proposes a new model for an effective PAS with the objective of overcoming the shortcomings of the existing PASs. The research reveals the rationale and principles on which this proposed model is built, and also provides recommendations for overcoming potential shortcomings of the proposed PA.

Chapter Ten offers a conclusion which highlights the contribution of the study and the need for further research.

An outline of the thesis is depicted in Figure 1.1 below.

Figure 1.1: Structure of the Thesis



## **Chapter 2**

### **PERFORMANCE APPRAISAL: CONCEPTUAL DEFINITION, COMPONENTS, PROBLEMS, AND CHARACTERISTICS**

#### **2.1. INTRODUCTION**

In the changing and dynamic world, evaluating human resources is regarded as a fundamental process of companies in order to achieve their short and long term objectives. Indeed, human resources is seen to be the most essential and expensive asset in any private or public organisation (Patterson et al, 1997). Thus, appraising the performance of workers is regarded as the basis with which to rationalise and make effective use of human resources within organisations. This is possible with data provided through performance appraisal (PA) relating to the past, present, and future performance of individuals. Administrators and managers rely on this data when making appropriate administrative decisions to identify and benefit further from productive employees; to help those with poor productivity and enhance their performance; to dispense with those who are less willing to be productive or are unqualified; and finally, to allow new employees to show their merit.

However, the PA process is not important only for being the main provider of data for human resources related administrative decisions, but it also identifies and influences the development, satisfaction and the motivation of employees in carrying out their duties. Furthermore, the process attempts to uncover the weaknesses and strengths of workers and consequently determines the training needs which aim to improve the employees' performance; this will ultimately be reflected in the services given to the public. Therefore, as will be explained later in this chapter, PA is important not only to organisations, but also to the employees who are subject to the PA process and to the managers who carry it out (Farr and Landy, 1989).

The aim of this chapter is to offer a theoretical overview of PA and to explain the process and its importance. In addition, the components and problems related to PA are discussed,

as well as the methods used to conduct the evaluation process. Finally, the characteristics of effective PAs are provided.

## **2.2. DEFINITION OF PA**

Although PA has an important value for organisations and employees, there is much misunderstanding as to what appraisals are and what the best technique to conduct them are in a way that satisfies both employees and managers (Analoui and Khoury, 2004). The performance, aspect of PA has the general meaning of fulfillment of one's duties (Friedman, 2000). However, from a managerial perspective, it implies how the management of an organisation achieves its goals. In other words, performance is the degree to which an organisation fulfils its pre-agreed set objectives while appraisal is regarded as how employees can improve their performance. Tyler (2002) describes appraising as the act of examining, measuring and drawing conclusions.

Much has been written on the subject of PA, but as yet there is no single definition that encompasses all the various scientific aspects and opinions. The notion of PA, according to many scholars such as Farr and Landy (1989) and Murphy and Cleveland (1995), is the measurement of the effectiveness of workers through identified objective criteria. In fact, this is regarded as a broad general definition of PA. However, Analoui and Khoury provide a more specific definition. They state that PA is:

[T]he process of evaluating how well employees are performing their tasks relative to the work performance standards, and providing feedback to employees with the aim of eliminating performance deficiencies, and motivating the development of employees. (2004:56)

In providing a comprehensive and functional definition, McGregor (1966), Aldakhilalla (2002) and Parente (2002) define PA as being used to improve employees' performance and to generate information about their effectiveness and efficiency in carrying out tasks. The purpose of PA is not limited to exploring the performance of subordinates, but it goes further to reward those with outstanding performance and to enhance those with poor performance through information gathered from PA. PA is also defined as evaluating workers in the workplace in relation to pre-agreed standards (Abu-Doleh,



2007). Furthermore, Al-Salami (1992:186) states that “PA is an organized instrument to determine the value of what workers do when handling a certain job”. In an effort to define PA and its effect on an individual’s career, Hawinah (1986) declares that PA is a sort of process which aims to assess the effectiveness and efficiency of workers in order to help an organisation to make important decisions consistent with the career of individuals. In referring to the informational nature of PA for decision-making, Guerra-Lopez (2008) defines PA as a fundamental provider of information for making decisions that lead to improve performance and organisations.

As the above definitions indicate, it is difficult to find a particular definition that includes all the dimensions of PA. However, when stating a definition, it is important to consider its common acceptable features and elements. Hence, according to Farr and Landy (1989) and Murphy and Cleveland (1995), it is important to consider the PA process as one that contains the following components: (1) a ratee who is subject to the PA process according to certain standards; (2) a rater who carries out the PA process; (3) the completion of an appropriate evaluation form; and (4) procedures and process that give the PA process its legitimacy.

Consequently, PA can be defined as a formal process for assessing current employees’ performance and their ability to handle job responsibilities during a specific period of time in order to ensure compatibility between worker qualifications, capabilities and requirements of the job according to the job description, pre-set standards and certain rules. As the definition of the components identifies, PA should be conducted by the immediate manager along with other partners who have direct links with the employee in order to help the administration in making rational decisions related to its human resources policies (Abosaddah, 1996)

### **2.3. IMPORTANCE OF PERFORMANCE APPRAISAL**

According to the aforementioned definitions, it can be inferred that the PA process has a great importance for employees and managers in particular, and for organisations in general. Although PA is an instrument used to assess and improve the effectiveness of

individuals in the workplace, in terms of formal use, an effective PA process helps the administration and human resource departments in determining promotions, remunerations and compensation. It also simplifies the function of human resources to determine and evaluate HR programmes for training needs. In other words, by analyzing PA results, human resources departments can discover both weaknesses and strengths of their employees and involve them in appropriate training programmes in order to help them maintain the required quality of work.

Regarding the functional importance of PA, in relation to the employees subjected to the PA process, it gives them the feeling of responsibility which can consequently improve their performance, and as a result, through provided feedback helps them to increase their commitment towards achieving organisational goals (Anderson, 1993). In addition, the PA process produces information that the administrator or manager uses to make intrinsic administrative decisions which will determine employees' expectations (such as promotions, demotions, transfers and terminations), and help the administrator to achieve its developmental objectives by developing individuals' capabilities in their present jobs (Taylor, 2002). Furthermore, the information generated also provides feedback for employees' achievements in order to give them the opportunity for enhancement and development when managers conduct feedback sessions with them. PA is therefore important for employees (ratees), managers (raters) and organisations (administrations).

### **2.3.1. Importance of PA to Ratees**

Evaluating the performance of employees is regarded as one of the factors which should be taken into consideration when making decisions related to employment within organisations. Linking these decisions with performance is seen to motivate employees to carry out their responsibilities with higher standards, which should ultimately lead to high productivity.

When employees believe that their activities are being monitored and evaluated, and the result of appraisal affects their future either positively or negatively, this will result in an increase of productivity on the part of the employees, and consequently the fulfillment of

the intended pre-agreed objectives for the organisation in general. In other words, employees will be motivated to fulfill their job requirements when they are aware that they will be held accountable for any type of negligence from their part (Rasheed, 1987). Thus, PA gives employees the sense of being responsible in front of their line managers, and in turn they will perform effectively. PA is also used to determine the financial and non-financial benefits and opportunities offered by administration.

Another importance to ratees is that PA helps them to develop their performance (Anderson, 1993), as PA can identify their weaknesses; this is regarded as the beginning of enhancement. In this respect, the developmental purpose is aimed at developing employees in their current jobs and enhancing their future performance, as well as helping them identify any work problems which may occur (Edmonstone, 1996). Thus, the PA helps to sustain a certain level of performance satisfaction in the current job which can be discovered through interview sessions conducted between subordinates and supervisors. In such a meeting, managers can discuss skills, behaviour and other traits that need to be developed, ultimately leading to improvement of individuals who are subject to the PA process.

Managers should help employees to develop and to perform well by two means: firstly, by improving performance and simplifying the procedures and processes to achieve tasks through adopting the notion of decentralization; and secondly, by giving employees the necessary training to carry out their responsibilities. Regarding the former, although the characteristics of employees such as experience, education, training and general behaviour are consistent with work needs, such characteristics may not effectively fulfill the organisational expectations. In this case, negligence could be attributed mainly to deficiencies in the workplace circumstances, procedures, or available resources. As part of its duties, the management should use significant effort to overcome these deficiencies by developing the quality of the workplace, simplifying work procedures and proposing sufficient resources for the work. Hence, if all the aforementioned is in place and performance is still unsatisfactory, it indicates that the difficulty arises from the lack of the workers' experience, skills and knowledge. These will need to be developed (Abusadda, 1996). Therefore, on one hand PA can indicate to employees their level of

success and how success can be maintained. On the other hand, it can guide both management and employees to the reasons for not fulfilling work requirements.

Another importance of PA to employees is that the process is expected to increase workers' satisfaction. Murphy and Cleveland (1995) state that according to some studies, employees are satisfied with the appraisal process when they are able to provide input to the process. In addition, employees are satisfied when they have knowledge about the dimensions and procedures of the evaluation. Consequently, they will accept the result of the PA and the decisions resulting from PA outcomes.

It should, therefore, be stated that there is a positive link between employees' satisfaction and their high PA. When employees receive a high evaluation that they deserve, this will give them the feeling of equality, fairness and satisfaction; consequently, their productivity level will increase. In addition, the higher the ratings they gain, the greater the compensation and benefits they will receive (Abusadda, 1996), which will motivate them and give them a feeling of belonging.

### **2.3.2. Importance of PA to Raters**

The duties of supervisors in a workplace include ensuring that employees' achievements are in accordance with pre-agreed objectives, and ultimately in making judgments on employees' performance. It is accepted that in the public sector performance is intangible and consequently subject to a rater's personal assessment. Therefore, it is an obligation upon top level management to establish a mechanism that reduces the effect of subjectivity through constructive PA systems. In this context, as discussed below, PA helps the raters to increase their critical thinking as well as help supervisors to supervise and maintain good communications with subordinates.

PA is considered to be a very important process for managers to increase their ability in critical thinking as they carry out the assessment of their subordinates' performance. A manager can rate an employee either as high or low, but the critical issue is that a manager needs to justify his/her judgment to avoid arguments and complaints by subordinates regarding an unsatisfactory appraisal. Therefore, a manager needs to express

his/her critical thinking when matching actual performance to pre-agreed standards, especially in the public sector. Thus, it is essential for managers to be trained in how to conduct the PA process in order to achieve important gains (Al-Salami, 1985).

Another important aspect for managers is that PA is used as an instrument to maintain continuity of supervision and control, as it allows supervisors to make satisfactory evaluations. Hence, PA compels managers to track employees' activities constantly in order to make fair and objective judgments. In other words, raters must make efforts to match PA results with the actual performance of an employee. If PA reports include an assessment of worker efficiency, the outcome of PA will reflect the raters' capabilities in supervision and direction (Rashid, 1989).

Finally, PA synchronizes the relationship between raters and ratees. Clearly, PA is an essential process which can help form a harmonious relationship between raters and ratees. Through communicating, managers can increase their knowledge of their employees which significantly improves the chances of gaining workers' cooperation. To elaborate, PA is usually a process which takes place on a regular basis, often annually. This requires observations from managers on a daily basis, and as a result of this, a relationship between a manager and his subordinates will develop. Good quality coaching from the manager's side will result in a PA system that is perceived as increasing productivity by both appraisers and appraisees (Anderson, 1993).

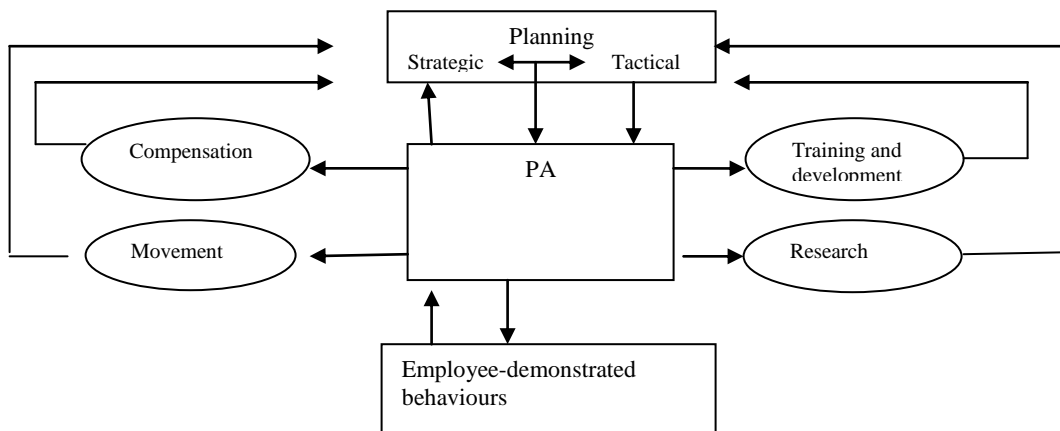
### **2.3.3. Importance of PA to Organisations**

According to Al-Salami (1985), all decisions related to manpower are subject to the outcome of PA. Therefore, the PA process is one of most important functions in any organisation. Most organisations require a system to conduct formal appraisal, hence PA is a process which cannot be disregarded for several reasons. Firstly, it helps organisations plan and execute human resources programmes. Secondly, it shows the achievement of pre-agreed goals. Thirdly, PA helps to measure the rationality of utilizing human resources. Finally, PA assists organisations to discover managerial difficulties. These important areas are discussed in detail in the following sections.

### 2.3.3.1. Planning and execution of human resources' policies and PA

According to Rogers (1990), the main contribution of the PA system is that it uncovers current weaknesses and strengths of human resources (HR) policies. This leads to the identification of training and development programmes, the efficiency of the current compensation system, promotions, incremental payments, and so on (Bach and Sisson, 2000). The importance of PA, therefore, is regarded as a crucial source of information that directs various HR policies within the organisation (see figure 2.1 below).

**Figure 2.1: PA Information Flow**



Source: Henderson (1984:35)

Henderson (1984) argues that if PA is to have any opportunity for success, it must be inextricably tied to the organisational functions of planning, implementing and control. As Henderson stresses:

[N]ot only is the effectiveness of PA program directly dependent on its links to organizational planning and control, but it just possibly may be that planning and control failure occur because of inability of policies-makers and planners to recognize the importance of the PA program and to be active recipient of valid PA information. (1984:36)

Figure 2.1 above illustrates the notion of PA being linked to the organisational functions of strategic and tactical planning. It shows PA as an elastic instrument which has control over long or short term planning of human resources. If utilised and analyzed properly, the information provided by PA results in good planning and implementation of HR

policies (Anderson, 1984). Therefore, by providing feedback on the efficiency of individuals, PA is regarded as an important tool through which the contribution of an individual is discovered, thereby assisting the planning and implementation of organisational goals. For example, according to the PA results and the feedback received, it is possible to achieve better performance.

### **2.3.3.2. Exploration of achieving pre-agreed goals**

PA is essential when it comes to determining the extent to which employees have participated in achieving the intended goals for the organisation. Logically, the goals of employees should be associated with their organisation's goals. In fact, the more integrated the goals of both the employees and the organisation, the more the PA process reflects the level of consistency between both organisation and employees' goals and vice versa. Therefore, PA reflects: (1) the extent to which employees have participated in achieving the objectives of the organisation; (2) their productivity and effectiveness; (3) the level of consistency and inconsistency in the goals of the organisation and employees; and (4) the level of deviation between the actual and expected performances. These components are known as Management by Objectives (MBO) (Abdulwahaab, 1990); achieving these components implies an effective organisation. It is understandable that the employees' goals should be in line with and towards the fulfillment of the organisational goals.

### **2.3.3.3. Rationality of utilizing human resources**

The chance for an organisation to survive and achieve its goals is also affected to a great degree by employing scarce resources rationally, especially human resources. To achieve this, PA is regarded as an important instrument which appraises the efficiency of the human resources available for the organisation.

PA is portrayed as a strategic choice which is crucially embedded in the strategic planning function of an organisation. Historically, American companies tried to improve profits by increasing and spreading their business activity internationally. However, they realized that increasing profits cannot only be obtained by expanding or spreading

business because the result of doing so is not guaranteed; instead they needed to focus on productivity by increasing the operational efficiency as a strategic option. Therefore, to achieve this purpose, greater consideration has been paid to human resources as the most important resource (Szilagy et al, 1990). This strategy has a strong effect on productivity where the direct cost for manpower is regarded as 50% of the operational costs in industrial organisations and 80% in non-industrial organisations. As a result, planning which focuses on direct performance in organisations is now a primary concern (Szilagy et al, 1990).

It can be inferred from the above that PA is the function through which feedback can be retrieved; such a source ensures the rationality of using human resources.

#### **2.3.3.4. PA and managerial difficulties**

As an appraisal and evaluation system, PA can uncover organisational downsides in which employees play no part; such downsides could provide barriers to achieving the organisations' goals. The resulting performance deficiency may be attributed to organisational problems which hinder management from fully utilizing workers' capabilities. Such problems may occur when the job descriptions, responsibilities and obligations to be performed are not well specified to workers, or if there is a duplication or intervention between departments when achieving organisational goals, complicated procedures, and so on. Hence, PA plays a role in discovering these problems (Abusadda, 1996).

When analyzing PA, it becomes apparent to the management whether the performance deficiencies were attributed to employees themselves or to managerial deficiency. Therefore, according to Al-Salami (1986), it gives the management the opportunity to direct its endeavours to develop solutions which would have positive reflections on overall performance.



## **2.4. COMPONENTS OF PA SYSTEM**

The components of the PA process can be identified by the definitions of PA provided earlier. However, the PA process is regarded as an objective tool that human resources departments use not only to make decisions relating to human resources within the organisation, but also to persuade employees to perform better in order to attain high performance (Hafard, 2001).

Each employee working towards achieving the goals of the company is subject to the PA process; that is to say, workers at different managerial levels are also subject to the PA process. Each employee should receive an evaluation of their job so that necessary adjustments can be made to enhance the contribution of each individual.

As a result, immediate managers play a key role in ensuring the objectivity of the evaluation process. They work closely with employees who are under their supervision and observation. In fact, the role of immediate managers goes beyond carrying out the evaluation process: in addition to monitoring performance and matching it to performance standards, they receive progress reports from their subordinates, correct erroneous performances, and conduct appraisal interviews to discuss issues related to employees' weaknesses and try to reach an agreement with subordinates to increase their performance and overcome any such weaknesses.

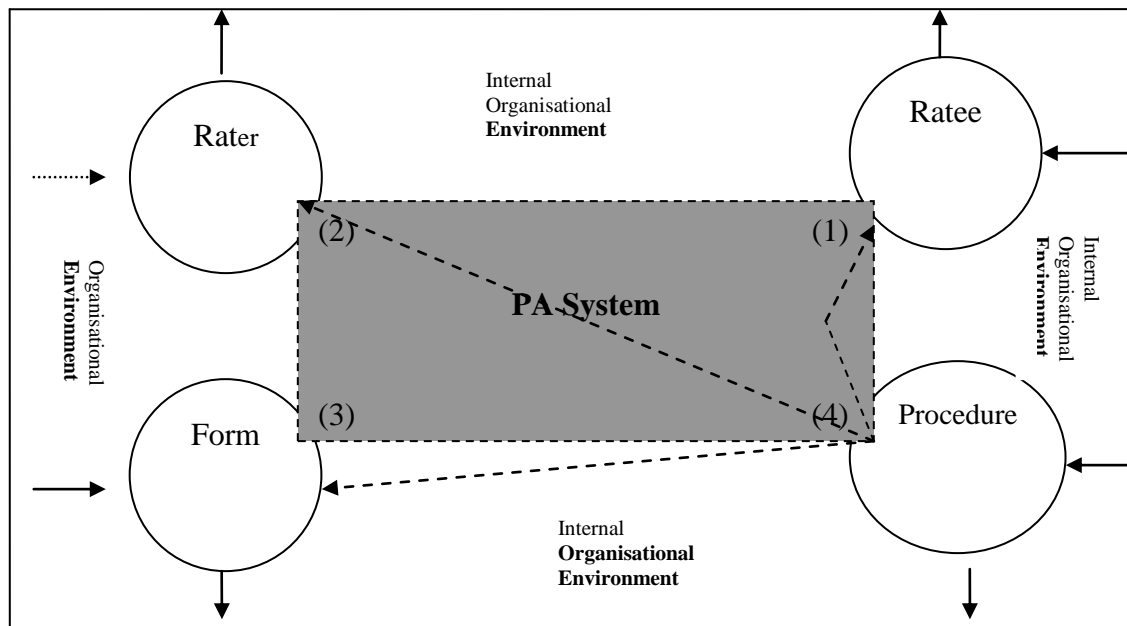
Additionally, forms play a decisive role for the success of the PA process. PA forms include appraisal items such as evaluation traits and information which a rater must abide by. These items vary from one form to another according to job definitions and responsibilities, and the culture of the organisation.

Finally, in order to make the PA process legitimate, it must be associated with certain rules and procedures which consequently affect the career of individuals either positively or negatively.

Therefore, figure 2.2 below illustrates the components of the PA system which include the employee (ratee); the line manager (rater); the form used for the PA process; and

finally the procedures which control the process. As figure 2.2 makes clear, it is not easy to separate these PA components as they are interrelated. For instance, it is obvious that a manager may appraise the performance of his or her subordinate. Moreover, the manager is also evaluated by his or her manager and so on, until the evaluation process reaches the top of the hierarchy. Furthermore, it is possible for the subordinate to play a role in evaluating his or her supervisor; this is discussed in the 360 Degree evaluation method in the next chapter. However, in each case, both the rater and ratee will adhere to certain rules and procedures which determine and control this process.

**Figure 2.2: The Components of the PA System**



*Source: Abusadda (1996:26)*

The following sections further explore the components of the PA process.

### **2.4.1. Appraisee**

In spite of the diversity of organisational levels, workers should be appraised regardless of the positions they occupy as part of stabilising efficiency and effectiveness in every

part of an organisation's management. In some organisations, top level management members such as boards of directors and senior executive officers are exempted from appraisal. However, out of fairness, every employee who plays a part in achieving organisational goals should receive an evaluation which is compatible with the job that he or she handles. Szilagyi et al (1987) and Fletcher (1997) believe that there is no reason for an organisation to exclude any group of employees from the evaluation process. The reason behind this is because the need for control, auditing, and improving performance exists at all levels within organisations, and it increases the consistency of staff productivity.

It is important to note that when evaluating individuals, there are three issues which need to be taken into consideration. First are the variables by which employees are evaluated (this is discussed in more detail below). Second, in order to conduct a thorough PA, the process must rely on clear standards that measure the efficiency and effectiveness of employees easily. Third, employees should receive constructive feedback when the rater conducts review sessions with them.

As mentioned above, ratees are evaluated according to certain variables underlying the PA processes. These include:

- Performance average: employees are evaluated based on their capabilities to handle their duties and according to certain standards set by organisation (Abusassah, 1996).
- Individual personal characteristics and job-related characteristics: personal characteristics are embodied in employees themselves and include characteristics such as initiative, co-operation with colleagues, loyalty to the organisation, honesty, truthfulness, and accuracy (Cook, 1995; Abusassah, 1996). Job-related characteristics include high quality performance and caring about the position of the company in comparison with other competitors in the market.
- Management by objectives: this is an appraisal system whereby managers and employees sit together to agree upon objectives and periodically review the

achievement of pre-agreed goals (Dessler, 1994). In this case, each worker will be evaluated according to these pre-agreed objectives.<sup>1</sup>

- General effectiveness: this variable goes beyond specific details as it concerns the general effectiveness of employees. Administrations usually consider it to be an important variable by which evaluation will be appraised collectively. The PA process will be centred on issues such as the extent to which an employee has achieved their job goals, or the employee's effectiveness in attaining their goals, both organisational and personal.

According to Daley (1992), to ensure the effectiveness of PA, raters should rely on evaluation standards that hold them responsible for the conduction of appraisal. Based on these standards, a manager can measure an employee's achievements against the success of achieving organisational goals.

In addition, in order for employees to accept the results of evaluation, Schuler and Huber (1993) argue that employees should participate in establishing the objectives and the standards of their PA. As a result, they will perceive the organisation to be fair, and will be more loyal to the organisation, building confidence and trust with the management. Thus, according to Al-Haamdah (2004), the perception of PA justice is a result of the employees' awareness of the fairness and objectivity of standards which are used to appraise their performance.

The acceptance of the PA result by individuals depends on the objectivity and the ability of the PA systems to depict their actual performance. Therefore, by participating in the setting of PA objectives and standards, employees can be confident of both the PA justice and results, and will be obligated to achieve organisational goals. Also, PA justice is represented when individuals have the right to make grievances and complaints regarding the appraisal result (Sallamah, 1987).

For instance, in a study conducted by a research and development organisation, 474 employees were surveyed to have their views on the appraisal process. The study found

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<sup>1</sup> Management by objectives as a model used to evaluate workers is discussed in detail in Chapter Three

that workers' opinions about the appraisal and the system were positive to the extent that they believed that: (1) they had the opportunity to state their own opinions regarding the result of their PA; (2) the factors on which they were evaluated were job relevant; and (3) objectives and plans were discussed. Contrary to predictions, reports of goal setting and discussion of plans and objectives were not found to moderate the relationship between perceived favourability of the appraisal and the opinions of the appraisal (Dipboye and de Pontbriand, 1981).

Furthermore, Cook argues:

[S]ubordinates are the ideal figures to play an important role in setting standards for instant academic staff decide what issues are worth researching, and what subjects should be taught and by implication whose work has merit. Where success is defined by the organization and its staff, greater scope exists for creating undeserved reputations. (1995:6)

Therefore, participating in constructing the PA objectives and standards not only makes employees perceive the acceptance and fairness of the PA system, but also ensures that they will make great efforts to achieve the final objectives of the organisation.

Finally, ratees should receive feedback on their evaluation; this can be obtained through interview sessions presumably conducted between supervisors and subordinates on a regular basis in order to discuss the results of evaluations. These sessions should be held right after the evaluation process. Holding these meetings between raters and ratees is one of the most challenging interviews a manager can face because it has a major impact on the employees' future, yet at the same time it minimizes the conflict between managers and employees (Schuler and Huber, 1993).

To empirically contextualize this, one study in Saudi Arabia surveyed 442 Saudi employees with an aim to examine occupational stress in both the private and public sectors. The study concluded that the main source of stress was found to be the lack of feedback about their PA (Ben-Baker et al, 1995). However, acceptance of feedback relies on the credibility of the source of the feedback and the nature of the message being conveyed to ratees (Anderson, 1993).

During feedback sessions, employees are more likely to be defensive when raters point out their weaknesses. Instead of accepting feedback for improving performance, some employees attribute their deficiency to their managers, another individual, or part of the organisational processes. A survey of 151 area managers in Philadelphia, for instance, found that 98% of these managers encountered some sort of aggression after giving employees negative appraisals (Robbins, 2003). These interview sessions are linked to issues that concern employees, such as salary rises, and provide information that may reward or punish employees (Grundy and Brown, 2003) Therefore, the rater should possess good skills and knowledge when conducting these sessions. They need to be persuasive when informing rateses about their appraisal results so employees do not feel they are being oppressed. On the other hand, the rater should take into consideration the standards of credibility when conducting PA and interviews. As Abusadda (1996) argues, it is important for employees to be satisfied when receiving feedback on their performance for it is a mirror to their performance.

In summary, feedback is one of the most consequential elements in the PA process for employees' development. It helps them to identify difficulties and to make efforts to overcome them (Grundy, 2003).

#### **2.4.2. Appraiser**

There are several alternatives as to who may appraise an employee's performance. Dessler (1994) and Modey et al (2002) believe that an employee can be rated by using peer appraisal, self-appraisal, or customer appraisal.

However, in practice, the employee's immediate manager is most commonly the person who conducts the PA. Mohran et al (1989) believe that line managers tend to know considerable information regarding their subordinates' performances. In addition, they have legitimate power to make a judgment about their workers' performances. Perhaps the most significant reason that justifies why the supervisor is the best figure to appraise subordinates in the PA system is that he or she is able to manage employees through goal settings, feedback, rewards and training. As reported by Anderson (1993) a study

conducted in 1986 as part of a national study of UK PA organisations, 98% of the organisations surveyed put emphasis on the immediate manager when conducting PA. Similar research conducted in the USA shows that the majority of organisations subject to the study adopted the immediate manager method when conducting PA. This is essentially due to the fact that the direct manager is usually in a position where he or she can observe his or her subordinates' performance. However, in some cases, a manager may find this approach very difficult if the number of supervised subordinates is very large.

Moreover, the immediate manager may appraise one aspect such as punctuality but neglects other aspects or factors of appraisal process (Mondy et al, 2002). Therefore, it is important for supervisors to be close to and interact with subordinates to observe their performance in order to make a fair judgment. However, some researchers believe that when the relationship between rater and ratee is strong, the rater may have positive compassion towards the ratee and this will affect the credibility of PA (Najim, 2004).

Another method in conducting PAs is through peer appraisal where PA is carried out by co-workers or peers who work closely with the employee. This process is usually used for team assignments and workers who are self-directors (Mondy et al, 2002). When a team works together, the members ought to evaluate each other's performance. A member can make an accurate appraisal when looking to other members' performances, particularly when the team shares the same goals. In other words, judgment will not be dependent on one individual. The effective use of peer evaluation is within organisations that have a non-hierarchical organisational structure (Anderson, 1993). The Quaker Oats food company uses this method, although it is not commonly employed as one main problem is that people who work in a team may find it embarrassing to criticize each other. Also, for some employees, evaluation by colleagues is not acceptable. Cederblom and Lounsbury (1980) reported a low acceptance of peer appraisal as practiced for six years by 174 faculty members who were surveyed (who were representing 59% of response rate). This result could be attributed to the idea that employees think their colleagues may not give them the PA they deserve because they are competing against each other to climb to the top of the organisation.

Self-appraisal is another way to evaluate workers. Here, an employee is given the opportunity to rate his or her performance. It is usually used as a preparation for the review session between the manager and employee. It is likely that employees consistently give themselves higher ratings than they may be given by their raters. Usually, employees have the perception that their supervisors are willing to have an idea about them before rating them and even before discussing the feedback with them. According to Dessler (1994), in a study in which workers were asked to rate their own job performances, 40% of those surveyed ranked themselves among the best 10% of the whole staff. However, self-appraisal effectiveness depends on the strength of the relationship between superior and subordinate. If the confidence is well-built and embedded, then the employee is more likely to be honest when making a self-appraisal. Farr and Landy (1983:89) cited from Myer (1980) that “self-appraisal is more lenient than judgments from other sources and to be problematic if used for certain purposes such as administrative decisions, diagnosis of training needs”.

Finally, customer satisfaction is a sign of an organisation’s degree of success. The more the clients are satisfied, the more likely it is that the organisation is moving forward in achieving its organisational goals. This method plays a significant role in the private sector, where customer satisfaction is crucial. Customer satisfaction determines the future of the organisation. Organisations use this approach because it holds workers accountable and promotes change (Mondy et al, 2002). For example, a company could ask a client about how responsive a receptionist was when answering a phone call.

To conclude, organisations can use a variety of methods PA depending on which one is suitable for that particular organisation. The method that provides the rater with accurate and reliable information is also the preferred method for the administration. In the business sector, customer appraisal is more common; in the public sector, PA is usually conducted by the immediate supervisor. He or she needs at the end of the appraising interval to use an instrument to reflect ratings results into written and documented form. As the next section explains, this form should be designed to reflect the actual performance as the next section explains.



### **2.4.3. The PA Form**

Regular appraisal reports are the most common instrument used in appraising performance, regardless of the position an employee occupies. The evaluation process is carried out formally through report forms and according to certain objective standards assumed to measure the actual performance. Moreover, they measure individuals' abilities and characteristics to carry out their current job and their eligibility to handle higher positions.

However, organisations all over the world, in both the private and public sectors, use many types of forms as an essential component to evaluate workers performance. These forms are either very detailed and explanatory or very brief. Comprehensive forms are divided up into numerous evaluating factors and sub-factors, and include both quantitative and qualitative ratings. On the other hand, brief forms contain a very limited list of main factors to be rated such as productivity, ability to think, relationship with others, and so on (Abusadda, 1996).

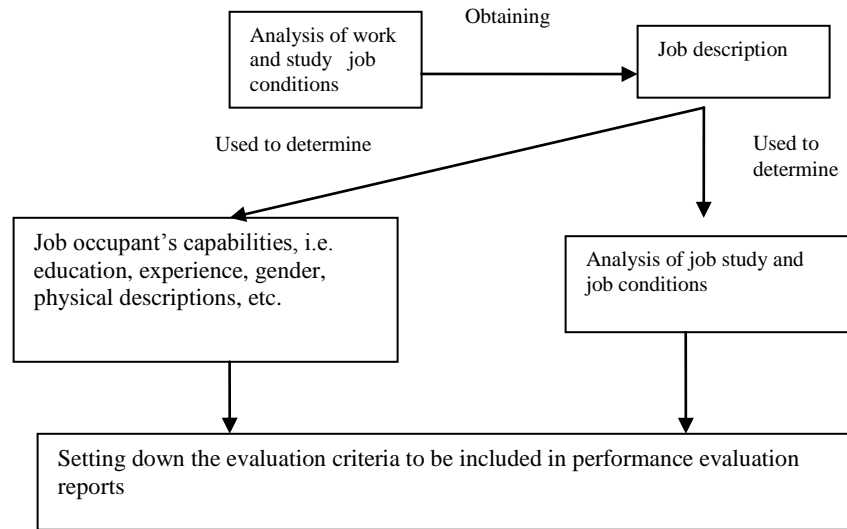
In general, it is hard to state that one form is more objective and suitable than another when it comes to appraising actual performance. However, preparing a form depends on the objectivity of the standards and how they are relate to the job requirements.

In order for PA report forms to be prepared in a correct and scientific manner, factors such as job study and job conditions should be considered (Hans, 1988). Job study refers to the analysis of jobs in which PA is required for assessment of these jobs, as well as the recognition of various work-related aspects in terms of duties covered within the work (job content), responsibilities undertaken by the work occupant/ job holder, the kinds of skills and experiences necessarily acquired by the occupant/job holder, and the essential elements required for a job, for example, quantity, quality, quickness. Job study is conducted in various ways, the most important being the study of motion and time, the use of observation, and the logical analysis of work. This process is called job description from which the basic capabilities of an occupant/job holder can be deduced.

Job conditions, on the other hand, refer to the place where the work is conducted, the substantial facilities available for the work to be accomplished, the circumstances and the social atmosphere encountered, and the types of pressures and psychological problems accompanying this atmosphere.

According to Hans (1988), upon obtaining results from the job study and work qualifications, the administration in charge of proposing regular evaluation reports will have two main documents for every job. These documents—the job description and the job holder’s qualifications—are regarded as the basis for performance standards. Also, both documents are used for preparing performance standards on one hand and for containing the prerequisite qualifications for the job on the other. In this regard, a performance standard means the required performance level which a job holder must reach using available equipment, tools, facilities and available resources; and within the work conditions that have been studied by adopting the performance and styles pre-set by the administration. Accordingly, the performance standards have four main dimensions: productivity, quantity, quality, quickness, and cost. The requirement of qualifications means that a job applicant should be given detailed specifications based on the following: level and type of education; experience; age; psychological qualities (such as attitudes and capabilities); gender; and physical qualities. Preparing such information would help determine the most important terms and factors for the intervallic job evaluation report which forms the basis for evaluating a job holder’s performance as described in figure 2.3 below.

**Figure 2.3: Preparation Process for Periodic Appraisal Form**



Source: Hans (1988:103)

When forming appropriate appraising forms for an organisation, Fletcher and Williams (1985) in their so-called Identikit ‘PA System’ state that forms should consist of four pages. The first side should include details about the job holder and job description. On the second page a manager should list the objectives and to what extent they were achieved; in other words, how well an employee has worked for them during the period of appraisal. On the third page, there should be a section where a rater can address the obstacles that hindered the ratee from improving and how they overcame them. Also, there should be section where the rater can comment and make the overall ratings. For example, the rater needs to make comments on the employee’s training needs and the areas which need to be developed. The last page of the form is the section which must not be seen by the ratee. This section includes the rater’s ratings of the job holder’s present ability and long term potential with supporting comments.

Other issues which should be considered when using job holder’s performance evaluation reports are as follows (Abusadda 1996)

- In case the forms are used as a basis to guide, direct, train, and develop the work of a job holder, the assessment of descriptions and behaviour of the job holder—for example, when they do their job—should be strongly considered;
- Only the job holder's descriptions which reflect on their performance should be listed. Likewise, the relative weight of these descriptions should be identified according to the contribution of each description of the job holder's work;
- More than one type of individual evaluation form should be prepared according to the type of job the job holder occupies. The reason for this is that the criteria used to assess technical jobs are often different to those used to assess administrative jobs;
- In general, the job holder's evaluation report form should consist of three sections. The first is to be completed by the personnel unit from the job holder's service records. This section also contains a record of the job holder's position. The second is to be completed by the job holder him/herself and contains all their achievements as well as any prominent progress which they have made during the evaluation period covered. It also includes further information they see as important in estimating their efficiency level and characteristics of their work. The third section should contain objective criterion for assessing the job holder's performance efficiency, as well as performance criteria and behavioural aspects which have influenced them, in addition to any chance of progressing in the future;
- When drawing up a job performance efficiency report, some important aspects should be taken in consideration:
  - i. The report should be very easy to handle
  - ii. It should contain information about a job holder, for example, name, age, position, experience, etc
  - iii. It should have notes on points of weakness in the job holder's work
  - iv. Feedback on how points of weakness can be overcome and treated are to be stated by the superior
  - v. Final recommendations regarding how the job holder's performance could be improved should be clear in a separate sub-section

- vi. All those in charge of the evaluation must sign the report.

It is essential to ensure that the job holder's evaluation/PA report has validity and reliability. A report that has validity means that the results obtained from the evaluation process are reliable in terms of the job holder's performance and conduct. This implies that whoever has a high rating must also have a high-level performance. A report that has reliability means that when the evaluator conducts the evaluation over different periods of time, they should have the same results each time. This type of reliability is generally called self-reliability. Another type is internal reliability, which means that if a number of evaluation conductors used the same form, they get the same results. It also means that the forms are able to assess the items/characteristics/variables intended for assessment (Abusadda, 1996).

Thus, in order for the job holder's performance evaluation reports to be more precise and objective when determining the actual performance level and discovering points of weakness or deficiency, they should be expressive of the nature of the job which is the point around which the assessment is centred, and of the circumstances in which the job is done. Clearly, this is because one report form in an institution may not be valid to use in another institution. Furthermore, a report form which is used to assess a certain level may not be valid as a tool for assessing performance at a different level or for a different job within the same institution. Therefore, a clearly defined system is needed which appraises employees' performances according to the nature of the institution, its goals, and its types of jobs. Hence, procedures governing the process of performance evaluation are required and this is discussed in the next section of this study.

#### **2.4.4. PA Procedures**

As PAs are based largely on subjective ratings, personality traits, and job-related criteria, and as they are often used to make decisions about promotions and transfers, they have become increasingly the target of government laws (King, 1989). According to Henderson (1984), legislation and court rulings are the major stimuli for increased management interest in PA. For instance, in the United States there has been much legislation such as the Equal Pay Act of 1963, the Civil Rights Act 1964 and the Age

Discrimination in Employment Act 1967 which require employers to document employees' performance before making various human resources-related decisions. Enforcement of these laws requires organisations to implement formal PA systems whether they want them or not (Henderson, 1984). Murphy and Cleveland state:

[B]efore the passage of the Civil Rights Act 1964, it was difficult for any employee to contest legally his or her performance appraisal, regardless how subjective, or inaccurate the appraisal. The reason for this is because that there was no legal environment that private organizations accurately evaluate employees' performance. (1995:46)

Likewise, at the Sixth Arab Conference for Administrative Science in 1972 it was stated that all civil employees are subject to appraisal with the exception of those in higher level positions who were appointed by decrees from the highest authority as they are considered to be subject to continuous evaluation (Alsawaf, 1992). In Saudi Arabia, for example, appraising public employees is similar as all civil employees are required to be subject to the PA process according to civil services articles which regulate PA (Alsawaf, 1992; Raslan, 1983).

Therefore, workers in both public and private organisations are subject to a wide and varied body of statutory and common law. Hence, it is important to ensure that the formulation and the accomplishment of the PA process are in compliance with the law and that they accord to a certain procedures (Dilts et al, 1994).

Much of the research into PA tends to focus on appraisers and appraisees, instrument reliability and validity, policies, and the procedures used to evaluate individuals in order to obtain distributive justice. This is known as the fairness in distributing rewards according to Crossman and Cook (2004). They argue that part of organisational justice is procedural justice (PJ), meaning that an employee's perception about the fairness of the procedures is used to make decisions about performance reward. Therefore, PA policies and procedures were constructed for their importance for: (1) the employees who are subject to the process; (2) the managers who conduct the process; and (3) the instrument used to accomplish the process.

Conducting a formal and legal PA process is currently widespread among organisations. A 1995 survey among executives at 218 companies, conducted by New York-based William Mercer Inc, found that managers and technical/knowledge workers are virtually always subject to formal PA where immediate supervisors conduct the reviews at 99% of the surveyed companies (Markle, 2000). Therefore, King (1989: 145) states that as performance and the law are interrelated, PA procedures and processes should ensure the following:

- They are job-related and valid;
- They are based on a job analysis;
- The same standards are applied to all workers;
- They are not biased against any race, colour, sex, religion, nationality;
- They are not based on subjective or vague criteria;
- They are performed by managers who have adequate knowledge about the job and the person subject to the evaluation process.

## **2.5. CRITICAL PITFALLS IN THE PA PROCESS**

The PA process is regarded as one of the most complex administrative policies, particularly in public organisations. The main reason for this is attributed to the intangible nature of the public work. Regrettably, in practice PA outcomes have been unsatisfactory for many organisations (an issue that will be discussed in the next chapter). In fact there are negative attitudes towards this issue from the point of view of both managers and workers. As mentioned before, it is understandable that public performance may be indescribable and difficult to be formulated or appraised in quantitatively or qualitatively satisfied standards. Hence line managers are unfortunately more reliant on their personal experience to make judgments which are likely to be subjective evaluations. Furthermore, the evaluation instruments which are used to conduct the PA process and the way they were formed may not reach the desired satisfaction of both raters and ratees as many researchers believe. This section aims to discuss problems related to employees' (ratees) and managers' (raters) evaluation forms, and the rules that regulate the PA process (Abusaddah, 1996).

### **2.5.1. Problems Related to Subordinates (Ratees)**

For employees subject to the PA process there are several problems which have a negative impact on the efficiency and effectiveness of PA systems to acquire stability between the job requirements and abilities of employees. These errors and problems, as perceived by the employees, are summarized as follows:

**The halo effect** occurs when supervisors are influenced in the overall rating by a particular factor or characteristic which could be important to them (Fletcher and Williams, 1985). As a result, subordinates believe that a manager would then build the whole rating judgment based on this criterion (Lambert, 1979). For example, if an employee is rewarded for being honest and if this reward corresponded with the evaluation period, the manager could accordingly give the employee a high evaluation, even though the employee's productivity is less than average. Therefore, an employee may have an excellent evaluation grade which he or she does not deserve or does not match his or her actual performance. Hence, the halo effect influences the objectivity and fairness of PA.

**Poor feedback to employees when conducting interview sessions:** Any individual who is subject to the PA process should be informed of their evaluation result. In China, for example, giving feedback is one of the main stages of PA in the public sector. Chan (2001) stresses that public workers in the civil services should receive an official written notification of the appraisal result. In addition, according to the Provisional Regulation Article 25, a state civil servant can lodge an appeal for review if they are discontent with the result of the evaluation as a further stage in the process.

Failure to give feedback on the management's part could result in dissatisfaction with the employees, and consequently may lead to weak performance and a lack of competence. Reeves et al. (2002) believe that professional employees are the ones who welcome feedback on their overall performance. In addition, they added that high performance emerges from constructive feedback. Therefore, managers should conduct formal feedback sessions with employees to acquaint them with information either about their progress or their inadequacy in achieving pre-agreed objectives. These sessions should be



held after a formal appraisal process of worker performance (Grace et al, 2004). Employees who consider themselves to be productive yet do not receive constructive feedback may become frustrated and depart, which ultimately results in high recruitment costs for the organisation (Mani, 2002). As new employees need to be trained and thus need much more time to engage well in their job positions, this adds the burdens of time and money onto the shoulders of the administration. Therefore, by establishing constructive PA feedback sessions, individuals will firstly gain confidence from receiving the evaluations they deserved, and secondly, they will build strong relationships with their managers as long as they have the confidence that their managers are credible. However, if these feedback sessions are handled poorly, the benefits of objective appraisal can vanish, and employees will be unmotivated or will not take the process seriously (Robert, 2003).

**The involvement of workers in setting standards, measurements and objectives of their PA is crucial** (Grace et al, 2004). Standards are important elements of a valid PA process. They measure the essential job responsibilities. If the management fails to engage individuals in setting out the performance features, which may be of concern to them, this could result in inaccuracies in establishing PA features and traits which are assumed to be coherent with job responsibilities. For example, Cook (1995:5) emphasises the involvement of teaching members in setting standards in universities: “the academic staffs decides what issues are worth researching and what subjects should be taught and by implication whose work has merit.” Therefore, it is useful to allow individuals to have greater involvement in setting out the performance criteria against which they will be judged in order to make the PA process more objective (Bach 2000).

**Employees’ resistance to PA** is another problem as this has a negative effect on the efficiency of the PA process. Humans by nature dislike being criticized. Therefore, employees have negative opinions of evaluation. Being evaluated will put workers under the spotlight in front of managers. Hence, raters need to improve employees’ attitudes towards evaluation by stressing the advantages they will gain from being evaluated, such as PA propensity towards developing individual skills, judging their eligibility for compensations and salary rises. Brown states:

[T]he fairness of the system of performance appraisal can be considered from two perspectives: the fairness of the outcomes received (distributive justice) and the fairness of the decision processes used to determine how rewards are allocated (procedural justice). (2001:40)

**The surroundings and limitations of the workplace:** Aspects other than the individuals' efforts and behaviour can control individuals' performances and consequently influence the effectiveness of PA (Abusaada, 1996). The success of achieving high performance in the organisation may not be attributed only to the efficiency of individuals. Instead, the success could be a result of other factors and facilities which may not be obtainable by many workers, such as the leadership pattern used in the unit, technology, procedures, and so on (Assaf, 1988). Thus, these factors and facilities cannot be disregarded as they also undermine the objectivity and accuracy of the PA process.

In addition, a line manager may judge the suitability of an employee for a certain job on the basis of an outstanding performance by a worker. On the other hand, another line manager may rate the same individual's performance as a poor performance if the line manager believes that the job is handled effortless. Therefore, it is important to consider the surroundings and limitations of the workplace when conducting performance ratings.

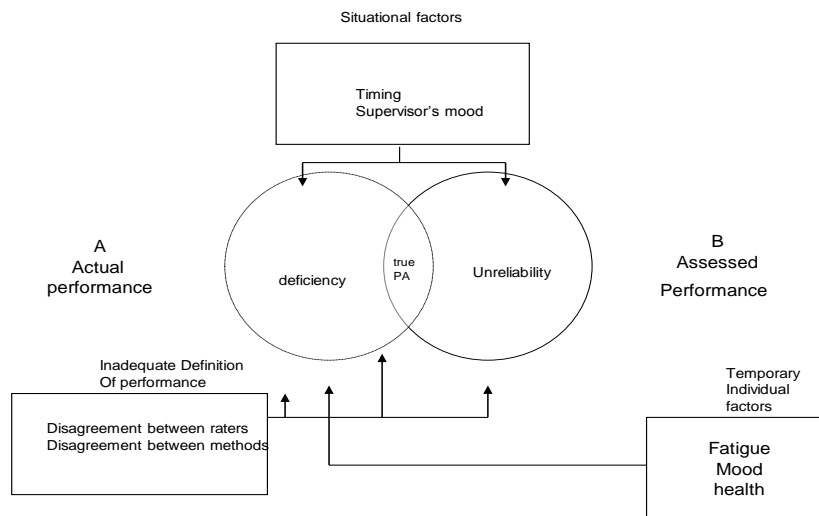
### **2.5.2. Superior Problems (Raters)**

As explained in the following sections, certain traits related to the raters who conduct the rating process can have a negative effect on the efficiency of PA.

#### **2.5.2.1. The appraiser's situational and personal factors**

A number of attitudinal and personal factors may possibly affect the appraisal of the employee's performance, and in turn, result in a lack of PA validity or reliability. Such factors apply to the entire PA process. Figure 2.4 below illustrates the most common sources of error in the process of PA.

Figure 2.4: Sources of Error in PA



Source: Szilagy et al. (1987:432)

To illustrate this issue, let us assume that a supervisor is appointed to write a report appraising the performance of a builder, taking into consideration the following essential aspects of the work to be assessed: work performance rate (speed); accuracy of work; and the amount of loss in materials (brick, supplies, etc.). If there is an optimal way to assess the construction work, we can accurately measure performance, and therefore we can collect the information represented by circle A in figure 2.4. However, unfortunately there are many sources of error (arising from situational and personal factors), which appear at the time of conducting the PA; thus we end with what is represented by circle B. Such factors can be described as follows:

- Ignorance of key aspects when conducting PA: This problem appears when the observer, being short of time, ignores the mark for accuracy in the construction work and concentrates on marks for speed and loss of materials. In this case, the process of appraising completely ignores one of the aspects of performance, resulting in deficiency of performance. Overlooked aspects are represented by the

part of A which is non-overlapped with B. This means that the method used by the observer is inadequate.

- The time of assessment: The builder is likely to receive higher ratings if his performance is observed and appraised at the end of the day after the removal of scattered debris. In this case, results of appraisal are remarkably affected by the time of appraising.
- Temporary personal characteristics of supervisor: Supervisors can be affected by personal qualities such as temperament, fatigue, and health, which all have an impact on the results of the workers' PA in terms of accuracy and objectivity.
- An inadequate definition of job performance: It is possible that the lack of an adequate definition of the type of performance required for any certain job results in a non-reliable appraisal. In this case, two types of errors can arise. Firstly, it is likely for two supervisors to have two different views towards the type of elements of the job performance, which in turn causes them to produce two different appraisals for the same worker at the same time. Secondly, it is possible for the appraisal method to result in unwanted heterogeneity at the time of appraising. Experience and research show, for instance, that the appraisal marks resulting from personal interviews as a method of appraisal vary from marks produced by other typical and official methods of appraisal.

#### **2.5.2.2. Lack of training and knowledge when conducting PA**

The extent to which PA is effective depends on how raters maintain the objectivity of the PA process. Thus, managers should receive enough training to be knowledgeable on how to conduct PA. Cook and Crossman (2004) believe that raters who are trained to handle PA will ultimately lead to greater organisational effectiveness. In Malaysia, for instance, the Public Service Department adopted a new PA system in 1992. Ten years after the implementation, the study shows that 90% of the employees were not happy with the new system. One of the reasons was that the raters did not seem to be knowledgeable or did not have enough skills to handle the PA process (Russlli and Ali, 2004). However, if raters were trained in carrying out the PA process, their judgments would be subject to personal opinion.

However, raters themselves may not be enthusiastic about the rating process. McGregor (1960) believes that managers dislike criticizing subordinates because they are uncomfortable when placed in the position of 'playing God'. Their resistance could also be attributed to a lack of skills needed to handle interview sessions with employees. Therefore, Sashkin (1981) and Levinson (2003) suggest that managers should not only be trained to handle PA process, but should also be rewarded when evaluating their employees. They argue that there is a link between employees' development and their appraisals.

#### **2.5.2.3. Lack of accountability**

Appraisal results can be affected by the lack of administrative accountability, in terms of accuracy and objectivity, of those in charge of reporting PAs of their employees. Hence, such reports cannot be relied upon in making decisions concerning individuals' affairs.

When administration leaves the PA task to raters without controlling the process, it is a major rating error. What is meant by controlling in this case is that employees' evaluations should be monitored and then approved by a higher management level to ensure the validity of PA. If PA is not pursued by higher level management, raters could either be biased towards certain subordinates or could take arbitrary decisions when evaluating their subordinates. For example in the British Civil Service, immediate managers do the rating while their supervisors conduct the appraisal interviews which, to some extent, stop managers from being both helper and judge at the same time (Stephen and Ribeaux, 1992).

#### **2.5.2.4. Leniency and strictness**

Leniency and strictness occur when the manager has a tendency to rate employees either too high or too low (Dessler, 1994). Leniency is found when managers take one positive performance factor or incident as being representative of all aspects of an employee's performance (Mondy et al, 2002; Taylor, 2002) This behaviour from raters is attributed to the rater's desire to gain their employees' loyalty or to avoid being criticized by their managers when their employees are ranked low. Strictness is "being unduly critical of an

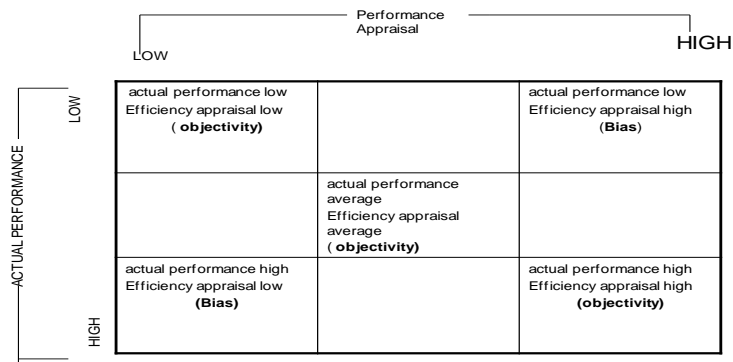
employee's performance" (Mondy et al, 2002). However, many raters think that giving high ratings is an easy way to avoid criticism. In a survey conducted by the UK's Institute of Employment Studies (IES), it was found that 92% of over nine hundred respondents in the public and private sectors were rated either "exceptional or good/competent" (Andrew, 2002). It can be inferred from this that raters tend to be more lenient than strict. In cases of strictness, superiors attempt to show subordinates that no single performance is better than their overall performance and, hence, believe that it is one of the best ways to motivate workers to perform better.

Unfortunately, a consideration of such a rating process is likely to give human resources HR departments inaccurate information when planning the development of HR policies. Moreover, the PA process will not achieve the objectives for which the system was established. Mani (2002) believes that if managers give employees a disproportionate number of outstanding ratings, then the system will lose its credibility and, as a result, there will be fewer incentives for employees to improve performance.

#### **2.5.2.5. Biases**

Managers could be biased towards or against their workers' personal characteristics such as religion, gender, and disability (Szilagy, 1991; Mondy et al, 2002). Even though in many countries there are laws that protect employees from such acts, in some countries this type of law may not be maintained or applicable. Consequently, bias occurs when a superior rates a subordinate either high or low not based on their actual performance and behaviours. This has a considerable negative impact on the efficiency of evaluation as illustrated in figure 2.5 below.

Figure 2.5: PA Bias



Source: Abusaddah (1996:87)

Bias occurs when a rater favours one or more employees and rates them higher than they deserve (Taylor, 2002). In contrast, a manager may not prefer other employees and rate them lower than they deserve. Those who receive lower evaluations could be rated lower than they deserve because they do not argue with raters' decisions or behaviours related to their evaluation process. Also, bias occurs when a rater awards a particular work trait with a higher rating than it deserves. For example, one manager may be very strict on punctuality but does not pay as much attention to employees' productivity. In this case, punctuality would control all other work traits in the PA process and consequently the evaluation process will be far from objective.

Since both superiors and subordinates all work together, superiors should strive to gain the trust and loyalty of their workers by considering themselves as helpers rather than judges when conducting PA. They must be as fair and impartial as possible in order to maintain an objective PA process (Long et al, 1986).

### 2.5.3. Poorly Designed Form

There are several problems related to the evaluation forms; such problems may also have a negative effect on the PA. The researcher proposes that some of these problems are as follows:

- The use of the same form along with the same weighted scale for all traits for all organisational levels (Merritt, 2007). In this case the rating scales do not reflect the characteristics necessary for effective performance (Fletcher and Williams, 1985). Each job has certain classifications and requirements which differ from one job to another. For example, the qualifications needed for a job in the middle organisational level is different to those required for a job at the bottom.
- If the content of a form is neither integrated nor balanced, a rater may give an unbalanced scale of rating among traits. For example, a rating is based heavily if certain traits such as an employee's personality or relationship with colleagues accounts for 65% of the overall rating whereas productivity accounts for just 35%. Therefore, focusing on employees' behaviour above productivity causes the standards of PA to lose their validity (Philp, 1983).
- The use of unclear phrases. For example, a form may include a phrase like a colleague's relation. Instead of understanding this to mean how cooperative an employee behaves with colleagues, a rater may interpret this differently to what the form really requires.

Thus, the accuracy of the outcome of evaluation is to some extent dependent on the rater's understanding of the standards and language used in forms. Therefore, forms are important tools for managers to construct their appraisal, and worker participation in developing the ratings form and appraisal procedures is an extension of PA (Robert, 2003).

#### **2.5.4. Inadequate PA Process and Procedures**

A good PA takes into account ethical and legal issues. The PA system must have procedures in place to ensure that discrimination does not take place or, if there is particular issue, there are procedures for the raters and ratees to obtain redress (Hunt, 2005). Thus, PA procedures and process are important for organisations and employers to avoid being taken to court or being litigated due to inadequate PA processes and procedures. Mathes (1992) suggests that the best way to avoid a costly lawsuit — assuming that an organisation or an employer already has a formal appraisal system — is



to train supervisors in proper evaluation techniques and procedures. Therefore, passing appraisal forms to managers without giving them instructions in how to handle them is a big mistake.

As the legal environment has been a concern for ratees, raters and organisations, Murphy and Cleveland (1995:46-47) specify the following as guidelines on how to comply with federal anti-discrimination laws in the US when carrying out PA:

- PA should be based on specific dimensions whose relevance has been established through job analysis;
- Raters should receive training or instructions;
- Performance dimensions should be defined in terms of behaviours;
- Feedback should be given to the ratee, and there should be an appeal process for ratings that individual feels are inaccurate;
- Raters should have adequate opportunities to observe the performance they will be asked to evaluate;
- Extreme ratings should be documented;
- If possible, there should be multiple raters;
- Appraisals should be frequent—at least annual.

Murphy and Cleveland (1995), Patricia and Tim (1998) and Abu-Doleh and Weir (2007) state that the above guidelines protect employees from being evaluated according to a rater's desires, which may reflect the rater's bias rather than the ratee's performance. In addition, organisations are more likely to be reliant on direct managers as the sole decider of their employees' performance.

## **2.5. CHARACTERISTICS OF AN EFFECTIVE PA SYSTEM**

After considering the above common errors of PA, it is important to discuss a number of characteristics an effective PA process should possess. When starting a PA process, it is necessary to take into account the common acceptable features of an effective PA. According to Farr and Landy (1989) and Murphy and Cleveland (1995), an effective PA system should include:

- A PA process based on the current job the employees handle, the way in which they behave with their direct manager and colleagues, and finally their capability and ability to ensure their suitability for the job requirements.
- It is essential to view the PA process as one that contains certain components: (1) a ratee who is subject to the PA process according to certain standards; (2) a rater who carries out the PA process; (3) the completion of an appropriate evaluation form; and (4) the procedures and process that give the PA process its legitimacy.
- The result of a PA process that can be relied upon for successive planning and decisions related to the employee, such as selecting, transferring promotions, pay increase, and so on.
- It is important to note that the PA characteristics should be developed from the mission and the vision of the organisation. In addition, they must be incoherent with the ultimate goals of the organisation.

In addition, some of the characteristics of effective appraisal systems include the provision of training programmes for raters; job goals related to performance standards; employee participation in setting goals and the appraisal process; the frequency of evaluation; the supervisors' ability to help coach subordinates; and proper feedback with the objective of overcoming biases and shortcomings to reach an effective PA procedure. The characteristics of an effective PA procedure are explained below.

Firstly, for an effective PA procedure, supervisors are one of the most important factors in any appraisal process. It has been shown that the PA process is more reliant on the ratings given by them. Therefore, Sashkin (1981) suggests that raters should receive training in skills and assistance in using the systems and in being helpers and counsellors. As mentioned earlier, some raters are subject to errors such as the halo effect and leniency. As explained earlier in the section on rater errors, training and even brief lectures and discussions can reduce the risk of raters making errors.

Scribbins and Walton (1987) argue that the training of appraisers in all aspects of appraisal is essential. Training should not be limited to purely ensuring they are

sufficiently knowledgeable but should go further to make them acceptable to the appraisees. Scribbins and Walton add that training programmes for raters should cover certain areas such as explaining PA; how to prepare for appraisal; appraisal interviews; and feedback sessions. Henderson (1984) suggests that through a well designed and implemented training programme, organisations can provide employees with the kind of support necessary to be contributors to an effective appraisal system, increasing the accuracy and effectiveness of the appraisal process. Although supervisors deal with subordinates on a daily basis, there is a tendency to have many internal and external partners involved in the ratings process.

The second requirement for an effective PA process is to have employees actively involved in the appraisal process and particular goal settings. While Sashkin (1981) states that it could be problematic to get employees involved in the process, he contends that management can involve employees in what he calls system refinement. This is the development of job description, goal settings, or performance criteria or measures where employees can be actively involved. In addition, according to Lucas (1994), workers should participate in establishing their job descriptions and goals. Having employees involved in setting their own goals makes such goals more acceptable to them. On the other hand, Sashkin (1981) argues that it has been proven through research that goal settings are beneficiary even when the goals are imposed rather than participative. He adds that while it is difficult to ensure the true mutuality of goal setting such as participation from employees, it is nevertheless valuable because mutually set goals are likely to be higher than those set by managers. Hence the higher the goals, the higher the actual performance is likely to be.

According to Henderson (1980) and Sashkin (1981), formal goal setting approaches, in particular MBO, offer extensive involvement from the employees. However, it is important on a basic level to develop an appraisal process in which employee participation can result in benefits for the whole system. Hence, the more employees are involved in all appraisal phases, the better the system is going to be.

Another characteristic which plays an essential role in ensuring an effective appraisal process is frequency. Usually employees at all levels are subject to the PA process on an annual or semi-annual basis. It is common within public and private organisations for this process to be conducted annually.

Murphy and Cleveland (1995) believe that there are aspects of the environment that organisations must monitor and respond to in order to be effective, such as the legal system and the technical environment. Such aspects are thought to have an impact on the frequency of appraisals. For example, the legal system in organisations is likely to have a moderate effect on the frequency of appraisal. It is common that many organisations make major administrative decisions, such as promotions, salary increases and transfers, on an annual basis. However, if the legal system encourages strong links between those decisions and appraisal, this may lead to a higher performance for annual or semi-annual appraisals that coincides with organisations' schedules for making administrative decisions (Murphy and Cleveland, 1995).

The technical environment has little effect on the frequency of appraisals. The term 'technical environment' means the extent to which an organisation possesses or controls the technology needed to fulfill the organisation's functions. The effect occurs when a supervisor is not familiar with the technology of production which results in the supervisor avoiding the PA altogether.

Another characteristic which is consistent with the frequency of PA is the paperwork and technical assistance required by appraisal systems. Sashkin (1981) suggests that paperwork and technical assistance may place an extra workload on managers. This occurs when some appraisal techniques require more skills and efforts than others. For example, the use of Behaviorally Anchored Rating Scales BARS as a method of PA process involves more effort than other methods and is thus considered to be a burden on the rater's shoulders. Furthermore, essays on subordinates and interviews with subordinates as methods require more skills than other methods which may be simply a one-page form. Hence, all PA methods have their good and bad points in terms of the

work and effort required to use them. Therefore, the best among them is the method that does not require a huge amount of effort from appraisers.

Fourth feature of an effective PA is the standard that identifies good and poor performance. Murphy and Cleveland state:

[T]he direct measurement of rating accuracy requires some standards against which ratings can be evaluated. This standard is often referred to as a true score and is thought to represent the rating that would be expected from an unbiased, careful rater who completed the rating task under optimal condition (1995: 52).

In addition, Henderson (1984:138) adds: “PA and standards are interacted. Performance standards provide a mandatory guideline for work behavior or a minimum acceptable level of employee behavior; they state how well an assignment should be performed”. Henderson (1984) also highlights a set of performance standards and characteristics: (1) standards should differentiate between acceptable and unacceptable results; (2) they should motivate workers to carry out their jobs; and (3) they should include a timeframe for work to be achieved.

The final characteristic for an effective PA is the constructive feedback that is given to employees. Scribbins and Walton (1987) believe that without feedback, the setting of objectives is unlikely to have any real value. It should encompass a discussion between supervisor and subordinate of how they feel about the objectives were set, whether they have been achieved or not, and the reasons for that.

Feedback should not only be given to employees on the day of the formal interview, but there should be informal interviews between supervisor and subordinate to acquaint them with achieved goals and progress. However, most important is that interview sessions should be primarily focused on problem solving and developing performance (Sashkin, 1981). In addition, AsmuÅ (2008), Robert (2002) and Mani (2002) state that the PA interview itself can give insight into the employee’s voice and provide valuable information. Thus, it is important to include feedback interviews in training programmes for raters in order to make them capable of conducting feedback from the interview processes.

## **2.6. SUMMARY**

Although it can be acknowledged that PA is an important way forward towards enhancing both an employee's performance and the organisation's effectiveness towards achieving organisational goals, there is still some confusion about what PA is and how it should be conducted (Analoui and Khoury, 2004). However, from the proposed definition of this study, it can be inferred that the main components of PA are the rater who conducts the PA process; the ratee who is subject to the evaluation; the forms used to fulfill the process and procedures; and finally the rules that make PA legitimate and applicable.

In addition, there are a number of errors and pitfalls which occur when PA is conducted which may restrain organisations from having effective and objective appraisals. These may consequently prevent decision makers from making the right decisions related to the improvement of HR policies. Some of these problems are related to employees who are subject to the evaluation process, and some are related to managers who carry out the PA process. Other errors are connected to the forms that are used in evaluations. The final problem concerns the rules and procedures used to handle the PA process.

Moreover, in order to have an effective PA system, there are certain characteristics that should be embedded in any effective performance system. These features may vary from organisation to another as they are subject to the mission, vision and ultimate goals an organisation intends to achieve.

## **Chapter 3**

# **HUMAN RESOURCES MANAGEMENT: POLICY AND PERFORMANCE APPRAISAL**

### **3.1. INTRODUCTION**

Appraising employees' performance is not an objective per se, but is regarded as an instrument to attain a certain objective. The main objectives are the improvement and motivation of individual performances and gaining employees' satisfaction so as to give insight into the organisation and help it obtain its ultimate goals (the organisational objectives).

The PA process is important as it provides management with information about employees' performance, and hence their contribution towards organisational objectives. Hence, the responsibility of management is to analyse this information regarding individuals' performance in order to recognise their strengths and weaknesses, and thus establish future HR policies (Abu-Doleh, 2007). Therefore, PA is considered as an important source of information which can be utilised as part of effective management, particularly when the PA process is conducted accurately and fairly. Matthew (1999) therefore, states that the more accurate the information gathered from PA process, the more objective and fair will be the PA.

The argument in this chapter is that PA is considered as an important resource of information on which managers can rely to improve HR policies. In addition, the PA process must be conducted on a fair and objective basis with objective rather than subjective standards in order to make accurate decisions related to individuals' organisational status. In brief, PA outcomes have a positive influence on HR Management (HRM) decisions, including promotions, demotions, pay rises, transfers, training requirements and so on,. This chapter focuses on the following:

- i. Discussing the importance, the role, and the function of HRM;

- ii. The impact of PA outcomes on HRM policies;
- iii. The impact of PA outcomes on HRM decisions; and
- iv. Common methods used when conducting PAs;

### **3.2. HUMAN RESOURCE MANAGEMENT**

Combs (2006:320) cited Pfeffer (1998) stating that

human resources can be an organisation's largest and most difficult expense to control, but can also be a central ingredient affecting organisational performance. Thus, a key task for researchers is to understand how HR can be managed to maximise productivity and enhance creativity while controlling costs.

Usually, organisations manage employees consistent in line with the goals of management or shareholders. Nevertheless, at the same time, the needs of individuals working for the company, and the society in which a firm operates, should be taken into consideration (Schuler and Huber, 1993).

The term HRM is defined as a series of activities practiced to ensure that workers are managed effectively for the benefit of employees, society and organisations (Schuler and Huber, 1993; Mathis, 1991; Marchington, 2005).

#### **3.2.1. Importance of Human Resource Management**

HRM is recognised as a keystone for the success of an organisation. It deals with the major resource of manpower, and if insufficient attention is paid to it, an organisation will not easily achieve its objectives. Manpower is the main asset that contributes to improved productivity in terms of both quality and quantity. There is no doubt that productivity is the most important goal that an organisation aims to achieve. Schuler and Huber (1993:5) state that the most productive organisations in the US know this and treat their HR departments differently in the following fashion:

- They ensure that the HR department participates in strategic decisions which affect the successful implementation of business strategies;
- They focus the current resources devoted to HR function on current problems before they add new programmes or seek additional resources;
- Their HR staff initiate programmes and communicate with line managers; and



- The corporate staff shares responsibility for HR policy formulation and programme administration across organisational levels.

Another important aspect of HR is workforce flexibility. As companies and organisations function in a highly competitive environment, it is necessary for HR management to change rapidly in response to new technologies, skills, training, and other HR practices. In order to achieve workforce flexibility in responding to the dynamics of an ever-changing environment, individuals need to be trained in many skills. This will ensure they adapt to change and it makes them comfortable with continuous learning (Schuler and Huber, 1993).

### **3.2.2. Human Resource Management Activities**

In recent years a number of concepts and terminology have been developed as part of HRM, such as notions of best practice and high performance work systems. Regardless of these different concepts, the bottom line is that HR has potential to bring about improved performance for benefit of the organisation in general and also to enhance employees' skills and productivity (Marchington, 2005; Datta, 2005).

According to Marchington (2005), Mathis (1991) and Schuler (1993), HR management comprises of the following major activities:

- strategic HR planning;
- training and development;
- PA;
- staffing;
- self-managed teams/team-work;
- health and safety;
- selective hiring and sophisticated selection;
- equal employment opportunity compliance;
- job analysis;
- employment security;
- employee relations; and

- compensation and benefits.

Although these activities vary between organisations, it is implicitly assumed that organisations can tailor HR practices that suit their own requirements.

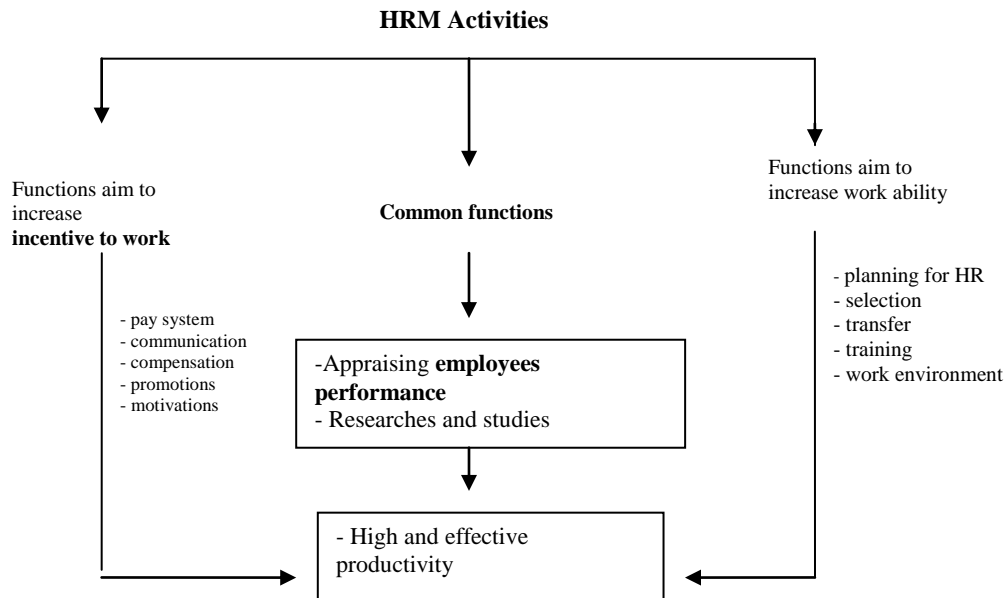
### **3.3. HUMAN RESOURCES POLICIES AND PA OUTCOMES**

HR policies refer to the general guidelines that develop HR practices and activities used by organisations in order to increase individuals' performance (Schuler and Huber, 1993). Furthermore, PA outcomes are referred to as the results concluded from the PA process that is assumed to reflect the quality of individuals' performance and accordingly direct managerial decision-making.

However, the exploitation of PA outcomes is not limited to making decisions on an individual basis, such as transferring one individual from one job to another or offering promotion, but the results can also be used collectively to review and set future HR policies. Therefore, it is in the best interests of organisations to establish PA systems that compare performance ratings either on group or on an individual basis. The purpose of this analytical process is to understand the main assumptions that should be taken into consideration in order to construct HR policies.

Consequently, the success of the PA system is reliant upon several factors: firstly, linking PA planning with organisational planning (Schuler and Huber, 1993); and secondly, the extent to which organisations make use of analysing PA outcomes for the purpose of evaluating current HR policies. Thus, management may need to improve or amend the quality of HR programmes, for instance by implementing training programmes, or making changes to selection policies (Al-Shanawani, 1986).

**Figure 3.1: Human Resources Functions**



Source: Al-Salami (1989:44)

Figure 3.1 illustrates the role of PA as a function of HR management (Al-Salami, 1989). It explains the relationship between PA as a major function of HRM with the other functions of HR which aim to increase employees' performance. When looking to link PA and functions aiming to increase a worker's ability, it can be recognised that PA determines the extent to which an employee is suited to a particular job. In other words, PA confirms that whether or not a worker can undertake a job that matches his or her capabilities and qualifications. As a result, it is possible to increase employees' productivity by transferring individuals from jobs that do not match their capabilities to ones that do. Likewise, PA can be used as an instrument to control other functions of HR, such as selections or promotions, which can lead to an improvement in performance.

On the other hand, performance deficiency discovered by PA could be attributed to the lack of incentives or job satisfaction, such as compensation policies, promotions and so on, which direct managers to re-appraise and review these policies in order to increase productive efficiency (Al-Salami, 1989).

Accordingly, the information collected from PA process is regarded as an indication for controlling current HR policies. In addition, based on this information, management can improve current HR policies and plan further HR policies. These options will be discussed next.

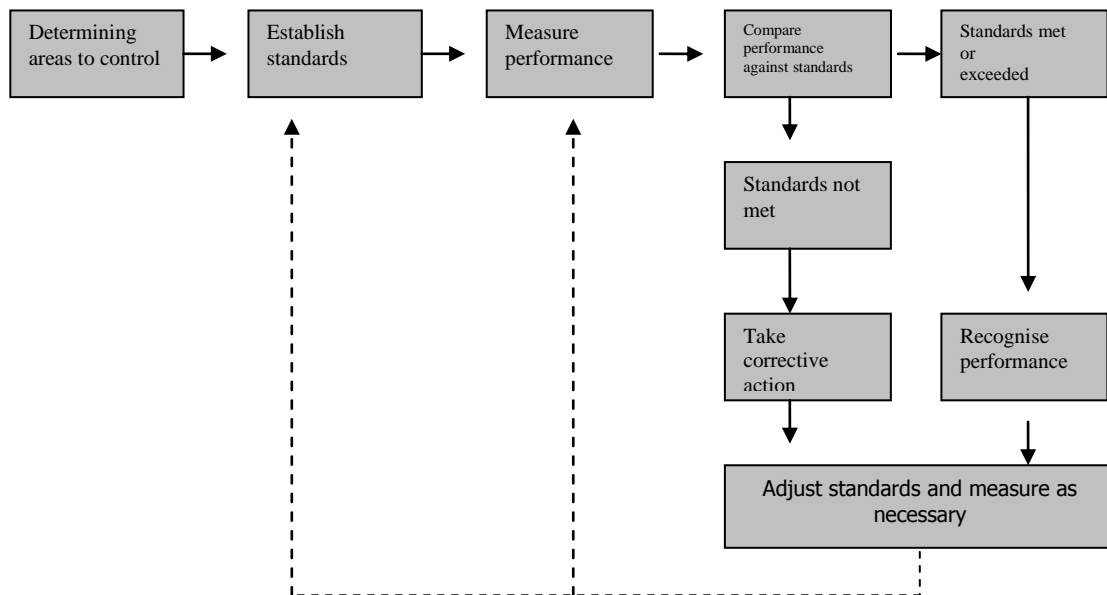
### **3.3.1. PA as a Controlling Instrument of Current HR Policies**

In practice, it is easy to apply control functions, as one of the administrative functions, over an organisation's tangible goals, such as quantity, quality, and balance sheets, which can be measured unambiguously. However, it is more difficult for controlling functions to evaluate outcomes that are intangible. Certainly, specialised individuals, who have experience in analysing such ephemeral outcomes that measure the success of HR policies, are needed.

PA is considered as an important instrument used by management to control HR policies through information gained through the system. Hence, when HR policies are implemented properly, they will reflect the effectiveness of the PA system (Abusadda, 1996).

Many administrative writers argue that the controlling function goes through several stages (see figure 3.2). The first step is to determine the area to control. This is followed by establishing the standards to be controlled. Once the performance has been measured, it should then be compared against the standards set. The next stage is recognising positive performance. In the case of negative performance, the necessary corrective action should be taken. Finally, standards should be adjusted and measured according to the changing nature of organisation (Bartol and Martin, 1998).

Figure 3.2: The Control Process



Source: Bartol and Martin (1998) p.515

PA plays an important role in this process by giving the results for the management to facilitate and review the controlling process. PA is a system that generates the information needed for the controlling process in relation to HR and for the directing HR policies within organisation. For example, individual performances are evaluated through immediate managers or supervisors from the bottom of hierarchal structure to the very top level of management. At the top of the hierarchy, executives and general managers review the performance by assessing against measures of success for the whole organisation, allowing them to re-assess HR policies. In other words, the success of HR policies is one of the positive benefits for the whole organisational performance (Szilgyi and Wallace, 1990).

Therefore, PA plays an essential role in choosing the appropriate HR policy for the organisation, by producing the results with which to review HR policy and help managers to adopt from policies. For instance, management can decide to what extent the quality of selection as a function of HRM was successful when selecting employees and appointing

them in their jobs (Fletcher and Williams, 1985). The role of PA in this matter is that it indicates whether an individual's qualifications, skills and commitment are compatible with capability and expectations. Furthermore, when conducting selection tests, for instance, PA also verifies whether these tests were consistent with job qualifications, requirements and the employee's capabilities. As a further example, PA helps management to ensure that HR departments carry out policies effectively and provide employees with appropriate training programmes, which should increase their skills, ability and performance. In addition, PA provides management with information about the HR policy when judging the effectiveness of training programmes, and the extent to which they were beneficial to workers. Finally, PA is important in notifying management about the appropriateness of policy in relation to the compensation and motivation system. In total, PA ensures the efficiency of policy in motivating both managers and their subordinates to increase their productivity and reach the intended organisational goals (Abdulwahaab, 1990).

Thus, it can be concluded that the information provided by the PA system is considered to be an essential controlling tool for management to ensure the efficiency of its current HR policy. This efficiency emerges when the management analyses each individual performance against expectations, which is regarded as being the beginning of a wider analysis for the entire workforce. From that point, management can review the current policy based on this wider and collective PA analysis, and make its judgment regarding HR policies. To illustrate, if the final PA outcome analysis indicates that the performance in general is high, in other words the effectiveness and the efficiency of the workers are high, it gives an indication that the policy has achieved its intended goals. As shown in figure 3.3 below, the PA system is considered to be the data centre for all information about recent HR policies, something essential in order to plan for and implement future policies.

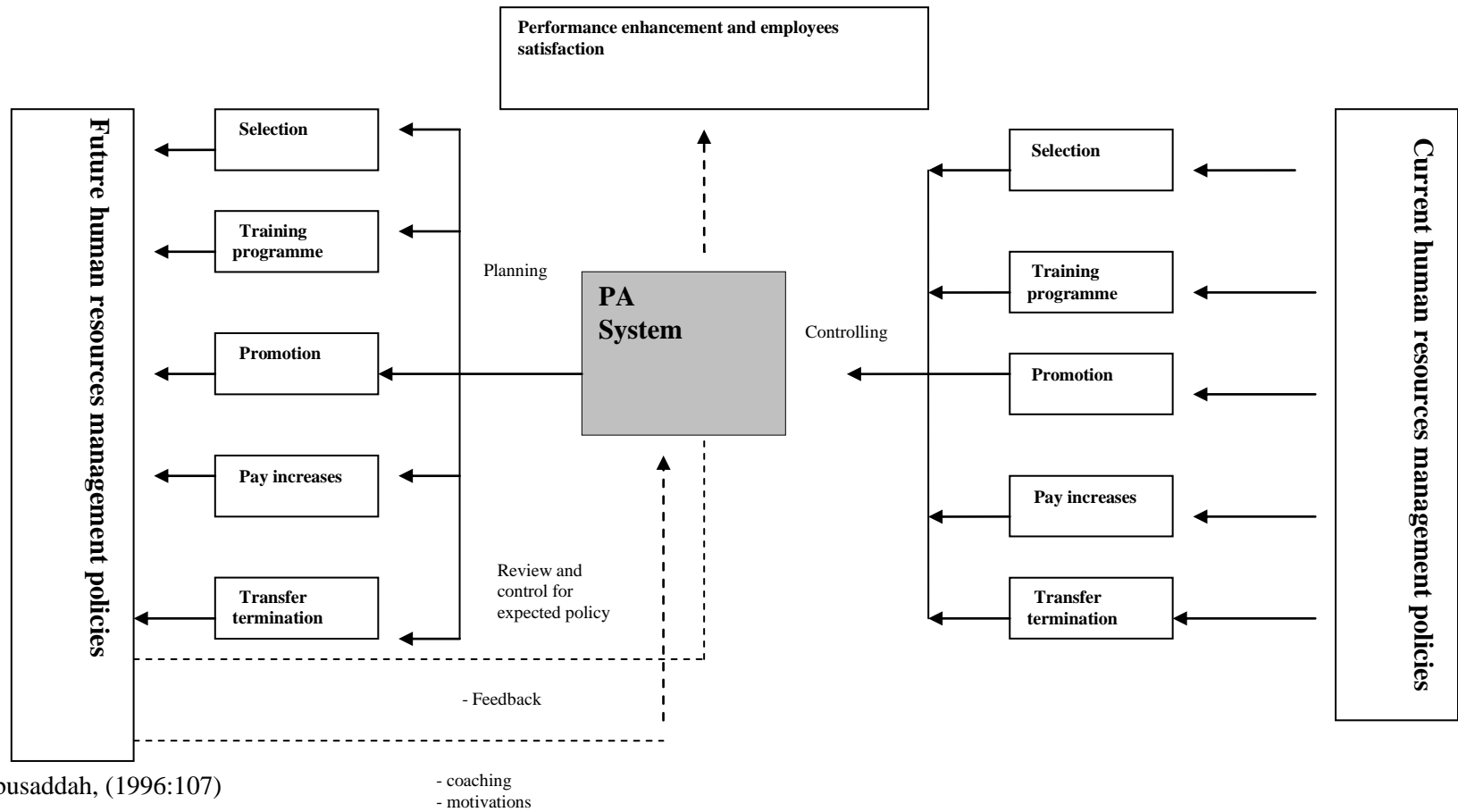
### **3.3.2. Information Impact of PA on the Future Planning for HR Policies**

As discussed in the preceding sections, the outcome of PA plays an important role in HR planning, as it determines the basis for future HR policies, as the result of PA determines

which functions are more important than others (Fletcher and Williams, 1985; Zayed, 1995). In fact, the use of the PA outcome is not limited to determining whether or not individuals qualify for promotion or a pay rise. Based on the collective or general PA outcomes, top management decides on the future development of HR policies. The information resulting from the PA system is a valuable source for determining the effectiveness of recruitment, selection and so on for the future (Bach, 2000). HR specialists basically analyse the information gathered from PA and make the necessary decisions in planning for the future of HR functions. Hence, it provides an opportunity to improve the future HR policies through the specific management functions (see figure 3.3).

From results developed from the analysis of the PA outcomes, HR specialists can develop future HR policies. Furthermore, it can be seen from figure 3.3, that there are two types of feedback which result from the PA process: the first type comes in the form of reviewing the policies that are going to be implemented in the future. The second explains that HR planning, through PA outcomes, will result in the enhancement of employees' performance and will increase their motivation and job satisfaction, hence organisational loyalty will also increase. Therefore, the information resulting from PA is one of the main factors on which HR specialists rely when planning for the future HR policies.

Figure 3.3: The Role of PA in controlling and Planning for HR Policies.



Source: Abusaddah, (1996:107)



### **3.4. IMPACT OF PA OUTCOMES ON HR DECISION MAKING**

Anderson (1993:65) states that for

human resources management to be effective, [it] requires the integration of a number of elements. A central element of HRM is the performance appraisal system because, through generating valid information on the present state of human resources of the organisation, it contributes to other areas.

Hence, PA is regarded as one of the important factors that management takes into account when making decisions related to employees' status, including promotion, demotion, transfers, salary rises or termination, as well as to test the validation of HR policies (Arnold et al, 1991). These issues are discussed in the following sections.

#### **3.4.1. Promotion Decisions and PA**

Apart from improvements in pay and conditions of work, one of the main incentives available for workers is the opportunity for promotion. It means a transfer from a current job to a higher position with different responsibilities, objectives and performance standards (Rees, 1991; Hannagan, 2002). Employees tend to display a tendency to aspire to climb upwards through the hierarchal level within the organisation. Low productivity would result in a bad appraisal and consequently less opportunity to gain promotion. Information obtained through PA is an objective instrument that helps management to make promotion decisions. Furthermore, when the PA system is fair and accurate, it can predict that promotion will lead to high performance motivation (Stephen and Ribeaux, 1992).

Linking promotion with the outcomes of PA is considered to be a certain action, because it enables managers to make decisions related to who is best suited to deal with a higher position. Both the public and private sectors are very much reliant on PA information based on previous evaluations. For example, under the New Remuneration Scheme (NRS) which is the evaluation system that was introduced in 1992 by the Malaysian government for education, one use of PA information is to determine staff promotions based on the outcomes of an annual evaluation (Abu, 2000). In addition,

Abusaddah (1996:112) states that in the public sector “the result of PA is essential as a major criterion when selecting individuals for higher positions.”

This is not limited to the public sector, as it is possibly even more important in private organisations. Top management needs to ensure that individuals who hold higher positions, especially those individuals in key positions, are qualified to perform such essential jobs.

The use of PA in determining promotions is also important from the point of view of the employees. When employees know that promotions are given according to merit, they will understand the organisation to be just due to having decision based on a rational appraisal process. Discrimination in granting promotion will upset and demotivate employees, something that must be avoided in organisations (Hannagan, 2002).

Farr and Landy (1983) cites Ghiselli (1969) when arguing that previous performance should be used for the purpose of promoting individuals, and that organisations, particularly those with a large span of control, should play some role in determining the level of performance in relation to promotion reasons. Farr and Landy (1983:194) states that:

If the individual in question came from small span of control the superior performance would not have the same meaning as if individual came from large group. In other words standard error of performance is much greater in small span of control where we could be less confident that the individual was truly superior. On the other hand in the large group we would be more confident that the top performance was really outstanding. It can be inferred from the above argument that competition for promotion is greater in organisations with large span of control.

It can be concluded that linking promotion with PA results plays an important role for managers to reward promotions to suitably qualified individuals.

### **3.4.2. Financial Promotion Decisions and PA**

Employees are usually compensated in accordance with the responsibilities they carry out. Thus, those at the top level of management gain greater compensation than those in middle level, and those in middle get more than those at the bottom. In some

organisations, employees get basic wages with annual fixed increases in pay. Other organisations link increases and wages to individual performance, which is called merit pay. Farr and Landy (1983) state that there are two basic models for financially rewarding individuals. The first is that individuals should be paid in direct proportion to how well they perform their assigned duties. Secondly, individual rewards are weighted according to the contribution of their role to the profitability or viability of the organisation. However, currently most organisations link increases in salaries with an individuals' PA. In the US, for example, the vast majority of federal workers who do their job well want to be judged on the basis of their performance and, as a result, they prefer increases based on merit (Brown, 2001).

Brown (2001) states that recent studies found that organisational loyalty is being threatened by employees' dissatisfaction with their pay and the methods used to determine the level of compensation. Several decades ago researchers such as Maslow, Herzberg and McGregor dispelled 'the carrot and the stick approach' that had previously been considered an appropriate method in order to motivate employees to improve their performance. However, as Freemantle (1994) argues the process of evaluating individuals and awarding them with performance related pay (PRP) or merit pay is merely a modern day carrot and stick approach.

In other organisations employees receive a fixed monthly salary along with permanent base or promotional increases. This type of increase can be observed in ongoing employment and is considered to be a reward for job security. When job security is a valued reward at work, employees will be unwilling to support merit pay (Bach and Sisson, 2000). This type of increase is commonly used in public sector organisations in order to motivate workers and to increase their performance. Employees are awarded a percentage of their basic salary as an incentive to improve their performance.

However, performance related pay has been the underlying basis of pay incentives for public servants in the UK since the late 1980s. By the late 1990s, it had replaced pure time-based pay with set annual increases based on seniority for most civil servants and for many in local government and the health service (Dolton et al, 2003; Marsden, et al,

2000). In their study entitled *New Economics of Performance* which explores the effects of performance pay on the motivation and work relations of British public services Marsden and French argue adopting a percentage of the basic salary is more compensation for a large probability of error (Marsden et al, 2000). The study shows that, in public sector, there are constraints on the use of incentives in order to motivate a large number of employees to improve their performance, which places a greater burden on the fairness of appraisal. They also contend that there is a greater chance that employees who work hard will not be rewarded fairly, and vice versa. Dolton et al (2003) support the findings in their survey which finds that the majority of the respondents believe that their PRP method has caused jealousies and undermined moral.

An example of the changing nature of payment policies can be found in Chinese governmental and administrative departments. The pay system was reformed, changing from a wage grade system that commenced in 1956 to a structured wage system in 1985, consisting of four elements: a basic wage, seniority pay, a tenure wage and a reward wage. In 1983, two measures were taken to adjust the pay systems among industrial organisations, firstly linking pay with firms' economic performance, and secondly adopting a PA system for wage increases (Anderson, 2001).

To find out if there is a relationship between rewards and the outcomes of PA, a study in 1993 of 322 employees and 95 managers was conducted in Egypt in the public sector, in the Central Department for Organisation and Administration. There was consensus among managers and employees that rewards should be based on the information obtained from PA (Abusadda, 1996). Also a recent study of payment related performance in 57 organisations conducted in 2007 by two HR researchers concluded that pay increases should be related to performance rather than seniority (El-Kot, 2007).

From the above, it is safe to say that linking pay increases with the outcome of PA is essential. This relationship is considered to be one of the many means to achieve one of the PA outcome objectives which can be used to distinguish hard workers from lazy workers. Performance related pay will increase the loyalty of employees and give them a feeling of organisational justice.

### **3.4.3. Training Needs and PA**

One element of PA is to identify the worker's weaknesses. Weaknesses can be translated into training needs which are the basic elements of any particular training programme (Kirkpatrick, 2006; Randell et al, 1984). Before discussing the relationship between PAs and decisions that determine training needs, it is important to define the term 'training'. It is special type of learning which aims to allow employees to gain specific skills in order to handle their current job effectively or to carry out other job responsibilities (Schuler and Huber, 1993). Where training is concerned, the main role for PA information is to determine the exact training programme needed for individuals or groups. Furthermore, it evaluates the success of programmes that are implemented, by determining the extent to which a training programme fulfils its intended goals.

PA information allows management to determine training needs by reviewing employees' records in order to discover common weaknesses among employees. In a survey of 1000 employees in the public sector in Kuwait to see whether the PA system had an effect on identifying employees' training needs, 78% of those questioned agreed that PA information plays a crucial role in determining their training needs as individuals (Ashkanani, 2001). Farr and Landy (1983) believes PA information to be extremely important in determining training needs for individuals and groups. For individuals, the process is referred to as diagnostic counselling and intervention; when the process refers to groups it is called needs analysis.

In this respect, Farr and Landy (1989) focused on three concepts, distinctiveness, consistency and consensus, which are useful to recognise as to how PA information is used to identify training needs. Distinctiveness looks at whether poor performance is peculiar to one aspect of the job (e.g. communications) or many aspects. Consistency refers to a chronological aspect of poor performance. In other words, is the performance consistently below expectations and predictable, or sometimes above average and less sporadic? Consensus concerns the commonness of the problem in the work force. In other words, is the problem common to all individuals in a particular role or in a common job family, or is it peculiar to only single employee?

Farr and Landy (1983:281) added that:

The answer to the distinctiveness, consistency and consensus questions will play an important role in determining the scope of training efforts for organisations. For example, if there is a high level of distinctiveness, training could be dealing with only limited aspects of job tasks. Also, if there is a high degree of consistency, the poor performance might be more difficult to deal with and needs a long period of relearning. If there is high consensus, it might be more convenient to use group intervention training methods.

PA data also determines the successes of the training programmes which have been implemented. Based on the training programme an employee receives, PA at the end of a performance interval can show the consistency between the training programme and the effectiveness of performance. Therefore, PA information is essential when evaluating training programmes and how efficient they are by making a comparison of performance before and after the training programme (Al-Salami, 1985).

It is essential that organisations understand that PA data is important to determine and evaluate the validity of training programmes. In a study reviewing the performance of 23 supervisors who received a certain type of training to increase their performance, it was concluded that training did not have any impact on the enhancement of their performance. The researcher concluded that the training had not been determined by their PA data (Discon, 1995). Therefore, not using PA information can result in a misuse of resources and add financial burdens to an organisation.

#### **3.4.4. Transferring Staff and PA**

Transferring is when an employee shifts from his/her current job to another position on the same level rather than considering it a promotion. Usually management transfer employees between jobs to resolve organisational problems, such as lack of performance or improve the balance between job requirements and employees' capabilities. Furthermore, it is important to provide workers with broad-based view of the organisation, as this may be necessary for promotion (Schuler and Huber, 1993).

It is important for the management to have information that guides them when taking these types of decisions. This information promotes consistency between employees' capabilities and job expectations. Usually managers would like to know that employees under their supervision are competent and able to carry out their responsibilities. This is achieved by appraising the employee's performance. Thus, through information provided by PA, management can appoint the right person to the right position by reassigning job responsibilities among individuals through the use of transfers.

#### **3.4.5. Dismissals and PA**

Dismissing individuals is one of the hardest and most unpleasant decisions for both employees and management. However, sometimes, it is an unavoidable decision for dismissing workers on grounds of incapability and miscomputing job responsibilities (Taylor, 2002). Therefore, the law of unfair dismissal restricts the options of management and means that any dismissal action must be for fair and legal reasons. Some of the reasons that give organisations the right to dismiss an individual include poor conduct in relation to job responsibilities, absence, lateness, disloyalty, and unwillingness to carry out instructions (Taylor, 2002).

In order to make a dismissal legal, managers require reliable information, such as PA data. At the end of the evaluation interval, a manager is supposed to conduct an interview session to discuss performance progress and to measure the extent to which an employee has achieved the pre-agreed objectives. If the decision is not fair, an employee would expect to demand reconsideration and/or compensation from the firm. Also, if the process of termination is unfair, the firm may end up losing an outstanding individual and replacing them with someone less skilled (Farr and Landy, 1983).

In addition, Farr and Landy (1983) believes that, for the above reasons, the termination should be subject to the information provided by PA system. In order to use PA information effectively to carry out the termination process, three important steps must be taken:

(a) the critical aspects of the job that the individual holds must be determined; (b) performance standards for the job must be set; and (c) the individual in question must be accurately and reliably described with respect to those dimensions Far (1983:201).

However, dismissing individuals is not popular among employees, even if their PA ratings are very poor. For example, in a study conducted in 1994 in one of Egypt's commercial banks, it was shown that 91% of those interviewed were against dismissing employees for poor performance (Abu Saddah, 1996). However, dismissing employees for poor performance is an inevitable process that management uses to ensure the rationality of exploiting HR.

It is important that when these types of decisions are taken, it must be seen to be a fair process and must be supported by PA records to ensure that an employee was acquainted with their PA result when conducting feedback sessions. Fairness also means that the process must be reviewed by another party to guarantee that an employer was not biased.

To conclude, it seems clear that PA outcomes can uncover the reasons for poor performance which consequently lead management to take dismissal decisions. Therefore, it is an obligation for management to review PA reports thoroughly, especially for those who are ranked poorly, in order to justify the decision for dismissal.

### **3.5. PERFORMANCE APPRAISAL MODELS**

There have been many attempts to develop comprehensive models or approaches to achieve accurate performance measurement. Each model should go through phases to reach precise evaluation because as Grote (2002) emphasises PA is used as an ongoing process and not merely as an annual event. Hence PA should follow four stages: (a) performance planning; (b) performance execution; (c) performance assessment; and (d) performance review. However, studies have led to the development of a number of PA methods. These include essay appraisal, paired comparison scale, critical incident method, management by objectives, 360-degree appraisal and behaviourally anchored rating scales. These approaches will be discussed below, and for each approach, the main strengths and weaknesses will be highlighted.



### **3.5.1. Essay Appraisal**

In essay appraisal, the appraiser prepares an overall written report on an employee's performance, based on certain factors, including (1) the ability of the worker to perform or handle future jobs; (2) the strengths and weaknesses of the employee; (3) the training and the development required for better performance (Henderson, 1980). The manager usually uses his/her own words to explain the progress and development of workers (Oberg, 1991; Fletcher and Williams, 1985). By writing an appraisal a manager can indicate the strengths and weakness of his employees' characteristics (Wiese et al, 1998). In addition, the appraiser can focus on what he or she sees as the most significant aspects of the performance of employee (Fletcher and Williams, 1985). One advantage of this method is that it gives descriptive details about the strengths and weaknesses of individuals (Harvey and Bruce-Bowin, 1996). Also, the manager can refer to examples when writing the report.

However, this method has several weaknesses. For example, it depends on the writing ability, the memory and degree of conscientiousness, and the communications skills of the appraiser (Mondy et al, 2002; Fletcher and Williams, 1985; Daley, 1992). Sometimes this method may be unfair because it relies on the critical ability and writing skills of different appraisers and is therefore not consistent (Harvey and Bruce-Bowin, 1996). The biggest concern is that, since essays deal with different aspects of an employee's performance or qualifications, essays ratings are difficult to combine or compare (Oberg, 1991; Fletcher and Williams, 1985). In other words, using the essay method, it is not always possible to compare employees' performances (Daley, 1992).

### **3.5.2. Paired Comparison Method**

The paired comparison method requires the manager to compare the performance of two individuals at the same time, in order to determine which one is the better employee (Harvey and Bruce-Bowin, 1996; Stephen and Stephen, 1992). Farr and Landy (1983) believe that the better employee is most frequently defined in terms of overall job performance. In order for this method to function well, an appraiser needs to make a chart

of all possible pairs of workers for each trait (quantity of work, quality of work, etc) and then “the rank order of individuals can be obtained by counting the numbers of times each individual is selected as being the better of a pair” (Farrand Landy, 1983:73). For example, if an appraiser has five employees to be evaluated, they can make a chart of all pairs of workers for each trait. Then for each trait indicate (with a + for better than or – for worse than) who is the better worker in each pair (see figure 3.4). The ‘winner’ is the employee who scores the most +s. (Dessler, 1994).

**Figure 3.4: Ranking Employees by Paired Comparison Method**

As compared to	A Art	B Maria	C Chuck	D Diane	E Jose
A Art		+	+	-	-
B Maria	-		-	-	-
C Chuck	-	+		+	-
D Diane	+	+	-		+
E Jose	+	+	+	-	

*Source:* Dessler (1994: 339)

The advantage of this method is that it is easy and simple (Harvey and Bruce-Bowin, 1996). Also, it gives an employee the opportunity to gain knowledge in order to compare themselves with other workers (Sashkin, 1981). However, several problems can arise from using this method. It is difficult to apply when there are a large number of employees to be assessed. Also, it is seen as time consuming (Oberg, 1991). Another disadvantage of this method is that, if an individual’s performance is compared to that of another individual, it does not make for very good feedback (Anderson, 1993).

### **3.5.3. Critical Incident Method**

The critical incident method requires the appraiser to track employees' activities, and reports both favourable and unfavourable actions (Henderson, 1980). This method is used when achieving tasks significantly influence the effectiveness of an employee, either positively or negatively, and the manager reports it in the employee's records. At the end of the evaluation period, the appraiser uses these documented records with other data to evaluate the employee's performance (Mondy et al, 2002; Fletcher and Williams, 1985). Thus, this method demands continuous observations from supervisors.

A negative effect of this method is that appraisers will avoid discussing with the employee traits such as initiatives, reliabilities and cooperation. Instead, the discussions will be task-focused (Oberg, 1991). The advantage of this method is that it depends on documentation of the occurrence of incidents. The disadvantage of this method is that the incidents are subject to the appraiser's personal judgement (Harvey and Bruce-Bowin, 1996). Also, the appraiser has to maintain a file for each employee's critical incidents, and many managers may not have the time to report every incident accurately. Furthermore, when conducting feedback sessions, it is hard to confront an employee with incidents that may have occurred some months previously which the employee may not then recall. Finally, it is the manager who sets the standards for PA, which is unfair (Oberg, 1991).

### **3.5.4. Management by Objectives**

The management by objectives (MBO) method is one of the most favoured in some organisations. It is an appraisal method whereby managers and employees sit together to agree upon objectives and periodically review the achievement of pre-agreed goals. The first step in the MBO process is for the employee to be fully aware of the job responsibilities that he/she occupies. Likewise, the manager needs to review the statement and modify it until both agree that the list is adequate. Second, from that statement of responsibilities, the employee establishes their own goals. These goals should be specific, measurable, time bounded and directed to an action plan (Dessler, 1994; Levinson, 1991;

Taylor, 2002). Thirdly, the manager and employee meet to discuss and modify goals in order to ensure they are achievable (Wiesem, 1997). The final step is for subordinates to give PA at the end of appraisal interval based on the accomplishment of the objectives. Based on the result of the performance, both subordinates and supervisors can set new goals for the next appraisal period (DeVries, 1984).

This method has many advantages. It shifts the role of manager from judge to helper as McGregor (1970) believes. In addition, the mechanism of the PA system shifts its focus to future actions instead of previous ones (DeVries, 1984). However, there are disadvantages, as sometimes it is hard to reach pre-agreed goals especially when the relationship between managers and employees is unsatisfactory (Dessler, 1994). MBO requires critical thinking from both managers and employees because it is hard to establish goals which should be related to organisational goals.

### **3.5.5. 360-Degree Appraisal**

The 360-degree feedback approach has been growing in popularity. It is one of the methods used in many large-sized organisations such as ATandT, McDonnell Douglas and Boeing Honeywell (Mondy et al, 2002). With this method, there are internal and external partners who are involved in evaluations. Evaluation is carried out by immediate managers, peers, team members, the employees themselves, customers and colleagues. Staff evaluate their managers in what is called upward appraisal (Mondy et al, 2002; Walters, 1995; Ludeman, 2000; Bach, 2000). This method is widely used; in a survey conducted in the US among 1000 firms, 90% of those surveyed use this approach for their employees' appraisal (Robbins, 2003).

Walter (1995) believes that the manager is the person who is least qualified to assess some key aspects of employees' performance, for example, how the employee handles their subordinates or colleagues. The 360-degree appraisal involves receiving feedback from people, named or anonymous, whose opinion is relevant.

The 360-degree appraisal method is regarded one of the best approaches because to some extent it overcomes some of the pitfalls of the other methods. It involves multi-appraisers,

and therefore avoids the bias of immediate managers or colleagues. Appraisers will know that they are not the only ones who evaluate. The downside of this method is that not every person who conducts appraisal is trained and therefore eligible to carry out the process (Bach, 2000). Some evaluators may not be familiar with the evaluation process. In this case, it is the management which is responsible for facilitating the participation of all appraisers in the evaluation process.

### **3.5.6. Behaviourally Anchored Rating Scales**

According to Mohrman et al, (1989:56) “The [Behaviourally Anchored Rating Scales] BARS approach is simply a way of labelling point along a rating scale with behavioural descriptions that represent different level of performance along the scale.” In other words, the scales use behavioural examples of different levels of performance to define both the dimension, which was rated and the performance levels on the scale with behavioural terms (Murphy and Cleveland, 1995). For example, when PA measures the scale quality, in this case a list of behavioural description is presented, from the statement which describes the performance of worst- quality to the one that describes the best performance with all other statements which describe the situations in between (Mohrman et al, 1989).

In addition, Mohrman et al (1989), and Farr and Landy (1989) stress that BARS method is regarded as one of the hardest ones to produce because several behavioural items have to be generated for each of the performance dimensions. In addition, they emphasise that the BARS methods is more concerned with what expected from employees. In other words, the appraiser is not being requested to observe the employee behaving in a manner indicated by one of the example anchors; rather the appraiser is requested to predict the behaviour of the employee based on the past performance.

In conclusion, it is useful to highlight important aspects of the different PA models. First, most of the methods stress the importance of the roles played by managers when evaluating individuals, and therefore, they stress the need to increase communications with these employees in order to help improve their performance. In addition, managers need to be well trained to handle the PA process. Second, using different measures, all

the models place an emphasis on increasing the performance of individuals which will increase the performance of management and ultimately attain the organisational goals. Some organisations combine two or more of the above approaches in order to ensure that desired performance matches actual performance.

### **3.6. CONCLUSION**

HR departments play an important role in determining the success of the organisation in general, through the use of an evolving PA system. It is the base from which PA information is generated in order to make decisions for the benefit of both individuals and the organisation.

There are two ways to use the PA information in an organisation. The first relates to the totality of the information of produced which can be used to control, review and adapt HR policies. The PA process provides management with the necessary information to determine the success or otherwise of current HR policy, which is a cornerstone for planning future policy. The second method of using PA information is to make rational decisions related to individuals' roles in the workplace. These decisions include those related to promotions, pay rises, training needs, transfers and terminations.

Each PA model has its own strengths and weaknesses. Therefore, in order to have PA process which rate the actual performance for individuals, organisations should select a model or combination of models that will meet the needs of both the organisation and the employee.

Importantly, the PA system is regarded as an important source of information when evaluating the actual performance of individuals to make decisions associated with continuation of the individual in the organisation. Also, the PA system is an instrument used to evaluate the current HR policy through analysing the ratings in general for all workers in order to create future HR policy.

## **Chapter 4**

### **PERFORMANCE APPRAISAL: A SURVEY OF EMPIRICAL STUDIES**

#### **4.1. INTRODUCTION**

As discussed in the previous chapters, PA can be used to make judgment on who deserves a salary increase or whether or not the service of an underperforming employee should be terminated. It can, also, be used to improve employees' performance (McGregor, 1970) and to generate information about their effectiveness and efficiency in carrying out their defined tasks (Aldakhilallah, 2002). However, as argued by Deming (1982), who was described by Blackmore (2005) as the father of modern day quality management, PA may also de-motivate staff. Blackmore (2005:219) states that,

Deming (1982) identified deadly diseases which prevented his principles of transformation of management being successful; one such disease identified was the evaluation of performance. It was this he said that nourishes short-term performance rather than any long-term planning improvement because it focuses on the end of product only.

Therefore, PA as a method is considered to be a subject for continuous debate and research (Wright, 2008).

The literature survey in the following sections includes empirical studies conducted in and on Saudi Arabia, as well as other countries. The review concentrates the public sector in general and universities in particular.

#### **4.2. EMPIRICAL STUDIES ON PERFORMANCE APPRAISAL**

A number of studies have tackled the issue of evaluating university staff members' performance in particular and public sector employees in general. However, each study has undertaken the issue from a different angle, and therefore surveying all these helps to shed light on the design of this empirical study.

Salah (1984) conducted one of the first attempts to study the PA of university faculty members in Saudi Arabia, by targeting the evaluation of head departments'

performance. The main purpose of the study was to determine who should appraise the performance of heads of departments in Saudi universities and also what criteria should be used in the evaluation process. The research conducted a questionnaire survey which targeted 46 of the 62 college deans in seven universities. The findings determined that deans do not have a clear understanding of the administrative role of the chairpersons. Therefore, the study recommended that both deans and department heads should be involved in pre-service and in-service training programmes focusing on administrative skills including how to evaluate faculty members. The major reason for this is that both deans and head departments share common interests in the welfare of their college. In addition, the study presents some criteria which deans should take into consideration when conducting PA process.

Similarly, Al-Shehri (2005) conducted a study to search for reasons as to why university departments heads may not be satisfied with the PA process. The study identifies the extent to which heads of departments are satisfied with the current forms for evaluating staff members' performance at Saudi universities. The research assesses the evaluation forms in relation to the goals that should be achieved, thus reaching a more effective form.

By using one of the tools of the descriptive approach, a comprehensive survey (a questionnaire) was administered by Al-Shehri (2005) on 306 heads of departments in King Mohammed Bin Saud's University, King Abdel Aziz's University, King Khalid's University, and King Fahd's University for Petroleum and Minerals. The study comes up with the following important results based on 212 analysable forms:

- Most heads of departments in Saudi universities are dissatisfied with the current form used for the evaluation of the staff members' job performance. There are various reasons for this, the most important of which are: the form lacks specific definition of some issues; it does not take into account student evaluation; there is not sufficient interest in evaluating staff members; and they are not given a role to play in university and community service.
- The current form is limited in achieving its goals except helping in decision-making regarding promotions of scientific staff members. It is noteworthy that the form should have such items as efficiency in performing teaching, punctuality, and contributing to the community.



- There is agreement on a number of ways to improve the evaluation form. The most important of these are: to use different sources for the evaluation; to have clear and specific instructions for filling in the form; to send a copy of a report to the relevant staff member to enable them to be briefed on it; and to use electronic forms for evaluation.
- The heads of departments are not satisfied with the current form, because there is an imbalance between the areas assessed and the importance of those items and also because insufficient areas are assessed.
- There was strong agreement to the idea that a copy of the report should be added to the records of staff members and giving them a chance to complain within 15 days of receipt of the report.

A more recent research which has attempted to explore best practice framework for peer review via teaching observation in UK, Blackmore (2005) conducted a study on higher education PA process in the UK. The study believes that the peer review model has operated generally across the higher education and within a fictitious Riverbank University since the mid-1990s. Hence, the main aim of the study was to evaluate the peer review process that existed in a fictitious Riverbank University from the mid-1990s as a method of appraising teaching staff. The study uses both secondary data and primary data obtained from the use of semi-structured interviews with administration and teaching staff within the college of Business and Management Science within a fictitiously named Riverbank University. The results of the study suggest that if universities wish to evaluate faculties utilising peer review observation then they need to maximise the advantages and minimise the disadvantages of peer review. In order to achieve that:

Universities need to develop a framework that adheres to the best practices offered in the study. The best practice framework: was based on the premise that there should be training for all parties involved in the process; a link to staff appraisal and staff development activity; be based on an open, trusting relationship within a culture of criticism, include checks and balances; involve a variety of subject specialists in the pairing; periodic changes in the pairing; triangulation with student feedback; regular participation; regular reviews of the scheme by all participants; and that improvements in practice are well documented (Blackmore, 2005:229).

Another study was conducted by Analoui and Khoury (2004) to explore the perception of the faculty members in five state universities in Palestine to the process of appraisal in their organisations. This study developed a model called SOFIA for managing the PA process of full-time faculty members in the sample universities by adopting the principles of management by objectives (MBO), critical incidents and essay methods of appraisal.<sup>2</sup> The methodology consists of gathering data through various methods including personal observation, literature review, a survey and personal semi-structured interviews. According to the study, faculty members' perception regarding the effectiveness of managing their PA process described as unsatisfactory. This is attributed to several reasons, including having traditional appraisal approaches, methods and sources. Also, there was a heavy importance placed on students' evaluations, the lack of awareness of performance standards and supervisors' expectations, lack of appraisers' capabilities, poor feedback and lack appraisal interviews and failure to apply appraisal outcomes to make beneficial administrative decisions. Furthermore, the dissatisfaction with the system was attributed to poor commitment from top level management to faculty members' appraisals.

Analoui and Khoury conclude that, in order to improve faculty members' performance and increase their satisfaction and motivation a five-stage model SOFIA was necessary, which involved: (1) setting the ground rules as a means of identifying performance standards for faculty members and getting their feedback on the standards; (2) on-going informal appraisal through open communication between superiors and subordinates; (3) the formal appraisal process, which take place before the end of the second semester, should start with self-assessment and include multiple (360-degree) feedback;<sup>3</sup> (4) interviews in which each member should meet with the manager in a formal session to discuss the results of the PA; and (5) actions where superiors take decisions according to the results from the previous stages. According to Analoui and Khoury, in this stage there are internal and external factors that affect members' performance. Internal factors include those over which management can have power over such as organisational culture, management and decision-making style. External factors that may have an influence over individuals' performance

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<sup>2</sup> These appraisal methods are discussed in chapter three.

<sup>3</sup> This method of appraising workers was discussed in detail in chapter three.

include economic and political aspects within the country. At this stage a decision should be taken to reward those who deserve recognition and make development plans for those who need improving.

Al-Sherbeeney (2007) conducted a study to identify the roles of university staff members, the obstacles they encounter, and the shortcomings that their performance might experience in Saudi universities. The results show that the role of a university staff member is to teach students, do research, and serve the community. The sample of the study is committed to using modern technology in their teaching to use and to pursue knowledge. Many individuals in the sample reveal that they are unable to participate in conferences or symposia because information regarding such events is usually received late or because those individuals have almost no time to attend. Furthermore, institutions in the community do not refer to them for consultancy. Moreover, a number of them do not take part in delivering training workshops or sessions which help raise awareness for members of the community. The study also finds that respondents have administrative roles in supervising non-curricular activities, heading their departments, or being deputy-deans.

In 1993 Al-Harby (1993) conducted a study investigating the performance evaluation of male and female employees in various departments at Om Al-Kora University. The results show that the performance evaluation, which both the Higher University Administration and the Personnel Department used, had vague goals for male and female superiors who carry out the PA process. Another important result is that a number of superiors did not let their subordinates know the results. Furthermore, the roles of the evaluators are confined to filling out the forms without participating in determining the training an employee needed to increase his or her performance. The study also reveals some of the problems undermining the effectiveness of the PA process. The most prominent of these are: the superior not having sufficient administrative experience; direct superiors conducting the evaluation reports without having prior knowledge of the regulations of the evaluation; and evaluators not having the necessary training to conduct the PA process.

Al-Korny et al (1993) identify the level and importance of utilising the methods and styles of the job performance evaluation for the teaching staff members at the Saudi universities. The sample of the study consists of 227 deans and heads of departments

in four randomly selected universities. The study reaches a number of recommendations, including that the evaluation process should use various methods, such as student evaluation, peer evaluation and self-evaluation. Second, results show that one of the most important criteria for evaluating the faculty's performance is to establish if they publish their work in journals that have good reputations. The study also states that the PA process should include the contributions of staff members to university and community service.

In the terms of the wider public sector Abu Saddah (1996) conducted a study to assess the views of superiors and subordinates towards the performance evaluation system, the problems that the system undergoes and its effect on administrative decisions in the Civil Services Council in Cairo (Egypt). Focusing on the methods for PA and its barriers, the study aimed to evaluate the current PAS and investigate the utilisation of the outcomes. The study developed two questionnaires: one of them was given to 100 administrative superiors and the other to 300 subordinates who did not occupy supervisory positions. The results included:

- Both superiors and subordinates do not see that the current PAS has the characteristics that a proper PA should have. The respondents see the system is biased and unfair on rating the actual performance.
- Both superior and subordinates think that errors relating to the process, such as halo effect, lack of training for appraisers, poor feedback to employees, no administrative control over appraisers, leniency or strictness from appraisers and lack of an evaluation interview with appraisees to acquaint them with reasons of their low performance, result in inaccurate evaluations.
- Both managers and employees think that there are errors relating to rules and regulations used to conduct PA process. Some of these errors are: unclear standards, and some individuals being excluded from evaluation.
- With regard to the form used for the PA process the study notices that there is only one form used to evaluate different type of jobs.

Finally, the study concludes with some recommendations such as: (1) employees should be educated about the importance of evaluation process as it aims to develop performance rather than highlight mistakes; (2) it is an obligation of management to

have employees participate in constructing PA standards; and (3) in order to have an objective PA it is important to have many other partners participate in the process.

Focusing on the methods for performance appraisal and its barriers and alternatives methods Al-Hammond (1994) conducted a study in Saudi, which aims to analyse the process of employee performance evaluation. The analysis addresses three main dimensions: the methods of, the barriers to, and the alternatives to the PA process. In addition, it addresses raising administrative awareness of the importance of these dimensions, thus helping to adopt a more realistic policy of evaluation. The study used the documentary method embedded in the descriptive approach, which entailed detailed analysis of the administrative literature in the domain of PA. It also used personal observations of managerial practices embedded in the employee performance evaluation and assessed these practices to see how fully integrated they were. The research concluded with following results:

- The PA process used is subject to a number of suggestions, such as: the purpose of PA process is to develop the employee performance, not to punish nor to reward; the evaluation forms should be simplified; the diversification of the sources of collecting data is necessary for the application of the evaluation process; running training programmes that concentrate on the evaluation process, not on completing the forms.
- The PA process needs a variety of sources in order to be more objective.

In order to explore the perception of workforce toward PA processes and its link to some organisational and personal characteristics, Yousif (2000) conducted a study on a random sample of public workers in the UAE. The study developed a questionnaire which was distributed to 600 respondents in different public organisations around the country.

The study's primary aim is to analyse the level of awareness of employees have that appraisal system should have in measuring their performance and in improving their organisational relations. The study, also, focuses on degree of trust the workers have in terms of the fairness of the system according to demographic characteristics. The study found that: (1) the employees' perception level toward the PAS in improving their performance and organisational relations was very low; (2) the employees

thought that the current PAS is prone to be subjective and therefore unfair; (3) workers vary in their perceptions toward the system according to their demographic characteristics differences. Finally, the study recommends that employees should be knowledgeable regarding the importance of the PAS in improving their performance, and organisations should construct appraising systems which are objective and fair.

Abu-Doleh (2007) studied comparative PAs in Jordan by exploring the attitudes of HR managers in the private and public sectors. The study aimed to answer the following questions: first: what functions employee PASs serve? And second, what in ways employee PASs implemented?

In order to fulfil its aim a random sample of 74 organisations from both public and private sectors were chosen, all which have a formal HR department. The researcher developed a self-completion questionnaire for completion by each HR manager. The study found that PA information in the private sector had greater impact on the HR functions such as promotion, retention, termination, lay-offs, identifying training needs and transfers than it did in the public sector. In addition, the findings determined that PA is held once a year and carried out primarily by managers in both sectors. Furthermore, the results showed that setting objectives prior to the PA process was uncommon in both sectors. Surprisingly, there was not a strong connection between PA outcomes and pay increases and setting personnel development objectives. Moreover, performance feedback and recognition of employees' performance were the highest rated functions in both sectors. Finally, the study concluded that: first, the current PASs should adopt multiple sources of appraisal information; second, PA results should be linked with pay increases, addressing developmental needs and addressing performance problems of the appraisees; and third, management should use PA more than once a year.

As one of the essential attempts to evaluate the performance appraisal applications in body of governmental institutions in Saudi Arabia, Sallamah (1987) conducted research to appraise the effectiveness of evaluating workforce performance in the public sector in Saudi Arabia. The study aimed to reveal traditional and modern methods of performance evaluation identify the characteristics needed for the effectiveness of the PAS and analyse the status of the current evaluation of employees' performance in the Kingdom. The study is a descriptive and analytical

approach, based on documents and administrative literature in the domain of workforce performance. The results of the study are: (1) the main goal of the process of the current performance evaluation lies in developing and directing individuals; (2) there are difficulties which hinder the goals behind achieving employees' performance evaluation, including the appraisers may not be objective and do not have a sufficiently strong relationship with appraisees; and (3) the achievement of an effective PAS is subject to two main criteria, (a) establishing key basics such as clear PA objectives and standards, a follow-up system, and developing methods and strategies and (b) the fairness of the evaluators requires that they receive training in order to be more accurate, more objective and more realistic.

To search for the role of raters in the performance appraisal process, Almotairi (1996) conducted a study to examine the effectiveness of appraisers in the Saudi Civil Service and determining the extent of this influence in the effectiveness of the system as a whole. The study developed two questionnaires to fulfil its aim: one of them was completed by 264 supervisors, the other by 474 subordinates who did not occupy supervisory positions. The study produces a number of results, the most important of which are:

- The lack of PA information for appraisers when conducting PA process: 40% of line managers did not receive information regarding the proper way of conducting an objective PA process and one third had no idea of how to conduct PA interview sessions;
- The supervisors only had an average degree of acceptance of the evaluation forms;
- The top level of management did not support employee performance evaluation, thus causing a negative effect on the effectiveness of evaluation;
- The appraisers were insufficiently inferior objective, leading them to give higher employee evaluation grades than was appropriate;
- The supervisors' commitment to the success of the employee performance evaluation system was of average impact;
- The appraisers lack cognitive awareness of the subject of employee performance, resulting in the evaluation process being conducted poorly;

- HR departments do not provide the necessary support for the success of the system;

In searching the views of both superiors and subordinates toward the job performance evaluation system and the problems it undergoes Al-Dalaan (1995) conducted a study on the supervisors' and subordinates' attitudes towards the employee performance evaluation system in the Kingdom of Saudi Arabia public sector. The study also aimed at identifying the problems associated with the administration of the system and the extent to which it achieved its objectives. The study utilised a social survey of a sample as a tool embedded in the descriptive approach. This social survey was conducted through administering two questionnaires: one distributed to supervisors; and the second to subordinates subject to the PA process. The size of the sample was 943 of which 420 were supervisors and 523 subordinates. The results demonstrate that there is a contradiction about whether the appraisers discuss the results of the evaluation and the performance level with the appraisees after the evaluation takes place and also whether an employee is informed of any points of strength or weakness. 84% of the superiors thought that the expressions used in the evaluation forms were clear while 43% recognised that some measures did not apply to all positions. In addition, they saw that the system suffers from lack of financial and motivational rewards for those who excel. 48% of respondents/appraisers/appraisees felt that the evaluation process was not useful but was a duty to be done. In addition to this, they thought that there was a lack of materials such as leaflets and brochures specialised in the area of evaluation. 50% of the supervisors felt that higher officials in organisations do not widely use the feedback provided from the evaluation but, if they do, their purposes are for: promotion; pay rises; training needs; punishment; and workforce planning. In addition, the study shows that 86% of employees were not acquainted with their PA result and have not asked about it. Supervisors also thought that the PAS did not achieve all the goals set out for it. Such goals include: informing an employee of their strengths and weaknesses in order that they can improve their performance; deciding on promotions; granting incentives for employees; assessing performance level; and nominating employees for training. The appraisers felt that the evaluation system did not achieve its goals because of the following reasons:



- Spending a long period of time in a supervisory position and attending training sessions were not effective in the evaluation process but relationship was. 46% saw that friendship, being a class-mate, affinity and other relationships impacted on the results;
- The employee performance evaluation system suffered from a lack of explanatory, specialised journals and brochures;
- The result of performance evaluation only had a minimal effect on the chances of promotions, rewards, and increases in responsibilities, as well as on supervisors' appreciation and trust;
- The absence of a set criteria of performance against which appraisees were judged;
- There was lack of follow-up on the part of higher managers;
- Appraisers do not have job descriptions; and
- Lack of communication between appraisers and appraisees.

The study also reveals that 86% of the appraisees did not know their own evaluation result as they do not ask for it; 50% did not have much knowledge about the factors included in the evaluation. In addition, it was felt that there was no relationship between the degree of satisfaction with the results and the knowledge about the factors used in evaluation.

On a similar line, Bohairy et al (1991) conducted a study on executive managers' attitudes towards the evaluation system for the workforce performance in governmental bodies in the Kingdom of Saudi Arabia. The research investigated the extent to which the current performance evaluation system achieved the set goals and to which the measures used by the current evaluation system were adequate. It also aimed to find out whether or not appraisers had sufficient training, and also to identify the strengths and weaknesses of the performance evaluation system. Bohairy et al (1991) adopted the field study approach which is centred on collecting data through questionnaires from officials in charge of evaluating the employees' performance in governmental bodies in the Ihsaa region. The study reveals the following results:

- The officials in charge of the evaluation process did not have sufficient training to allow them to handle appraisal process. This type of training is

important for obtaining knowledge of recent techniques used in evaluation and appropriate methods to solve the problems which they encounter during the process.

- The system helped to identify training needs effectively, but was only average at encouraging employees to work harder. In addition, its contributions in satisfying the individuals' psychological needs and in linking wages to performance were limited.
- Although the PA measures were highly relevant, managers did not pay attention to aspects that reflected the actual performance. Continuing in this direction would reduce performance levels in governmental bodies.
- Managers regarded the attendance logbook as the main source of information for evaluating employee performance.

The Department for Organisation and Techniques in the Ministry of Health in Saudi Arabia (1999) conducted a study in the Ministry of Health on employee performance evaluation. The aim of the study was to diagnose the status of the process across different positions, understand the benefits and, discover the problems of employee performance evaluation. The study adopts a case study approach from a descriptive point of view, using documents from the Ministry of Health. The study found the following important results: (1) The process encountered many problems, the most prominent of which were: no clear PA standards; an absence of records containing appraisers' activities as part of the evaluation process; some appraisers were influenced by personal relationships with appraisees; some appraisers did not know how to complete in the evaluation report forms; employees did not receive feedback on their performance; and appraisers were not committed to being fair, accurate and objective when evaluating performance. (2) The process has a number of benefits for managers and employees, including: increasing the effectiveness of the control function and supervision, and as a source of evaluating the policies of selection and training.

Similarly, in 1989 Shaiban (1989) conducted a study in the Omani government sector, aimed at identifying the aspects of strengths and weaknesses in the current PAS. In addition, the research tries to identify the problems and difficulties, which face the

administrative officials when evaluating performance. The study uses a social survey from a descriptive approach perspective by applying a questionnaire to a random sample consisting of 200 managers from the technical administrative directorates and the committee members of personnel affairs representing fourteen governmental bodies in order to know their views of the current performance evaluation system.

The study reaches the following important conclusions:

- There are indicators that evaluation affects HR policies in terms of promotions, financial raises, and training considerations;
- The diversity of jobs in the Civil Service in terms of the nature and level of jobs make the evaluation process, which is based on a unified format, shallow because the criteria embedded in the format are not adequate;
- The yearly evaluation system is praised by the majority of the sample (77%);
- Performance evaluation is regarded as one of the administrative policies which is subject to continuous revision in order overcome problems that reduce the benefits of evaluation.

Al-Dekhail (1997) studies the style of job performance evaluation of 365 female supervisors and 65 female head teachers in Al-Riyadh City, Saudi Arabia. In addition he assesses the extent to which the process contributes to achieving the evaluation objectives, as well as the extent to which it is effective in making improvements for the educational process. Obtained by descriptive as well as analytical methods, the results show that the process improved justice among the teachers, diagnoses the points of strengths and weaknesses in the teachers' performance, and selects competent teachers for higher positions. As for achieving the objectives for evaluation, the process also assisted the objectives by making supervisors guide, direct, and supervise teachers' work; regularly identify teachers' performance levels, to understand the extent to which the female teachers are able to undertake the duties allocated, and to make guidance and supervision on the part of head teachers continual. However, both female head teachers and female supervisors identified problems with the current form, namely: a teacher did not see her evaluation results; a lack of interest in following up results; a teacher's strength points were not added to the total grade; the generality of the measures on the form; an imbalance between the

measure and its relative importance; and a number teachers were unable to complain within 15 days because they were not briefed when they receive a low grade. The problems identified in relation to the appraiser, include: female head teachers and female supervisors felt that the evaluation process was not useful, merely a necessary duty; a lack of training on how the evaluation process was done; inconsistency by the supervisor by giving more weight to some measures while and disregarding others; no pre-arrangement between supervisors and head teachers which caused different grades to be given; and some supervisors tended to be extreme in their assessment, as well as not informing the appraisees of their strengths and weaknesses.

As for the problems related to the administration of the process and agreed on by both head teachers and supervisors, Al-Dekhail found that: there was a lack of interest in gaining their views when the regulations for the evaluation change; there was a lack of participation when holding regular meetings to discuss the job performance evaluation; and there was a lack of training for the head teachers and supervisors on how the process should be done; there was a deficiency in holding training programmes, as well as in participation; and lastly there was a lack of direction to the process.

#### **4.3. REFLECTING ON THE LITERATURE SURVEY AND CONTEXTUALISING THE CURRENT STUDY**

In contextualizing this particular study within the context of the available body of knowledge as discussed so far, it should be noted that socio-cultural nature of each society has direct impact on its human resource management related issues including performance appraisal. The emergence of cross-cultural management covering all aspects of management including the human resources is an evidence for the socially and culturally constructed nature of human resources as well. Thus, the effectiveness and efficiency of any performance appraisal system is also determined by the dynamics and the influential nature social and cultural environment in micro, namely organizational, and macro, namely country, level.

In this chapter a number of studies related to the subject of PA are surveyed in order to develop an understanding of the available body of knowledge and also of the methods used by the researchers. The studies discussed were mainly centred in

Middle Eastern countries in general and in Saudi Arabia in particular. It is noticeable that there were few in the field of higher education and these tended to be older.

The studies reviewed, particularly those related to higher education, have emphasised that more people should participate in the appraisal process as this gives the process validity and reliability and consequently results in objectivity and a true reflection of the actual performance. It is also true that there is a consensus towards the importance of conducting PA process for the benefits of both employees and organisations.

In addition, the research highlighted that the responsibilities of faculty members in higher education include not just teaching and research but also they have duties towards the university in particular and to the community in general. In addition, a number of studies underline the importance of linking the result of PA to the remuneration that faculty members earn. Other studies make reference to the issues related to raters and ratees, and problems related to the forms used in both the private and public sector.

It should be noted that due to the oil price increase the Saudi government has recently invested heavily in higher education. This has resulted in a tripling of the number of universities and colleges in the public and the private sectors. Consequently the current PASs may no longer be adequate for the purposes for which they were designed.

In addition, academic practice in the field of higher education is different from practices in other organisations in the public and private sectors. As will be discussed in the next chapter, the practices of faculty members vary and are hard to measure. Usually faculty members have more freedom in their job which makes it difficult for raters to appraise their performance accurately.

This study, therefore, builds on previous research in relation to PASs. However, it assesses the PA process in the higher education from a broader and more detailed point of view. As it will be discussed in the next chapter, each public Saudi university is financially and administratively autonomous, and thus has its own vision and mission, which in turn impacts on the performance and the assessment of the faculties (Alzaher, 2005). Despite this independence they still function under the umbrella of

Ministry of Higher Education. Consequently, as they all operate in the same environment and are regulated similarly, they share the same values and ethics. Therefore, the purposes of PAs should not differ between universities due to the similarity of organisational practice. In addition, as will be seen in the next chapter, all universities operate in society according to purposes assigned and dictated by the Ministry of Higher Education.

This study benefits from previous research in order to investigate the effectiveness of current PASs used in Saudi public universities. In addition, the study attempts to explore the extent to which the current PASs are achieving the objectives which the system should include. It goes further to explore the effectiveness of current PASs on the HR policies of the faculties researched.

This study, therefore, aims to explore the efficiency of management in utilising the results of evaluation when undertaking HR planning. By carefully choosing certain public universities, the results can be generalised to all public universities in the country.

Finally, this study aims to fill the gaps in the literature about PA in Saudi universities and to help with the development of faculty members of Saudi universities. In addition, this study attempts to provide an appropriate process for an effective PAS which would be applicable to all public universities in the country.

#### **4.4. SUMMARY**

PAs are considered to be complex research issues in management; nevertheless the research highlights the role that PA plays in the improvement and development for the employees. In general, there have been many studies in the field of higher education in the public and private sectors which conclude that evaluating employees' performance helps to achieve organisational goals.

This research builds on previous studies in order to investigate the effectiveness of current appraisal systems in four Saudi universities. It also endeavours to discover the efficiency of management on utilising the outcomes of PA on their HR policies. The

previous studies give the current study the intensive to tackle PA in higher education from a broader aspect.

## **Chapter 5**

# **HIGHER EDUCATION AND THE PERFORMANCE APPRAISAL SYSTEM IN SAUDI ARABIAN UNIVERSITIES**

### **5.1. INTRODUCTION**

The previous three chapters provide a theoretical overview of performance appraisal (PA) and PA outcomes that can influence human resources management (HRM) decisions. This chapter provides an analysis of the Saudi higher education system with the objective of providing a context for the case study. In addition, it presents information on the current performance appraisal system (PAS) used in the Saudi higher education system.

It is understandable that the development of a nation is primarily measured by its progress in the field of education in general and in higher education in particular as this leads the thrust of strategic investment in human resources (HR). Hence, higher education is regarded as key in orienting these investments in order to improve scientific research and to meet labour market needs, thereby ultimately driving the aspirations of the country. Higher education provides the human resources necessary for the modern economy with the required education and skills to provide the qualified manpower for businesses (Salah, 1984).

To help understand this important role, Gokusing et al. (2000), Duke (1992) and Barnett (1992) present definitions of the concept of higher education. First: higher education is the peak of the education system in any country. Second, higher education improves understanding and critical thinking in the minds of individuals seeking knowledge. Furthermore, higher education, especially universities, play an important role in the society as they are provide it with human capital, by developing an individual's full potential.



## **5.2. THE ORGANISATIONAL STRUCTURE OF THE SAUDI ARABIAN HIGHER EDUCATION SYSTEM**

The Saudi Arabian Higher Education can be seen as the highest level in the educational system, encompassing all types of education beyond secondary school except military education. According Al-Shehri (2003:27) it consists of:

- Colleges and universities, offering four-year undergraduate programmes, professional programmes, and post-graduate programmes;
- Teachers' colleges;
- Technical and vocational training colleges; and
- Two-year junior colleges.

The Saudi higher education system is centralised as it is controlled by the Higher Education Supreme Council (HESC), which was introduced by royal decree in 1994. It is the highest educational authority, responsible for all educational and academic activities. Its main tasks are planning, developing higher education policy, governing higher education affairs, monitoring and directing all higher education activities, coordinating all higher education organisations, and allocating appropriate funding to all higher education institutions. Furthermore, to improve the efficiency of Saudi universities by offering programmes in new fields, encouraging better cooperation among Saudi universities and increasing involvement of the teaching staff in the operations of faculties (Ministry of Education, 2006; and Alsheri, 2003). It consists of 15 members as shown in table 5.1.

**Table 5.1: Higher Education Supreme Council**

<b>Members</b>	<b>Positions</b>
The Prime Minister	Chairperson
The Minister of Higher Education	Deputy Chairperson
The Minister of Education	Member
The Minister of Finance and National Economy	Member
The Minister of Labour and Social Affairs	Member
The Minister of Planning	Member
The President of the General Civil Service Commission	Member
The Presidents of the Eight Universities	Members

*Source: Al-Shehri (2003:28)*

The HESC holds three sessions a year at the official request from its chairperson. In certain circumstances the chairperson or his/her deputy has the right to call the Council for an exceptional meeting. The Council cannot be held without the presence of at least two thirds of its members. Approved decisions issued by the Council are based on the majority of the attending members (Al-Shehri, 2003).

All Saudi public universities are given a degree of autonomy with each university having its own Council. The major function of the University Higher Council is to supervise all administrative aspects, to allocate the financial fund and supervise scientific affairs, as well as to carry out all strategic university policies. Furthermore, it has extensive influence over most decision-making processes concerning strategic issues. The Council meets once a month, called officially by its chairperson who may also call for an extraordinary session whenever necessary (Al-Shehri, 2003). Each council consists of the eight appointed members, as shown in table 5.2.

**Table 5.2: University Higher Council**

<b>Members</b>	<b>Positions</b>
The Minister of Higher Education	Chairperson
The University President	Deputy Chairperson
The University Vice President	Member
The University Council Secretary General	Member
The University Colleges' Deans	Members
Three expert members appointed directly by the Minister of Higher Education for a three years period	Members

*Source:* Al-Shehri (2003:27)

### **5.3 OBJECTIVES OF THE SAUDI HIGHER EDUCATION SYSTEM**

According to the Ministry of Economy and Planning (2008:480) the development strategy for higher education aims to achieve quantitative growth and qualitative improvements through the following objectives and policies:

- Securing higher education opportunities for citizens who have the ability for and interest in university study;
- Expanding the education base in line with requirements of socio-economic development;

- Attaining a higher degree of quality and effectiveness, along with raising scientific and administrative efficiency of the higher education system;
- Enhancing the role of higher education institutions in community service; and
- Building and enhancing scientific research and technological development capacities.

#### **5.4. SAUDI ARABIA UNIVERSITIES**

According to Al-Othman (2007), higher education in Saudi Arabia has achieved qualitative and quantitative improvements which are resulting in the enhancement of academic and scientific excellence. Recently, due to rapid social and economic growth supported by high oil revenues, the Saudi Arabian government has recognised the value of offering free education to all citizens as part of the welfare state by increasing the number of the public universities and increasing the opportunities for private ones to emerge.

In 1999 Saudi Arabia had eight public universities and only one private college. The last few years have seen tremendous growth in the number of public universities. The government founded and assisted in funding 20 autonomous public universities and three private universities and 14 private colleges in the Kingdom. These universities offers diploma, bachelor, masters and PhD degrees in various scientific and humanities fields, as well as providing communities with services through vocational courses. There are also a number of universities and colleges that offer distance learning education. Both Al-Shehri (2003) and Abalhassan (2007) classify public Saudi universities as follows:

- **Multi-Disciplinary Universities**
  - King Saud University (KSU)
  - King Abdul-Aziz University (KAU)
  - King Faisal University (KFU)
  - Umm Al-Qura University (UQU)
  - King Khaled University (KKU)
  - Jazan University
  - Albaha University
  - Najran University

- Aljof University
- Tabouk University
- Al-Qassem University
- Taif University
- Hail University
- King Saud Bin Abdul-Aziz University for Medical Science
- North Border university
- Dammam university
- Alkharj University
- **Islamic Universities**
  - The Islamic University (IU)
  - Imam Mohammed Bin Saud Islamic University (IMBSIU)
  - Teeba University
- **Technological Universities**
  - King Fahad University for Petroleum and Minerals (KFUPM)
  - King Abdullah University

## **5.5. SAMPLED SAUDI ARABIAN UNIVERSITIES FOR CASE STUDY**

The proceeding sections provide information on the four universities, which form the sample of this study. The justifications for the choosing these universities are provided in chapter six. The following sections give a brief history of each of the universities from their date of establishment and also provide an outline of their major features.

### **5.5.1. King Saud University (KSU)**

The era of higher education in Saudi Arabia starts with formation of King Saud University. It is located in the city of Riyadh and is the oldest university in Saudi Arabia. It was established in accordance with the dictates of the Royal Decree no 17 in 1957 with only 21 students in a building originally constructed to be children's nursery (Saleh, 1984). The idea of establishing the first university in the Kingdom came as a natural response to the revival of education following the foundation of Saudi Arabia. The main goals of the university are to meet the educational and development needs of society by providing high-quality academic programmes, pioneering innovative research and

creative articulation, and through active involvement in the community assist with the cultural and economic development of the country (King Saud University, 1999).

In recent years the university has sought to become a leader in educational and technological innovation, scientific discovery and creativity through fostering an atmosphere of intellectual inspiration and partnership in order to develop the prosperity of society. The university has been ranked among the best international universities by at 380 according to the International Spanish Web Metrics Ranking System which belongs to the Ranking Web of the World Universities. KSU also ranks as first in the Arab and Islamic world, the Middle East, and Africa. At the Asian level, it ranks at 28 (King Saud University, 2008).

The university's main campus based in Riyadh and is made up of 14 colleges. These include Arts, Education, Administration Science, Computer and Information Sciences, Sciences, Pharmacy, Veterinary Medicine, Design and Architecture, Engineering, Agriculture, Medicine, Dental Medicine, the Arabic Language Institute, the College of European Languages and Translation, and the College of Graduate Studies. The University awards Bachelor degrees in all almost colleges, Masters degrees in a great number of specialties, and Doctorates in certain fields (Al-Shehri, 2003). The university employs 6,030 academic and administrative staff (Ministry of Higher Education, 2005) and the number of student in the 2008 academic year exceeded 70,000 (King Saud University, 2009).

### **5.5.2. King Abdul-Aziz University**

King Abdul-Aziz University was established in 1967 as a national university with its main objective to broaden higher education in the Kingdom in general and in the western area of Saudi Arabia in particular. The history of this educational institution can be traced back to a private college established by individuals who were concerned about the need for higher education in the western region. However, in 1972, the University was licensed by the authorities and came under the control of the government by royal decree (King Abdul-Aziz University, 2007).

The control by the Saudi government along with continuous financial support was behind changing King Abdul-Aziz University into a modern educational and scientific institution, which has now 82,152 students (King Abdul-Aziz University, 2009).

After being established, the university launched branches which became the basis for other universities in the current days such as Teeba University in Al-Madina Al-Monawarah, which became an independent university in 2003. In addition, other branches also became independent universities, including Tabouk University. Finally, the North Borders University and Araar and Rafha colleges also became independent public universities after gaining their independence from King Abdul-Aziz University (King Abdul-Aziz University, 2007).

Presently the University's main campus is based in Jeddah and encompasses 15 colleges. These are Arts, Education, Administration Science, Computer and Information Sciences, Sciences, Pharmacy, Veterinary Medicine, Design and Architecture, Engineering, Agriculture, Medicine, Dental Medicine, the Arabic Language Institute, the College of European Languages and Translation, and the College of Graduate Studies. The University awards Bachelor degrees in all almost colleges, Masters degrees in a great number of specialties, and Doctorates in certain fields (King Abdul-Aziz University, 2008).

### **5.5.3. King Faisal University**

King Faisal University was established by royal decree in 1975 as a national university with the aim of spreading higher education in Saudi Arabia in general and in the eastern Al-Hassa region. In 1995, the government decided to establish a campus in Dammam city to relieve the pressure on the Alhassa campus (King Faisal University 2009. According to Al-Shehri (2003:42), King Faisal University:

comprises the faculties of Nutrition and Agriculture, Veterinary Medicine and Animal Husbandry, Education, and Administration. Because of the increasing demand for higher education and the University decided to set up a branch in Dammam. This new campus consists of the Colleges of Medicine and Medical Science, Design and Architecture, Dental Medicine, and Applied Veterinary Medicine.

The number of administrative and academic staff is 1,758, while there are more than 60,000 students in 2009 (King Abdul-Aziz University, 2005).

#### **5.5.4. King Khalid University**

King Khalid University is a public university in the city of Abha in Asser region. It is located in the southwest of Saudi Arabia. On 26 July 1998, a branch of King Saud University and a branch of Imam Mohammed Bin Saud Islamic University merged to form a new university named King Khalid University. The opening was performed by the King Abdulla Bin Abdul-Aziz.

Although the university is relatively regarded as a new born university, it has made a significant development in the number of students, colleges and faculties. At the time of affiliation, there were only five colleges. Now, it has more than 22 colleges, 12 of which are in Abha and the rest are spread through Asser region. The idea behind making this university interesting is that it encompasses scientific, social and Islamic studies. Moreover, the university employs 1,147 academic and administrative staff; and has more than 16000 students (King Kahlid University, 2009; Ministry of Higher Education, 2005).

### **5.6. PERFORMANCE APPRAISAL SYSTEM IN SAUDI ARABIA**

#### **5.6.1. Performance Appraisal in Higher Education**

As was discussed earlier all public universities are autonomous and thus each has its own vision and mission, which in turn is reflected on the performance and assessment of its faculties Overall, appraising a faculty's performance is regarded as a process that plays an important role in improving the effectiveness of a faculty's performance in order that it can contribute to the development of society in general (Alzaher, 2005).

However, in order to define the faculty PAS, it is essential to recognise the responsibilities that faculty staff should carry out. Mahmud (1994) believes that academic duties carried out by faculty members are a result of the university's role. Each academic role has its own intellectual, professional and ethical dimension. Furthermore, in order to perform a role efficiently staffs require extensive training and knowledge across these dimensions.

Accordingly, the faculty PAS is seen as a process that measures not only academic performance such as teaching and research, but it appraises contribution to society in other aspects (Abdulhabeeb, 1990). On reflecting on the appraisal of faculty performance, Dilts et al (1994:4) define it is:

a system of activities with specific individual and often organisational goals, identified rewards and sometimes punishments for individuals, substantive criteria upon which to determine whether goals have been attained, and procedures whereby evidence is gathered to which criteria will be applied to reach specific decisions.

According to the Saudi Eighth Development Plan (2008) issued by the Ministry of Economic and Planning, the total number of teaching staff at the government higher education institutions increased at an average annual rate of 3.93%, from 14,959 in 1999 to 17,456 in 2003. Therefore, appraising faculty performance is considered a mean to insure that a faculty member is competent and can carry out his/her responsibilities. It also aims to ensure continual development for members and curricula in order to achieve university goals and vision. Moreover, it is important to carry out PA on a regular basis in order to develop the education system and to make decisions that benefit both faculties and universities (Alzaher, 2005).

### **5.6.2. Faculty Performance Appraisal Process**

The process of evaluating faculties is relatively straight forward. The process starts with the completion of an evaluation form by a faculty member which document the academic achievement of the faculty during the appraisal period. This is then followed by a written assessment by the heads of each department. The results are then reported to the dean and higher management levels and these documents become part of the file. Arguably, the evaluation process is primarily a procedural rather than a substantive process. Colleges and academic departments are not responsible for establishing the objectives and criteria that drive the evaluation. In addition, the process is not formally tied to calculations for salary increments and promotion decisions.

The techniques used in evaluating faculties in the Saudi universities include:

- Chairperson's appraisal: this is regarded as the most fundamental aspect of the appraisal process. In this regards Salah (1984:37) stresses that:



the department chairperson is the heart of an effective department, where most academic actions take place. The chairperson is a key figure in determining the educational success of the university and performance of the departments influences the reputation on which university strongly depends.

The head of the department is the direct manager and the appraiser for department members. The problem with this type of evaluation method is raters are reluctant to appraise members objectively. According to the law that regulate the affairs of faculties, a chairperson cannot assume department responsibilities for more than two term each term two years, thereafter responsibility passes to another colleague. After that he or she will return to being a faculty member, and as a result each chairperson tries to maintain good relationship with all members of the faculties. Therefore, this process is seen a weak and inaccurate technique because it is more likely to be subjective and personal issues that play a significant role in the appraisal. In addition, Salah (1984) believes that although there are procedures to control the PA process for faculty members and the chairperson, there is no systematic method to assess how head departments fulfil their duties. Therefore, there are no clear standards for determining their performance, and consequently they can work at a leisurely pace and do not have their performance appraised objectively.

- Students' evaluation: Hinett and Thomas. (1999) believe that student evaluation is recognised as an important tool used in higher education institutions. Most Saudi Universities adopt this type of evaluation to ensure a high level teaching quality by faculty members. Although, some faculties do not trust the results of this type of evaluation believing that students do not have the qualifications to handle the process, it serves important objectives. Some of these goals are: (1) it gives teaching fellows feedback about their performance during the academic semester; and (2) it helps administrators make decisions regarding faculties such as promotions and other rewards (Al-Shehri, 2005).

### **5.6.3. Performance Appraisal Forms**

The researcher reviewed the faculty evaluation forms used at the universities subject to this study. In general, although the forms tend to cover certain issues such as teaching performance and service to the university and community, the forms may not necessarily encompass clear standards or objectives. In relation to the forms the research concluded:

- The purpose of the appraisal: the main objective of appraisal is to streamline the renewability of contracts for non-Saudi faculty members. Also, the form is used as an indicator for promotion. In addition, it is used as a tool to improve the performance of teaching staff.
- Raters who carry out the PA process: it is noticeable that the chairperson of the department is the only individual to conduct the PA process without having other associates share the process. The head of department rates faculty members according to the knowledge he has about faculty member and the information provided by the faculty when reporting the member's academic and research achievements.
- Ratees who are subject to the appraisal process: they are involved in the process to the extent that each individual has to fill out their contributions such as attending conferences and articles and books written. However, there was no involvement in setting the PA goals or standards. In addition, faculty members do not expect to have constructive feedback because chairpersons do not have sufficient information about their performance.
- Standards: the PA is entirely reliant on the chairperson of the department. Nevertheless when conducting the process the rater does not have specific standards upon which to construct the judgement. In this regards Salah (1984:39) emphasises the standards used to evaluate head departments where he states that:

no specific methods or criteria existed in Saudi universities regarding the evaluation of chairpersons' roles. College deans are the only persons to judge chairs' performances. Their evaluations are based on chairs' annual reports and the dean's knowledge of their achievements.

- Procedures and instructions: the form is filled out by faculty members who are subject to the PA process, and is then completed by the chairperson who conducts the appraisal process. The appraisal form should be prepared before the end of the second semester; however if the contract is not be renewed the appraisal form should be prepared before the end of the first semester for those who have worked twelve months or more, or five months prior to the end of contract for those who have worked less than twelve months (Al-Shehri, 2005).

## **5.7. CONCLUSION**

In reflecting on the faculty composition in Saudi Arabian universities, it can be seen that a large number of expatriates work in academic and administrative level. This can be considered as an important issue when it comes to performance evaluation issues, as these individual academics and administrators have different contract than their Saudi counterparts. It should be therefore possible that these expatriate members of the academic community may feel differently than their Saudi Arabian fellow colleagues. In particular considering those human resources issues as well as the performance appraisal systems is subject to culture and social environment, the perception of non-Saudis will be different than the Saudi ones. Thus, their behavior is also determined by their 'foreigners' in performance appraisal issues. The following chapters, indeed, produce evidence in this line.

Although Saudi public universities may share the same objective of providing a quality education system, they vary in terms of the provision of courses and the quality of education. They are considered to be the main provider for higher education to the public. Also, the Saudi government is the main centralised funding source for the public universities and has complete powers of supervision and control over all public universities. The government plays an important role in determining the future of public universities, including aspects such as the number of colleges and the quality of education.

Recently, the number of universities has increased rapidly. Since 1999 the number of universities has tripled and now there are more than 26 public universities and four private universities. The large numbers has led to universities offering different types of fields of study. These can be classified into three types: multi-disciplinary, Islamic and technical.

In terms of PASs within public universities, the research by reviewing the different evaluation forms established that each university has its own evaluation system and form. In addition, the head of department has unilateral control over the whole evaluation process, thus making it more subjective than, as it ought to be, objective.

Reflecting on the models presented in Chapter 3, by reviewing the PA forms applied at Saudi public universities the researcher found that the PA process is intended to be a process which primarily evaluates the past performance of teaching staff. It can, therefore,

be said that the current PA system is to some extent mixed with Essay Appraisal and Behaviorally Anchored Rating Scales (BARS) methods discussed in Chapter 3. However, with respect to determining promotions or training development needs, the PA process plays only a minor role. Furthermore, there is no space on the form to reflect any administrative decisions.

## **Chapter 6**

### **RESEARCH METHODOLOGY**

#### **6.1. INTRODUCTION**

The previous chapters have thoroughly reviewed and synthesised the literature relating to: first, the theoretical overview of performance appraisal (PA); second, the impact of PA results on administrative decisions; third, the empirical studies regarding PA in general and in Saudi public universities in particular; and finally the PA model used when appraising teaching members in Saudi Higher Education. In this chapter, the study discusses the research methods utilised in this research, and also presents the appropriate statistical analysis.

Collis and Hussey (2003) believe that the term methodology is related to the overall approaches and perspectives of the research process and, also, is concerned with some important issues related to research such as data collection, data collection process and finally data analysis. Research methodology, therefore, is considered to be the keystone for the successful accomplishment of the empirical study. It plays a significant role in relation to the collection of the anticipated primary (or secondary) data in order to carry out the necessary (statistical) analysis and reach the interpreted results in fulfilling the main aim and objectives of the research.

As identified in Chapter 1, the main aim of this study is to evaluate the effectiveness of the existing performance appraisal systems (PASs) at Saudi universities; as well as to establish whether or not the current PA results are being utilised properly and have improved human resources (HR) policies. In addition, it aims to propose an effective and enhanced PAS. This chapter, thus, explains the research process in terms of methodology that was used in this study and describes the way of how the research was designed. In addition, the method that has been used in choosing the population of the study and procedures implemented to select the study sample is discussed in detail. It also provides an explanation and the rationale for the tools used in the selection of the data collection methods. In a later section, a brief

explanation is given for the procedures of the implementation of the empirical study. Finally, the chapter discusses the process of the statistical data analysis.

## **6.2. RESEARCH BACKGROUND AND DESIGN**

It is important to note that social research should be constructed with a particular design in mind before a researcher starts collecting and analysing data (Stacey, 1969). In this regard, Stacey (1969) states that study designs for a piece of research may affect the obtained findings, as in social science research there are different research designs.

With regard to social research there are many different opinions on the approaches to how research is designed. Contributors to the related literature have classified research according to its nature: basic; and applied research. On one hand, basic research aims to increase knowledge, which is driven by the curiosity of the researcher. On the other hand, applied research aims to solve and answer a specific question or to benefit an organisation or society. In other words, unlike basic research, it aims not to gain knowledge just for the sake of the knowledge itself (Sekaran, 1984; and Zikmund, 1991).

Social research is also classified according to the particular approach is taken: exploratory research, descriptive research and explanatory research. Exploratory research is conducted to solve an issue that has not been clearly identified. Furthermore, it helps to determine the appropriate research design and data collection method. In brief exploratory research aims to gather preliminary information that will help to define problems and suggest hypotheses (Kotler et al., 2006:122). Descriptive research is conducted to describe what exists. So it is a type of research where the researchers use the past events to explain existing observable facts. However, explanatory exceeds to explain ‘why’ or the reasons why something exists.

An important aspect of social research is related to the subjects involved, such as case study, which is defined as a specific instance to illustrate a more general principle (Cohen et al., 2007). In addition, Eisenhardt (1989:534) explains that “case studies combine data collection method such as archives, interviews, questionnaire and observations... in addition they are used to accomplish various aims such as providing description, testing or generating theory.”

Considering the nature and the aims of this study, this study is constructed within the realms of all three approaches: explorative, evaluative and descriptive. The research benefits from

the use of a case study which searches the particularities related to the subject within a specific country, Saudi Arabia. The case study enables the research to describe a particular research question and explore the subject matter through the perceptions of the participants (explorative). In addition, it is an evaluative study, as this research aims to evaluate the existing PAS adopted in Saudi Arabia. The analytical nature of the study is also important, as this research is not limited to the collection of the data, but also analyses, links and interprets the relevant information in order to anticipate a potential conclusion. The descriptive nature of the study stems from the fact that this research benefited from the available body of knowledge in the form of books and articles discussed in the literature review of the research.

### **6.3. RESEARCH STRATEGY**

Another importance aspect of a research is the research strategy. In social research, there are two main research strategies: deductive and inductive reasoning methods.

Bryman (2001:8) states that:

deductive theory represents the commonest view of the nature of the relationship between theory and social research. The researcher, on the basis of what is known about in particular domain and of theoretical considerations in relation to that domain, deductive a hypothesis that must then be subject to empirical scrutiny.

He further explains that the researcher begins with a theory about the topic to be researched. The researcher then narrows that to a more specific hypothesis that needs to be tested. This ultimately leads researcher to be able to test the hypotheses with specific data to reach a conclusion confirming or rejecting the hypotheses. Consequently, as Miller (1998) states in deductive analysis the research is testing whether a hypothesis is correct or not and hence the researcher moves from the general to the specific.

The inductive approach on the other hand moves from specific observations or findings to a broader generalisation and theory. In other words, the researcher begins with specific observations or arguments, formulates tentative hypotheses to be explored, and finally develops a general theory (Blaikie, 2007).

Accordingly, elaborating these aspects of deductive and inductive research, Ethridge (2004:45) states that statistical inference is the basis for inductive social science research. By structuring a random sample of a large population, collecting data, and analysing the data

according to the established criteria and procedures, the researcher can infer characteristics and behaviour about the entire population from the sample analysed. Therefore, the conclusions drawn from the research are based on inductive reasoning. This has been the strategy pursued in this research. In other words, since this research is not about testing a hypothesis but is concerned with generating a hypothesis generating research, it is considered as inductive strategy. Put it differently, since this study begins with exploring the field and moves from specific to general, it therefore, follows an inductive strategy.

#### **6.4. RESEARCH METHODOLOGY**

Asutay (2007:1) defines the term methodology as “how a researcher can go forward to study a phenomenon properly”, while Jonson (2000:192) defines methodology in sociological research as “methodology refer to the practices and techniques used to gather, processes, manipulate and interpret information that can then be used to test ideas and theories about social life.” Accordingly research methodology is defined as the approach a researcher follows in carrying out a research project (Leedy, 1997). Thus, research methodology provides a guideline or framework which a researcher has to follow in order to investigate and interpret the results of a study.

According to the literature there are two types of research methodologies: qualitative and quantitative. Quantitative methodology is designed to reach conclusions based on numerical data; for example, by means of testing the strengths of the relationship between dependent and independent variables (Arksey, 1999; and Abdulsamad, 2007). As Leedy asserts, “it involves the collection of data so the information can be quantified and subjected to statistical treatment in order to support or refute alternative knowledge claims.” (1997:153). Williams (2007:66) argues that in quantitative methodology “the researcher uses mathematical models as the methodology of data collection analysis,” and, therefore, it is mostly explanation oriented.

Qualitative research methodology, on the other hand, places an emphasis on words instead of quantification when a researcher collects and analyses data (Bryman, 2004). Therefore, qualitative methodology is a set of research techniques used to interpret a phenomenon. According to Williams (2007:67) “qualitative methodology is described as an effective method that occurs in natural settings that allows researcher to develop a level of detail from being involved in the actual experience.” Therefore, “qualitative research explores experience,



meanings perceptions and feelings” (Abdulsamad, 2007:80) states that it should be noted that when the motivation for a research is explanatory, evaluatory and explorative, it is constructed as a qualitative research methodology.

This research is designed as a qualitative research study, as it explores the opinions and evaluates the perceptions of faculty members at Saudi public universities in relation to PA issues and common errors. In addition, this is an explanatory study, which classifies it as qualitative research.

## **6.5. RESEARCH METHOD**

According to Bryman (2001:27), research method is “simply a technique for collecting data. It can include instruments, such as questionnaire, or a structured interview, or participant observation in which a researcher listens and watches others.”

In social science there are primarily two essential types of research methods approaches: qualitative and quantitative methods (Miller and Brewer, 2003). Quantitative research method can be defined as a research method, which emphasises quantification in the collection and analysis of data. On the other hand, qualitative research emphasises words and texts mostly in their natural settings rather than quantification in the collection and analysis of data (Miller and Brewer, 2003; and Bryman, 2001).

According to CSU (2005):

quantitative research, the researcher is ideally an objective observer who neither participates nor influences what is being studied. In qualitative research, however, it is thought that the researcher can learn the most by participating and/or being immersed in a research situation. These basic underlying assumptions of both methodologies guide and sequence the types of data collection methods employed.

Considering that the nature of this study is descriptive and explorative study, it utilises a quantitative method in collecting its primary data through a questionnaire survey.

## **6.6. RESEARCH METHOD: DATA COLLECTION METHODS**

This study utilised mainly two types of data collection method for its primary (qualitative) and secondary sources. The primary data were collected through the survey questionnaire; this research also used secondary data for the preparation of conducting the research. The

secondary data was obtained from libraries in the form of books, articles, magazines, and related studies, along with published or unpublished materials such as statistical reports, University and Ministry of Higher Education publications.

### **6.6.1. Primary Data Collection Method: Questionnaire**

Quantitative method is regarded as the most popular method in social research in collecting primary data. Analysis of quantitative data leads to some potential findings that can be generalised (Fahmi, 2003).

Questionnaires are considered to be the efficient instruments of research when gathering information through the quantitative method. It is a popular method when collecting data that is not available in the available literature, particularly when a study attempts to answer very specific questions or to prove or deny certain hypotheses especially when discussing issues related to the social sciences or humanities. Furthermore, it is useful when a researcher has the knowledge to measure the variables that are subject to the study (Fahmi, 2005:37).

The following highlights the reasons for using questionnaires as a method of data collection in this study (Levin et al., 1989; and Abdul Samad, 2007):

- It is a relatively low cost in terms of time and money for researchers as it can be sent out to a geographically dispersed sample;
- There is a high degree of standardisation as all respondents are posed with exactly the same questions;
- It can be completed at the convenience of the respondents;
- As the questionnaire is anonymous, it gives the respondents freedom and encouragement to answer questions honestly, especially sensitive questions; and
- It can cover a large sample of respondents at the same time.

On the other hand, the questionnaire method has some disadvantages which have to be taken into consideration. Gillham (2000) and Abdul Samad (2007) highlight the following problems:

- Some respondents are reluctant to answer the questions;
- Some questionnaires are relatively long and consequently respondents may not take them seriously, which is difficult to detect;

- Ambiguity in some questions can lead to a misunderstanding by respondents in answering these questions; and
- Respondents are not motivated to answer questions.

However, as for the main empirical part of this study, the primary data were collected to suit purposes of this research in order to draw out the views of the respondents. In addition, due to the explorative nature of the study and large population of the study, this study utilised a questionnaire survey approach as a primary source of collecting the required data.

In fact the questionnaire method was chosen because the main advantage is that it can provide a more complete picture than can be gained through interviews. The researcher also was convinced that the questionnaire method would generate richer data by saving the time of respondents who have limited free time. In comparison, the interview method would require a direct commitment by the respondent. In addition, questionnaires are considered to be the best method to gather data in short time from a large population who are scattered geographically, which is the case with the sample. Finally, appraising performance is a sensitive issue; therefore, the researcher felt that this method would give respondents opportunity to provide genuine answers which may not be accessible through interviews.

### **6.6.2. Questionnaire Design**

The questionnaire was primarily developed by the researcher drawing on conclusions from the literature review, which included articles, books, PhD theses, and exploratory surveys on the topic of PA. In addition, in the process of developing the questionnaire, an initial research was carried out reviewing previous questionnaires in the subject of PA, especially those who are subject to PA process in the identified Saudi universities.

The seven-page questionnaire was drawn up with ten main questions, with each having a number of sub-statements. The statements themselves were designed as closed-ended rather than open ended ones. The reasons behind this are: (1) closed-ended questions are easy and quick to answer, which makes respondents relatively more diligent in answering the whole questions in which they do not have to offer their opinions in a written form; (2) closed-ended questions help respondents to decide on the correct choice when they are presented with alternative responses (Oppenheim, 2000; and Miller, 1984); and (3) close-ended questions

have a finite set of answers from which the respondents can choose: this can make the process easier for the respondents and also for the researcher at the analysis stage.

The five-point Likert-scale was used in providing options for each question to the respondents to express their preference in terms of how strongly they agree or disagree with statements. The points on five-point scale were labelled as 'strongly agree', 'agree', 'uncertain', 'disagree', and 'strongly disagree' (Fahmi, 2003). However, the respondents were given space at the end of each question to provide additional comments.

In short the type of questions used in the questionnaire varies according to the type of information required to test the research hypotheses. The questions were mostly multiple choices in order to cover all the relevant data.

The comprehensive questionnaire was split into two main sections, which aim to cover a wide range of issues. The first part covers the main variables of the study, which were depicted on interval variables and covered 38 statements. The aim of this section is to investigate attitudes and reactions of respondents who are subject to the PA evaluation process. The second part covers demographic variables, which help to test the hypotheses of the research.

The first part of the questionnaire contains seven sections, each of which was designed to gather information to test certain hypotheses (these hypotheses are described in full in chapter 7 and 8). Section one covers the opinion of the respondents who are subject to the PA on the features and characteristics of the current PAS. This part has five statements and is intended to test the first hypothesis. The hypothesis was developed to identify whether the current system includes important features such as fairness and objectivity when the PA process is conducted (Taylor, 2002). As Szilagy (1991) and Mondy et al. (2002) point out raters can be biased by personal characteristics, such as religion, gender, disability and so on, thereby potentially affecting the reliability of the process. In addition, the questions aim to discover whether the current PAS adopts the required standards that help address administrative decisions including promotion, rewards and so on. Furthermore, employees' development (eg feedback, training and so on) and measures that help individuals' and organisations' goals are also assessed in this section.

Section two covers hypothesis two. This hypothesis tests respondents' perceptions about problems related to communications, transparency, and organisational problems facing teaching members; all of which can undermine the appraisal process. This part has nine statements and aims to test second hypothesis. There are a number of reasons for assessing this hypothesis, including: trying to reveal whether the rating judgement is based on a single criterion or on very limited criteria (Lambert, 1979); whether or not appraisees are receiving feedback on their performance; and finally whether workers are resistant to PA process.

Section three attempts to gather data to assess the accuracy of hypothesis three. This hypothesis aims to test respondents' views regarding problems related to line managers who appraisees believe have inadequate managerial knowledge and skills to carry out the appraisal process effectively. This part of questionnaire has thirteen statements. As explained previously, in order to have an effective appraisal system an organisation should have individuals who can handle the PA process properly. Raters who are trained to handle PA will ultimately lead to greater organisational effectiveness.

Section four covers the problems related to evaluation form, which is thought to be poorly designed. This part tests hypothesis four and consists of five statements.

Section five covers the issues of inability of the procedures that regulate evaluation process, to help produce an adequate appraisal process for faculty members. This part test hypothesis five and has three statements.

Section six aims to test hypothesis six which investigates whether or not the organisations subject to the study are reaping the benefits from the outcomes of current evaluation system when making administrative decisions.

The last part of part one of the questionnaire gathers data regarding the opinions and perceptions of the respondents on effectiveness of current PAS in general. In addition, respondents were presented with statements which thought to be hindering from having accurate PA. This part tests hypotheses 7 and 8.

The second part of the questionnaire was designed to gather information about the respondents' personal profile. These are regarded as demographical variables including type of college the respondent belongs to (applied, theoretical), age, years of experience and

nationality. These demographic variables were utilised to identify its impact on the previous issues in part one.

In the process of conducting the questionnaire, a cover letter for each questionnaire was provided to explain the purpose of the research, as well as highlight the importance of the individual's response. The letter aimed at assuring respondents that the information provided is confidential, anonymous and would be used only for the purpose of the research. Furthermore, it was prepared in English and translated into Arabic through an official translation office in Durham. A sample of the questionnaire is provided in the appendix.

### **6.6.3. Study Population**

In this study the targeted population consists of the faculty members (professors, associate professors, and assistant professors) in Saudi Arabian public universities. However, the study population consists of all faculty members in only four universities which were chosen by researcher according to certain criteria as discussed later in this section because the target population was too large. Therefore, the study population is a sample part of the faculty members of Saudi Arabian universities. Ultimately the findings of the study will be generalised to this population. However, as the target population is quite large, the researcher has chosen four public universities based on a purposive sampling method in order to determine the study population.

Purposive sampling means information could be collected only from a certain type of individual. As Bryman (2004:334) argues in purposive sampling “the researcher samples on the basis of wanting to interview people who are relevant to the research questions.” The principles of using this method are either because the respondents are the only people who can give the required knowledge or information, or because the researcher assumes they have standards, which were developed by the researcher, to provide specific information (Fahmi, 2005). Purposive sampling was used for two reasons: first: it helps researcher to choose the right sample to participate in the study; and second, it allows the researcher to satisfy the very important point which is choosing the right study population (Robson, 2002).

In order to conduct the purposive sampling, an initial survey was developed and conducted to find which universities should be included in the sample. The respondents surveyed had to

rank Saudi public universities geographically according to the criteria established by the researcher, as follows:

- Good reputation of the university among others in the same region;
- Facilities and faculty qualifications;
- Scientific and researchable position for the university among other universities in the same region; and
- Expansion of the schools' colleges and students.

This survey was conducted with 30 random samples from the targeted population (public universities' staff members). Table 6.1 summarises the ranking of universities according to respondents' answers to the above-mentioned criteria.

**Table 6.1: Ranking of Universities According to the Respondents Opinions**

Region	University ranking according to respondents
The northern and middle area	<ol style="list-style-type: none"><li>1. King Saud University</li><li>2. Imam Mohammed Bin Saud University</li><li>3. Hail University</li><li>4. Aljof University</li><li>5. Alqaseem University</li></ol>
Western Area	<ol style="list-style-type: none"><li>1. King Abdul- Aziz University</li><li>2. Umalqura University</li><li>3. Teebah University</li><li>4. Alislamia University</li><li>5. Altaif University</li></ol>
Southern Area	<ol style="list-style-type: none"><li>1. King Khalid University</li><li>2. Jezaan University</li><li>3. Najran University</li><li>4. Al-Baha University</li></ol>
Eastern Area	<ol style="list-style-type: none"><li>1. King Faisal University</li><li>2. King Fahad University</li><li>3. Imam Mohammed Bin Saud University (Alhassa)</li></ol>

Based on the result established in table 6.1, it was decided to choose the first ranked university in each region as the sample university in constituting the total sample. Thus, the study population, namely universities was determined as it is shown table 6.2, which also shows the staff that can be subject to this study from each university.

**Table 6.2: Distribution of Study Population**

University	Study Population	Percent of Study Population
King Saud University	1845	45.25
King Abdul Aziz University	1073	26.32
King Khalid University	628	15.40
King Faisal University	531	13.02
Total	4077	100.00

Source: Ministry of Higher Education (2007)

It can be understood from table 6.2 that the study population totalled 4,077 which includes all the academic staff in the sample universities.

#### **6.6.4. Study Sample**

Sampling is an important aspect of any research study and survey sampling is related to the generalisation of findings. As Robson (2002:260) argues, “the extent to which that we have found in a particular situation at a particular time applies more generally.” The following part discusses the sample size of the research and the distribution of the sample size according to the demographic variables.

##### **6.6.4.1. Sampling Size**

A sample is a small selected portion of the whole population. According to Bryman (2004:83) it is “a sample is the segment of population that is selected to be investigated.” The size of the sample must be sufficient in order to represent the population, which the study is intended to investigate.

The sample size depends on the homogeneity of the population. If the pilot study indicates that there is a considerable heterogeneity of the population, then it is important to choose a larger sample. As Robson (2002:161) contends if the population is heterogeneous and the main interest of the study is to generalise the findings to the population, from which the sample was drawn, then a larger sample is needed. In addition, a larger sample size will decrease the probability of having sampling error (Al-Dhian, 2002).



The population of the current study is divided into strata (universities), which to some extent are heterogeneous. Therefore, the researcher used a proportionate stratified sampling method to select the study sample. This method presents three advantages to the study sampling. First, it helps eliminate possibility of sampling error; second, each stratum will be presented exactly in proportion to the size of its population (Schutt, 1996); and third, it decreases the population variations in each stratum from which sample was drawn (Fahmi, 2005).

In order to determine the efficient size of the sample, there are two main choices available. First, the researcher can rely on the sampling power tables, which help researchers in choosing sample size (Robson, 2002). Second, there is a statistical technique, which requires using a formula to determine the optimum sample size. The researcher chose the second option to determine the efficient study sample, because this method determines the relationship between sampling error and sample size (Robson, 2002).

The formula was used to determine the sample size (William, 2003; and Fahmi, 2005:128) was

$$n = \frac{z^2 p(1-p)}{d^2}$$

where:

*n*: denotes the minimum size of the drawn sample, (which is unknown);

*P*: denotes the probability of occurrence of the phenomena in the society. In this study it represents how the universities' faculty regard the current PAS as inefficient and needs to be amended. As this is unknown, the researcher assumes it is 0.5 which represent the highest probability in the study population;<sup>4</sup>

*z*: is the value drawn from the normal distribution table in specific confidence level, in this research it is 95%. However, it is employed as 1.96 standard errors as the crucial criterion of 95% confidence;

*d*: is the value or margin of error for a phenomenon occurring in a society. Usually this value is between 0.01 and 0.05. In this study, the researcher accepted it is 0.05 at a 95% confidence level.

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<sup>4</sup> Usually *P* value is not known in practice when using the above equation. Some statistics books call it planning value for the population proportion. *P* can be chosen by any one of the following procedures (Williams, 2003): (1) use a pilot study to select preliminary sample. The sample proportion from this sample can be use as the planning value for *P*; (2) use judgement or best guess; (3) use a planning value of *P*=.50, where: *P* (*P*-1) give the largest value for *P* (*1*-*P*). For more information on this see Williams (2003:322-324).

In this case, the sample size ( $n$ ) is final if the sampling fraction  $= \frac{n}{N} \leq (0.05)$

Where  $N$  is population size.

However, if the sampling fraction  $\geq (0, 05)$ , in this case the value of ( $n$ ) will be the initial sampling size for the study and will take the symbol ( $n_o$ ) and hence the final size sample is determined in the following formula (Fahmi, 2005:135):

$$\therefore n = \frac{z^2 p(1-p)}{d^2} = \frac{(1.96)^2 (0.50)(0.50)}{(0.05)^2} = 385$$

whereas  $N$  represent the whole universities' faculty in the universities subject to study, which is 4,077, (see table 3.1); and where the sampling fraction is

$$= \frac{385}{4077} = 0.09$$

Since 0.09 is greater than 0.05, the normal distribution requires  $z$  value  $\leq 0.05$ . Since the sampling fraction is 0.09, which is greater than 0.05, it can be concluded that the distribution is not effectively normal and hence the sample size is called the initial sample. In order to reach normal distribution with the final sample size after the initial sample size the following formula should be used (Fahmi, 2005:135):

$$n = \frac{n_o}{1 + \frac{n_o}{N}}$$

$$n = \frac{385}{1 + (385/4077)} = \frac{385}{1.094} = 351$$

Accordingly, the researcher distributed ( $n=$ ) 351 questionnaires to the universities subject to the study; and each stratum or the university is represented exactly in proportion to its size in the population from which the sample is drawn. The breakdown of the sample size according to the universities is depicted in table 6.3.

**Table 6.3: The Distribution of Study Sample**

University	Study Population	Percent	Study Sample	Sample Percent
King Saud University	1845	45.25	159	46
King Abdul- Aziz University	1073	26.32	92	27
King Khalid University	628	15.40	54	15
King Faisal University	531	13.02	46	12
<b>Total</b>	<b>4077</b>	<b>100.0</b>	<b>351</b>	<b>100</b>

It should be noted that the return rate was lower than the numbers distributed. The total valid questionnaires to be analysed were 197. Table 6.4 shows the number and percentage of the returned questionnaires according to each university.

**Table 6.4: The Return Rate of the Questionnaire**

University	Distributed Questionnaires	Returned Questionnaires	% Returned Questionnaires
King Saud University	159	72	45.28
King Abdul Aziz University	92	53	57.61
King Khalid University	54	42	77.78
King Faisal University	46	30	65.22
<b>Total</b>	<b>351</b>	<b>197</b>	<b>56.13</b>

It is noticeable from table 6.4 that the percentage of the returned questionnaires from each university is between 45.28% (the lowest return from King Saud University) and 77.78% (the highest value from King Khalid University). The average response for the returned questionnaires was 56.13% (being the ratio of 197 to 351), which is considered to be acceptable in social studies (Fahmi, 2003).

It should be noted that in the analysis of the data a distinction between these universities was not considered as a significant value; and therefore this was dismissed as a control variable to test the significance of the difference between the universities according to certain categories. The reason for this is the fact that these universities are all public universities, and shaped and regulated by the same cultural and administrative norms. The individual initiative in the

administration to make a change could be considered; but the hegemonic bureaucratic culture would not allow individual attempts to make a difference to be sustained.

#### **6.6.5. Pilot Study**

Researchers should insure the validity and reliability of the data collection instrument before using it for data collection. This can be achieved through the use of a pilot study, which aims to ensure the clarity of the questions by obtaining feedback from a small number of the targeted population. In this regard, McNeill and Chapman (2005) stress that the pilot study is an important stage in which it aims to correct any confusion that might face individuals subject to the study.

It should be noted that a pilot study was conducted by distributing 30 questionnaires randomly to teaching members at King Khalid University. However, the results from the pilot study resulted in no noticeable difference to the original questionnaire.

#### **6.6.6. Validity of the Questionnaire**

The validity of the questionnaire is an important requirement to answer the research questions correctly. This depends on what extent the respondents answered the questionnaires honestly and correctly (Abdul Samad, 2007). According to Collis and Hussey (2003:233) the term validity refers to “the capacity of research techniques to encapsulate the characteristics of concepts being studied and so properly to measure what the methods were intended to measure.” Hence, questionnaire validity means the consistency or stability of a measure; for instance, were the questionnaire to be repeated would it obtain the same result (Robson, 2002; and Alkahtani, 2000). In this study, the validity of questionnaire was proved acceptable when the pilot study was conducted.

However, before producing the questionnaire in its final form, it was sent to a number of professors in Saudi Arabia who are experts in the field of HR, to Arabic language proofreaders, and to statistical analysts involved in social research in order to have their opinions on the validity of the questionnaire. All the comments of these individuals were taken into consideration in order to make the necessary adjustment to the final version of the questionnaire.

### 6.6.7. Reliability of the Questionnaire

According to Alassif (1995:429) validity means the ability of the questionnaire to measure what it is intended to measure. In addition, Forcese and Richer (1973:71) argue the term reliability means “the same measure can be used again and again by the same or different researchers and the same results will be obtained.”

In addition to the pilot study, the researcher also adopted another method to help ensure the reliability of the questionnaire, namely, Cronbach’s Alpha. Table 6.5 highlights the reliability of the research according to Cronbach’s Alpha test.

**Table 6.5: The Distribution of Cronbach’s Alpha for Reliability**

Cronbach’s alpha	No: Items
0.88	39

The value of Cronbach’s Alpha is satisfactory, as conventionally, according to Fahmi (2005), it is expected that Cronbach’s Alpha should be higher than 0.70. Since the test result is higher than 0.7, this should be taken as confirming the reliability of the contents of the questionnaire used in this study.

### 6.7. ANALYSING PRIMARY DATA

Data analysis is one of the most difficult parts of the research process. Lewis et al. (2003:186) state that “data analysis is an integral part of qualitative research and constitutes an essential stepping-stone toward both gathering data and linking one’s findings with higher order concepts.” Therefore, it is the part where the researcher has to select an appropriate statistical technique, which is consistent with a type of questions, assumptions and hypotheses.

In this study, a variety of statistical techniques were utilised for the primary data collected through the questionnaires. The statistical methods involve descriptive and analytical methods. After coding, the raw data was entered into the Statistical Package for Social Science (SPSS), the software chosen for the analysis of the data. This enables the data to be presented in statistical tables in order to help reader to easily observe the pattern of the analysed data. The following statistical methods were utilised:

- **Descriptive Method Analysis**, which involves the frequencies and percentages in order to describe the characteristics of the study sample. As Zikmund (1991) argues descriptive analysis includes the transformation of the raw data into something that is easy to understand and interpret.
- **One-tail t-test**, which according to Statistics Solution (2009) is:

a statistical test that is used to know the mean difference between the sample and the known value of the population mean. In one sample t-test, the population mean is known. A random sample from the population is drawn and then compared to the sample mean with the population mean and make a statistical decision as to whether or not the sample mean is different from the population.

In other words, a one-tailed test uses an alternate hypothesis that states either  $H_1: \mu > \mu_0$  or  $H_1: \mu < \mu_0$ , but not both. In case of testing both using the alternate hypothesis  $H_1: \mu \neq \mu_0$ , then as Ellis (2006) contends it is important to use a two-tailed test. In addition, the *t-test* is usually used when a sample size is small ( $< 30$ ); however, with larger samples the normal curve ‘*z*’ test is used. In fact the two tests are equivalent. The one tail *t* test was used to test hypotheses 1, 2, 3, 4, and 5.

- **Chi-Square goodness-of-fit test**, which is used according to Robson (2002:419) “to compare frequencies on a single variable in order to see how closely they fit to those expected or predicted on some theoretical basis.” The Chi-Square test was used to verify the existence of any significant differences in the responses regarding the degree of response (very weak, weak, average, high, and very high) for each statement.
- **Binomial Test**, which was conducted to test the convergences between the perceptions of the participants. In addition, this tests the difference between a sample proportion and a given proportion, for one-sample tests. Eachus (2006) states that this test is used to examine the relative proportions of a dichotomous variable, ie a variable that can take one of two values, such as gender which may be either male or female. The binomial test was used to test hypothesis 6.
- **Pearson Chi-Square and Fisher Exact for 2x2**, both of which provide similar information about relationships among variables. As Morgan et al (2004) argue these inform the researcher whether the relationship between variable is statistically significant. They were used to test hypothesis 7.

- **Discriminant analysis**, which achieves two purposes according to Kinnear (2001), namely: (1) to classify respondents into one of two different groups (or populations) with a better than chance of accuracy; and (2) to identify which variable or variables can contribute the most to the classification of two groups, which helps the researcher to discriminate between the groups. Kinnear (2001:320) states:

It should be noted that “discriminant analysis is a technique for obtaining the independent variables into a single new variable on each participant in a study gets a score. This new variable, known as discriminant analysis is constructed in such a way that the participants, score on it, to the greatest possible extent, separate, or discriminate among, those people in the different categories of the dependent variable.

It was used to test hypothesis 8 by running the test on the demographic variables (college, age, academic position, experience, and nationality). The researcher also relies on Wilks Lambda value between the two groups in order to determine whether or not discriminant factors between the two groups are significant.

- **Factor analysis**, which according to Coakes and Steed (2001) is used as data reduction method in order to reduce a large number of variables to a small number of factors to facilitate the process of summarising the data which has been collected. In order to conduct factor analysis the Kaiser-Meyer-Olkin (KMO) and Bartlett’s test need to be conducted. In addition, the result of the KMO and Bartlett’s tests should be high in order to increase the possibility of conducting the factor analysis. Coakes and Steed (2001) state that the KMO and Bartlett’s test values should be equal or more than 60%.

In addition to these quantitative methods, an interpretative approach was utilised to provide further meaning to the results of the questionnaires. In other words, the results further analysed to provide an in-depth understanding of the issues in an integrated manner, which is presented in the discussion chapter of this research. Interpretative approach, thus, enables to respond to the question of ‘so what?’ by engaging and interacting all these results together with the literature survey material whereby it is possible to demonstrate the significance and the contribution of the study (Bryman,2001)

## **6.7. DIFFICULTIES AND LIMITATIONS**

This study, as with any research, has experienced a number of difficulties and constraints like any other research project, which may have limited the range of the study, as follows:

- The sample size could have been larger to enrich the findings, if more Saudi and non-Saudi faculties were surveyed in order to enrich the findings. However, unfortunately due to limitations of time and costs it was not possible. In addition, the respondents were spread over four regions which made it even more difficult.
- The data collection method was limited only to the questionnaire survey without including interviews. This was due to the lack of availability of the faculty members within the limited timespan of the research period. However, interviews could have substantiated the findings of the study.
- It appears that respondents had a bit difficulty in understanding some of the questions, particularly in sections six and seven. Although the respondents were given space to provide comments if the questions are unclear, the researcher suspects that a number of the respondents were not thorough when answering these questions.

In addition to the aforementioned limitations, there were other difficulties faced during the research process. For instance, there was difficulty in getting respondents to complete the questionnaires, while a number of questionnaires had to be excluded because they were not completed fully or else respondents did not appear to be honest when answering the questions. This could possibly be attributed to the length of the questionnaire.

## **6.8. CONCLUSION**

As mentioned earlier in this chapter, the study explores the current PAS used in Saudi Arabian higher education and evaluates its efficiency in reflecting the actual assessment for the effectiveness of faculty members through the perception of participants. Thus, in making generalization, this particular issue has to be taken into account in identifying the differences, if exists, between the actual practices and the results of the perception analysis.

This chapter, thus, explains the methodology used in conducting this research. A self-administrated questionnaire was developed to assemble the primary data for this research. This instrument was reviewed by people specialised in the subject of human resources



management (HRM), statistics and Arabic linguistics. All suggestions were taken into consideration by the researcher. After the corrections were made, a pilot study was conducted using a random sample to ensure the validity and reliability of the questionnaire. Upon the success of the result of the pilot study, the researcher determined through a statistical technique the correct sample size and, upon arrival in Saudi Arabia, the questionnaires were distributed to the study population.

It should be noted that the sample size is smaller than the population size, which is no surprise indeed, as the valid collected sample size 197, as opposed to the expected size of 351. However, having the response rate around 56% does not undermine the quality of the research or cannot be considered as not representing the population. With 56%, this study can still be representative of the population.

When questionnaires were collected, it was decided that the SPSS was the most appropriate method to analyse the data and establish relationships between the study variables.

Regarding difficulties, data analysis is one of the most difficult phases in research. There are a number of issues which have to be taken into consideration when analysing quantitative data, including: the type of question asked; the hypotheses to be proved; and the different variables to be included.

The results of the data analysis in the form of empirical findings and through an interpretative method are presented in the following chapters.

## **Chapter 7**

# **EVALUATING PERFORMANCE APPRAISAL IN THE SAUDI HIGHER EDUCATION SYSTEM: EMPIRICAL ANALYSIS**

### **7.1. INTRODUCTION**

The previous chapter presented the methodological framework of this research. In order to answer the research questions formed by the hypotheses identified in Chapter 6, the study employed a questionnaire to assemble the primary data, which was analysed statistically and the results presented in this chapter as the initial empirical analysis. The analysis, however, is not limited to a descriptive analysis, but also includes analytical tests relevant to the individual research hypotheses. In other words, in addition to descriptive analysis, inferential or analytical methods are also used to provide further meaning to the raw data.

The aim of this chapter is to present and discuss the statistical analysis of the overall responses given to the questionnaire survey. The questionnaire used in this study reveals valuable information which can help to explain the characteristics of the current performance appraisal system (PAS) in Saudi universities. In addition, it reveals: communication, transparency and organisational problems related to the ratees who are subject to the appraisal process; communication, transparency and organisational problems related to the raters who carry out the process; the forms which are used in the process; and, finally, the procedures that regulate and may undermine the appraisal process.

This chapter, thus, provides empirical evidence and analysis for the presentation in Chapter 5, which provides a description of PAS in the Saudi University. This chapter, hence, aims to provide an overview of current PASs by providing evidence through primary data analysis through examination of the following hypotheses:

**Hypothesis 1:** The current performance appraisal system at Saudi universities is not fit for purpose.

**Hypothesis 2:** Respondents believe that there are communication, transparency and organisational problems facing teaching members (who are subject to the appraisal process), which undermine the appraisal process.

**Hypothesis 3:** Respondents believe that line managers have inadequate managerial knowledge and skills which can prevent them accurately assessing a subordinate's performance.

**Hypothesis 4:** Respondents believe that the appraisal forms are poorly designed which could prevent an accurate appraisal of the performance of teaching staff.

**Hypothesis 5:** Respondents believe that the procedures and processes used in the current performance appraisal system are inadequate.

In order to examine these hypotheses, descriptive statistical analysis in the form of frequencies and percentages, and mean and standard deviation, as well as analytical methods, such as Chi-Square Test and the one-tailed t-Test in the case of one group, were employed.

## **7.2. IDENTIFICATION OF THE DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS**

As mentioned earlier, the second part of the questionnaire aimed to collect information on demographic variables. These variables were established to help prove or reject some assumptions of the study. This section covers the distribution of respondents according to the following demographic variable: the colleges to which the respondents belong; the academic level they occupy; their age, their seniority at the university; and their nationality.

As regards the college type, the respondents were asked in the questionnaire, to classify their colleges as theoretical (namely social sciences related departments and schools, such as social science schools) or applied (namely the natural science departments, such as school of medicine, engineering physics math schools...etc).

From table 7.1, it is noticeable that more than a half (57.4%) of the respondents belong to theoretical colleges, while the rest (42.6%) belong to applied colleges.

**Table 7.1: Distribution of Respondents According to Type of College**

College Type	Frequency	Percentage
Theoretical	113	57.4
Applied	84	42.6
<b>Total</b>	<b>197</b>	<b>100.0</b>

An attempt was also made to measure the distribution of the academic position of the respondents, the results of which are presented in table 7.2. Accordingly, the most commonly held academic position among the study sample is ‘assistant professorship’, (50.8% of the total study sample). The second largest category is ‘associate professorship’ with 35.0%. Finally, respondents with professorial positions accounted for 14.2% of the sample.

**Table 7.2: The Distribution of the Respondents According to Academic Position**

Academic Position	Frequency	Percentage
Professor	28	14.2
Associate Professor	69	35.0
Assistant professor	100	50.8
<b>Total</b>	<b>197</b>	<b>100.0</b>

Table 7.3 depicts that the age distribution of the respondents. The majority of the respondents (55.8%) are between the age of 40 and 49. Those who are aged 50 and above are the second largest group with 25.4%. The respondents whose age is between 30 and 39 account for 18.8% of the sample.

**Table 7.3: The Distribution of the Respondents According to Age**

Age Grouping	Frequency	Percentage
30 to 39	37	18.8
40 to 49	110	55.8
50 and above	50	25.4
<b>Total</b>	<b>197</b>	<b>100.0</b>

It is also important to consider the seniority of the respondents in their respective college. Table 7.4 highlights the distribution of the sample according to years of service. The largest group (50.3%) have less than ten years service. This is followed by respondents with experience of above 20 years (23.4%) and the 16.8% have from 10 to less than 15 years experience. The rest of the individuals (9.6%) falling from 15 to less than 20 years of experience.

**Table 7.4: Distribution of the Respondents According to Seniority**

<b>Seniority</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 10	99	50.3
10 to less than 15	33	16.8
15 to less than 20	19	9.6
Above 20	46	23.4
<b>Total</b>	<b>197</b>	<b>100.0</b>

Considering that Saudi Arabian universities employ a large number of expatriates, it is important to measure the nationality distribution of the respondents, as this may have consequences for the study. This is presented in table 7.5. According to the results, majority of the respondent (65%) are non-Saudis, while Saudis make up 35% of faculty members.

**Table 7.5: Distribution of the Respondents According to Nationality**

<b>Nationality</b>	<b>Frequency</b>	<b>Percentage</b>
Saudi	69	35.0
Non-Saudi	128	65.0
<b>Total</b>	<b>197</b>	<b>100.0</b>

### **7.3. EVALUATING THE CHARACTERISTICS OF THE CURRENT PERFORMANCE APPRAISAL SYSTEM USED IN SAUDI UNIVERSITIES**

This section presents the results related to the characteristics of the current PAS according to the perceptions of the respondents. The opinions, as mentioned before,

were measured through the answers given to the questionnaire survey applied by this study. The five statements (numbers 1-5 on the questionnaire) that are analysed in this section are:

1. Objectivity and non-bias;
2. Ease of judging the actual level of performance;
3. Justice among faculty members;
4. Precision in judging the actual level of performance of teaching staff; and
5. Suitability of evaluation tools and standards in relation to faculty members.

In addition, this tests the first hypothesis of this study (the current performance appraisal system at Saudi universities is not fit for purpose), which is discussed in detail in the following section. To test this hypothesis, as mentioned previously, descriptive statistics in the form of frequencies, percentages, the mean average and standard deviation are used in order to examine respondents' views towards the degree of availability of a set of characteristics that should be met by the faculty members subject to the PAS in order to ascertain whether or not it is an efficient system. In addition, Chi-Square goodness-of-fit test is used "to compare frequencies on a single variable in order to see how closely they fit to those expected or predicted on some theoretical basis" (Robson, 2002:419). In other words, Chi-Square was used to verify the existence of any significant differences in the responses regarding the degree of availability (very weak, weak, average, high, and very high) for each statement in this part.

The results depicted in table 7.6 show the perceptions of the participants on the distribution of the frequencies on the characteristics is not equal among the sample at the significance of  $\alpha = 0.05$ .<sup>5</sup> This implies that the opinions regarding each of the variables of the respondents are rather strongly determined, and that they have strong divergent views about the variables.

Table 7.6 highlights the results related to the respondents' opinions regarding the existence of the characteristics in the current PAS (see first column). Chi-Square test was used to investigate if there is a significant difference in the opinions of the

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<sup>5</sup>The researcher accepts the convention among most social researchers that the maximum level of statistical significance that acceptable is  $p < 0.05$  (Bryman, 2004).

respondents (very weak (1), weak (2), average (3), high (4), and very high (5))<sup>6</sup> towards the features of the system. The Chi-Square test is statistically significant for all the statements (where the p value is less than the value set in advance at  $\alpha = 0.05$ ), which indicates the existence of significantly different responses towards the degree of characteristics' of the PA system (very weak, weak, average, high, and very high) for each statement in this part. In other words, there is a clear individual trend among the respondents towards the statements, about which they were questioned.

**Table 7.6:: Respondents' Perceptions on the Characteristics that should be Met by Saudi Universities' PAS**

Degree of presence  Statement		Perception of Presence of Characteristic in the Current System					Chi-Square goodness-of-fit Test	
		Very Weak (1)	Weak (2)	Average (3)	High (4)	Very High (5)	Chi-Square	P-value significance-level
1-Objectivity and non-bias	F	9	22	67	74	24	87.31	*0.000
	%	4.6	11.2	34.2	37.8	12.2		
2-Ease of judging the actual level of performance	F	8	38	72	66	12	89.51	*0.000
	%	4.1	19.4	36.7	33.7	6.1		
3-Justice among faculty members	F	13	32	60	60	31	42.62	*0.000
	%	6.6	16.3	30.6	30.6	15.8		
4-Precision in judging the actual level of performance of teaching staff	F	10	49	79	47	11	86.44	*0.000
	%	5.1	25.0	40.3	24.0	5.6		
5-Suitability of evaluation tools and standards in relation to faculty members	F	12	57	70	40	17	63.74	*0.000
	%	6.1	29.1	35.7	20.4	8.7		

Note: \*statistically significant at the level (0.05)

In addition, for the purpose of testing this hypothesis, the one-tailed t-test was also used in the case of the entire group, where the research question, hypothesis and the statistical hypotheses were drafted as follows:

<sup>6</sup> It should be clear that number (1) indicates that the existence degree a characteristic is very weak, while number 5 indicates that the degree of a characteristic being very high. This analogy will be applicable for all tables that carry the same statements.

The research question: Does the current system of performance appraisal at Saudi universities subject to the study meet the necessary characteristics expected from an efficient PA system?

In order to answer this research question, the following research hypothesis is formed: 'the PAS currently applied at the universities surveyed does not have the necessary characteristics, i.e. the average presence of characteristics is significantly less than 3 out of 5'.

Thus, hypothesis and the decision rule in the light of the above findings can be formulated as follows:

The statistical hypothesis, thus, can be formally expressed are as follows:

Null hypothesis:  $H_0: (\mu) \geq 3$ , which implies that the sought after characteristics are met.

Alternative Hypothesis:  $H_1: \mu < 3$  implying that the characteristics are not met.

Decision Rule: If the statistical value (t) for the difference between the sample average and the value 3, the mean value, is negative, and the value of the calculated level of significance (ie sig.1-tailed) is less than the tabular value (ie if  $\alpha = 0.05$ ), then we reject the null hypothesis, and in turn we accept the hypothesis that  $\mu$  is less than 3. In other words, we accept that the current PAS at the universities subject to the study does not have the necessary characteristics.

It should be stated that the hypothesis was tested by the one-tailed t-test, which helps to answer the research hypothesis stating that the current PAS in Saudi universities does not encompass the characteristics that should be present in the system. Therefore, the average degree of each characteristic in the system should be significantly less than 3 out of 5.

Table 7.7 shows that the overall mean for the expected characteristics to be held by the current PAS at the universities surveyed is 3.18 out of 5 with a small standard deviation of 0.82. This indicates the lack of any significant variation in the views of the respondents towards the existence of such characteristics in the current system. In



other words, the majority of the respondents believe that these characteristics are available within the existing system.

**Table 7.7: One-tailed t-test Results for the Presence of the Expected Characteristics in Current Saudi Universities' PAS**

Existence degree of characteristics  Statement	Mean	Standard deviation	One-tailed t - test		Confidence Limits for the Population's Means	
			(t) Value for the difference between the means and the value (3)	Significance level	Lower-mean	Upper-mean
1- Objectivity and non-bias	3.42	1.00	5.877	0.000*	3.28	3.56
2- Justice among teaching staff	3.33	1.13	4.061	0.000*	3.17	3.49
3-Ease of judging the actual level of performance	3.18	0.95	2.696	0,004*	3.05	3.32
4 - Precision in judging the actual level of performance of teaching staff	3.00	0.96	0	0.500	2.86	3.14
5- Suitability of evaluation tools and standards at the position of faculty member	2.96	1.04	0.479-	0.317	2.82	3.11
<b>Characteristics in general</b>	3.18	0.82	3.067	0,002*	3.06	3.29

Note: \*statistically significant at the level (0.05)

Following the application of the one-tailed t-test for the entire group of problems, the overall mean for the presence of the expected characteristics to be met by the current PAS used at the surveyed universities is significantly higher than 3, where the t value for the difference between the overall mean of the features in general and the value 3 equals 3.067, and the value of the calculated level of significance is 0.002, which is less than 0.05. This is also clear from the confidence limits for the overall mean of the population, which suggests that the overall mean for the availability of the characteristics that should be met by the current system is between 3.06 and 3.29,

according to which the null hypothesis cannot be rejected. Therefore, we accept the hypothesis that  $\mu$  is not less than 3. In other words, we reject the hypothesis that the current performance evaluation system applied at the universities does not meet the necessary or the expected characteristics of an efficient practice, and accept the hypothesis that the current system has the necessary characteristics of an efficient system based on the expressed preferences.

In addition, by examining the results displayed in table 7.6 and table 7.7 together and applying one-tailed t test to each characteristics individually in order to describe the extent to which each characteristics exists in the current system, this reveals the possibility of rating the necessary characteristics in terms of their presence in the current PAS in the universities under study:

- ‘Objectivity and non-bias’ as a characteristic comes first in terms of its perceived presence in the PAS used at the surveyed universities, as the mean score for this is 3.42 with a standard deviation of 1.00. The presence of this characteristic was rated by 50% of respondents as either ‘very high’ or ‘high’ (i.e. 12.2%+37.8%=50.0%). On the other hand, only 15.8% of respondents rated the presence of objectivity and non-bias as ‘weak’ or ‘very weak’ (i.e.4.6%+11.2%=15.8%). Also, 34.2% of the respondents are of the opinion that this characteristic exists in the current system. It is obvious from this that more than half of the respondents have confidence in the objectivity of the current appraisal system.
- ‘Justice among faculty members’ as a feature comes second in terms of its perceived presence in the PA system in the Saudi Higher Education, where the mean of the presence of this feature is 3.33 with a standard deviation of 1.13. The result indicates that the majority of respondents were satisfied with the existence of this characteristic in the current PAS. 46.4% of respondents rated the availability of this characteristic as ‘very high’ or ‘high’ (15.8%+30.6%=46.4%), while 30.6% of the respondents accept that the current system is ‘average’. On the other hand, a number of respondents considered this characteristic to be lacking, with 22.9% rating it as ‘weak’ or ‘very weak’.

- ‘Ease of judging the actual level of performance’ was placed third in terms of its perceived presence in the actual practice of PA in Saudi universities. The mean of the perceived presence of this feature is 3.18 with a small standard deviation of 0.95; 39.8% of respondents rated the presence of this characteristic as ‘very high’ or ‘high’ (6.1%+33.7%=39.8%), while the respondents who considered the availability of this characteristic to be ‘average’ was 36.7%. Therefore, it is noticeable that most respondents think that the PA system is able to appraise their performance easily. However, 23.5% of respondents are of the opinion that this characteristic is not shown in the actual practice of PA.
- ‘Precision in judging the actual level of performance for teaching staff’ as a desirable feature came fourth in terms of its perceived presence in the current PAS at universities, where the mean score of this perceived characteristic is 3.00 with a standard deviation of 0.96. 29.6% of respondents rated this as ‘very high’ or ‘high’ (i.e. 5.6%+24.0%=29.6%) and 40.3% of respondents think to some extent that the current system does have the feature of accuracy when determining their performance and, therefore, rated it as ‘average’. On the other hand, a reasonable number of respondents considered the presence of this characteristic in the Saudi PA to be ‘weak’ or ‘very weak’ (5.1%+25%=30.1%). It can be understood from this that respondents are uncertain about the accuracy of the system in rating their performance. Thus, there is no clear-cut understanding about the presence of this particular characteristic among the respondents, and therefore the findings indicate a wide spread among respondents towards this statement.
- ‘Suitability of evaluation tools and standards in relation to faculty members’ is another characteristic that should be present in an efficient PA system; and therefore the respondents were asked about their opinion as to whether they think this characteristic is present in the PA system. The findings demonstrate that this feature was rated as the lowest characteristic in terms of its presence in the current PAS, where the mean of the perceived presence of this feature is 2.96 with a standard deviation of 1.04. The results show that 29.1% of respondents indicated that this characteristic was visible with ‘very high’ or ‘high’ degree (i.e. 8.7%+20.4%=29.1%), and 35.7% of the respondents

perceived that in their own evaluation this was not as visible as expected and therefore scored it as 'average'. Although the mean is less than 3, there was a tendency towards disagreement among respondents about the presence of this characteristics in the PA system they were subjected to, and therefore 35.2% of respondents rating it as 'very weak' or 'weak' (6.1%+29.1%=35.2%).

The findings discussed in this section indicate that the respondents tend to be satisfied with the existing PA system in the sense that it has the important characteristics expected from an efficient system. The only exception is the standards used to evaluate their performance, in which they consider that these are not consistent with their work. Therefore, it is clear from the above results that in general there is a tendency among the faculty members surveyed to be happy about the characteristics of the current PAS, despite the large percentages of respondents who were unsatisfied with standards used in determining their actual performance in which the average mean was less than 3. However, as the results indicate most of them consider that the desired characteristics in the system have been met. It might, therefore, be possible to state that based on the revealed perceived understandings of the respondents, the current PA system has the features of an efficient system. This, however, should be taken with caution and needs further qualifications, and is therefore discussed in detail in chapter 9.

#### **7.4. COMMUNICATION, TRANSPARENCY, AND ORGANISATIONAL PROBLEMS ENCOUNTERED BY TEACHING STAFF: BARRIERS TO AN EFFICIENT APPRAISAL PROCESS**

This section aims to investigate the problems inherent in the existing PA system related to faculty members, according to the responses they provided to the questionnaire survey. The nine statements examined in this section are:

1. The halo effect (overall evaluation of members on the basis of one distinct feature while ignoring other features);
2. When conducting PAs, the rater does not take into consideration psychological and social factors surrounding employees;
3. Difficulty of measuring the individual's personal characteristics and qualities (such as cooperation, initiatives and productivity) which relate to their work;

4. Difficulty for faculty members to access their records which are held by the HR department and which the rater takes into account when conducting appraisals;
5. Members refraining from protesting the evaluation results for fear of having problems with line managers;
6. Ignoring the various changes occurring in work-related capabilities (eg library, offices, office equipment and so on) when conducting the PA process;
7. Not involving members in developing their own standards of evaluation;
8. Lack of attention to the impact of performance appraisal on members in relation to making them aware of the aspects and causes of their weaknesses and strengths; and
9. Members' resistance to the PA system because it places them under constant monitoring.

In doing so this section aims to test the second hypothesis of the study: Respondents believe that there are communication, transparency and organisational problems facing teaching members (who are subject to the appraisal process), which undermine the appraisal process.

In order to test the hypothesis, descriptive statistics in the form of frequencies, percentages, the mean and the standard deviation are used. In addition, the Chi-Square goodness-of-fit test is used “to compare frequencies on a single variable in order to see how closely they fit to those expected or predicted on some theoretical basis” (Robson, 2002:419).. In other words, Chi-Square test was used to verify the existence of any significant differences in responses regarding the degree of agreement (‘strongly disagree’, ‘disagree’, ‘not sure’, ‘agree’, ‘strongly agree’) for each of the statements. This implies that the distribution of the frequencies on the degree of agreement is measured if they are equal or not equal among respondents at the  $\alpha = 0.05$  significance level.<sup>7</sup> The results are depicted in table 7.8.

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<sup>7</sup> The researcher accepts the convention among most social researchers that the maximum level of statistical significance that acceptable is  $p < 0.05$  (Bryman, 2004).

**Table 7.8: Respondents' Views Towards a Set of Problems Facing Teaching Members**

Statements		Degree of Agreement					Chi-Square Test for goodness of fit	
		Strongly disagree (1)	Disagree (2)	Uncertain (3)	Agree (4)	Strongly agree (5)	Chi-Square Value	P-Value
1-The halo effect	F	2	33	44	83	34	86.50	0.000*
	%	1.0	16.8	22.4	42.3	17.3		
2-When conducting PAs, the rater does not take into consideration psychological and social factors surrounding employees	F	2	11	42	80	61	110.37	0.000*
	%	1.0	5.6	21.4	40.8	31.1		
3-Difficulty of measuring the individual's personal characteristics and qualities which relate to their work	F	5	27	34	93	37	108.28	0.000*
	%	2.6	13.8	17.3	47.4	18.9		
4-Difficulty for faculty members to access their records which are held by the HR department and which the rater takes into account when conducting appraisals	F	5	20	24	69	78	106.19	0.000*
	%	2.6	10.2	12.2	35.2	39.8		
5-Members refraining from protesting the evaluation results for fear of having problems with line managers	F	2	30	34	68	62	72.57	0.000*
	%	1.0	15.3	17.3	34.7	31.6		
6-Ignoring the various changes occurring in work-related capabilities when conducting the PA process	F	3	18	40	88	47	107.21	0.000*
	%	1.5	9.2	20.4	44.9	24.0		
7-Not involving members in developing their own standards of evaluation	F	0	18	17	90	72	85.17	0.000*
	%	0	9.1	8.6	45.7	36.5		
8-Lack of attention to the impact of performance appraisal on members in relation to making them aware of the aspects and causes of their weaknesses and strengths	F	1	16	26	80	74	128.10	0.000*
	%	0.50	8.1	13.2	40.6	37.6		
9-Members' resistance to the PA system because it places them under constant monitoring	F	11	44	43	61	38	33.22	0.000*
	%	5.6	22.3	21.8	31.0	19.3		

Note: \*statistically significant at the level (0.05)

Table 7.8 shows that the Chi-Square Test is statistically significant for all the statements (where P-value is less than the value set in advance at  $\alpha = 0.05$ ). This indicates the existence of significantly different responses towards the degree of agreement (strongly disagree [1], disagree [2], uncertain [3], agree [(4), strongly agree [5]) for each statement. In other words, respondents have clearly identifiable and distinguishable positions regarding each variable, which results in the statistical significance of differences.

For the purpose of testing the main hypothesis, the one-tailed t-test was used for all the entire variables identified as ‘problem’ areas. In facilitating this process, the outlining of the research question and the statistical hypothesis were formed as follows:

The research question in this section asks if there are communication, transparency, and organisational problems facing faculty members (subject to the appraisal process), which undermine the appraisal process, and could be barriers to assessing the actual performance of faculty members. In order to answer this question, the following hypothesis is constructed:

Hypothesis: There are communications, transparency, and organisational problems facing faculty members (subject to the appraisal process), which undermine the appraisal process, and could be barriers to assessing the faculty members’ actual performance.

In an operational manner, this hypothesis indicates that the mean for the degree of agreement towards the existence of these problems is significantly more than 3 out of 5.

The statistical hypothesis, thus, can be formally expressed are as follows:

Null hypothesis:  $H_0: (\mu) \leq 3$ : The identified problems do not exist.

Alternative hypothesis:  $H_1: (\mu) > 3$ : The identified problems do exist.

As regards to the decision rule: If the statistical value (t) for the difference between the sample average and the value 3 is positive, and the value of the calculated level of significance (i.e. sig.1-tailed) is less than the tabular value set in advance (i.e.  $\alpha =$

0.05); then the null hypothesis is rejected and the alternative hypothesis is accepted that  $\mu$  is more than 3. Such a decision would imply that there are problems related to faculty members, which prevent access to the actual appreciation of their performance. On the other hand, if the sig. 1-tailed value is higher than tabular value set in advance (i.e.  $\alpha = 0.05$ ), the null hypothesis cannot be rejected, for which it is acceptable that the identified problems do not exist.

This test applied as well to each of the stated problem areas individually and to the problems in total, and the results are depicted in table 7.9.

Table 7.9 shows that the overall mean for the degree of agreement towards the existence of problems is 3.81 out of 5 with a small standard deviation of 0.61, which indicates the lack of any significant variance in the views of the respondents. Through the application of one-tailed t-test to the entire group of problems, the overall mean for the degree of agreement is significantly higher than 3, as the estimated value for t for overall mean 18.891, which indicates that there is an agreement among the respondents for the existence of the identified problems. This is also evidenced by the p-value being 0.000, which is less than the tabular value of 0.05. The conclusion is also substantiated by the confidence limits, which are between 3.73 and 3.90 for the overall mean of the population indicating that the overall mean for the degree of agreement towards the existence of identified problems. Therefore, the null hypothesis is rejected indicating that the alternative hypothesis which states that  $\mu$  is higher than 3 is accepted. The results, thus, demonstrate that there are communication, transparency and organisational problems in the PAS related to faculty members, which prevent their access to an accurate evaluation of their performance.

Furthermore, in order to determine which problem is the most common in the system according to the respondents' perceptions, the researcher also applied the one-tailed t-test to each problem individually (see table 7.9). It appears that all the problems listed in this section prevail highly in the Saudi higher education.



**Table 7.9: Results of the One-tailed t-test for with the Problems Facing Faculty Members in Relation to PA**

Problems rated according to the degree of agreement towards their existence	Agreement's Mean	Standard Deviation	Results of the one-tailed t-Test		Confidence Limits of the Population's Means	
			(t) Value for the Difference Between the Means and the value (3)	Value of the Calculated Level of Significance	Lower-Mean	Upper-Mean
1-Not involving members in developing their own standards and elements of evaluation.	4.10	0.90	17.077	0.000*	3.97	4.22
2-Lack of attention to understand the impact of evaluation on members in order to be possible to direct them and show them the aspects and causes of their weakness as well their strengths.	4.07	0.94	15.965	0.000*	3.93	4.20
3-Difficulty for faculty members to access the data which is recorded and prepared about them by the faculty members' affairs' section and which the manager takes into account for the purpose of evaluation.	3.99	1.08	12.910	0.000*	3.84	4.15
4-Ignoring psychological and social factors surrounding employees.	3.95	0.92	14.539	0.000*	3.82	4.08
5-Ignoring the various changes occurring in work-related capabilities (e.g. library, office equipment ... etc) at the evaluation.	3.81	0.96	11.791	0.000*	3.67	3.94
6-Members' refraining from protesting the evaluation's results for fear of having problems with executives.	3.81	1.08	10.469	0.000*	3.65	3.96
7-Difficulty of accounting and measuring the individual's work-related and personal characteristics and qualities (such as cooperation, affiliation and productivity).	3.66	1.02	9.128	0.000*	3.52	3.81
8-The halo effect (overall evaluation of members on the basis of one distinct feature while ignoring other features).	3.58	1.00	8.170	0.000*	3.44	3.72
9-Members' resistance to the efficiency measurement system because it places them under their managers' constant monitoring.	3.36	1.19	4.267	0.000*	3.19	3.53
Measurement in general	3.81	0.61	18.891	0.000*	3.73	3.90

As previously mentioned, it was accepted that the mean of the agreement towards the presence of each of these problems individually is significantly higher than the value 3. This means accepting that  $\mu$  is higher than 3 for each problem individually. Hence, from tables 7.8 and 7.9, it is also possible to provide the ranking of these problems in order (from most to less existence) in terms of the perceived important as follows:

- ‘Not involving members in developing their own standards of evaluation’: The mean for the degree of agreement towards the existence of this problem is 4.10 with a small standard deviation of 0.90; the high degree of agreement was given by 82.2% of respondents (i.e.  $36.5\%+45.7\%=82.2\%$ ) including both responses of ‘strongly agree’ and ‘agree’. Consequently, only 9.1% disagree on the occurrence of this concern and surprisingly none strongly disagree with this statement. Finally, it appears that 8.6% of the respondents are ‘uncertain’ on this issue. In other words, they do not express a clear position on this issue. It can therefore be concluded that to a large extent there is agreement among respondents that their opinions on constructing their performance standards have not been taken into consideration and only a minority perceive otherwise.
- ‘Lack of attention to the impact of performance appraisal on members in relation to making them aware of the aspects and causes of their weaknesses and strengths’: The mean for the degree of agreement towards the existence of this problem is 4.07 with a small standard deviation of 0.94, where high degree of agreement is given by 78.2% of respondents (i.e.  $37.6\%+40.6\%=78.2\%$ ) including responses of ‘strongly agree’ and ‘agree’. It appears those that ‘disagree’ are 8.5% and those who ‘strongly disagree’ is only 0.5%. Furthermore, about 13.2% of the respondents are ‘uncertain to the existence of this problem. Hence, it can be concluded that teaching members in general perceive that their administration does not take advantage the results of the appraisal process. In other words the respondents think that the evaluation is not utilised to improve or enhance their weak performance.
- ‘Difficulty for faculty members to access their records which are held by the HR department and which the rater takes into account when conducting appraisals’: The mean value for the degree of concurrence towards the

existence of this problem is 3.99 with a small standard deviation of 1.08; in which the high degree of agreement was given by 75.0% of respondents (i.e. 39.8%+35.2%=75.0%) including both responses of 'agree' and 'strongly agree'. In contrast, 10.2% 'disagree' with the above statement and only 2.6% 'strongly disagree' on the occurrence of this error. Finally, 12.2% of the respondents are 'uncertain on this issue. It can, therefore, be inferred that respondents have a concern of not having access to the records on which raters rely when conducting PAs.

- 'When conducting PAs, the rater does not take into consideration psychological and social factors surrounding employees': The mean for the degree of agreement towards the existence of this problem is 3.95 with a small standard deviation of 0.92, where 'high degree' of agreement was given by 71.9% of respondents (31.1%+40.8%=71.9%) including both responses of 'agree' and 'strongly agree'. It is noticeable that the number of faculty members who are subject to the appraisal process and 'strongly disagree' that this problem is present is only 1.0%, while 5.6% 'disagree'. Furthermore, 21.4% are marked to be 'uncertain when they were asked to have their view on the existence of this concern. Thus, it is obvious that more than two-thirds of respondents believe that individuals who carry out the appraisal process do not take into consideration psychological and social issues which they may have gone through.
- 'Ignoring the various changes occurring in work-related capabilities (e.g. library, offices, office equipment and so on) when conducting the PA process': The mean for the degree of agreement towards the existence of this problem is 3.81 with a standard deviation of 0.96. This high degree of agreement was given by 68.9% of respondents (i.e. 24.0%+44.9%=68.9%) including both responses of 'strongly agree' and 'agree'. The respondents who disagree with this problem are 10.7% including those who 'strongly disagree' and 'disagree' (1.5% and 9.2% respectively). In addition, 20.4% of respondents who are 'uncertain'. Thus, with regard to issues related to work facilities, it appears that raters are perceived not take into their consideration this issue when conducting appraisal process. In other word, some faculties have facilities (such as large library and access to global libraries) that are better than others,

which may make these faculties members more productive and consequently have an effect on their appraisal.

- ‘Members’ refraining from protesting the evaluation results for fear of having problems with line managers’: The mean value for the degree of agreement towards the existence of this problem was 3.81 with a standard deviation of 1.08. A high degree of agreement was given by 66.3% of respondents (31.6%+34.7%=66.3%) including both responses of ‘strongly agree’ and ‘agree’ respectively. It is noticeable that a very small portion (1.0%) of respondents ‘strongly disagree’ with this statement. In addition, the data shows that only 17.3% of respondents are ‘uncertain’ in this issue. Thus, it can be noted that almost two-thirds of respondents avoid complaining about the unsatisfactory performance appraisal. They think raising grievances may engender problems with their line managers.
- ‘Difficulty of measuring the individual’s personal characteristics and qualities (such as cooperation, initiatives and productivity) which relate to their work’: The mean value for the degree of agreement towards the existence of this problem is 3.66 with standard deviation of 1.02. This is evidenced with the ‘high degree’ of agreement given by 66.3% of respondents (18.9%+47.4%=66.3%) including both responses of ‘strongly agree’ and ‘agree’. In addition, there is 17.3% who are ‘uncertain’ on the occurrence of this problem in the current appraisal system. On the other hand, only 2.6% ‘strongly disagree’ while 13.8% ‘disagree’ on the occurrence of this concern. In general, thus, almost two-thirds of respondents think that there are personal characteristics which to some extent are hard for line managers to perceive when conducting the appraisal process.
- ‘The halo effect (overall evaluation of members on the basis of one distinct feature while ignoring other features)’’: This was ranked as the eighth concern in terms of its problematic nature in the appraisal system. Nevertheless, it is still considered to be a concern by the respondents, as the mean for the degree of agreement towards the existence of this problem is 3.58 with standard deviation of 1.00. The high degree of agreement is evidenced with 59.6% of respondents (17.3%+42.3%=59.6%) including both responses of ‘strongly agree’ and ‘agree’. However, only 16.9% (1.0%+16.8%) appear to be opposed

to the presence of this problem including both responses of ‘strongly disagree’ and ‘disagree’. In addition, 22.4% of respondents are ‘uncertain’ to the existence of this problem. As the findings indicate, almost 60% of surveyed individuals are satisfied that raters are influenced in the overall rating by a particular factor or characteristic.

- ‘Members’ resistance to the PA system because it places them under constant monitoring’: This issue was the lowest ranked of the problems identified. Despite its lowly ranking, it is still considered to be a concern to the majority of respondents. The mean for the degree of agreement towards the existence of this problem was 3.36 with a small standard deviation of 1.19, where the ‘high degree’ of agreement was given by 50.3% of respondents (19.3%+31.0%=50.3%) including both responses of ‘strongly agree’ and ‘agree’. In addition, this is not considered as a problem by 27.9% of the respondents, but only 5.6% of the participants ‘strongly disagreed’ that this problem existed. Also, it appears that 21.8% of respondents are ‘uncertain’ about the existence of this error. The findings, thus, imply that more than half of the respondents think that being evaluated puts them under the spotlight of the managers, and, as a result, they may resist the appraisal process.

In addition to the preceding analysis, factor analysis is considered to be a useful method of analysis to extend the empirical nature of the study by examining the variance of the variables in terms of groups for the problematic areas identified in the preceding section. Factor analysis is a data reduction test, which groups the variable variances into components.

In order to conduct factor analysis, first it has to be checked whether factorability is possible or not. For this, KMO and Bartlett’s measure of Sampling Adequacy is run. As can be seen in table 7.10, the KMO and Bartlett’s test score for this section is recorded as a value 0.811 which is greater than the benchmark value of 0.6. It can be concluded with confidence that factor analysis can be applied to the questions or the variables (problems encountered by teaching members at Saudi universities) in the questionnaire used to collect primary data for this study.

**Table 7.10:: KMO and Bartlett’s Test on Problems Encountered by Teaching Staff in Saudi Universities**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.811
Bartlett's Test of Sphericity	Approx. Chi-Square	421.000
	Df	36
	Sig.	.000

In addition, the Bartlett’s test of Sphericity recorded full statistical significance (0.000), which supports the factorability of the correlation matrix. Thus, according to this result factor analysis is appropriate for this study which is depicted in table 7.11.

**Table 7.11: Total Variance Explained of Problems Encountered by Teaching Staff in Saudi Universities**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	%ofVariance	Cumulative %	Total	%ofVariance	Cumulative %	Total	%ofVariance	Cumulative %
1	3.463	38.477	38.477	3.463	38.477	38.477	2.456	27.286	27.286
2	1.124	12.489	50.966	1.124	12.489	50.966	2.131	23.680	50.966
3	.888	9.864	60.830						
4	.855	9.503	70.333						
5	.707	7.855	78.188						
6	.612	6.796	84.984						
7	.517	5.747	90.731						
8	.486	5.404	96.135						
9	.348	3.865	100.000						

Extraction Method: Principal Component Analysis.

Table 7.11 shows that there are nine items or factors which can be simply reduced to two factors. The criteria for component selection are the Eigen values, which should be equal or higher than 1. As can be seen in table 7.11, only components 1 and 2 are therefore selected, which together can explain about 50% of the total variation.

These two components are then subjected to further statistical process to produce rotated component matrix, which groups the factors under two components headings as presented in table 7.12. Component 1 is named as ‘ratee’ and Component 2 is named as ‘rater’, as the related items appear under each group indicate that they belong to the ‘ratee’ and ‘rater’

**Table 7.12: Rotated Component Matrix (9-17)**

Variable	Component	
	1 Ratee	2 Rater
Halo effect		0.567
Psychological and social factors surrounding teaching staff	0.505	
Raters problem in measuring staff characteristics		0.733
Rater not allowing teaching staff to access their records		0.804
Teaching staff conflict with raters		0.527
Changes occurring in work-related capabilities	0.657	
Teaching staff involvement in setting performance standards	0.838	
Evaluation impact on teaching members	0.769	
Teaching staff resistance to PA	0.411	

The results in the tables 7.11 and 7.12 reveal the presence of two factors group with nine factors related to a set of problems facing teaching members at Saudi universities. The two factors explain a total of 50.96% of the variance, with factor 1 contributing 27.28% and factor 2 contributing 23.68%. All variables that are listed under factor 1 are ‘problems related to teaching members’ (ratees). On the other hand, factors under group two can be described as problem facing teaching members with their managers (raters). Thus, factor analysis provides additional support for the preceding analysis demonstrating the existence and importance of the existing problems in the PAS currently used in Saudi Arabian public universities.

Overall, as the various analysis indicates there is a general consensus among respondents that these problems do exist. It is clear that the most common problem perceived to exist in the current PAS is that faculty members are not involved when setting appraisal standards. On the other hand, the least commonly perceived problem is that those surveyed think that the PAS is established to look out for mistakes and not to improve their performance. Therefore, as discussed, the hypothesis which states that there are communications, transparency, and organisational problems facing faculty members (subject to the appraisal process) which undermine the appraisal process, and could be barriers to assessing the faculty members actual performance is proven to be correct.

## **7.5. EVALUATING THE QUALITY AND SKILLS OF LINE MANAGERS (RATERS) CONDUCTING THE PA PROCESS**

In this section, an attempt is made to discuss the concerns related to line managers (deans, assistant deans and heads of departments) who carry out the PA process according to the respondents perceptions measured through the questionnaire survey. There are problems that are thought to exist in the PA process, which may prevent management from conducting accurate or efficient PA of the faculty members. Some of these problems are related to inadequate information on how to conduct the appraisal process, while others relate to line managers themselves, such as lack of certain skills in carrying out the process. The set of statements examined in this section are:

1. The timing of the evaluation may influence the rater and as a result impact the performance appraisal result;
2. The incidental personal characteristics of the rater (health status, fatigue, mood status, etc.) may influence the performance appraisal results;
3. The preparation and training of the raters is inadequate;
4. There is a lack of any type of accountability for direct managers responsible for preparing performance appraisal reports;
5. Some subordinates give hollow praise to their direct bosses to influence performance appraisal reports (ie where the subordinate uses excessive or unjustified praise for his/her line manager in order to improve their chances of obtaining higher PA results);
6. The rater may be influenced by the academic position of the individual subject to the appraisal process;
7. There is a lack of personal records to which the rater can refer when determining the grades of the ratees;
8. Some managers tend to give ratees high grades that do not really reflect their actual performance due to hollow praise;
9. Some supervisors tend to give ratees low grades due to their belief that there cannot be any member better than them at their work;
10. There is a tendency among raters to give ratees an average evaluation due to their lack of knowledge of an individual's performance and capabilities;



11. Negative or positive bias towards a number of subordinates due to personal reasons affects the appraisal process;
12. The rater focuses on measuring the characteristics of the individual (like behaviour and honesty) rather than focusing on performance; and
13. The rater does not interview the ratees after the results of the evaluation in order to explain weaknesses and strengths in their performance.

To investigate the existence of the set of problems related to line managers, the following hypothesis was developed: There are problems related to line managers, which could cause PA of their employees' performance to be inaccurate. To test this hypothesis, initially descriptive statistics as a method of analysis is utilised. In addition, in order to study respondents' views towards the agreement on the existence of the identified set of problems which prevent accurate assessment of the actual performance, the Chi-Square test is used to verify the existence of any significant differences in the responses regarding the degree of agreement ('strongly disagree', 'disagree', 'uncertain', 'agree', 'strongly agree') for each statement of this part. It is expected that the distribution of the frequencies on the degree of agreement for this part is not equal among the population at the significance level of  $\alpha = 0.05$ <sup>8</sup> implying that there is a clear tendency among the sample population towards statements identified as problems in the section.

Table 7.13 shows that the Chi-Square test is statistically significant for all the statements (where P-value is less than the value set in advance at  $\alpha = 0.05$ ). This indicates that the existence of significantly different responses towards the degree of agreement (strongly disagree, disagree, not sure, agree, strongly agree) for each statement. In other words, there is a clear tendency among respondents towards the statements of this section.

To conduct the statistical analysis in this section, the following research hypothesis and the statistical hypothesis are developed as follows:

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<sup>8</sup> The researcher accepts the convention among most social researchers that the maximum level of statistical significance that acceptable is  $p < 0.05$  (Bryman, 2004).

Research Question: Are there any problems related to line managers (deans, assistant deans and heads of departments who carry out the PA process), which could prevent the PA being accurate?

In order to answer this question, the researcher formed the following research hypothesis: There are problems related to line managers which could cause the appraisal of their employees' performance to be inaccurate. In other words, the mean for the degree of agreement towards the existence of these problems is more than 3 out of 5.

The statistical hypotheses can then be formulated as follows:

Null hypothesis:  $H_0: (\mu) \leq 3$  implying that there are no problems.

Alternative hypothesis:  $H_1: (\mu) > 3$  implying that there are problems.

**Table 7.13: Respondents' Views Towards Problems Related to Inadequate Knowledge and Lack of Managerial Skills**

Statements		Degree of Agreement					Chi-Square Test for goodness of fit	
		Strongly disagree (1)	Disagree (2)	uncertain (3)	Agree	Strongly agree (5)	Chi-Square Value	P-Value
1- The timing of the evaluation may influence the rater and as a result impact the performance appraisal result	F	2	20	23	105	47	162.56	0,000*
	%	1.0	10.2	11.7	53.3	23.9		
2-The incidental personal characteristics of the rater (health status, fatigue, mood status, etc.) may influence the performance appraisal results	F	4	16	33	97	47	132.41	0,000*
	%	2.0	8.1	16.8	49.2	23.9		
3- The preparation and training of the raters is inadequate	F	0	5	41	92	59	80.17	0,000*
	%	0	2.5	20.8	46.7	29.9		
4- There is a lack of any type of accountability for direct manager responsible for preparing performance appraisal reports	F	1	21	51	75	48	83.89	0,000*
	%	0.5	10.7	26.0	38.3	24.5		
5 Some subordinates give hollow praise to their direct bosses to influence performance appraisal reports	F	7	16	36	76	61	87.11	0,000*
	%	3.6	8.2	18.4	38.8	31.1		

<b>6-</b> The rater may be influenced by the academic position of the individual subject to the appraisal process	F	8	21	33	94	41	110.38	0,000*
	%	4.1	10.7	16.8	47.7	20.8		
<b>7-</b> There is a lack of personal records to which the rater can refer when determining the grades of the rates	F	6	27	41	74	49	65.00	0,000*
	%	3.0	13.7	20.8	37.6	24.9		
<b>8-</b> Some managers tend to give ratees with high grades that do not really reflect their actual performance due to compliments	F	7	28	40	77	45	66.62	0,000*
	%	3.6	14.2	20.3	39.1	22.8		
<b>9-</b> Some supervisors tend to give rates low grades due to their belief that there cannot be any member better than them at work	F	18	51	52	57	19	37.49	0,000*
	%	9.1	25.9	26.4	28.9	9.6		
<b>10-</b> There is a tendency among raters to give ratees an average evaluation due to their lack of knowledge of individual differences and capabilities	F	7	23	57	79	31	82.92	0,000*
	%	3.6	11.7	28.9	40.1	15.7		
<b>11-</b> Negative or positive bias towards a number of subordinates due to personal reasons affects the appraisal process	F	6	24	47	69	51	61.45	0,000*
	%	3.0	12.2	23.9	35.0	25.9		
<b>12-</b> The rater focuses on measuring the characteristics of the individual (like behaviour and honesty) rather than focusing on performance	F	2	19	38	100	37	140.17	0,000*
	%	1.0	9.7	19.4	51.0	18.9		
<b>13-</b> The rater does not interview the ratees after the results of the evaluation in order to explain weaknesses and strengths in their performance	F	2	14	24	77	80	135.61	0,000*
	%	1.0	7.1	12.2	39.1	40.6		

Note: \*statistically significant at the level (0.05)

Therefore, the decision is made according to whether or not the statistical value (t) for the difference between the sample average and the value 3 is positive, and the value of the calculated level of significance (i.e. sig.1-tailed) is less than the level of statistical significance set in advance (i.e.  $\alpha = 0.05$ ); if it is, in this case the null hypothesis is rejected, and therefore  $\mu$  is more than 3 is accepted as the alternative hypothesis. This implies that these problems do exist related to the line managers. On

the other hand, if the sig. 1-tailed value is higher than the tabular value (i.e.  $\alpha = 0.05$ ), we cannot reject the null hypothesis, for which we accept that these problems do not exist.

In responding to the identified research question, one-tailed t-test is applied in general to the entire section as well to each of the identified items individually, and the results of this test are depicted in table 7.14.

Table 7.14 shows that the overall mean for the degree of agreement towards the existence of problems as identified is 3.74 out of 5 with a small standard deviation of 0.61. This indicates the lack of any significant variance in the views of the respondents on the agreement towards the existence of such problems; in other words, there is an agreement on the existence of the problems throughout the group.

However, the analysis is extended by testing each of the statements or the problematic areas: when the one-tailed t-test was applied to the problems as an entirety, the overall mean for the degree of agreement towards the existence of these problems is general significantly higher than 3, as the estimated t value is 16.985. In addition, it appears that the t value is positively significant, as the value of the estimated level of significance is 0.000, which is less than 0.05.

Since the confidence limits are between 3.65 and 3.82 for the overall mean of the population, this can be interpreted as agreement towards the existence of such problems in general. Therefore, the null hypothesis can be rejected as  $\mu$  is higher than 3, therefore the alternative hypothesis is accepted. This implies that according to the responses given and to the analysis conducted it is accepted that there are problems in general related to the line managers' behaviour which may affect the PA process.

**Table 7.14: Results of the One-tailed t-test for the Problems Related to Raters**

Problems ordered according to the degree of agreement towards their existence	Agreement's Mean	Standard Deviation	Results of the one-tailed t-Test		Confidence Limits of the Population's Means	
			(t) value for the difference between the Means and the value (3)	Value of the calculated level of significance	Lower-Mean	Upper-Mean
1-The rater does not interview the ratees after the results of the evaluation in order to explain weaknesses and strengths in their performance	4.11	0.95	16.487	0,000*	3.98	4.24
2-The preparation and training of the raters is inadequate	4.04	0.78	18.692	0,000*	3.93	4.15
3-The timing of the evaluation may influence the rater	3.89	0.92	13.567	0,000*	3.76	4.02
4-Some subordinates give hollow praise to their direct bosses to influence performance appraisal reports	3.86	1.06	11.298	0,000*	3.71	4.01
5-The incidental personal characteristics of the rater	3.85	0.95	12.576	0,000*	3.71	3.98
6-The rater focuses on measuring the characteristics of the individual rather than focusing on performance	3.77	0.90	11.957	0,000*	3.64	3.90
7-The lack of any type of accountability for line managers	3.76	0.96	10.996	0,000*	3.62	3.89
8-The rater may be influenced by the academic position of the individual	3.71	1.04	9.502	0,000*	3.56	3.85
9-Bias towards a number of subordinates due to personal reasons	3.69	1.08	8.908	0,000*	3.53	3.84
10-There is a lack of personal records	3.68	1.09	8.725	0,000*	3.52	3.83
11-Some managers tend to give ratees high grades due to hollow praise	3.63	1.09	8.156	0,000*	3.48	3.79
12-There is a tendency among raters to give ratees an average evaluation due to their lack of knowledge of an individual's performance and capabilities	3.53	1.01	7.352	0,000*	3.39	3.67
13-Some supervisors tend to give ratees low grades due to their belief that there cannot be any member better than them at their work	3.04	1.14	0.499	0.309	2.88	3.20
<b>Total</b>	<b>3.74</b>	<b>0.61</b>	<b>16.985</b>	<b>0,000*</b>	<b>3.65</b>	3.82

Note: \*statistically significant at the level (0.05)

However, in order to determine which problem is the most common according to the respondents, the one-tailed t-test is also applied to each of the identified problems individually. The result of the analysis shows that all the problems listed in this section exist to a large extent.

After establishing the statistical significance of the identified problem statement, it is possible to rank these perceived problems in order of existence (from highest to lowest) according to the mean score as follows:

- ‘The rater does not interview the ratees after the results of the evaluation in order to explain weaknesses and strengths in their performance’: The mean for the degree of agreement towards the existence of this problem is 4.11 with a standard deviation of 0.95. The high degree of agreement is the result of the responses of ‘strongly agree’ and ‘agree’ by the respondents which totalled 79.7% of respondents (ie 40.6%+39.1%=79.7%). As can be seen only 8.1% among respondents disagreed, with 1.0% ‘strongly disagree’ and 7.1% ‘disagree’ on presence of this problem. Furthermore, it is clear only 12.2% among responses were ‘uncertain’ towards this problem. Thus, it can be inferred that the majority of respondents are in agreement that their line managers fail to conduct interview sessions after the evaluation results are known. These sessions should be to discuss with ratees their weakness and strengths.
- ‘The preparation and training of the raters is inadequate’: Agreement towards this problem is evident with the mean value of 4.04 and a small standard deviation of 0.78. The high degree of agreement was given by 76.6% among responses (29.9%+46.7%=76.6%) including both responses of ‘strongly agree’ and ‘agree’. None of the respondents ‘strongly disagree’ on the existence of this problem within the system, but 2.5% of the respondents ‘disagree’ on the existence of this concern. Finally, 20.8% of respondents do are ‘uncertain’ concerning the occurrence of this problem. It can therefore be stated that there is a strong consensus among respondents that line managers are perceived as inadequate in conducting appraisal process as they believe that line managers are not trained sufficiently to conduct the process.

- ‘The timing of the evaluation may influence the rater and as a result impact the performance appraisal result’: The mean score for the existence of this problem is 3.89, with a standard deviation of 0.92, which results in ranking it as the third most important problem area. 77.2% of the respondents expressed support for the statement (23.9%+53.3%=77.2%) including responses of ‘strongly agree’ and ‘agree’. In contrast, only 1.0% of the respondents ‘strongly disagree’ that this problem does not exist in the current PA system; and 10.2% ‘disagree’. In addition, 11.7% of respondents are ‘uncertain’ on this problem by 11.7%.
- ‘Some subordinates give hollow praise to their direct bosses to influence performance appraisal reports’: The mean value for statistically significant agreement towards the existence of this problem is 3.86 with a standard deviation of 1.06. Nearly 70% of respondents supported this statement (31.1%+38.8%=69.9%), while only 11.8% not supporting it. In addition, a proportion of respondents (18.4%) were ‘uncertain’. It is obvious that most respondents believe some individuals who are subject to the appraisal process receive grades higher than they deserve, because of their good relationship with the raters.
- ‘The incidental personal characteristics of the rater (health status, fatigue, mood status, etc.) may influence the performance appraisal results’: The mean value for the degree of agreement towards the existence of this problem related to the line managers is 3.85 (standard deviation of 0.95). Almost three-quarters of respondents (23.9%+49.2%=73.1%) including ‘strongly agree’ and ‘agree’ perceive the existence of such a problem. In contrast, only a few think this problem does not exist, as only 2.0% of respondents ‘strongly disagree’ and 8.1% ‘disagree’. In addition, the individuals who are ‘uncertain’ about the existence of this problem are 16.8%. It should therefore be summed that almost three-quarters of respondents believe that their appraisal process and their results are negatively affected by the mood status of the raters.
- ‘The rater focuses on measuring the characteristics of the individual (like behaviour and honesty) rather than focusing on performance’: The mean score for the existence of this problem is 3.77 with a small standard deviation of 0.90, which makes it the sixth important problem area in the ranking.

Accordingly, almost 70% of respondents 'agree' or 'strongly agree' with the statement (18.9%+51.0%=69.9%), while just under 10% 'disagree' and 1.0% of them 'strongly disagree'. From this it can be gathered that most respondents believe that raters concentrate on certain traits when appraising performance, while neglecting others.

- 'There is a lack of any type of accountability for direct managers responsible for preparing performance appraisal reports': The mean for the degree of conformity on the presence of this problem area is 3.76 with a standard deviation of 0.96. From the data it is noticeable that significantly more than half of individuals who were subject to the study are either 'agree' or 'strongly agree' on the existence of this problem in the current PA system in their universities at 62.5% of respondents (37.6%+24.9%=62.5%). Only 0.3% of the respondents are of the opinion that this problem does not exist, recording 'strongly disagree' and 13.7% 'disagree'. Finally 20.8% of respondents who have a 'uncertain' view on the existence of this problem in their systems.
- 'The rater may be influenced by the academic position of the individual subject to the appraisal process': The mean score for the degree of the agreement on the existence of this problem is 3.71 with a small standard deviation of 1.04. Over two-thirds of the individuals are in agreement with this statement, of whom 20.8% 'strongly agree' and 47.7% 'agreeing'. Less than 15% of respondents disagreed, and a similar number were 'uncertain' about this statement. From this, it can be inferred that most employees believe that the raters may be influenced by individuals who hold higher academic positions (such as professors and associate professors) when they conduct the appraisal process.
- 'Negative or positive bias towards a number of subordinates due to personal reasons affects the appraisal process': The mean for the degree of conformity on the occurrence of this problem is 3.69 with small standard deviation of 1.08, which is evidenced with the agreement of 60.9% respondents (25.9%+35.0%=60.9%) including 'strongly agree' and 'agree' responses respectively. In contrast, 3.0% among respondents 'strongly disagree' and 12.2% 'disagree'. In addition, the individuals who are 'uncertain' on the existence of this problem account for 23.9%. Thus, although respondents



believe in the fairness and accuracy of the system as explained in last section, ironically, more than half believe that raters are biased towards certain individuals, according to their political views, their background or other personal traits.

- ‘There is a lack of personal records to which the rater can refer when determining the grades of the ratees’: The mean score for the existence of this problem is 3.68 with a standard deviation of 1.09, indicating a good level of agreement. Almost two-thirds of the respondents perceive this to be a problem. The agreement is clear from the support given, as 62.5% including both ‘strongly agree’ and ‘agree’ (24.9%+37.6). On the other hand, 16.7% of the respondents’ opinions go against the existence of this problem in their appraisal system including ‘strongly disagree’ and ‘disagree’ (3.0% and 13.7% respectively). Finally, 20.8% of the respondents stated that they were ‘uncertain’ about this problem. Consequently, over 60% of respondents think that raters rely on their memory and thinking when grading ratees, which makes the evaluation more likely to be subjective.
- ‘Some managers tend to give ratees high grades that do not really reflect their actual performance due to hollow praise’: The mean score for the degree of the agreement on the existence of this problem is 3.63, and the standard deviation is 1.09. From the data it is noticeable that more than 60% of respondents perceive the existence of this problem (22.8%+39.1%=61.9%) as ‘strongly agree’ and ‘agree’. Only 3.6% of the respondents ‘strongly disagree’, while 14.4% of ‘disagree’ with the presence of such a problem in the PA system. Finally, 20.3% of respondents have an ‘uncertain’ view on the existence of this issue in their systems. Thus, more than 60% of respondents believe that the ratings provided by the raters do not reflect the actual performance of the ratees.
- ‘There is a tendency among raters to give ratees an average evaluation due to their lack of knowledge of an individual’s performance and capabilities’: The mean score for this problem is 3.53 with a standard deviation of 1.01, which indicates a good degree of agreement on the existence of this problem. As can be seen from the distribution of the answers given by the respondents over half of individuals who were subject to the study either ‘agree’ or ‘strongly’

agree' on the existence of this problem. The degree of agreement was given by 55.8% of respondents (15.7%+40.1%=55.8%) including both responses of 'strongly agree' and 'agree'. Only, 3.6% of respondents 'strongly disagree' and 11.7% 'disagree' with the existence of this problem, while 28.9% of the sample is 'uncertain'. It can, therefore, be concluded that more than half of the respondents believe that raters may give average ratings to individuals without having proper knowledge of the individual's performance.

- 'Some supervisors tend to give rates low grades due to their belief that there cannot be any person better than them at their work': The mean for the degree of the agreement of the existence of this problem is 3.04 with a standard deviation of 1.14. As can be seen 38.5% of respondents (9.6% and 28.9%) perceived this to be issue, while 25.9% of respondents 'disagree', and 9.1% of them 'strongly disagree'. However, a sizeable number of respondents (26.4%) are 'uncertain' on this statement. In concluding, the majority of respondents do not think this is a problem in the current PAS.

While the analysis so far provides a clear understanding of the issues, this section extends the analysis further. Thus, in addition to the preceding analysis, factor analysis is also considered to be a useful inference test to extend the empirical analysis by examining the variance of the variables in terms of groups.

In deciding on the factorability of the stated problem, KMO and Bartlett's Test was conducted, the results of which are depicted in table 7.15. The KMO value is 0.864 and Bartlett's test is significant with  $p=0.000$ . Thus, it can be concluded that the factor analysis is appropriate for this study.

**Table 7.15: KMO and Bartlett's Test for the Quality and Skills for Raters**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.864
Bartlett's Test of Sphericity	Approx. Chi-Square	761.403
	df	78
	Sig.	.000

Based on this results factor analysis was conducted using Principal Component Analysis and Rotation Method, and the results are presented in table 7.16.

**Table 7.16: Total Variance Explained**

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.744	36.490	36.490	4.744	36.490	36.490	2.764	21.265	21.265
2	1.468	11.291	47.781	1.468	11.291	47.781	2.486	19.120	40.384
3	1.019	7.840	55.621	1.019	7.840	55.621	1.981	15.237	55.621
4	.870	6.690	62.312						
5	.780	5.997	68.308						
6	.711	5.470	73.779						
7	.655	5.035	78.814						
8	.588	4.526	83.339						
9	.560	4.310	87.649						
10	.485	3.728	91.377						
11	.396	3.045	94.422						
12	.391	3.010	97.432						
13	.334	2.568	100.000						

Extraction Method: Principal Component Analysis.

In table 7.16 there are three factors with an Eigenvalue greater than 1 to be selected (4.744, 1.468 and 1.019). This initial analysis therefore resulted in three factors, implies that 13 factors can simply be reduced to three factors. Each factor explains a particular amount of variance in the items. In this case, factor 1 explains 36.49%, factor 2 explains 11.29% and factor 3 explains 7.84% of the total variance equal to 55.62%. This distribution of the variance, as explained, is also adjusted after rotation as revealed in table 7.17. These three components are then subjected to a further statistical process to produce a rotated component matrix, which groups the factors under three components headings, as can be seen in table 7.17. Component 1 is named as ‘raters’ who carry out the PA process, Component 2 is named as ‘ratee’ who subject to the process, and Component 3 is named as ‘external factors affecting the evaluators’. Consequently, as can be seen in table 7.16., factor 1 explains 21.465%, factor 2 explains 19.120%, and factor 3 explains 15.237% of the total variance which equal to 55.622%. As can be seen, each of the statement is distributed to the related components.

**Table 7.17:Rotation Method: Varimax with Kaiser Normalisation**

Variable	Component		
	Raters	Ratee	External factors affecting the evaluator
Timing of the evaluation and its impact on PA result			0.806
The incidental personal characteristics of the rater			0.799
The preparation and training of the raters is inadequate		0.523	
Lack of accountability for preparing PA reports		0.777	
Teaching members compliment boss to influence PA reports		0.681	
Rater may influence by the individual academic position			0.404
Lack of personal records for individuals when conducting the PA process	0.690		
Due to hollow praise managers gives ratees high rating	0.683		
Managers give low ratings for due to the belief that one is better than them	0.710		
Due to lack of knowledge managers give ratees an average evaluation	0.699		
Rater bias to teaching members	0.513		
Rater focuses on measuring characteristics rather than performance		0.724	
Raters do not conduct interview sessions with teaching staff	0.440		

The results in the tables 7.16 and 7.17 reveal the presence of three factors group with thirteen factors related to a set of problems related to line managers who carry out the PA process at Saudi universities.

To conclude, this section highlights the opinions of the respondents on the perceived problems that are related to managers (deans and assistant deans of colleges, heads of departments) who carry out the PA process. As the analysis indicates most of these problems are believed to be existed by the rates in a reasonably high level. These problems are thought to prevent having accurate performance appraisals for faculty members. In order to test the significance of the existence of these concerns among university faculties, a hypothesis was constructed in the initial part. Through statistical analysis presented in this section, it is evidenced that these problems do

exist in the system. Therefore, the study accepts the hypothesis that there are various problems related to line managers or the rateers, which prevent actual appreciation of their performance.

### **7.5. EVALUATING THE PERCEPTION OF THE RESPONDENTS ON THE EFFECTIVENESS OF APPRAISAL FORMS**

In earlier chapters, it is established that appraisal forms are another essential element of an effective PA process, and therefore their design, content and conduct has consequences for the effectiveness and efficiency of the PAS.

As elaborated by Alshehri ( 2005) in her study discussed in chapter 4 in which there is a general belief among raters that the evaluation forms used in the current PASs in Saudi public universities are not well designed, which leads to inaccurate PA. In order to investigate the respondents' views towards the presence of a set of problems related to evaluation forms, these issues were included in the questionnaire; and a hypothesis was developed to discover the level of concern of the respondents towards these issues. These are discussed in the following section. The set of statements examined in this section are:

1. The same form is used to appraise the performance of teaching staff regardless of their academic level;
2. The values of the main evaluation factors are incorrectly weighted;
3. Unclear terms or phrases on the evaluation form mean that evaluators differ in their interpretations of them;
4. More attention is given to the style of the form rather than its content; and
5. The forms lack objective criteria derived from a precise academic job description.

The analysis in the section includes descriptive statistics and Chi-Square test to discover the existence of any significant differences in the employees' responses regarding the degree of agreement (strongly disagree, disagree, uncertain, agree, strongly agree) for each statement. For the purpose of testing the hypothesis, the one-tailed t-test was used in the case of the entire group. The results of the Chi-Square test are depicted in table 7.18.

Table 7.18 depicts the results of the analysis conducted for the evaluation form part of the questionnaire through the Chi-Square test. As can be seen the test results are statistically significant for all the statements (where p-value is less than the critical value,  $\alpha = 0.05$ ). This implies that the variations in the answers given by the respondents (strongly disagree, disagree, uncertain, agree, strongly agree) for each statement are statistically significant.

**Table 7.18: Chi-Square Test regarding Respondents' Opinions on the Evaluation Form**

Statements		Degree of Agreement					Chi-Square Test for goodness of fit	
		Strongly disagree (1)	Disagree (2)	Uncertain (3)	Agree (5)	Strongly agree (5)	Chi-Square Value	P-Value
1-The same form is used to appraise the performance of teaching staff regardless of their academic level	F	0	16	38	76	67	45.94	0,000*
	%	0	8.1	19.3	38.6	34.0		
2-The values of the main evaluation factors are incorrectly weighted	F	1	12	56	97	31	149.47	0,000*
	%	0.5	6.1	28.4	49.2	15.7		
3-Unclear terms or phrases on the evaluation form mean that evaluators differ in their interpretations of them	F	4	26	67	76	24	95.71	0,000*
	%	2.0	13.2	34.0	38.6	12.2		
4-More attention is given to the style of the form rather than its content	F	3	22	65	77	30	96.07	0,000*
	%	1.5	11.2	33.0	39.1	15.2		
5-The forms lack objective criteria derived from a precise academic job description	F	2	17	54	77	47	90.99	0,000*
	%	1.0	8.6	27.4	39.1	23.9		

Note: \*statistically significant at the level (0.05)

The research question and the statistical hypotheses are constructed in the following format:

*Research Question:* Are the evaluation forms well designed or do they include problems which could create barriers against appraising actual performances within university faculties?

In order to answer this research question, the following *research hypothesis* is constructed: The current evaluation forms are poorly designed which could prevent accurate performance appraisal, i.e. the mean for the degree of agreement towards the existence of these concerns is more than 3 out of 5.

*Statistical Hypotheses:*

*Null hypothesis:*  $H_0: (\mu) \leq (3)$ , The forms are well designed.

*Alternative hypothesis:*  $H_1: (\mu) > (3)$ , The forms are poorly designed.

The decision which must be taken is if the statistical value  $t$  for the difference between the sample average and the value 3 is positive, and the value of the calculated level of significance (i.e. sig.1-tailed  $t$  test) is less than the level of statistical significance set in advance (i.e.  $\alpha = 0.05$ ), then in this case we reject the null hypothesis, and accept that  $\mu$  is more than 3. In other words, we accept that there are problems related to the evaluation forms used. On the other hand, if the estimated  $t$  value is higher than the level of statistical significance set in advance (i.e.  $\alpha = 0.05$ ), we cannot reject the null hypothesis, and accept that there are no problems related to the appraisal forms.

Responding to the identified research question, one-tailed  $t$  test is applied to the statements as a group, as well to each identified problem individually, the results of which are presented in table 7.19.

**Table 7.19: Results of the One-tailed t-test for Problems Related to PA forms**

Problems ordered according to the degree of agreement towards their existence	Agreement's Mean	Standard Deviation	Results of the one-tailed t-Test		Confidence Limits of the Respondents' Means	
			t-Value for the difference between the Means and the value (3)	Value of the calculated level of significance	Lower Mean	Upper Mean
1- The same form is used to appraise the performance of teaching staff regardless of their academic level	3.98	0.93	14.887	0,000*	3.85	4.12
2- The forms lack objective criteria derived from a precise academic job description	3.76	0.95	11.285	0,000*	3.63	3.89
3 The values of the main evaluation factors are incorrectly weighted	3.74	0.82	12.672	0,000*	3.62	3.85
4- More attention is given to the style of the form rather than its content	3.55	0.93	8.322	0,000*	3.42	3.68
5- Unclear terms or phrases on the evaluation form mean that evaluators differ in their interpretations of them	3.46	0.94	6.827	0,000*	3.32	3.59
<b>Overall Average</b>	3.70	0.60	16.306	0,000*	3.61	3.78

Note: \*statistically significant at the level (0.05)

Table 7.19 shows that the overall mean for the degree of agreement towards the existence of problems is 3.70 out of 5 with a small standard deviation of 0.60, which indicates the lack of any significant variance in the views of the respondents in their opinions towards the weakness and inefficiency of the current evaluation forms used in performance appraisal. Thus, there is a general agreement on the given problem areas related to the forms. This can be evidenced by the estimated *t*-value, which is 16.306; and the significance is 0.000, which is less than 0.05. This indicates the support given to the existence of the problems related to forms. This result is further substantiated with the confidence limits, which are between 3.61 and 3.78 for the overall mean of respondents, that the overall mean indicates a degree of agreement



towards the existence of such problems in general. Therefore, the null hypothesis is rejected, and thus the research accepts the alternative hypothesis that  $\mu$  higher than 3. In other words, according to the responses, it is accepted that there are problems in general related to the appraisal forms used to determine the employees' performance.

In addition to the general results, positions regarding the each of the individual statements are also tested, which also enable to identify the most commonly agreed problem areas. When the one-tailed *t*-test is applied to the individual statements, the overall mean for the degree of agreement towards the existence of each of the problems related to evaluation forms is significantly higher than 3; therefore, it can be concluded that all the problems listed under this section exist to a large extent. This means accepting that  $\mu$  is higher than 3 for each problem on its own. Thus, from table 7.19, it is possible also to rank these problems in order as follows:

- *'The same form is used to appraise the performance of teaching staff regardless of their academic level'*: The mean score for this problem was 3.98 with a small standard deviation of 0.93. This was perceived to be the most important issue with 72.6% of respondents supporting the statement either 'strongly agree' or 'agree' (34.0% and 38.6%). It should be noted that none of the respondents 'strongly disagree' with the existence of this problem in the current PA system; and is only 8.1% 'disagree'. Furthermore, 19.3 % of the respondents are 'uncertain'.
- *'The forms lack objective criteria derived from a precise academic job description'*: The mean score for the degree of agreement towards the existence of this problem is 3.76 with standard deviation of 0.95. As can be seen, 63% of respondents supported the statement (23.9% and 39.1%), while less than 10% did not. In addition, over one in four (28.4%) were 'uncertain' about the statement. From the above results, it can be understood that almost two-thirds of the respondents believe that the current forms are not formed according to the job description standards. Thus, there is general agreement on the existence of this problem area.
- *'The values of the main evaluation factors are incorrectly weighted'*: The mean score for this problem is 3.74 (standard deviation of 0.82). 64.9% of respondents supported this statement (15.7% and 49.2%), while a very low

number did not (0.5%+6.1%=6.6%). Again, a high proportion (28.4%) of the respondents expresses an 'uncertain' opinion. Thus, almost two-thirds of respondents believe that the weight given to each trait on the forms does not equate to its importance.

- *'More attention is given to the style of the form rather than its content'*: The mean for the degree of agreement towards the existence of this problem is 3.55 with standard deviation of 0.93. 54.3% of respondents (15.2% and 39.1%) perceive that this is a common problem in the evaluation forms by marking the statement as 'strongly agree' or 'agree'. Only 1.5% respondents 'strongly disagree' about the presence of this problem, while a further 11.2% 'disagree'. Furthermore, the data shows that 33.0% of the respondents are 'uncertain' towards this problem. Hence, it can be concluded that over half of the respondents believe that the administration pay more attention to the form's style and ignore the content that the form should contain, thus preventing an efficient conduct of the PA.
- *'Unclear terms or phrases on the evaluation form mean that evaluators differ in their interpretations of them'*: The mean value for this statement is 3.46 with a standard deviation of 0.94 indicating a degree of agreement towards the existence of this problem. Over 50% of respondents support the statement (12.2% and 38.6%) while only 15.2% did not (2.0 + 13.2). However, a high proportion of respondents (34.0%) were 'uncertain' about this statement. It can therefore be concluded from this result that over 50% of respondents think that evaluation forms include terms that are unclear, which consequently, may be interpreted differently by different raters.

Overall, it can be concluded that according to the results presented the current PA forms are poorly designed and need significant changes in order to develop an efficient PA process.

## **7.6. EVALUATING THE PROCEDURES AND PROCESSES USED IN PERFORMANCE APPRAISAL**

As identified in the literature review chapters, the procedures used in the current PASs in Saudi public universities are inadequate. There are certain problems with

current procedures and processes which hinder the administrations from making accurate evaluations of individual performances. This section, therefore, aims to test and analyse respondents' views towards the level of existence of a set of problems related to evaluation procedures. The statements that were included in the questionnaire to help collect the primary data were:

1. Universities should be given freedom to decide the criteria of the performance appraisal process without the participation of the Higher Education Ministry;
2. Evaluation should be conducted more than once in each academic year (eg once each semester); and
3. Universities fail to set a precise objective evaluation process that is consistent with the objective of the performance appraisal system.

To conduct the analysis in this section a hypothesis was formed to test the presence of this set of issues. In order to test the hypothesis, descriptive statistics and inferential statistics in the form of Chi-Square and t-test were utilised. The inferential test was used to determine the existence of any significant discrepancy in the responses given regarding the degree of agreement (strongly disagree, disagree, uncertain, agree, strongly agree) for each statement.

**Table 7.20: Respondents Perceptions of Inadequate PA Procedures and Processes**

Statement		Degree of Agreement					Chi-Square Test for goodness of fit	
		Strongly disagree (1)	Disagree (2)	Uncertain (3)	Agree (5)	Strongly agree (5)	Chi-Square Value	P-Value
1-Universities should be given freedom to decide the criteria of the performance appraisal process without the participation of the Higher Education Ministry	F	6	30	47	49	64	49.96	0,000*
	%	3.1	15.3	24.0	25.0	32.7		
2-Evaluation should be conducted more than once in each academic year	F	2	36	42	81	36	80.18	0,000*
	%	1.0	18.3	21.3	41.1	18.3		
3-Universities fail to set a precise objective evaluation process that is consistent with the objective of the performance appraisal system	F	2	18	54	79	43	93.13	0,000*
	%	1.0	9.2	27.6	40.3	21.9		

Note: \*statistically significant at the level (0.05)

Table 7.20 provides the results of the Chi-Square test, which is statistically significant for all the statements, as p-value is less than the tabular value of  $\alpha = 0.05$ . This shows the existence of statistically significant differences in the responses towards the degree of agreement (strongly disagree, disagree, not sure, agree, strongly agree) for each. Therefore, there is a clear trend of agreement among members of the sample towards the statements.

The research question, hypothesis and the statistical hypotheses are outlined below and are subject to the one-tailed t-test.

Research Question: Are there problems related to the procedures and processes, which could prevent accurate performance appraisal for university faculties?

In order to answer the research question, the researcher formed a research hypothesis to locate these procedures and processes. The mean for the degree of agreement towards the existence of these problems should be higher than 3 out of 5.

The statistical hypotheses used are:

Null hypothesis:  $H_0: (\mu) \leq (3)$ , implying that there are no problems related to PA procedures and processes.

Alternative hypothesis:  $H_1: (\mu) > (3)$ , implying that there are problems relating to PA procedures and processes.

Consequently the decision rule in this case is that if the statistical value  $t$  for the difference between the sample average and the value 3 is positive, and the value of the calculated level of significance (sig.1-tailed  $t$  test) is less than the level of statistical significance set in advance ( $\alpha = 0.05$ ), then in this case the null hypothesis will be rejected, and therefore alternative hypothesis is accepted that  $\mu$  is more than 3. In such a case, we accept that there are problems related to procedures rules which regulate the PA process. On the other hand, if the estimated value is higher than the tabular value ( $\alpha = 0.05$ ), the null hypothesis cannot be rejected, and therefore it should be accepted that there are no problems.

In addition, responding to the identified research question, one-tailed  $t$  test is used to test all the statements as a whole, as well as to each statement individually (see table 7.21 below).

**Table 7.21: Results of the One-Tailed T-Test for Inadequate PA Procedures and Processes**

Problems ordered according to the degree of agreement towards their existence	Agreement Mean	Standard Deviation	Results of the one-tailed T-Test		Confidence Limits of the Population's Means	
			t-Value for the difference between the Means and the value 3	Value of the calculated level of significance	Lower Mean	Upper-Mean
1-Universities fail to set a precise objective evaluation process that is consistent with the objective of the performance appraisal system	3.73	0.94	10.855	0,000*	3.60	3.86
2-Universities should be given freedom to decide the criteria of the performance appraisal process without the participation of the Higher Education Ministry	3.69	1.17	8.256	0,000*	3.52	3.85
3-Evaluation should be conducted more than once in each academic year	3.57	1.02	7.888	0,000*	3.43	3.72
<b>Overall Average</b>	3.67	0.77	12.142	0,000*	3.56	3.78

Note: \*statistically significant at the level (0.05)

Table 7.21 shows that the overall mean score for the degree of agreement towards the existence of problems is 3.67 out of 5 with a standard deviation of 0.77, which indicates the lack of any significant discrepancy in the views of the respondents on the agreement towards the existence of such problems. In other words, when the one-tailed t-test is applied to the problems as a single group, the overall mean for the degree of agreement towards the existence of problems in general is significantly higher than 3, as the estimated t value is 12.142. Thus, the t value is positive, and the value of the calculated level of significance is 0.000, which is less than the tabular value of 0.05. In addition, it is also clear from the confidence limits, which are between 3.56 and 3.78 for the overall mean of the population, that this indicates agreement towards the existence of such problems in general and therefore, the null hypothesis is rejected. Thus, the research accepts the hypothesis that  $\mu$  is higher than 3. In other words, according to the responses, the research accepts that there are problems in general related to PA procedures and processes.

However, in order to determine which problem is the most common according to the respondents' views, the one-tailed t-test was applied individually to each of the identified issues. The results show that that all the problems listed in this section are acknowledged by the participants. It was accepted that the mean of the agreement towards the existence of each of these problems individually is significantly higher than the value 3. This means accepting alternative hypothesis that  $\mu$  is higher than 3 for each problem by its own. As a result, as shown in table 7.21, it is possible to rank these problems in order of perceived existence from highest to lowest, as follows:

- 'Universities fail to set a precise objective evaluation process that is consistent with the objective of the performance appraisal system': The mean for the degree of agreement towards the existence of this problem is 3.73 with standard deviation of 0.94. Over 60% of the respondents support this statement (21.9%+40.3%=62.2%), while around one-tenth respondents did not (1.0%+9.2%=10.2%). It should be noted that over a quarter of those surveyed are 'uncertain'. Therefore, it can be concluded from the results that over 60% half of the individuals subject to the study think that the current system fails to set precise objectives for the evaluation process that are consistent with the objective of the PAS.
- 'Universities should be given freedom to decide the criteria of the performance appraisal process without the participation of the Higher Education Ministry': The mean value of 3.69 indicates agreement towards the existence of this problem with a standard deviation of 1.17. The distribution of the responses indicates that about 58% of respondents supported this statement (32.7% and 25.0%), while just under a fifth of those surveyed did not (15.3%+3.1%=18.4%). However, almost a quarter of respondents (24.0%) are 'uncertain', therefore not giving a positive or negative opinion. From this it can be seen that almost 60% of respondents believe that the Higher Education Ministry should not be involved in setting standards and processes for evaluation at individual universities.
- 'Evaluation should be conducted more than once in each academic year (eg once each semester)': The mean for the degree of the agreement on the existence of this problem is 3.57 with standard deviation of 1.02. In addition,

59.4% of the respondents supports the statement (18.3% and 41.4%) being 'strongly agree' do not support the statement. However, over one-fifth of respondents (21.3%) were 'uncertain' not expressing a positive or negative opinion.

Overall, as the analysis demonstrates the respondents have similar views on all statements. Therefore, it can be said that the current procedures and processes used in the current PA systems in Saudi universities are perceived to be inadequate.

To conclude, in order to carry out the PA process, certain procedures and regulations are needed to control and legitimate the evaluation process. According to the results of the analysis in the preceding section, the current procedures and processes are inadequate and consequently need to be improved.

## **7.7. CONCLUSION**

The aim of this chapter is to present an analysis of the responses to the questionnaire on the aspects of PA system currently used in the sampled Saudi universities. The analysis reveals information that helps us to understand the characteristics and the problems of the current PAS in the Saudi public universities. This information is brought together in table 7.22 by ranking the problems as expressed by the participants.

As can be seen in table 7.22, the problem clusters are ranked in the following manner:

Rank 1 Problem: The key dimension of 'communication transparency and organisational problems facing teaching members' is perceived as the most important concern in terms of its presence in the current PAS used in universities under consideration. The overall average degree of approval on the existence of this problem cluster is 3.81, and a standard deviation of 0.61.

Rank 2 Problem: 'Line managers have inadequate managerial knowledge and skills to carry out the appraisal process effectively' scored as the second most important problem area preventing an efficient PAS, with the mean value of 3.74, and a standard deviation of 0.61.



**Table 7.22: Characteristics and Problems of the Current Performance Appraisal System in the Saudi Universities**

Problems and characteristics ordered according to the degree of agreement towards their existence	Mean	Standard deviation	Results of the one-tailed t-Test		Confidence Limits of the Population's Means	
			t-test	Value of the calculated level of significance	Lower-Mean	Upper-Mean
1-Communication, transparency, and organisational problems facing teaching members	3.81	0.61	18.891	0,000*	3.73	3.90
2- Line managers have inadequate managerial knowledge and skills carry out the appraisal process effectively.	3.74	0.61	16.985	0,000*	3.65	3.82
3-Problems related to the evaluation forms	3.70	0.60	16.306	0,000*	3.61	3.78
4-Problems related to the rules and regulations that govern the performance appraisal process	3.67	0.77	12.142	0,000*	3.56	3.78
5-Adequacy of the characteristics of the current performance appraisal system	(3.18)	0.82	3.067	0,002*	(3.06)	(3.29)

Note: \*statistically significant at the level (0.05)

Rank 3 Problem: ‘Problems related to the evaluation forms’ scored third in the ranking of problems by the participants, scoring an overall mean value of 3.70, and a standard deviation of 0.60.

Rank 4 Problem: ‘Problems related to the rules and regulations that govern the performance appraisal process’ has the mean value of 3.67 and a standard deviation of 0.77. As a result it is ranked as the fourth most important problem area preventing an efficient PA system.

Rank 5 Problem ‘Adequacy of the characteristics of the current performance appraisal system’ scored 3.18 mean value and a standard deviation of 0.82 implying that the current performance appraisal is thought to be fit for purpose with a very low degree with an average mean of 3.18.

As the results in table 7.22 demonstrate, this study systematically shows that the respondents perceive that problems related to PAS do exist in the universities that were surveyed. These problems are seen to prevent an accurate PA taking place within the university faculties. However, the responses that support the adequacy of

the characteristics of the current PA system is rather confusing considering that the current PAS has the identified problems. This confusion is explored in detail in the discussion chapter 9, and can be attributed to ‘pretentious’ answers and ‘compromising the job security’.

## CHAPTER 8:

# ASSESSING THE ROLE OF PERFORMANCE APPRAISAL RESULTS ON HUMAN RESOURCES DECISIONS AND THE NEED FOR A NEW PERFORMANCE APPRAISAL SYSTEM

### 8.1. INTRODUCTION

It was mentioned in Chapter 3 that the use of performance appraisal (PA) outcomes should not be limited to being a technique to make decisions related to administrative issues such as transfers or promotions. It should go beyond this, as the outcomes ought to be used to review and to make plans about human resources (HR) policies related to academic staff. Thus, the outcomes of the PA process have important consequences for academic staff, and therefore it is important that this research should make an attempt to measure the perceptions of the participants on this particular issue (the impact of PA outcomes on HR policies).

The purpose of this chapter is to identify the essential motivations behind conducting the PA process in the Saudi universities subject to the current study. Thus, in order to examine this, three hypotheses (hypotheses 6, 7 and 8) are formulated to reveal the perception of the respondents to the purposes of carrying out PA processes in the universities under investigation. The three hypotheses are as follows:

**Hypothesis Six:** Those who are in charge of the affairs of faculty members at the universities under consideration do not depend on the results of the current performance evaluation system when making decisions related to staff-related administrative affairs (e.g. promotions and, remuneration).

For the purpose of testing this hypothesis, a binomial test was used. This is used when a statistical test is required to establish the rate of occurrence of any particular phenomenon in society.

**Hypothesis Seven:** The differences between respondents who believe the current performance appraisal system is perfect and therefore does not need to be amended and those who believe the opposite depend on demographic variables: college, academic position, age, years of experience and nationality. It aims to test the significance of the differences between those believe the current performance appraisal system (PAS) is perfect and hence does not need to be changed and those who believe otherwise through a set of demographic variables (college, career level, length of service, age and nationality).

**Hypothesis Eight:** There is statistically significant discrimination between respondents who believe that the current PAS is adequate and does not need to be modified and those who believe that it is inadequate according to a set of combining demographic variables (college, career level, length of service, age and nationality). This hypothesis is closely related to the previous one.

In order to test hypotheses 7 and 8, Discriminant Analysis is used. This determines which variables discriminate or are significantly different between the two groups. In doing so, Wilks' Lambda value is also calculated. Furthermore, the Chi-Square test is used to test the significance of the difference between the two groups as a guide in order to determine whether the discriminant function analysis between the two groups is collectively significant.

In this context, the following section aim to discuss the analysis of the formulated hypotheses to see if there are differences between those who believe the current system under study is perfect and who believe otherwise.

## **8.2. HUMAN RESOURCE DECISIONS AND THE OUTCOME OF THE PERFORMANCE APPRAISAL SYSTEM**

Hypothesis Six articulates that 'those who are in charge of the affairs of faculty members at the universities under consideration do not depend on the results of the current performance evaluation system when making decisions related to staff-related administrative affairs (eg promotions and, remuneration)'.

For the purpose of testing this hypothesis, a Binomial Test, which tests the difference between a sample proportion and a given proportion for one-sample tests, was used to test the convergences between the perceptions of the participants. This test is used to examine the relative proportions of a dichotomous variable, i.e. a variable that can take one of two values, such as gender (Eachus, 2006).

The research question and hypothesis and the statistical hypotheses are formulated as follows:

Research Question: Do authorities in charge of the affairs of faculty members at the universities under study depend on the results of the current performance evaluation system when making decisions related to the staff-related administrative affairs? In other words, do a proportion of respondents believe that administrators rely on the outcome of the current PA process when making decisions related to the affairs of the faculty members?

In order to answer the research question the researcher formed the following hypothesis.

Research Hypothesis: 'Authorities in charge of the affairs of faculty members at the universities under study do not depend on the results of the current performance evaluation system when making decisions related to the affairs of faculty members'.

The statistical hypothesis, thus, can be formally expressed are as follows:

Null hypothesis:  $H_0: P \leq (0.5)$ , implying that 50% or more of the sample believe that outcome of the current PAS is taken into account

Alternative hypothesis:  $H_1: P > (0.5)$ , implying that less than 50% of the sample believe that outcome of the current PAS is taken into account.

Where P stands for the proportion of the study sample that do or do not believe that those responsible for faculty affairs at universities subject to the study depend on the outcome of the current performance evaluation system when making decisions on the affairs of faculty members.

Regarding the decision rule, the null hypothesis is rejected if the estimated t-value (which here is sig.1-tailed) is less than the tabular value of t (which is  $\alpha = 0.05$ ), therefore alternative hypothesis is accepted as  $P > (0.50)$ . However, if the estimated value of t is greater than the tabular value, the null hypothesis cannot be rejected.

**Table 8.1: Binomial Test Results**

	Category	Number	Observed Probability	Asymp Sig (2-Tailed)
Group one	No	107	.54	.254
Group two	Yes	90	.46	
Total	-	197	1.00	

The Binomial Test results shown in table 8.1 highlight the proportions of respondents in relation to the research hypothesis. In this case 54% of respondents perceive that the authorities in charge of the affairs of faculty members at the universities under study do not depend on the results of the current performance evaluation system when making decisions related to the affairs of faculty members. As this result is more than the critical value, (50%), where the calculated critical value of 0.127 [(Sig.1-tailed) equal to  $(0.254 / 2) = (0.127)$ ] which is greater than the tabular value of 0.05. Thus, we accept the null hypothesis stating that the proportion of the sample study (P) who thinks that the authority responsible faculty members' PA at universities under study when making decisions on their career path, depend on the results of performance appraisal outcomes is less than 50%. In other words, the research highlighted in table 8.1 shows that 54% of the respondents think that PA outcomes are not taken into consideration when making decision related to faculties' affairs.

### **8.3 EVALUATING THE PERSPECTIVES ON THE USED METHODS IN MAKING DECISIONS RELATED TO THE CAREER PATH OF THE FACULTY MEMBERS**

The data analysis in table 8.1 shows that the individuals who were subject to this study are split into two groups. Group one who believes that the authorities do not take in consideration PA process result when making HR decisions on faculties' affairs; and hence believe instead that the authorities consider other methods and

techniques when making decisions related to the faculty member’s career path. On the other hand, group two thinks that the administration depends mainly on the result of PA when making decisions related to their careers.

### **8.3.1. Group One: Considerations Determining Human Resource Practices**

Since a conclusive answer could not be reached from the respondents answer in the previous section as the distribution of the respondents between Group one and Group two is very close, they were asked about the other methods used by the authorities when making important decisions relating to faculties’ affairs, such as compensation, remuneration and their future career. In other words, since Group One members do not believe the existing PAS is used for HR decisions, they proposed other methods that are used for such decisions. These perceived methods are shown in Table 8.2.

**Table 8.2: Methods under consideration when making faculties’ affairs**

<b>Technique</b>	<b>Frequency</b>	<b>Per cent</b>	<b>Rank</b>
<b>1-Promotion decisions</b>			
- Longevity	10	9.3	3
- Promotion according to a certain academic performance	65	60.7	1
- Favouritism and nepotism	16	15.0	2
- Personal relations with the scientific and academic council which plays a major role in promotion decisions	16	15.0	2
<b>2- Decisions related to annual financial increment</b>			
- The time spent in the academic position.....	71	70.0	1
- The good relations with top level management....	35	30.0	2
<b>3- Decisions related to training needs</b>			
- When new technology is adopted	62	60.0	1
- One of the requirements for an academic promotion	45	40.0	2
<b>4- Decisions related to dismissal</b>			
- Failing to fulfil work commitments ....	64	60.0	1
- Dispute with colleagues and administration ....	15	14.0	3
- Not abiding by the academic culture	28	26.0	2

The results identified in table 8.2 are explained in the following sections.

### **Promotion Decision**

Promotion means a transfer from a current academic position to a higher position with different responsibilities. Table 8.2 shows four methods identified by respondents used by the authorities when making decisions related to promotions, (other than PA results). The main method highlighted is academic performance (productivity), which is identified by 60.7% of the respondents. In the Saudi Higher Education System, as part of the promotion requirements a faculty member must write a certain number of publications. However, despite such a formal requirement, nepotism and having a close relationship with the academic committee play an important part in promotion. This is supported by the research, as it was found that 15.0% of the participants are of the opinion that promotions are ‘offered’ rather than ‘gained’. The fourth ranked method according to the responses is seniority of the member. 9.3% of the respondents believe that promotions are very much dependent on seniority.

### **Annual Pay Increase**

The annual pay increase is considered to be a type of payments and is related to job security. Over two-thirds of respondents believe that annual increments are based on the time spent on the position rather than being based on the PA result. In other words, a faculty member can gain the annual increase regardless of the level of his/her performance. Furthermore, around 30% of respondents think that having good relations with the line manager plays a key role in earning an annual increment.

### **Training Needs Decisions**

In effective organisations the training needs of the staff are established by their management, in order to help the member develop to his/her potential. Training is a type of special learning which aims to have employees gaining specific skills in order to conduct their current job more effectively; or in preparation to carry out other job responsibilities (Schuler and Huber, 1993). The result of the study shows that the 60% of surveyed individuals perceive that they have to get training when there is a new technology emerges. For example, faculties were engaged in training sessions when the University of King Khalid adopted new e-learning courses. In



addition, 40.0% of the respondents think training is one of the requirements to be promoted.

### **Dismissal Decisions**

As mentioned previously, some of the reasons that allow organisations to dismiss members of staff are conducting job responsibilities poorly due to absenteeism, lateness, disloyalty, or not being willing to carry out instructions (Taylor, 2002). The study shows that 64% of respondents think that these are common reasons of dismissing staff, despite the PAS. However, 14% of the respondents think having disagreement with line managers and colleagues may result in a dismissal. Finally, 28% think that a member could be dismissed when not abiding by academic culture and common rules; such as plagiarism and abiding by work procedures.

### **8.3.2. Group two: Faculty Member-Related Decisions are based on Performance Appraisal Outcomes**

As discussed earlier, Group two individuals believes that PA results are taken into account in the HR decisions related to faculty members. As shown in table 8.1, 46% of the respondents believe that administrators take into consideration the result of PA when making these decisions.

Thus, according to the views of Group two individuals, Table 8.3 highlights the areas of HR decision-making in which respondents perceive to be dependent on the result of PA. For example, in terms of using appraisal results in promotion decisions, 37.8% of the respondents believe that authorities depend on the evaluation results. This was also ranked as the most important area for which the PA results are used. Using the outcome of the appraisal system for dismissal decisions was ranked as the second most important area with 31.1% respondents citing this. These are followed by ‘selection decisions’ by 12.2%; ‘annual salary increase’ with 6.7%; ‘training needs’ and ‘planning’ with 5.6% each; and ‘deciding incentive bonuses’ is ranked lowest by 1.1% of respondents.

**Table 8.3: Decisions Based on Performance Appraisal Outcomes**

<b>Areas for which decisions are based on PA results</b>	<b>Study sample (frequency)</b>	<b>Percentage</b>
Selection	11	12.2
Promotion	34	37.8
Annual salary increase	6	6.7
Incentive bonuses	1	1.1
Dismissal	28	31.1
Training needs	5	5.6
Future planning for faculty staff	5	5.6
<b>Total</b>	<b>90</b>	<b>100.0</b>

To conclude this section, although the test result determines that there is no significant difference between the two groups of respondents, nevertheless each group has different opinions.

#### **8.4. AMENDING THE CURRENT PERFORMANCE APPRAISAL SYSTEM**

This part of the study presents the findings for the differences between the two groups of respondents based on certain demographic variables. The respondents were asked about their general satisfaction with current PASs. The study segregates the respondents in two groups according to the results: Group One believes that the current PAS is not efficient and needs to be changed; and Group Two believes that the current PAS is adequate and does not need to be changed. This section aims to test hypotheses 7 and 8, which are presented above and discussed in detail below.

##### **8.4.1. Hypothesis Seven**

Hypothesis 7 states that there are differences between respondents who believe that current PAS is perfect and does not need to be changed and those who believe otherwise in relation to certain variables such as college, academic position, age, years of experience and nationality. In order to test the hypothesis, initially an attempt was made to determine the proportions of the study sample who believe that the current PASs are adequate and those who think otherwise.

As can be seen in table 8.4, the majority of the respondents 73.6% believe that the current PASs are in need of amendment, while 26.4% of respondents believe the current PASs are satisfactory. By applying the Chi-square test, the result shows that there is a significant difference among respondents towards this statement.

**Table 8.4: Fischer Chi-Square Test Results for the Amendment of the Current PAS**

YES		NO		Test result		
Number	%	Number	%	Chi-Square Test	P-value (significance- level)	Result
145	73.6	52	26.4	43.9	0.00	Significant

However, the main hypothesis is tested through Fisher Chi-square exact Person and Person Chi-Square (Fahmi, 2005) in order to reveal the differences of proportions among respondents who believe the current appraisal system is superior and those who think otherwise according to some demographic variables (such as college, academic position, time of experience, age and nationality). The results are depicted in table 8.5.

**Table 8.5: Chi-Square Person and Fischer Chi-Square for Testing the Results for Differences between Group One and Group Two**

Demographic variables		System suitability				Chi-Square test	P- Value (significance - level)	Result
		unsuitable		Suitable				
		Number	%	Number	%			
College	Theoretical	88	60,6	25	48,1	2,48	0,079	Insignificant
	applied	57	39,3	27	51,9			
	Total	145	100	52	100			
Academic Position	Professor	23	15,9	5	9,6	1,30	0,26	Insignificant
	Associate professor	49	33,8	20	38,5			
	Assistant professor	73	50,3	27	51,9			
	Total	145	100	52	100			
age	30-39	27	18,6	10	19,2	0,199	0,45	Insignificant
	40-49	80	55,2	30	57,7			
	+50	38	26,2	12	23,1			
	Total	145	100	52	100			
Years of experience	Less than 10 year	66	45,5	33	63,5	5,51	0,048	Significant
	10-15	27	18,6	6	11,5			
	16-20	14	9,7	5	9,6			
	+20	38	26,2	8	15,4			
	Total	145	100	52	100			
Nationality	Saudi	59	40,7	10	19,2	7,74	0,004	Significant
	Non-Saudi	86	59,3	42	80,8			
	total	145	100	52	100			

Table 8.5 highlights the results of the Chi-Square test used in order to examine statistically significant differences in the proportion between two groups of respondents, namely Group One and Group Two, as described in the previous section. The results in table 8.5 show that all the mentioned demographic variables with the exception of nationality and seniority are not significant.

#### **8.4.2. Hypothesis Eight**

A further attempt was made to identify the segment of respondents who want to improve the current PAS and the segment of those who do not want by combining

the five variables (college, career level, length of service, age and nationality) into one group. In this section, the study utilises the discriminant analysis test.

**Table 8.6: Result of Discriminant Analysis Between Groups of Respondents Favours and Unfavours Change of PAS**

Data Variable	Discriminant function coefficient	Wilks' Lambda	Chi-Square	p-value
College	0.435	.961	9.870	.079
Academic position	0.248			
Age	0.018			
Years of experience	-0.083			
Nationality	0.776			

Table 8.6 depicts the differences between the two groups. It shows the result of discriminant analysis for the respondents (Group One) who think that the current PAS should be amended and those (Group Two) who do not. It is important to understand that the larger the standard coefficient is the greater is the contribution of the particular variable to the discrimination or difference between the two groups. In other word, it means that the closer the value of standard discriminant coefficient to the value of 1, the greater the contribution of the variable to discriminate between the responses of the two groups.

As can be seen from the result depicted in table 8.6, the relative importance of standard discriminant function coefficients (calculated by the value of coefficient function) is different between the variables. The nationality variable is the top ranked of the variables (discriminant coefficient = 0.776). The variable of college comes in second in order of importance (discriminant coefficient = 0.435). Furthermore, the variable of academic position takes the third ranking with the discriminant coefficient of 0.248, while the variable of age is ranked fourth in the ranking with discriminant coefficient = 0.018. Finally, the seniority of staff takes the fifth ranking with a discriminant coefficient value of -0.083.

The results imply that all the variables combined (college, academic position, age, time of experience and nationality) can be regarded as a basis to differentiate

between respondents who want to amend the current PA system and those who do not. In other words, these words do not have an impact on the variations observed in the given answers by the respondents.

However, strangely the p-value and the Chi-Square indicate that there is a decrease in the significance level for these variables; as the estimated p-value 0.079 is higher than the tabular value ( $\alpha = 0.05$ ) implying that there could be other variables that may participate in discriminating between the two groups. However, generally it is known that combining the demographic variables cannot differentiate between the two groups of respondents.

With regard to discrepancy between the two groups, this can be measured with the statistics called Wilks' Lambda, which determines the level of existence of difference between the groups in relation to the combination of variables. According to Bartlett (2000:381), Wilks' Lambda is "a test statistic used in multivariate analysis of variance to test whether there are differences between the means of identified groups of subjects on a combination of dependent variables." As can be seen in table 8.6, the value of Wilks' Lambda between the two groups is 0.961. This is closer to the value one than zero, indicating that there is no significant difference between the means of the two groups according to the mentioned variables. Therefore, the result of the study shows that the combining variables could not differentiate between the two groups.

However, along with the statistical analysis, the researcher generated a classification function in a further attempt to determine how well the discriminant function obtained earlier classifies individuals into suitable groups. In other words, the classification function (including variables) predicts to which group each individual is most likely to belong. This is shown in the classification matrix in table 8.7, which exhibits the number of individuals who were classified correctly (on the horizontal of the matrix) and those who were misclassified (on the vertical of the matrix).

**Table 8.7: Classification Function Determining the Strength of Discriminant Function Coefficient in Dividing Respondents**

	Willing to amend the current systems	Unwilling to amend the current systems	Total
Willing to amend the current systems	59	86	145
Unwilling to amend the current systems	10	42	52
Total	69	128	197

From the results in table 8.7, the classification function predicts the following two groups:

**Group One:** These are those respondents who believe the current PASs are not suitable and need to be amended. They are represented by 145 individuals among respondents. The Classification Function determines that 59 individuals were correctly classified, namely they are those who want the PAS to be changed according to their responses. On the other hand there are 86 individuals which the Classification Function misclassified. Although, it appears that they belong to those who are willing for the systems to be amended, the Classification Function classified them as unwilling for the systems to be amended. This means that they could be a group of individuals who think the current PAS is adequate and does not need to be changed (they do not want the PAS to be modified) in case if administration want to amend it in the future. As a result the proportion of individuals who were correctly classified was 86%.

**Group Two:** These are those respondents who see the current PASs are appropriate and do not need to be amended. They were represented by 52 individuals among respondents. Classification function determines that 42 individuals were correctly classified as not wanting to amend the current PASs according to their responses. However, there are 10 individuals which the classification function failed to correctly determine to which group they belong. Although, it appears that they belong to those who are not willing for the systems to be amended, the classification function classified them as among those who willing the system to be

amended. This means that they could be individuals who believe the current PAS is not adequate and needs to be amended (they want the system to be modified) in case if administration does not have the intention to amend the PAS in future. As a result the proportion of individuals who were correctly classified was 32%.

It can be said that the discriminant function has a limited degree of success in classifying individuals into the groups to which they belong. The correct classification proportion for the discriminant function is 54.8%. In other words, 54.8% of the originally grouped individuals were correctly classified.

## **8.5. CONCLUSION**

The results obtained from analysing the questionnaires highlight that the respondents (faculty members) have different perceptions towards the how the authorities use the outcomes of PAs to make decisions towards the career path and other affairs of the faculty members such as promotion, transfer, pay increase, training and so on. However, the study reveals that there is no significant difference between those who believe the authority depends on the outcomes of PA when making decisions related to faculties' affairs and those who think otherwise.

Furthermore, the study found when testing hypothesis eight that there is no difference between respondents who want the current PAS to be amended and those who do not want this when they are tested as a groups. Furthermore, this is the case when testing various demographic variables such as college, academic position and age. However, the demographic variables of nationality and seniority variables do have significant impact on the statistical results.



## **Chapter 9**

# **CONTEXTUALISING THE FINDINGS AND THE NEED FOR NEW PERFORMANCE APPRAISAL SYSTEM**

### **9.1. INTRODUCTION**

This chapter presents a discussion based on the results of the conceptual aspect of the research developed from the literature review and the data collected and analysed in order to investigate the effectiveness of the performance appraisal systems (PASs) currently in use in Saudi public universities. In addition, the study aims to explore the impact of performance appraisal (PA) results on decisions related to human resources (HR) in Saudi universities.

The analysis in this study demonstrates that the faculty members subject to the study believe that there are a number of problems related to the current evaluation systems and in general PA systems need to be changed. Thus, it has been proven that there is an association between the theoretical aspects presented in chapters two through to five with the empirical study presented in chapters seven and eight.

In the last two chapters, namely 7 and 8, the findings of the quantitative data analysis were presented. This chapter discusses the implications of the findings in relation to the existing body of knowledge in the field. It aims to achieve the objective of giving greater meaning to the results through the interpretative method, as indicated in chapter one.

In doing so, this chapter is divided into 15 sections. The following sections discuss the hypotheses formed in the order they were presented in the last two chapters. The last section will present an enhanced model for an effective PAS, based on the findings of the research as articulated by the respondents.

### **9.2. SUITABILITY OF THE CURRENT PERFORMANCE APPRAISAL SYSTEMS**

This section identifies the characteristics that ought to be met by the current PASs in public universities. As best practice, it is important for an organisation to have a number of

characteristics, which reflect the effectiveness of PA. In this section, the hypothesis tests whether or not the characteristics of the PAS used are effective.

Hypothesis 1: The current performance appraisal system at Saudi universities is not fit for purpose.

To identify the suitability of the existing PAS in Saudi universities, which should exist in any appraisal system, respondents were presented with a number of important PAS characteristics and asked to express their opinion on the presence of each characteristic in the system to which they are subject to. The specific features of the appraisal system referred to in the questionnaire included purpose of rating, items content, participating in the process, objectivity of process, and accuracy in measuring performance...etc (Murphy et al., 1995).

The findings show that the faculty members demonstrated a level of satisfaction towards the characteristics available in the current PASs. The mean result addressing the statement about the suitability of the present PAS is 3.18 out of 5, with a small standard deviation of 0.82. This indicates the lack of any significant variation in the views of the respondents. This is also clear from the confidence limits for the overall mean of the population sample, which suggests that the overall mean for this statement is between 3.06 and 3.29. Since PASs are assumed to be objective, effective and achieve the goals for which they are set up, it appears from the results that participants consider the system to be fit for purpose.

It should be noted that although the identified characteristics that should be met by the PAS is found to be satisfactory to a degree, the findings in the previous two chapters indicate a lack of satisfaction by faculty members. The conflicting results obtained in this section could be attributed to the critical nature of the questions presented to test the hypothesis. The researcher believes that respondents were reluctant to provide honest answers, expressing dissatisfaction with either the university administration or the PASs. In other words, dishonest answers may be responsible for the unexpected results. The majority of respondents were non-Saudis and as they employed on the basis of annual contracts, the fear that these may not be renewed may have distorted their answers. In addition, it is noticeable that the majority of respondents are assistant professors who rely on good relations with management in order to be promoted. Arguably they could have been concerned that if they criticised the system, then they may anger their line managers and consequently harm their future careers.

This problem is not limited to the characteristics sought by the respondents, but can be found in practice. To elaborate this, in a similar study, Bohairy et al (1991) examined executive managers' attitudes towards the evaluation system for the workforce performance in governmental bodies in the Kingdom of Saudi Arabia. The study highlights the experience in evaluating workforce performance through investigating the extent to which the current performance evaluation system achieves the goals upon which it has been established and that to which the items of the current evaluation system are adequate. The study found that although the PA items are highly adequate, managers do not pay attention to aspects that reflect the actual performance of employees, which has the negative impact of reducing performance levels.

The PA process in the Saudi universities is regarded as one of the most difficult policies for administrators. It is obvious that the nature of the academic job contains output that is hard to measure. It is to be expected that the academic staff exercise a high degree of autonomy in their work and that their performance is dependent on intellectualisation. Hence the rating process becomes subject to the personal opinion and the judgment of line managers. It is known that the authorities are faced with difficulties in setting both quantitatively and qualitatively suitable criteria for appraising faculty members.

In articulating potential ways to overcome this, the respondents believe the system fails to establish standards or criteria that can measure the actual performance of the faculty members; according to the findings the mean value for this variable is 2.96. Thus, the solution is suggested by Lucas (1994), who argues workers should participate in establishing their job descriptions and goals. Having employees involved in setting their own goals makes these goals acceptable. In addition, Sashkin (1981) believes that management can involve employees in what he called 'system refinement'. System refinement is referred to as the development of job descriptions, goal settings, or performance criteria or measures in which employees can be actively involved. Hence, Saudi university faculty members should participate in setting their own standards and goals. In this regard, Cook (1995) argues that according to their academic freedom, the staff can choose what issues are worth researching and what subjects should be taught.

This study is in agreement with the findings of Analoui and Khoury's study (2004), which found similar results, with faculty members share the same concern and work in similar

academic atmosphere. The study was conducted at Palestinian West Bank public sector universities. According to the study, faculty members' perceptions regarding the effectiveness of managing their PA process is described as towards dissatisfaction. This is attributed to several reasons, two of which are the lack of the awareness of performance standards and of supervisors' expectations. The study believes that in order to improve the faculty members' performance and increase their satisfaction, it is important to have them involved in setting the ground rules and standards. This means identifying and conveying performance standards to faculty members and obtaining their feedback on the standards.

In addition, Sallamah (1987), who attempted to evaluate PASs in governmental institutions in Saudi Arabia, argues that the achievement of an effective PAS is built on two main bases: first, it must provide the basics for an effective system for the performance evaluation by including clear PA objectives and standards and a permanent follow-up system; and second, the evaluators should be fair when conducting the evaluation process. These two aspects are seen by the current study as primary characteristics that should exist in the Saudi PA system.

However, Abu Saddah (1996) in his study on the public sector in Egypt found that both supervisors and subordinates do not regard the current PAS as having the necessary characteristics. The respondents see the system as somewhat biased, and unfair on rating the level of performance. This is different from the findings of Abu Saddah (1996) and this study. The inconsistency between the results stems from the fact that this study deals with respondents, the majority of whom are non-Saudis who are employed by universities on annual renewable contracts, and not as in Abu Saddah's study national workers who employed in the public sector on permanent contracts. Obviously, according to civil service law, permanent public workers who disapprove or criticise the objectivity or fairness of the appraisal systems can not be held accountable or have legal action taken against him or her. However, the current study and Abu Saddah's study (1996) propose the same development path where it is an obligation upon the administration to encourage employees to participate in setting their PA standards.

In conclusion, this study finds that there is an average tendency among faculty members who were subject to the study to be content about the suitability of the current PASs. It should be noted that the respondents are satisfied to a degree with standards used in determining their actual performance in which the mean is above the average. However, generally they think

the desired characteristics in the system meet a minimum requirement. The reluctance of respondents to provide strong opinions in this section was also clear when they were later asked about their opinion on the suitability of the current PA system. At this stage, 74% of respondents believed the current PA systems were not qualified to appraise performance and the system needed to be changed.

### **9.3. PROBLEMS FACING TEACHING MEMBERS**

As mentioned in chapter two that there are problems related to ratees who are subject to the PA process. These problems have negative impacts on the efficiency and effectiveness of the PAs to match the job specifications to the abilities of employees. As mentioned earlier, one of the aims of the current study is to investigate the presence of these problems in relation to appraisees, because of these could be detract from having their performance accurately evaluated. Respondents were presented with statements which were thought to tackle this issue in order to determine their opinions on the existence of each problem in their PA. To discover the extent of these problems hypothesis two was constructed.

Hypothesis 2: There are communication, transparency, and organisational problems facing teaching members (who are subject to the appraisal process) which undermine the appraisal process.

The results show that the overall mean for the degree of agreement towards the existence of problems is 3.81 (out of 5) with a small standard deviation of 0.61, which indicates the lack of any significant variance in the views of the respondents This is also apparent from the confidence limits, which are between 3.73 and 3.90 for the overall mean of the population. This indicates that there is a general agreement about the existence of the identified problems.

In order to determine which problem is most commonly perceived, the one-tailed t-test was used and the results reported in table 7.9. All the problems listed in this section of the questionnaire were deemed strongly present by the respondents:

- (i) Not involving teaching members in developing their own standards of evaluation: the mean for the degree of agreement towards the existence of this problem was 4.10, as 82.2% of respondents agreed with this statement.

- (ii) Lack of attention to the impact of PA on members in order to direct them and help them to be aware of the aspects and causes of their weakness, as well as the aspects of their strength: The results show that the mean for the degree of agreement towards the existence of this problem was 4.07 as 78.2% of the respondents agreed with this statement.
- (iii) Difficulty for faculty members to access the records, which are completed by the HR department, and which the rater takes into account when conducting appraisal process: The mean value for the existence of this problem was 3.99, as 75.0% of respondents agreed with this statement.
- (iv) When conducting the appraisal process, the rater does not take in consideration psychological and social factors surrounding faculty members: The mean for the degree of agreement towards the existence of this problem was 3.95, as 71.9% of respondents agreed with this statement.
- (v) Ignoring the various changes occurring in work-related capabilities (eg library, offices, office equipment and so on) when conducting PA process: The mean for the degree of agreement towards the existence of this problem was 3.81, 68.9% of respondents agreed with this statement.
- (vi) Members refraining from protesting the evaluation of results for fear of having problems with line managers: The mean for the degree of agreement towards the existence of this problem was 3.81, as 66.3% of the respondents agreed with the statement.
- (vii) Difficulty of measuring the individual's personal characteristics, which related to their work and qualities (such as cooperation, initiatives and productivity): The mean for the degree of agreement towards the existence of this problem was 3.66, as 66.3% of respondents agreed with the statement.
- (viii) The halo effect (overall evaluation of members on the basis of one distinct feature while ignoring other features): received the support of about 60% of the respondents with the mean value of 3.58.
- (ix) Members' resistance to the PAS because it places them under the ratters constant monitoring: The mean for the degree of agreement towards the existence of this problem was 3.36, as 50.3% of respondents 50.3% agreed with the statement.

It can be recognised that there is a consensus among respondents towards the existence of the above-mentioned problems. However, the reluctance of teaching members to accept the evaluation results could be endorsed by perception that the current PA systems do not reflect their actual performance. Furthermore, it could be because respondents do not play a role in the evaluation process which consequently has a reflection on their performance. It is also noted that faculty staff do not perceive the impact of PA on helping them to improve their performance. They observe it as a process merely to monitor their mistakes and as a result they are unhappy with the process as highlighted in items i, ii, vi and ix above.

It is emphasised in the literature review that it is necessary to involve faculty members in the PA process. Cook (1995:5) argues that “the academic staff decides what issues are worth researching and what subjects should be taught and by implication whose work has merit.” Thus having faculty members involved gives them an increased perception of the justice and fairness in the process. It, also, makes them acknowledge to become fully committed to achieving academic goals. If management fails to engage individuals in setting out their performance standards, this can result in inaccuracies in establishing PA features and traits that should be coherent with the responsibilities of the job.

In addition, Sallamah (1987) believes that the acceptance of the PA result by employees depends on the objectivity and the ability of the PA systems to depict their actual performance. Therefore, if employees are confident of both in the justice of the PAS and its results, they will participate positively in the PA processes, and will therefore help to achieve the organisational goals. In addition, PA justice is present when individuals have the right of grievance and to launch a complaint regarding appraisal results.

Furthermore, the findings of the present study confirm the analysis of the evaluation forms analysis used in the PA process, which was discussed in chapter five. The theoretical form analysis proves that teaching members are only involved in the process to the extent that they complete their contributions such as attending conferences, articles and books. In fact the PA process is confidential and depends entirely on the chairman of the department, who does not even have specific standards upon which to construct the judgment. Hence faculty staff do not have right to access their records in order to know the basis of their ratings. Therefore there is a gap between what the teaching members want from the PA process and the process provided by universities. Therefore, in order to allow appraisees to accepting the PA process

and results, Murphy and Cleveland (1995) argue that employees can be satisfied with the appraisal process when they are able to provide input to the process. In addition, employees are satisfied when they have knowledge about the dimensions and procedures of the evaluation. Consequently, this will help them to accept the result of PA and the decisions resulting from such a PA process.

In looking at the particularities of the result reported, item iii (above) shows that 66% of the respondents are not satisfied with confidentiality of their PA records. They believe that they are not allowed to access their records as HR departments believe the records are confidential and therefore only raters can access them. To overcome this problem, the following solution is suggested: administrators need to improve faculty members' attitudes towards evaluation by stressing the advantages they will gain from being appraised, such as developing their skills, and judging their eligibility for increased compensation and promotion. In order to overcome this concern, Brown (2001:40) states that "the fairness of the system of performance appraisal can be considered from two perspectives: the fairness of the outcomes received (distributive justice) and the fairness of the decision processes used to determine how rewards are allocated (procedural justice)."

Furthermore, the result of the survey indicates that appraisees do not believe that appraisers do not take into consideration the psychological and social factors and ignore the various changes occurring in work-related capabilities as shown by items iv and v. There are aspects other than effort and behaviour which can influence, positively or negatively, the level of performance, and consequently influence the effectiveness of PAs. Al-Assaf (1984) explains that the success of achieving high performance in the organisation may not be attributed to solely to the efficiency of workers. Instead, the success can be a result of other factors which may be outside the control of the appraisees, such as leadership style, technology and procedures.

In line with this research, Yousif (2000) explores the perception of public sector employees towards the PA process and its link with organisational and personal characteristics. The study found that respondents' perception levels towards their PA system in improving their performance and organisational relations were very low. This study acknowledges that workers are not knowledgeable about the importance that their PA system can have in improving their performance. Hence, management should ensure that staff are not only



involved in the PA process, but also that they should be knowledgeable about the advantages of being evaluated. Staff have to be taught the principle that PA was not created to look for errors but instead it was established to increase academic performance through formal and informal interview sessions with line managers. In this matter Reeves et al. (2002) believe that the high performance emerges from constructive interview sessions between supervisors and subordinates. Therefore, line managers should conduct formal feedback sessions with employees to acquaint them with information about either their progress or inadequacy in achieving agreed organisational objectives. In addition, in order to achieve the justice and fairness of PA systems, line managers should give teaching members the opportunity to complain about unsatisfactory results.

Furthermore, in line with the results of this research, Al-Dalaan (1995) conducted a similar study, which identifies problems encountered by administrators and the extent to which the system achieved the objectives for which it was created. Al-Dalaan concludes that 86% of the appraisees do not know their evaluation results as they do not have access to the records. Furthermore, 50% of employees do not have knowledge about the factors included in the evaluation process. Finally, there is no relationship between the degree of satisfaction with the results and the knowledge about the factors used in the evaluation process.

To substantiate this, the researcher conducted factor analysis, and the results are presented in tables 7.11 and 7.12. These tables highlight two factor groups with nine factors explain a total of 50.96% of the variance, with factor 1 contributing 27.28% and factor 2 contributing 23.68%. All variables that are listed under factor 1 as discussed in chapter seven are 'problems related to teaching members', while, factor 2 can be described as problems facing teaching members with their managers (raters). Hence, since factor 1 has the higher Engenvalue, it represents more important problems related to teaching staff who are subject to the PA process.

To conclude, previous studies and this research highlight that there is a gap between the teaching members who are subject to the evaluation process and the evaluation systems. Thus, the results of this study are in line with what was predicted: teaching members who are subject to the PA process believe that the current PA systems do not depict their actual performance for various reasons. They believe they should be involved in the PA process. Also, the PA system should play a role in improving their performance and help resolve

faults which may otherwise lead to resistance against the process. Therefore, hypothesis two is proven correct when it comes to the problems related to teaching members subject to the appraisal process. In other words, the research rejects the null hypothesis and proves the proposed one in which there are problems related to staff subject to the PA process.

#### **9.4. PROBLEMS FACING RATERS**

As discussed in chapter two, PA is considered to be a very important process for line managers with which to increase their ability in critical thinking when they carry out the assessment of their subordinates' performances. A manager can easily rate an employee either high or low, but the critical issue in this case is that a manager needs to justify his judgment to avoid arguments and complaints by appraisees regarding unsatisfactory results.

Thus, there are errors related to the raters who conduct the process in the Saudi public universities, which, in turn, have negative effects on the efficiency of PA process. For that purpose, hypothesis 3 was formed in order to investigate the existence of these problems.

Hypothesis 3: Line managers have inadequate managerial knowledge and skills, which can prevent them accurately assessing a subordinate's performance.

The respondents were presented with statements which were thought to highlight the problems for raters that could prevent them from conducting an accurate evaluation for faculty staff. The study shows that the overall mean for the degree of agreement towards the existence of problems is 3.74 (out of 5) with a small standard deviation of 0.61. This indicates the lack of any significant variance among the respondents on the question of the existence of such problems. This is also clear from the confidence limits, which are between 3.65 and 3.82 for the overall mean of the population which indicates the degree of agreement towards the existence of such problems.

In order to determine which problem is the most common in the system according to the respondents' views, the one-tailed t-test was used and the results are presented in table 7.9. It appears that all the problems listed in this section are highly prevalent in the PA system used by Saudi universities. These are listed from the most to less important as follows:

- i. Rater does not interview his subordinates after the results of the evaluation in order to explain weaknesses and strengths in their performance: the mean for the degree of agreement towards the existence of this problem was 4.11 with a small standard deviation of 0.95, with 79.7% of respondents expressing their agreement with the statement.
- ii. Inadequacy in preparing and training the raters who are carrying out PA processes: the mean for this problem statement is 4.04 with a small standard deviation of 0.78 with 76.6% of respondents expressing their agreement with the statement.
- iii. Timing of the evaluation may influence the evaluator and as a result may impact the PA result: the mean for the existence of this problem is 3.89 with a small standard deviation is 0.92, with 77.2% of respondents expressing their agreement with the statement.
- iv. Some subordinates compliment or (unjustified praise) with direct managers who are responsible for conducting PA report: the mean for the existence of this problem is 3.86 with a small standard deviation of 1.06, with 69.9% of respondents expressing their agreement with the statement.
- v. The incidental personal characteristics of the evaluator (health status, tiredness, mood status and so on) may influence the PA results: the mean for the degree of agreement towards the existence of this problem is 3.85 with a small standard deviation of 0.95, with 73.1% of the respondents supporting this statement.
- vi. The evaluator focuses on measuring the characteristics of the individual (such as behaviour and honesty) other than focusing on performance itself: the mean score is 3.77 with a small standard deviation 0.90, with 69.9% of respondents supporting this statement.
- vii. The lack of any type of accountability for line manager responsible for preparing PA reports: the mean for the degree of conformity on the occurrence of this error is 3.76 with standard deviation of 0.96, with 62.8% of respondents expressing their agreement with the statement.
- viii. The evaluator may be influenced by the academic position of the individual who is subject to evaluation process: the mean for the degree of the agreement of the existence of this problem is 3.71 with a small standard deviation 1.04, with 68.5% of respondents expressing their agreement with the statement.

- ix. Negative or positive bias towards subordinates due to personal reasons (like similarity or differences in tendencies, common interest views and belonging to one country): the mean for the degree of conformity on the occurrence of this error is 3.69 with small standard deviation of 1.08, with 60.9% of the population in agreement with this statement.
- x. The lack of personal records which an evaluator can consult when determining the grades of his subordinates: the study reveals that the mean for the degree of the agreement of the existence of this problem is 3.68 with standard deviation 1.09, with around two-thirds of individuals in agreement with this concern.
- xi. Some managers tend to grant most members (ratees) high grades that do not really reflect their actual performance due to a ratee compliment: the mean is 3.63 with a standard deviation for 1.09, with more than one half of individuals either agreeing or strongly agreeing.
- xii. There is a tendency among raters to give ratees average evaluation due to their lack of knowledge of individual differences and capabilities: the mean is 3.53 with a standard deviation for 1.0, with around half of individuals either agreeing or strongly agreeing on the existence of this problem.
- xiii. Some supervisors tend to grant most members low grades due to their belief that there can not be any person better than themselves at work: the mean for this was 3.04 with a standard deviation for 1.14, with one-third of respondents either agreeing or strongly agreeing on the existence of this problem.

As the results demonstrate there is agreement among respondents towards the existence of the aforementioned problems. The feedback puts the performance and lack of training of raters at the top of the respondents' priority as shown in items i and ii (above). The study shows that there are no regular formal interview sessions with teaching members to inform them about their strengths and weaknesses or to discuss results and future development. Failure to give feedback on the line managers' part could result in dissatisfaction of the employees, and consequently may lead to weak performance and a lack of competence.

There are, however, a number of reasons that can affect this result. The first reason is the lack of line managers' abilities to obtain the knowledge about the measures of the PA and the basis for evaluating teaching faculties. In addition, they do not rely on previous records and other tools, which could help them conduct the process. Consequently, line managers avoid

confrontations with faculty members particularly when facing them with feedback that may be negative. Robbins (2003) confirms this in his survey of 151 area managers in Philadelphia State. The survey found that 98% of managers encountered some form of aggression after giving employees negative appraisals.

Second, the failure to provide individuals with positive feedback could also be attributed to not having the necessary skills to handle interview sessions with teaching staff (this will be discussed in detail later).

In addition, Analoui and Khoury (2004) investigate the perception of the faculty members of five public universities in Palestine. The study reveals some dissatisfaction towards the raters' role in the PAS, including lack of capability, poor feedback and a lack appraisal interviews, and a failure to apply appraisal outcomes to make beneficial administrative decisions. Anderson (1995) believes these results can be justified as the acceptance of feedback relies on the credibility of the source of the feedback and the nature of the message being conveyed to ratees. Therefore, it can be understood that teaching staff at universities are keen not only to have interview sessions, but also productive comments from line managers to help improve their performance.

The solutions for such problems are offered by Mani (2002). He proposes that interview sessions are not only important to praise outstanding performance or to improve weak performance, but also it lowers the employment costs. He believes that workers who are regarded to be productive but do not receive constructive feedback may become discouraged and eventually leave the organisation, which ultimately results in high recruitment costs for the organisation. Therefore, constructive PA feedback sessions at Saudi universities should serve three purposes: (1) universities will retain productive faculty members; (2) it will improve individuals with low performance levels; and (3) it will build confidence between teaching staff subject to PA process and line managers who conduct the process, especially when the outcomes of feedback are for disciplinary reasons, but are linked with improving performance (Reinke, 2003).

Furthermore, the results in this study shows that respondents believe that line managers are inadequate in carrying out the PA process. The extent to which PA process is effective depends on how raters maintain the objectivity of PAs. Thus, line managers at Saudi

universities should receive sufficient training courses to understand how to carry out the PA process. This will lead to achieving organisational goals in general and will increase the quality of appraising in particular. To underline the importance of rater training, Sashkin (1981) and Levinson (2003) suggest that line managers should not only be trained to handle the PA process which is extremely important, but should also be rewarded when evaluating their subordinates. They argue that there is a link between employees' development and their appraisals.

A similar finding to this research was found by Ahmed (2004) in a study conducted in the Public Service Department in Malaysia which adopted a new PAS in 1992. Ten years after the implementation, the study shows that 90% of the employees were dissatisfied with the PAS. One of the reasons was that raters did not seem to be knowledgeable or do not have sufficient skills to handle the PA process. In addition, Blackmore's (2005) study of the United Kingdom higher education system to explore a best practice framework for peer review via teaching observation produced consistent result with this research concerning receptions that line managers' skills are not sufficiently adequate. The study concluded that in order to have the peer review appraisal method succeed, training for both observer and observed before they practice is necessary.

Therefore, providing line managers at Saudi universities with the required training needed to carry out PA process is necessary. This serves a number of purposes: (1) it increases the objectivity of the PA process; (2) it reduces the compliance of and grievances from faculty members regarding their PA results; and (3) it will build confidence between line managers who conduct the process and teaching staff subject to the PA process as they will perceive that line managers are capable of handling the evaluations.

Other important problems highlighted in this study are that respondents think that the time of conducting PA process, unjustified praise (either positive or negative) with line managers, and the incidental personal characteristics of the evaluator, can all affect the quality of the PA process. These were highlighted in items iii, iv and v above. The appraiser can be affected by personal relationships he or she has with the staff member who are subject to appraisal, resulting in a non-objective appraisal with a false rating as evidenced by results in item v.

A study was carried out to discover the problems which encounter the employee performance evaluation in the Department for Organisation and Techniques in the Ministry of Health in Saudi Arabia (1995). The study found that there is a considerable convergence of views between superiors and their employees on the most important problems hindering the appraisal process. To clarify this argument, Abusaddah (1996) stresses that the existence of compliment or unjustified praise shown by some employees towards their line manager, can encourage the superior to promote an employee regardless of their true level of competence, thus corrupting the ethics of management. The reason that might determine the result found in this study is that in Saudi universities, line managers, according to the regulations, are supposed to assume responsibilities for the head of department positions for a maximum of two terms where each term is two years. Therefore, a head of department during this period of time tries to maintain a positive relationship with all members realising that another of the faculty members will occupy the position in the future and therefore be a rater.

In addition, the incidental personal characteristics such as bad mood (item v above) and the timing of evaluation, item iii above, are considered to be other problems for the raters at Saudi public universities. The PA process is usually conducted at the end of the academic year. Where there is no clear standard to conduct PA process, so the ultimate result of PA is likely to be subjective and does not reflect the actual performance. The respondents believe that the evaluation result will be constructed according to the last impression a rater has about a ratee's performance. Szilagy et al (1987) believes that there are some attitudinal and personal factors that can possibly affect the appraisal of the employee's performance, and in turn, result in the lack of validity or reliability in the results. For instance, a rater may evaluate the performance of an employee in a specific period of time and base the final rating on this period. In this case, results of appraisal are extremely affected by the time of the appraisal.

Szilagy et al (1987) also stresses that supervisors can be affected by personal qualities such as temperament, state of fatigue, and health status, which can all have an impact on the results in terms of accuracy and objectivity. In this regard, Levy et al. (2004) and Forgas et al. (2001) argue that mood has an impact on the result of the appraisal. Raters in a bad mood are apt to recall the more negative information from memory and therefore rate the level performance as poor. This corresponds to the result of this study reported above.

In addition, this study demonstrates other common problems, namely: the evaluator focuses on measuring the characteristics of the individual rather than performance; there is a lack of any type of accountability; the academic position influences the outcome; and negative or positive bias towards subordinates. These can all undermine the validity of the rating system (see items vi, vii, viii and ix above). Moreover, this study also found that line managers consider some characteristics such as initiative, honesty, and cooperation, more highly than others; and in contrast pay less attention to factors which should be the basis for constructing the performance ratings. Farr and Landy (1989:86) cited from Kane and Lawler (1979) on their early argument regarding this matter that “traits have no place in performance appraisal systems. They argue that “traits are only characteristics of individuals that serve as causes or limiters of performance levels and do not constitute performance per se”, as such “traits have no place in PASs.” Far et al. (1983) add that traits could be useful as a selection device; however, they are not legitimate substitutes for measures of performance as this is affected by factors and not traits.

In line with this, the researcher thinks that personal characteristics of the ratee are important considerations for the PA process, in addition to those aspects which focus on work behaviour and outcomes. In fact, the freedom granted to faculties, which is regarded as part of nature of academic work, requires important personal characteristics such as initiative persuasion. It is obvious, as discussed in chapter four, that the faculty members’ appraisals are not limited to teaching role but also evaluate the role in serving the university and community. Line managers and deans can nominate teaching staffs for other jobs in the university or with organisations working in the community. Thus, as Far et al. (1983) state personal characteristics can be helpful in predicting the behaviour of employees in occupying future roles.

Another problem, which was represented in item vii above, is that there is a lack of accountability for line managers when conducting the PA process. Teaching members feel that the top level management tends to give line managers a large degree of authority when conducting PAs. The reason behind this is that top management may not consider evaluations an issue that is important, instead they think it is as a routine process.

This research is supported by similar findings in Almoteri’s (1996) study, which looked at the extent of appraisers’ effectiveness in conducting the employee performance evaluations in the



Saudi Civil Service and the factors which influenced this effectiveness. The study found that the top level of management in the various governmental bodies did not support employee performance evaluation, thus causing a negative effect on the supervisors' effectiveness in conducting the process. In addition, Ribeaux (1990) believes that if PA process is not supported by top management, raters could either be biased towards subordinates or apply arbitrary ratings as shown in item ix above.

The lack of personal records which line managers can consult in order to construct the evaluation was highlighted by item x above. This consequently result the lack of accurate information about subordinates leads raters to grant most ratees either high or low or average evaluation ratings as noticed in items xi, xii and xiii above. This finding is supported by other studies. For instance, Mondy et al (2002) states that line managers promote this behaviour by ranking employees for instance highly in order to gain their employees' loyalty or to avoid being criticised when giving a low ranking to workers. Thus, many raters think that giving high ratings is an easy way to avoid criticism. In a survey conducted by the UK's Institute of Employment Studies (IES), it was found that 92% of over 900 respondents in the public and private sectors were rated either "exceptional or good/competent (Ashkanai, 2001). However, there are negative consequences because of the inappropriate evaluations. First, the PA process will not achieve the objectives for which the system was instituted. Second, it gives human resources management (HRM) inaccurate information when planning the development of HR policies, as discussed in chapter three.

In addition, another instrument to consider is the use of factor analysis, and the result of this presented in as following: as discussed in Chapter seven tables 7.16 and 7.17 which reveal the presence of three factors group with 13 factors related to a set problems related to line managers who carry out the PA process at Saudi universities. The three factors explain a total of 55.62% of the variance, with factor 1 contributing 21,465%.28% and factor 2 contributing 19,120% and factor 3 contributing 15,237%. As a result of that when factor 1 has higher Engenvalue, hence it implies that factor 1 presents problems related to line managers (raters) who conduct the PA process.

To conclude, these results confirm the findings of previous research, including Ahmed (2004), Robbins (2003), Analoui and Khoury (2004), Blackmore (2005), and the Department for Organisation and Techniques in the Ministry of Health in Saudi Arabia (1995). The findings

clearly show that there are problems that related to line managers (deans and assistant deans of colleges, chairmen of departments) who conduct the PA process. These problems hinder rating teaching staff accurately. The researcher constructed a hypothesis to test the extent of these concerns. Through statistical analysis, it has been proved that these problems do exist in the system. Therefore, the study has discovered that appraisee perceive that line managers have inadequate managerial knowledge, information and skills to carry out the PA process properly. In other words, we reject the null hypothesis and accept the alternative one that there are problems related to raters who are conducting the PA process as determined by the study findings.

### **9.5. EVALUATING THE DESIGN OF THE APPRAISAL FORM**

As discussed in chapter two, the evaluation process is supposed to be conducted through evaluation forms and according to defined standards, which should determine accurately the level of performance. In addition, they measure individuals' abilities and characteristics to carry out their current job and their eligibility to handle higher positions.

This study argues that the evaluation forms used in the PA systems in the Saudi public universities are poorly designed. According to the findings presented in the previous chapters, faculty members believe that there are problems with the current evaluation forms, which can lead to inaccurate PAs. In order to research this issue, the researcher constructed a hypothesis to determine the existence of problems related to the appraisal form according to respondents' perceptions.

Hypothesis 4: The current evaluation forms are poorly designed which could be prevent an accurate appraisal of the performance of teaching staff.

The findings show that the overall mean for the degree of agreement towards the existence of problems is 3.70 (out of 5) with a small standard deviation of 0.60. This indicates the lack of any significant variance among the respondents over the fact the evaluation forms used in the PA process are poorly designed. Consequently, the study findings prove that there are problems regarding the evaluation forms. However, when the application of the one-tailed t-test to one group shows that the overall mean for the degree of agreement towards the existence of problems in general is significantly higher than 3. In addition, the confidence

limits, which are between 3.61 and 3.78 for the overall mean of the population, indicate the degree of agreement towards the existence of such problems.

The study shows that as the mean value is higher than 3.0 for all five problems (see chapter seven for the analysis), each prevails in the PA system, as demonstrated in tables 7.18 and 7.19. The results of the analysis are listed in order (from highest to lowest) as follows:

- i. The same evaluation form is used to appraise the performance of teaching staff regardless of their academic positions: the mean for the degree of agreement towards the existence of this problem was 3.98 with standard deviation of 0.93, with 72.6% of respondents strongly agreeing and agreeing.
- ii. The lack of objective criteria stem from inconsistencies with the job description: the mean for the degree of agreement towards the existence of this problem was 3.76, standard deviation of 0.95, with 63 % of respondents expressing support.
- iii. A lack of balance in weighting the main evaluation factors (For example granting capability factors and personal characteristics higher or equal to the performance element): 63.9% of respondents answered strongly agree or agree, with a mean of 3.74, with standard deviation of 0.82.
- iv. More attention is given to the style of the form than to the content: the mean for the degree of agreement towards the existence of this problem was 3.55, with standard deviation 0.93, with 54.9% of respondents expressing support.
- v. Using unclear terms in the evaluation form which the evaluators interpret differently: the mean for the degree of agreement towards the existence of this problem was 3.46 with standard deviation 0.94 with 59.4% of the respondents expressing support.

It can be inferred from the findings that there is an agreement among respondents towards the presence of the aforementioned problems. Therefore, this is part of the source of the consensus on dissatisfaction among faculty members towards the appraisal forms. The findings of the study show that the evaluation factors and standards used in the forms do not stem from the academic job descriptions, nor do the characteristics of academic jobs.

As shown in item i above, respondents were not happy that the same form is used to appraise the performance of staff at different hierarchical levels. To support this result, Merritt (2007) and Fletcher and Williams (1985) also argue that when organisations tend to use the same

form for all positions regardless of type or grade, along with the same weighted scale for all traits, the rating scales do not reflect the characteristics necessary for effective evaluation. However, the researcher argues that using the same form when evaluating individuals' performances is not the issue in the Saudi universities subject to the study. The problem is centred on the competency of the forms in accurately appraising performance for individuals, as is highlighted by the findings in items ii, iii, iv and v above.

As noticed in findings for the item ii above, it is clear that majority of respondents believe that there is an inconsistency between the academic job description and the standards used in the rating process. In this regards, Abu-Sadda, (1996) stresses that generally, preparing a form depends heavily on the objectivity of the standards and how they are relate to the job requirements. Using more than one appraisal form for jobs is necessary when each job has different classifications and requirements. For instance, the qualifications needed for a job in the middle organisational level is different than those required for a job at lower levels. However, academic jobs are obviously classified as one job with same requirements and responsibilities regardless of the academic position.

Academic staff carry out and share the same responsibilities regardless of the academic position they occupy. Thus, having one form that includes clear standards and balanced and sufficient factors is appropriate. In support of this argument, Abu Sadda, (1996) and Eccles (1991) contend that one of the issues which should be considered when using performance evaluation forms is that the type of form used should relate to the type of job they evaluate.

Al-Shehri (2005) conducted a study to identify the reasons as to why the head of the Saudi university departments may not be satisfied with PA evaluation forms with respect to the goals that should be achieved. Al-Shehri's findings, which are consistent with the results of this research, show that most heads of departments in the Saudi universities are dissatisfied with the form used to evaluate staff members' job performance. The reasons for this are represented in a number of issues. First, heads of departments are not satisfied with the form because there is an imbalance between the factors the form assesses and the importance of those factors and also because there are insufficient measures. Second, some of the factors lack specific definition. In addition, it does not take into account student evaluation, nor is there sufficient attention given to the staff member's role in the fields of university and

community service. To conclude, the findings of the Al-Shehri confirm that universities are suffering from poorly designed evaluation forms.

On reflecting on the results of this study and that of Al-Shehri (2005), it is important to state that in order for the evaluation form to be precise and objective when determining performance and also in discovering points of strength and weakness, it should be reflect the nature of the job and the circumstances in which the job is done. Clearly, forms used in evaluating university teaching members are not valid in other public institutions. Academic staff carry out and share the same responsibilities regardless of the academic position they occupy. Thus having one evaluation form with clear standards and balanced and sufficient items is appropriate and expressive to evaluate faculties' performance. However, it should be noted that the respondents did not support this position.

In conclusion, in reflecting on the findings, discussion and the statistical analysis in chapter seven the study rejects the null hypothesis which states  $H_0: (\mu) \leq (3)$ , which suggests that the forms are well designed, and in turns accept that the mean ( $\mu$ ) is higher than 3. In other words, according to the responses, it is accepted that the evaluations forms used to evaluate performance are poorly designed and hence there are problems with them.

## **9.6. INADEQUATE PROCEDURES AND PROCESSES**

It is emphasised in the literature review that the introduction of PA regulations and procedures are recognised as an important issue for organisations, due to importance of the information which is obtained from the PA process. This importance draws on the fact that the information obtained is assumed to be used as a basis to improve employees' performance and to make administrative decisions (see chapter three). In Saudi public universities the information obtained does not appear to be used to improve performance or help to make administrative decisions. Therefore, the current study argues that the procedures and processes used in the current PA systems are at Saudi public universities are inadequate. There are problems with the current procedures and processes, which hinder administrations from obtaining accurate evaluations of the performance of individuals. The researcher formed a hypothesis to determine whether or not respondents agreed with the view that these problems existed.

Hypothesis 5: There are problems related to the procedures and processes which could be a barrier to accurate assessment of performance of faculty members.

The results of the survey indicate the overall mean for the degree of agreement towards the existence of problems was 3.67 (out of 5), with a small standard deviation of 0.77. This indicates the lack of any significant discrepancy among the respondents over the existence of such problems. The one-tailed t-test to one group shows that the overall mean for the degree of agreement towards the existence of problems that prevent accurate appraisal of subordinates from the point of view of the respondents is significantly higher than 3. In addition, the confidence limits for the overall mean of the sample are between 3.56 and 3.78, which indicates a strong degree of agreement towards the existence of such problems.

From table 7.21 it is possible to rank these problems in order (from highest to lowest) according to the responses:

- i. Failure to set a precise objective evaluation process that is consistent with the objective of the performance appraisal system: the mean for the degree of agreement towards the existence of this problem is 3.73 with standard deviation of 0.94 and with 62.2% of respondents strongly agreeing and agreeing.
- ii. Give universities freedom to decide the element/s or criteria of PA process without the intervention of the Ministry of Higher Education: the mean for the degree of agreement towards the existence of this problem was 3.69 with standard deviation 1.17 and with 59.4% of respondents strongly agreeing and agreeing.
- iii. No suitable periodical timing should be specified for evaluation 'each semester' instead of having the evaluation only once a year: It emerges that the mean for the degree of the agreement of the existence of this problem is 3.57 with standard deviation of 1.2 and with 57.7% of respondents strongly agreeing (41.4%) and agreeing (18.3%).

Supporting these findings David et al. (1994:10) state that:

procedures is the structure in which decisions making take place...The procedures for performance appraisal facilitate the gathering of evidence concerning performance, establish criteria for the weighing of the evidence and establish a flow of recommendations and information from one academic or administrative level of the organisation to another.

In reflecting on the results of this study, it should be mentioned that the majority of the teaching staff are disappointed with the procedures and processes used to carry out the PA process as the results of item i above determine. This finding confirms the results highlighted in section 9.3 items i, in which faculty members do not consider think the PA to be objective and fair. However, as mentioned in section 9.3 the problem is not limited to the systems' characteristics of objectivity and fairness, but examines the application of the PA system in practice in order to make it a legitimate process. In this regard, Matthes (1992) suggests that the best way to avoid a costly lawsuit (assuming that an employer has already been formally appraised) is to train supervisors in proper evaluation techniques and procedures. Therefore passing appraisal forms to line managers without giving them clear instructions in how to carry out PA process is a major error.

Although the number of public universities has increased dramatically in Saudi Arabia, the procedures that are supposed to lead to the achievement of PA goals and objectivity are not consistent with appraisal purposes. Recently the academic role and the duties of faculty members towards their universities and societies have increased; staff members feel that the PA processes are inconsistent with the duties they exercise.

As noticed in item ii teaching members believe that each university should be given the opportunity to construct its own PA method without interference from the Ministry of Higher Education. It was explained in chapter four about the role that Ministry of Higher Education plays in affecting the strategy and planning for public universities. The Saudi Higher Education System tends to be centralised as it is largely controlled by the Higher Education Supreme Council (HESC), which is regarded as the highest educational authority, responsible for all educational and academic activities.

As it was mentioned before that the number of public university has grown dramatically since 2003, the Ministry of Higher Education may no longer be capable of controlling university policies and in particular HR policies. Therefore, in order to improve efficiency, universities should be given more autonomy to decide on a suitable system for measuring faculty members' performances. In fact, each university needs a plan, which is compatible with its expectations and its HR policies in order to serve society. This is supported by the participants as mentioned above.

In terms of the frequency of PA process, 57.7% of respondents suggested that PA process should be conducted more than once during the academic year, which is the general practice which has been considered in the proposed model. However, the proponents of this idea accept that paperwork and technical assistance may place an extra workload on managers (Sashkin, 1981).

However, the researcher suggests that the PA process is not limited to completing the reports at the end of evaluation interval. Instead, the process should be held frequently throughout the academic year. In this regards, Henderson (1980) states that running the PA process more than on an annual basis is important. He believes that the once a year appraisal may either over-emphasise or underplay employees' activities because the rater has to rely heavily on memory. Therefore, the PA method used should promote an ongoing evaluation process to ensure the accuracy of the evaluation process.

To conclude, the findings of the study indicate that the majority of the teaching staff are dissatisfied with procedures and processes used in the PAS. Thus, as was explained in chapter seven, the research rejects the null hypothesis which states that the  $H_0: (\mu) \leq (3)$  and that the PA procedures and process are adequate. However, as mean value is higher than 3, then the study concludes the procedures and processes are inadequate.

## **9.7 THE IMPACT OF PA RESULTS ON HUMAN RESOURCES (HR) POLICIES**

It was discussed in the literature review in chapter three that PA outcomes should play a significant role in influencing HR policies. Furthermore, as Schuler and Huber (1993) argues HR policies refer to the general guidelines that develop HR practices and activities which are used by organisations in order to increase individuals' performances. In addition PA outcomes are referred to as the results obtained from the PA process which is supposed to reflect the quality of individuals' performances. The approach of the study in this case is to examine the role that the PA results play in contributing to employee development and other HR practices.

To investigate the impact PA outcomes have on influencing HR policies the researcher developed a hypothesis to discover the respondents view on the purposes of carrying out PA processes.



Hypothesis 6: Those who are in charge of faculty members do not depend on the results of the current performance evaluation system when making decisions related to the future (eg promotions, remuneration) of those faculty members.

As the findings in earlier chapters indicate 54% of respondents believe that the decisions over the future of faculty members do not depend on the outcome of the performance evaluation system, while there are 46% believe the opposite. Hence, according to binomial statistical test, the study has divided respondents into two groups. Group one comprises staff who believe that authorities do not take into consideration PA process results in HR affairs, but instead authority rely on other techniques. The second group considers that the administration depend mainly on the result of PAs when making decisions related to faculty staff.

### **9.7.1. Group One: Authorities Do Not Take into Consideration PA Results in Human Resources Affairs**

With respect to group one, respondents believe there is a failure to apply the results of the PA process to decisions concerning faculty staff. Therefore, respondents were surveyed in order to determine other methods they considered that the authorities used for making important decisions related to HR practice, such as promotion, pay increases, training and dismissal.

#### **9.7.1.1. Promotion**

The study reveals (see table 8.2) that according to 60.7% of respondents the most common method used to determine promotion decisions is based on regulations rather than performance. In other words, respondents feel that there is no relation between their appraisal results and promotions decisions.

Ministry of Higher Education regulations states that to be eligible for promotion, a faulty member must have spent at least four years in the current academic position. Also a member needs to publish at least four publications, two of which must be sole authored. In addition, the promotion decision is conducted not through the line manager but by a committee, the Scientific and Academic Council, which is regarded as body of the university and reports directly to the university president. The Council's role is to ensure that decisions regarding promotions are based on the requirements discussed above.

According to the results highlighted in table 8.2 that 15% of respondents (of this group one) believe they should maintain a good relationship with the Scientific and Academic Council in order to get promotion. Respondents believe that maintaining a strong relationship with Council members can positively affect decisions in relation to promotions and that these are not related to academic performance. This result does not contradict the result displayed in table 8.3 for group two in which respondents believe that their promotions decisions depend on the PA process. It is noticeable that faculty staff, regardless of the nature of the PA process, have to meet certain Ministry of Higher Education regulations.

However, the researcher suggests that the selection of a faculty member for a promotion should be based on competitive selection other than unsuitable requirements. Although promotion selection should be in part reliant on research efforts, there is another essential requirement, which ought to be part of promotion decisions. Taking into account PA results along with the Scientific and Academic Council decisions are essential. It gives faculty staff incentive to compete and also ensures the fairness and objectivity of the system when deciding on promotions. In this regard, Ribeaux (1992) stresses that information obtained from PAs can be an objective instrument to help management make promotion decisions. Furthermore, when the PA system is fair and accurate, it can predict promotions that lead to high performance. Thus, linking promotion with the outcomes of PAs is considered to be an impartial action because it enables Scientific and Academic Councils at universities make decisions related as to who are qualified for higher academic positions.

In addition, Hannagan (2002) argues that there is another reason for using PAs in decisions about promotion and that is directly related to employees themselves. When an employee knows that promotions are given according to merit, he or she will perceive organisational justice. However, unfair discrimination concerning promotions will act to demotivate employees. Therefore, it is vital that promotion decisions are based on competitive selection rather than unsuitable factors.

In a similar study to this research, Shaiban (1989) carried out a study on the experience of the PA system in the public sector in the Sultanate of Oman. The study aims to identify the aspects of strengths and weaknesses of the system. Furthermore, the study tries to identify the problems and difficulties which face administrative officials when evaluating performance. The findings of the study, which support the results of this research, highlight that there are

indicators that evaluation positively affects HR policies in terms of promotions, financial increments, and training needs. Hence, it can be argued that using PA results makes promotions meaningful. In addition, David et al. (1994:109) states “PA is the basis upon which promotion, tenure, renewal and salary decisions are made. It is not enough to create a fair and ethical performance appraisal system without identifying how measured performance will be translated into rewards and punishments.” In line with this argument and the results of the research, promotion decisions in the Saudi universities should be mainly based on PA results.

#### **9.7.1.2. The Annual Pay Increment**

The findings of this study in table 8.2 demonstrate that the foremost technique used in determining the annual pay increase is related to the time the faculty members have spent in their academic positions; teaching staff get an annual fixed permanent increases. Unsurprisingly, therefore, 70% of respondents believe that decisions about their salary increases are not based on the results of their appraisal, but that the decisions are built into the system. This means that regardless of performance, outstanding, adequate or poor, the outcomes is equal in the government’s remuneration and compensation system.

This type of fixed increase is considered to be related to job security. As Bach (2001) argues when job security is a valued reward at work, employees will be unwilling to support merit pay. This type of increase is commonly used in public sector organisations in order to motivate workers and to increase their performance. Employees are awarded a fixed proportion of their basic salary as a motivation to improve their performance.

However, Saudi universities should link increases in wages and financial promotions to faculty members’ performance, as a merit based payment system. In line with this study, Far and Landy (1983) state that there are two intrinsic models of financially rewarding employees. The first is that workers should be paid in direct proportion to how well they perform their assigned duties, while in the second individuals’ rewards are weighted according to the contribution of their job title to the ultimate profitability or viability of the organisation.

It can be said that linking pay increases with the outcome of PA is essential. This relationship is considered a means to fulfill part of the PA objectives to recognise to strong performance.

In addition, this will increase the loyalty of teaching members and give them a feeling of organisational justice.

### **9.7.1.3. Training needs**

As mentioned in chapter three, one of main purposes of PA is to translate employees' weaknesses into training needs, in order to improve performance or to carry out other job responsibilities (Kirkpatrick, 2006; Randell and Packard, 1984; and Schuler and Huber, 1993).

The results of this study disclose that 60% of respondents believe that universities are not utilising PA results when determining training needs for staff. To illustrate this, faculty members are not consulted on the evaluation forms to determine their training needs. Furthermore, if a university for example, introduces new technology which helps staff carry out their responsibilities in a more effective manner, faculty members are required to take training to serve this purpose. Hence, the training programmes are imposed on the members. Furthermore, only 40% of respondents believe that undertaking training is one of the requirements needed to be promoted to higher academic positions such as head of department or a deanship. In general, faculty members argue that universities do not utilise the PA result to determine training needs.

The training programmes at Saudi universities for instance, are determined by new training programmes which top level management thinks it is useful for teaching staffs to take. However, unfortunately the programmes are not determined through the actual needs for training as determined by the PA results as the evaluation form determined that in chapter five.

This result was confirmed previously by the results of group two in which respondents believe that their management use PA results to determine their training programmes. The result shows that only 5.6% of the respondents (see table 8.3) believe the top management uses PA results for that purposes.

In a study in Kuwait, when 1,000 public workers were surveyed to understand the effect of PA results on recognising employees' training needs, 78% of respondents confirmed that PA information plays an important role in determining their training needs as individuals (Ashkanani,2001). However, Far and Landy (1983) stress that PA data is extremely important

in determining training needs of individuals and groups. For individuals, the process in this case is referred to as diagnostic counselling and intervention, when the process refers to groups it is called needs analysis.

In addition, PA results can help to judge the effectiveness of training programmes. As Al-sallami (1985) states according to the training programme a worker has received, PA data at the end of a performance period can show the consistency between the training programme and the effectiveness of performance. Therefore, Saudi universities should link training needs to the results of appraisal. Usually the evaluation forms include performance factors through which line managers can discover the weaknesses of faculty members and therefore determine their training. Thus, it can be said that PA results are considered to be a vehicle which guide top management to determine right programmes to overcome faculty member's weaknesses.

To highlight the importance PA result in determining training needs as this study suggests, Abu-Doleh (2007) explored the attitudes of HR managers in private and public sector towards the functioning of their PASs and the way how these are implemented in Jordan. The study concludes that the PA information in private sector had greater impact on the HR functions including identifying training needs, than in the public sector. This result validates the findings of this study.

It is essential, therefore, for the interests of Saudi universities to understand that PA results are important in determining and evaluating the validity of training programmes. The failure to take advantage of PA results to determine training needs will result in a misuse of resources with resultant unnecessary financial burdens on the universities.

#### **9.7.1.4. Dismissal**

Termination of an employee is regarded one of the toughest decisions that has to be taken by management. However, Taylor (2002) in this regards emphasises that it is sometimes unavoidable to dismiss workers on grounds of unfitness and miscomputing job responsibilities.

The findings in this study reveals that respondents suspect that top management, when making decisions concerning dismissal, do not rely on the results of PAs; 80.6% of

respondents believe these decisions are merely the result of not fulfilling of job responsibilities correctly. This result is depicted in table 8.2, which reflects the opinion of respondents of group two, as will be discussed in the next section.

The Ministry of Civil Service's rules and regulations concerning dismissal are very restricted. The rules state that lay-off must be for fair reasons such as poor conduct of job responsibilities, continual absence, persistent lateness, disloyalty and refusal to carry out commands. These reasons must be justified in law.

Faculty members believe that decisions concerning dismissal are taken according to the regulations issued by the Ministry of Civil Services and not according their PA results. In fact, the high level of academic freedom afforded to faculty members makes it difficult for the administration to make an actual judgment about the negligence of an employee. For instance, faculty staff do not have to sign sheets that show they were when they gave classes or indeed when they were in the office. Therefore, Far and Landy (1983) argue that in order to make a legal dismissal, managers should rely on authenticated resources that legitimate the process of dismissal. In this case, PA information is a fundamental resource that managers can employ. At the end of the evaluation period, a line manager is supposed to conduct an interview session to discuss the appraisee's performance and to see the extent to which the agreed objectives have been achieved. This allows the rater to make correct decisions.

Finally, in support of the findings of this study, Mohrman et al (1989) argue that organisations should have PA systems that evaluate employee performance, the results of which must be used decisions such as terminations.

### **9.7.2. Group Two: Authorities Take into Consideration PA Results in Human Resources Affairs**

Group two includes those respondents (46% of the total sample) who feel that universities' administrators mainly depend on the results of PAs when making decisions related to the affairs of faculty staff.

As shown in table 8.3 respondents perceive that appraisal results were used for the following HR decisions: promotions (34%), dismissals (28%), selecting (11%), annual raises (6%), training needs (5.6%), future planning and development (5%) and incentive bonuses (1%).

However, the researcher argues that the low level of support from respondents indicates that the PAs are not used successfully.

Respondents were given the opportunity to choose the most common factor that was based on their appraisal results. As can be seen, promotions and dismissal received the highest level of support. These results could be attributed to the fact that most faculty members are non-Saudi, who are engaged on annual contracts. This means that only promotions and dismissal decisions are a relevant part of their PAs, as these decisions determine the renewal of their contracts. Furthermore, they also determine the promotions even at the member's home university. At the end of the contract and upon the request of non-Saudi member's home university, the Saudi university has to provide the PA results for the faculty member and the academic position held at the end of the contract. Therefore, faculty staff want to be assured that the evaluation systems are objective and fair, and reflect their actual performance.

Saudi faculty staff also share the views of non-Saudi members, as decisions concerning promotions and termination of contracts are important to them. Hence, the two key concerns about their tenure are being fired (for example, if a member does not handle the academic duties properly) and promotions (the member may fail to get promoted if the requirements for promotion have not been fulfilled). This study established that although some respondents believe PA results have an impact on HR practices, the impact is regarded as very limited.

In addition to the findings discussed in the previous sections which have highlighted the dissatisfaction of respondents with the current HR decisions, the study further divides respondents into two groups in terms of satisfaction with the PAS; group one in which 74% of respondents believe the current PASs need to be changed; and group two in which 26% of respondents believe the PASs are efficient. However, group one emphasised the importance of changing or amending the current PA system based on the seven reasons depicted in table 9.1. The respondents were given the choice to rank these reasons according to their perceived importance to them marking 7 against the most important reason, 6 for the next most important reason and so on down to 1 for the least important reason.

**Table 9.1: Reasons for the Need of Changing the Current PA System**

Reasons ranked in order according to their importance	Average ranking
The current system is based on the personal judgment of head department	5.01
The current system does not provide a precise and fair judgment between teaching staff and their line managers and between teaching staff themselves, and there is a possibility of bias	4.97
The current system lacks objective criteria upon which the assessment is based	4.89
The current system does not meet the objectives for which it was established	3.90
The current system suffers shortcomings in its rules and procedures	3.77
The current system is used as a means of punishment means rather than using it to improve the efficiency and performance of teaching staff	3.06
The current system leads to bad relationships between line managers and faculty members.	2.37

Hence the researcher believes that there should be a new PAS that is objective and fair and does what it was established for.

However, the research highlights the differences between the aforementioned two groups of respondents according to certain demographic variables (college, academic position, age, time of experience, and nationality) as outlined in hypothesis seven. As was mentioned previously, the faculty members were surveyed regarding their general satisfaction with the PAS to which they are subject. The study segregates faculty staff into two groups: group one, in which respondents believe the current appraisal system is not efficient and consequently needs to be amended, and group two, the respondents of which believe that the current PA system is perfect and does not need to be amended.

Hypothesis 7: The differences between respondents who believe the current performance appraisal system is perfect and therefore does not need to be amended and those who believe the opposite depend on demographic variables: college, academic position, age, years of experience and nationality.

The hypothesis was tested with the use of the Chi-square test. The result shows that there is a significant difference among respondents about whether or not the PAS needed changing: 145 of respondents felt it was necessary to change the current PA systems, while 54 did not.

However, the p value determines that of all the demographic variables only nationality and years of experience are significant (see table 8.4). The calculated level of significance for



years of experience as a demographic variable is 0.048, which is less than the level of statistical significance specified in advance by the researcher (i.e.  $\alpha = 0.05$ ). In addition, the nationality variable, appears to be significant as its probability value is 0.04, which is less than the level of statistical significance, i.e.  $\alpha = 0.05$ .

Therefore, the differences between the two groups could be attributed to nationality and years of experience. In the case of nationality, most faculty members at Saudi universities are non-Saudis, with different cultures and backgrounds, and hence different expectations. Obviously, they had been subject to different PAS in their home countries and look forward to being subject to a valid and reliable PAS that will accurately reflect their performance. As has been mentioned previously, the PA results affect their tenure and promotions at their current university and affect their future careers when they go back to their original universities.

Second, individuals with more years of experience have the tendency to view the PAS more negatively than their less experienced colleagues (see table 8.6). For example, 82% faculty members with more than 20 years of experience are in favour of amending the PAS. In other words, 38 out of 46 members who have more than 20 years of professional experience believe that the current PAS needs to be amended.

It can be argued that the above results are rational. The more experience faculty members have the higher the likelihood that will have assumed responsibilities as chairmen or deans and, consequently, have conducted the PA process. Therefore, their cognitive perception, towards the importance of PAS in improving faculty staff's performance and also, the importance of PA results to make rational administrative decisions and in improving HR policies, will be have increased significantly.

In addition, another attempt was made to identify the segment of respondents who want to amend the current PAS and the segment of those who do not want by combining the five variables (college, career level, length of service, age and nationality) as one group. In this regard, the study utilises the discriminant analysis test. The result determines that there is no discrepancy between the two groups.

In summary the majority of respondents are not happy with current PASs and are keen to have a new PAS that avoids the shortcomings of the current ones. In addition, the research

reveals that the differences between the two groups are attributed to nationality and years of experience.

## **9.9. PROPOSAL FOR NEW PERFORMANCE APPRAISAL PROCESS: AN INTEGRATED AND DYNAMIC SYSTEM**

In order to improve the PA process currently applied in Saudi universities and to improve faculty members' performance, this section presents the elements and features of the 'integrated six stages best practices performance appraisal model'. The new model is based on the findings of this study. The model benefits from characteristics drawn from PA models discussed previously, including as the model for PA management (SOFIA) and evaluation process discussed by Grote (2002). As indicated in the literature, a number of activities have to be completed effectively in order to reach a six stages integrated and dynamic model that proves to be efficient. These stages are: (1) planning for PA; (2) performance execution; (3 and 4), performance assessment; (5) interview; and (6) action. The following sections present these activities and also the features of the proposed integrated and dynamic model.

### **9.9.1. Stage One: Performance Appraisal Planning**

The first stage in developing an efficient PAS is PA planning which should occur at the beginning of the academic year in order that all parties understand their objectives within the system. In this regards, the researcher, in line with Grote (2002:21), believes that, PA planning is a discussion between line managers and subordinates in which both have to determine the goals and objectives that have to be achieved. This process has to be conducted individually between the line manager and the subordinate. It gives both line managers and teaching member the opportunity to share ideas, explain job requirements, to discuss subordinates' expectations and competences and link them to the job description. Consequently, it gives line managers an idea of how subordinates can achieve agreed goals. Also it provides the subordinate with clear ideas about his duties which make him/her able to carry out his/her responsibilities with a high level of confidence and certainty and also in the way the organisation expects (Grote, 2002). In this regards, Murphy and Cleveland (1995) believe that, according to some studies, employees are satisfied with the appraisal process when they are able to provide input into the process. In addition, employees are satisfied when they have knowledge about the dimensions and procedures of the evaluation.

Consequently, they will be more willing to accept the result of PA and the decision resulting from PA outcomes.

The agenda of the PA planning discussion, based on the outcomes of the research, this study argues that the PA planning discussion should cover the following activities

- Both line manager and subordinates have to come to an agreement on the ratee's key responsibilities and the job description (within the limitations imposed by the organisational goals and objectives) as these are considered to be essential ingredients that determine which skills should be evaluated and what standards are expected. Also, the teaching member may include in his/her responsibilities unique perspectives on their job role which may not be included in the formal job description. In addition, reviewing job responsibility may suggest the need for significant changes relating to salary, promotion and training needs. This stage should start with a review of previous ratings over the past two years.
- This stage needs to develop an understanding of the goals to be set as this will impact on the appraisal. To some extent academic goals tend to be tangible goals which each faculty member can achieve using his/her own style and ideas. In this respect, Lyster (2007) calls these types of goals 'smart goals' in which subordinate should be able to achieve the goals within a well-defined time frame, whether one week or one year from the date of the performance review. In order to determine the reasonability of goals and objectives, line managers can recall from previous ratings reports the performance of teaching members. It is important for the faculty member to integrate his/her objectives and goals with organisation's (university) goals and objectives.
- There is a need to identify the most important competencies that the subordinates should display in achieving the agreed goals. This could be obtained by linking faculty member's goals and expectations with those of the university.

It is also important to identify the senior faculty members who will be sharing the appraisal with the rater. It is recommended that the rater should be familiar with the PA process for which they have assumed responsibility in their role as chairperson, dean or assistant dean. The peer reviewer should have a low load of teaching in order to conduct the PA process as an advisor. Furthermore, in order to complete the PA process, the university should adopt an evaluation form that is adequate and easy to use within the system (Lyster, 2007). Finally, it

is, also, important to determine the performance factors and traits upon which subordinates will be appraised upon.

When planning for PA it is important to consider internal and external factors, which may influence the performance of faculty members and, in turn, affect the outcomes of the PA process. Internal factors in the organisation include, among others, organisational culture, leadership style, and financial issues. External factors include the degree of economic and political intervention from the Ministry of Higher Education on university decisions as these will influence the organisation and consequently individual performance. This view is supported by (Analoui and Khoury, 2004).

Finally, both line managers and senior raters should participate in a workshop at the beginning of the year to inform them of the legal way in which the PA process should be conducted. The workshop should cover how the PA process and interview sessions should be conducted and also to acquaint them with the procedures to make the PA process legitimate.

### **9.9.2. Stage Two: Performance Execution**

Once the first stage of PA planning has been completed, the second stage starts with the execution of the process. It is closely related with the next stage in which appraisers observe and appraise the performance of subordinates. This stage contains two sets of responsibilities: those of the line manager and those of the teaching member. It is also important to bear in mind that these responsibilities are subject to each university's strategic plan and vision and responsibility towards society.

In this stage in particular, the researcher believes that line managers should create motivational conditions which give the subordinates the incentive to perform to the highest level of performance and to solve performance obstacles which may occur when subordinates carry out responsibilities. This view is supported by Grote (2007). In addition, it is important for line managers to check for the accomplishment of the agreed goals. Also, there are situations where the agreed goals have to be updated as conditions change. Therefore, superiors have to encourage and maintain open communications with subordinates to discuss issues and concerns related to their performance and accomplishment of their goals.

In addition, it is important for line managers to provide subordinates with opportunities to develop when there are challenging situations and also provide them with support, feedback and coaching for success.

In the academic field, it is obvious that teaching staff have been granted a wide range of academic freedom when setting their goals and devising ways to achieving them. Thus, subordinates are subject to a lesser degree of supervision and control than would be expected outside of academia. As a result, it is important for them to seek feedback and coaching from, and to maintain an open communications channel with their raters, because they will subject to informal and formal appraisal, which is vital to determine their ratings results.

### **9.9.3. Stages Three and Four: Performance Assessment**

Performance assessment is the critical stage in which superiors have to determine how well teaching members have performed over the course of the year. The benchmarks for evaluating teaching members are their efforts, behaviours and contributions in the course of academic year towards achieving the agreed goals and objectives through using the principles of management by objectives model (MBO). This stage is divided into two interacted stages: formal and informal assessment.

Informal evaluation is regarded as a process to ensure the ability of subordinates towards achieving pre-agreed goals and objectives. In this respect, Analoui and Khoury (2004) stress that informal evaluation is a process, which is continuous, as it is essential to build a partnership between appraisers and appraisees in which both can view mutual goals. In addition, it helps superiors to maintain coaching and provide feedback.

The researcher believes head of departments should enforce ‘critical incident’ as an evaluation method during this informal process to allow positive incidents to be praised and negative incidents to be avoided in the future. Therefore, at least twice in the academic year (Analoui and Khoury, 2004, suggest one each semester) line manager should conduct a short informal meeting in order to inform teaching members about their progress and give them the opportunity to enhance any poor performance before conducting the formal appraisal. In addition, Lyster (2007) adds that this helps both superiors and subordinates to reconnect and revise goals or objectives.

Regular and open communication between supervisors and subordinates is vitally important in any performance management system; and hence, it is very important for superiors to handle the informal process properly in order to make the formal evaluation acceptable to teaching members. In addition, it will help raters conduct formal appraisal interview sessions more easily, which in turn will have positive effects on job performance and job satisfaction (Anderson, 1993).

Formal appraisal is normally conducted by filling out the evaluation form. The process takes place at the end of the academic year. It is regarded as a summary of what have been discussed in the informal evaluation. In other words, formal evaluation is merely regarded as the abstract or summary for informal assessment. This process should start with HR department providing certain information about teaching members including, name, qualifications and the grade of ratings for the last two years. This should be followed by a self-appraisal in which each faculty member is given the opportunity to evaluate his/her previous performance and record achievements, strengths, weaknesses and problems that have hindered him/her from reaching the necessary standards. This view is supported by (Analoui and Khoury, 2004). In addition the ratee should include efforts, that they consider are worthy of mention and should be included in the ratings.

The researcher, in line with Analoui (2002), stresses that the formal process should rely on multiple sources of information (formally known as the '360 degree model') in order to appraise teaching members. Hence, the information is gathered from different sources, including student evaluation, line manager, and peers which should be all reflected in the evaluation form. Furthermore, faculty members should be given the chance to input into the appraisal of their line manager.

#### **9.9.4. Stage Five: Interview**

The interview is the stage where each faculty member should receive feedback on their performance, and therefore it constitutes an essential element of an efficient PAS. In this stage a documented meeting should be held between the line manager and the teaching member. Both appraiser and appraisee should prepare the required documents before the meeting. Line managers should inform subordinates in advance about the place and time.

(Analoui and Khoury, 2004). Furthermore, appraisee must be given the opportunity to argue and fairly defend his position in case of poor performance

In addition, the researcher argues that the meeting should also be attended by a senior line leader. The reason for this is that the interview session is to a degree critical, and hence tensions may occur. As a co-evaluator, the senior line leader can intervene when necessary to overcome and reduce any tensions during the open discussion. Moreover, evaluators should ensure the confidentiality of the results of the interview in order for the interview to be successful

#### **9.9.5. Stage Six: Action**

In the previous stage it is important to assess to what degree the teaching members have achieved the pre-agreed goals and objectives set at the first stage. The sixth stage is when administrative decisions (action) should take place according to the result obtained from the PA process. It should be noted that after the interview stage, a formal report should be submitted to the Dean of the Faculty for the necessary action to be taken for the development of individual capabilities according to the identified issues. Thus, action points are in the remit of the Dean of the Faculty.

The performance of teaching members can rate as unsatisfactory, satisfactory or outstanding according to the performance related to the agree goals and objectives. Faculty member with extraordinary performance should be recognised by university and rewarded financially and in other ways which may include offering promotion, scholarships and sabbaticals. However, individuals with poor performance, it is important first to ascertain why this unsatisfactory performance arose: because of the poor performance of the teaching member or due to internal or external issues. The appropriate remedial action can then be put in place by promoting development plan.

Since justice should be an essential part of the PAS, each university must link managerial decisions to the results of PAs. Supporting this argument, Farr and Landy (1989) state that there are two intrinsic models for financially rewarding employees. First, workers should be paid in direct proportion to how well they perform their assigned duties or second, individuals' rewards are weighted according to the contribution of their job title to the ultimate profitability or viability of the organisation. In addition, Farr and Landy (1989)

emphasise the importance of the PA results in promoting employees and determining training needs for individuals and groups. For individuals, the process in this case is referred as 'diagnostic counselling and intervention'; whereas the process refers to training group is called 'needs analysis'.

In addition each university should take advantage of the results to benefit the HR policies. As stated by Anderson (1993), the information provided by PAs if utilised and analysed properly can result in good planning and implementing of HR policies. Thus, HR policies, such as training needs, promotions and selecting, should be determined by the PA results and not according to the whims of administrators.

Finally, it is crucial to continuously review the whole PA process to ensure the integrity of the PAS. Reviewing and evaluating the PAS ensures that the various elements of the PA cycle have taken place in the way intended. This responsibility should be primarily undertaken by the HR department, as it is responsible for planning and developing best practices for employees (Anderson, 1993). Using a different range of approaches will make the process dynamic and help the PAS to be considered as a result-oriented process. Hence, the review process help to ensure that not only the results but also the processes involved in reaching results are assessed (Anderson, 1993).

It should be noted that action stage is not regarded as a last stage, but merely the stage, which then feeds into the first stage of the cycle in the next academic year. The main goal for the proposed PA system is to increase the productivity and the satisfaction of the teaching members which ultimately lead to the achievement of university objectives. Thus, if the system fails to achieve these goals, the review process should discover the reasons behind this and the administration should implement plans to overcome this for the next cycle of the PAS.

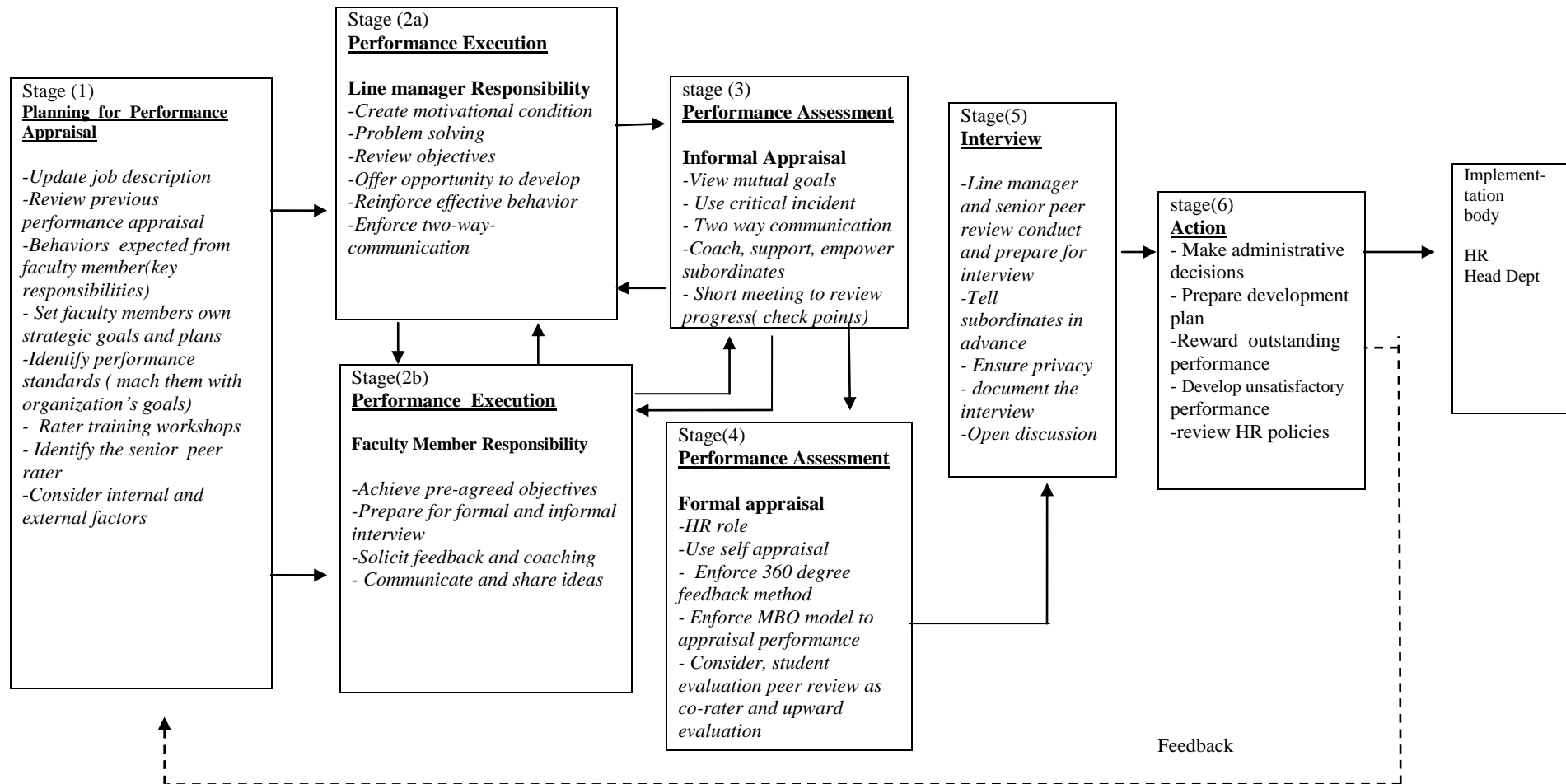
It is important that the actions determined and defined should be executed and implemented in an efficient manner. While this is the responsibility of the HR department, it is important that an additional 'Implementation Body' should be formed to prevent any intervention and shortcomings in the implementation of the actions. This implementation body should be formed within each university to enforce the actions with the objective of eliminating any internal or external influences, which may influence the results of the PAs. Patronage and



nepotism is an important issue to be considered in the socio-political culture of the country and therefore, the impact of this has to be reduced, if not eliminated totally, within the dynamics of the proposed system. This body should oversee the actions taken by the HR department that are the result of the PAS.

In sum, each of the six stages discussed in this section should constitute the features of an efficient, dynamic and holistic PAS; and therefore should be included in any new model.

Figure 9.1: Integrated Dynamic Performance Appraisal Model



## **9.10. ASSUMPTIONS OF THE INTEGRATED AND DYNAMIC PERFORMANCE APPRAISAL SYSTEM**

The proposed PA model in figure 9.1 is based on the features aiming at bringing about an efficient or best-practice model, which is constructed around the following assumptions:

- As all public universities are under the supervision of Ministry of Higher Education, its commitment including financial support, regulative framework and external auditing of the implementation process is important to support the enforcement of the process. It can also take advantage by making a comprehensive development plan for the higher education system in Saudi Arabia.
- As stated in the previous section, it is important that an implementation body should be formed to reduce as far as possible any internal or external factors, which may influence the result of PA. In other words, it should oversee the implementation of defined actions without interference.
- A close and efficient process should be established between line managers and senior line managers as cooperation between them plays a major role in the success of the process.
- Each university should structure its evaluation method and produce an evaluation form that is consistent with the university's organisational competences including vision, value, mission, long term strategies plans and goals. This assumption is only possible provided that the content of the evaluation form is logical, rational and feasible taking into account the available resources. It should also cover all performance factors and traits, which need to be appraised.

As the nature and the organisational structure of each public university is different, then there is no standard unified evaluation form that is applicable across the board. In addition, the criteria and the standards of PA are influenced by the focus of each university as research-oriented or academic-oriented or both. In turn, this will be reflected on the individuals' PA. Therefore, each university should construct a form that serves its own purposes.

## **9.11. RECOMMENDATIONS**

This part includes recommendations to improve the current PAS in the Saudi public universities with the objective of developing an efficient system. The reason for

implementing these recommendations is basis for the new modal. Furthermore, they would be a better solution to implement the new model.

**(i) Recommendations regarding teaching members who are subject to the PA process**

- For teaching members, it is important to consider PA as a process that aims to develop performance and is not a punitive process. This can be achieved by informing and finding remedies for poor performance during the informal evaluation stage and praising those with outstanding performance;
- To ensure objectivity and fairness, teaching members must be given an opportunity to discuss their appraisal results and raise grievances to a higher level of management if they perceive unfairness; and
- It is important to have feedback from subordinates on how they were evaluated. This can be obtained from the number of complaints from subordinates.

**(ii) Recommendations regarding line managers who carry out the PA process**

- The appraiser (the head of the department or the dean) should remain just, since this is a religious and moral prerequisite considering the nature of Islamic religion. He/she should also set aside all personal considerations when judging the performance of the teaching staff;
- Paying attention to the quality of direct heads who undertake the appraisal process, through providing workshops and training programmes that familiarise them with the sound, legal method of appraisal. This would guarantee the appraisal process is fair and objective;
- The appraiser should be fully familiar with all the elements and contents of the appraisal form. He/she should rely on documents, such as records and complaint reports issued, regarding the performance of a member; and
- Holding the appraiser accountable for the integrity and objectivity of the appraisal of teaching staff in case he/she breaches the objectivity and justice of appraisal process.

**(iii) Recommendations regarding the evaluation forms**

- Measures contained in the appraisal form should be associated with the duties with which the appraisee is entrusted. They should also be based on the description and analysis of these duties;
- Forms should be easily completed and clearly express the bases and elements of appraisal so that the appraiser cannot interpret them on a personal scale;
- The measures of the appraisal should be based on the relative importance of the duties the member undertakes, therefore the relative importance of the appraisal elements should differ according to the qualitative and functional groups assessed;
- The form should contain a section in which the appraiser mentions the reasons for assessing the appraisee as distinguished or undistinguished;
- The form should have a section in which the member includes his/her achievements during the period of appraisal and other factors that should be taken into consideration for the appraisal. In addition, the form should also contain a section in which the member mentions the obstacles that prevented him/her from performing as required; and
- The form should include clear instructions about how it should be completed in a way that guarantees the accuracy and authenticity of the appraisal.

**(iv) Recommendations regarding procedures**

- There should be a neutral division or committee that is affiliated to the Ministry of Higher Education but is not related to the university itself. Such a division or committee would be charged with guaranteeing the justice and objectivity of appraisal process. This could be achieved by surveying the opinions of teaching staff and appraisers and by examining the members' service files;
- The informal element of PA should be treated seriously and undertaken twice per semester so that it can underpin the formal appraisal and help take vital decisions regarding teaching staff; and
- Formal appraisal of performance should be done at the end of the second semester and be based on the informal element through the completion of a form prepared by the HR department. This form should be completed in consultation with the senior

member of the teaching staff who is appointed at the start of the academic year when the PA process commences.

**(v) Recommendations regarding on the use of results from the PAS in making decisions about teaching members**

- HR departments in universities should be entitled to set policies that oblige decision makers to adopt the results of the appraisal in making decisions related to staff members;
- Training needs should be planned on the basis of the results of the PAS; and
- Personnel department should have an information system that provides university officials with the results of PAs based on the outcome of the reports prepared by appraisers. This information system can be used in revising and appraising HR policies, including, promotions, appointments, testing and dismissal. Consequently, this system can serve as an indicator of future policies for teaching staff members.

It should be noted that using this new model suggested here and adopting the recommendations mentioned above can help the public universities in Saudi Arabia to move into a more efficient paradigm. However, implementation of this will mainly depend on the extend of control of human resources related issues of individual public universities in relation to the rules and regulations of the related governmental departments. Considering that Saudi public universities are not fully independent administrative bodies in the European sense, the power of bureaucracy over the running of the universities is overwhelming. Therefore, the chance of adopting the mentioned recommendations and also the developed model will remain as a challenge. This dependent nature of the universities also overcomes the individual initiatives of individual university administration; as the university administrative system does not facilitate critical but importantly creative university administrative system.

## **9.12 CONCLUSION**

It can be concluded that the faculty members subject to the study believe that there are a number of problems related to the evaluation systems. Therefore, the present PA systems need to be replaced with a new process that overcomes these concerns. The study proposes a

new model which is a dynamic and integrated process developed from the main findings of the research.

As mentioned previously, the reason for implementing these recommendations would be the basis for the new model. However, even if the proposed model is not adopted, it is essential that these recommendations should be taken into account to overcome the shortcomings of the present PAS, but a better solution would be to implement the proposed new model which is based on these recommendations as have been articulated by the findings of this study from the perceptions of the respondents to the questionnaire.

## **Chapter 10**

# **CONCLUSION**

### **10.1. SUMMARY**

Employees are the most valuable assets for organisations, as they play an important role in achieving organisational goals and for the success of the organisations in general. Therefore, it should be a prerequisite for management to establish a performance appraisal (PA) process not only to evaluate employees' contributions but also importantly to help them with their developmental objectives.

In the PA process, choosing a particular method and a form of performance appraisal system (PAS) in organisations is crucial. However, each organisation should establish a specific evaluation method that is consistent with the defined organisational competencies, including vision, value, mission, long term strategies plans and goals. However, the factors measured in the PA evaluation form must be logical and feasible, taking into account the available resources in an organisation. The particular PA adopted should cover all the performance factors and traits that need to be appraised.

Managing the PAS is not only important for the success of the organisations in particular, but also for the success of the quality of services provided to society in general. Thus, constructing an efficient and effective PAS will not only improve the satisfaction of both the individuals who are subject to PAs and managers who conduct the process, but also will inform the managerial decisions that are related to effective human resource management (HRM).

Faculty members are important resources for the development of higher education in particular and for the development of the country in general. This is also true for Saudi Arabia, which is regarded by political scientists as a developing country. This study, therefore, aims to explore and investigate the effectiveness of the existing PAS in the Saudi Arabian universities by analysing the perceptions of teaching members towards the system. It also explores the impact of the PAS on teaching staff's development and on determining how accurately the ratings represent their actual



performance. In addition, it investigates how management rely on the results of PA when making administrative decision related to faculty members.

In fulfilling its aim and objectives, this study is designed as a descriptive and quantitative study, as both primary and secondary sources of information are used. In assembling the primary data, a questionnaire method is utilised, while the descriptive nature of the study stems from the analysis of previous studies and related literature.

In designing and implementing the questionnaire, the population of the current study is divided into strata (universities), which are heterogeneous to a degree. Therefore, proportionate stratified sampling method is utilised in selecting the study sample. The effective response of the questionnaire was 56.13%, as 351 questionnaires were distributed and 197 questionnaires were returned and analysed. The data was codified to be analysed through Statistical Package for Social Sciences (SPSS) computer software.

The study findings demonstrate that the average perception of the faculty members regarding their PAS is oriented towards ‘dissatisfaction’. The results further show that there are problems with the current PAS, including the unsuitability of the system, communication within the system, transparency of the system and organisational problems facing teaching members; all of which undermine the appraisal process. Other problems include the inadequacy of line managers in the management of the process. The perception analysis also shows that the evaluation forms are poorly designed and there are problems related to PA procedures and processes. Furthermore, the study findings indicate that administrative decisions are not mainly based on the PA results and that there are other factors which play a key role in the decision-making.

In response to the results of the study a new PAS that would be able to overcome the shortcoming of the existing model is proposed. The proposed PAS is an ‘integrated six stages best practices performance appraisal model’. In this model, the first stage (performance appraisal planning) begins with PA planning which should occur at the beginning of the academic year. The second stage (performance execution), which is closely related to the next stage, is about the execution of the process building on the previous planning stage. The third and forth stages (informal and formal performance

assessment) are the critical stages in which superiors (heads of department and deans) determine how well teaching members have performed over the course of the year with the information gathered from the PA process. The fifth stage (interview) is the interview during which each faculty member should receive feedback on his/her performance. The sixth stage (action) is the stage in which planning decisions on human resources (HR) in the future should be taken according to the results obtained from the PA process. In addition, the new model includes the creation of an implementation body, which is given the mandate to prevent any negative interference (whether internal or external) on the effectiveness of managerial decisions.

In sum, the findings of the study have serious implications for Saudi higher education. Evidently, increased investment in higher education has been a key target of the long term planning by the Saudi government. The number of public universities has grown rapidly in recent years. As part of this development, the Ministry of Higher Education has granted a large number of scholarships to encourage citizens to pursue graduate studies across a range of subjects in order to fill the academic posts in the newly established universities. In addition, the government has improved working conditions and, in 2008, increased compensation given to current faculty members in order to prevent their emigration to other sectors.

While it is important to encourage a new generation of academics, it is also important to sustain the development of existing faculty members in order to provide a productive working environment. For this, among other factors, an effective and efficient PAS is essential. However, the current study concludes that the current PAS in relation to faculty members at Saudi universities is inadequate in accurately judging their performance and meeting their development requirements. Therefore, it is not a reliable process on which to make administrative decisions, nor it is a reliable process for the planning of HR policies. Therefore, in planning for the future development of higher education, it is crucial that a new PAS should be developed. This is attempted by this study, which proposes a dynamic and integrated PA model to overcome the shortcomings of the existing one.

## **10.2. CONTRIBUTION OF THE STUDY**

As was established at the beginning of the study, this research was conducted to assess the effectiveness of PASs in Saudi public universities. It was also noted that studies concerning PA in the public sector in general and in the higher education in particular in Saudi Arabia are still limited

In the case of Saudi public universities, as is highlighted in Chapter 4, the available empirical studies on PA focused on the forms or methods used in the evaluation process or the problems facing line managers when conducting the process. This implies that there is a gap in the literature, which this study sought to fill. In contrast to earlier empirical studies, this study has tackled the main elements of the evaluation system, namely: the ratee who is subject to the appraisal process; the rater who conducts the process; the evaluation form used; and the procedures in the PA process. In addition, the study emphasises the importance of PA outcomes when making managerial decisions related to faculty members' affairs. The study demonstrated that there are problems in the PA process related to these elements, which contribute to the failure of the PA process at Saudi public universities. Therefore, in overcoming these problems, this study proposes a dynamic and integrated PA process, which could be implemented to increase the effectiveness of the PAS and consequently increase the satisfaction of faculty members on the way they are evaluated. Furthermore, the study provides the rationale and assumptions to allow the new PA process to be implemented successfully. Indeed, it is important that this proposed model to be tested to ensure its adaptability and suitability.

Overall, this study has started to fill the gaps in the literature about PAS in Saudi public universities and for the development of faculty members of Saudi universities.

## **10.3. FUTURE RESEARCH**

The current study has focused on one of HR function's, namely PA. In responding to the findings of the study, this study proposes a dynamic and integrated PA process which should lead to an effective PA for teaching staff at Saudi public universities. Therefore, further research is urgently needed to ensure the applicability of proposed evaluation process in practice.

In addition, it is worthwhile conducting research to investigate if the process can be modified and tested in other public universities in the Arab Gulf countries. As has been highlighted in the empirical studies in the field of public universities and public sector during the course of this research, these countries share similar concerns and culture.

Finally, as all public universities in Saudi Arabia work under the supervision of the Ministry of Higher Education, it is important to have the support of this Ministry in adopting the proposed process and for it to provide all the necessary resources which would help lead to the success of the evaluation process.

#### **10.4. LIMITATIONS OF THE RESEARCH**

As indicated earlier, the number of studies, which have researched the PA issues in public universities in Saudi Arabia, is limited. Consequently, available material and literature on the subject matter was also limited. While this constrained the framework of the study, it has also paved the way to develop new knowledge to fill the gap.

An important shortcoming is related to the sample size. Although the number of respondents was sufficient to conduct the research, it would have been enriching to have a larger sample size. An attempt was made to gather a larger data set through the distribution of 351 questionnaires, and although the return rate was around 56%, this represents a considerable success. However, a larger return rate would have substantiated the generalisation of the study.

Another research method related limitation is the reliance solely on the use of questionnaires. The researcher would have preferred to enrich the discussion with interviews with a number of faculty members. However, this was made difficult because of the accessibility of faculty members. They have limited hours of working at the universities, and their time in their offices is designated for their students, hence, most of the time the respondents are not accessible. Importantly, they normally avoid interviews, as civil society in Saudi Arabia still suffers from a lack of openness. Furthermore, as mentioned, a Royal Decree has recently been issued to increase the compensation remuneration for teaching members, in return for increased efficiency and effectiveness in performance levels. Fortunately, this study was conducted

immediately before this decree. Hence, the researcher would like to discover if this new scheme has had any significant impact on the PAS.

### **10.5. EPILOGUE**

It is obvious from the literature review of the current study that the PA is one of important functions that can be used to improve the efficiency of employees. Nevertheless, there is much confusion about how the PA process should be conducted and managed (Analoui and Khory, 2004). The findings of this study, which is based on the perceptions of the faculty members about the PA process in Saudi public universities, indicate dissatisfaction with the process. The findings also demonstrate that the PA process does not impact sufficiently on related managerial decisions or on HR policies.

The study, therefore, proposes a dynamic and integrative process for an effective and efficient PAS to overcome dissatisfaction and at the same time help administrations use the evaluation results to enhance HR policies and make rational administrative decisions.

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## APPENDIX