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"The Effectiveness of Performance Appraisal in the International Organizations in West Bank: A Tool For Employee Development & Motivation"

"فاعلية تقييم الأداء في المنظمات الدولية في الضفة الغربية: أداة لتطوير الموظفين وتحفيزهم"

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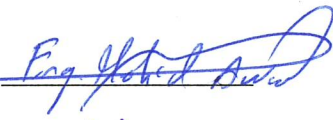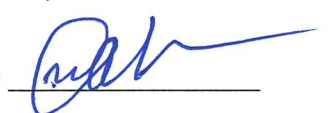Master Program in Management

Thesis Approval

The Effectiveness of Performance Appraisal in the International Organizations in West Bank: A Tool for Employee Development & Motivation

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DEDICATION

I am most grateful to God for giving me the grace and will to undertake this course and to have come this far. It hasn't been easy completing my Master Degree but it has become a success story only because of my God who has seen me through this rather challenging task, if it wasn't for His guidance and grace, I don't think I would have made it.

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ABBRVIATIONS

INGO   **International Non-Governmental Organization**

PA   **Performance Appraisal**

HR   **Human Resource**

HRM   **Human Resource Management**

HRD   **Human Resource Department**

BARS   **Behaviorally Anchored Rating Scale**

MBO   **Management by Objective**

HRA   **Humans Resource Accounting**

DEFINITION OF TERMS

Performance Appraisal: a term used for a variety of activities through which organizations seek to assess employees and develop their competence, improve performance, and allocate rewards.

Performance Appraisal Methods: techniques and instruments developed and designed for the purpose of measuring and assessing employee performance in a systematic format that can include narration, documentation, rank ordering, rating scales, behaviorally anchored rating scales, checklists, essays, critical incidents, and management by objectives.

Performance Appraisal System: a group of interactive processes determining job expectations, writing position descriptions, determining appraisal criteria, developing assessment tools, and collecting and reporting results.

Administrative Appraisal: refers to the procedures used to assess the performance of staff.

Evaluation: The process of interpreting a measurement by means of a specific value, or set of values, to determine the degree to which the measurement(s) represent a desirable condition.

Human Resource Manager: an employee of the International Organization who has direct oversight and responsibility for the Human Resource department, or who has oversight of the Human Resource department as one of several of his or her responsibilities.

Job performance: refers to how well employees satisfy the requirements and responsibilities of their position.

Staff: includes those employees at International Organizations that are working in support services.

ABSTRACT

The focus of this thesis is on the effectiveness of Performance Appraisal system in International Organizations in West Bank from the perception of the employees. The main objectives of this study are 1) to explore to what extent the performance appraisal in International Organizations in West Bank is effective. 2) To critically evaluate the techniques used by the organizations for the purpose of employee development and motivation. 3) To find out the effect of the performance appraisal on the employees development and motivation. The study was carried out in International Organizations in West Bank. This study employed **Concurrent Mixed Method** research design; where both quantitative and qualitative methods, comprising a series of qualitative interviews for more in-depth exploration and a questionnaire. Questionnaires were administered to employees only, using a stratified random sampling technique to gather data from the employees, to measure their opinions of the performance appraisal system and how successful they feel it is. The surveys were issued to a total of 250 employees within the International Organizations. A total of 204 completed surveys, 82% were returned completed. Interviews were conducted with Human Resource department managers using a purposive sampling technique to show how the performance appraisal system is working and how it feels employee development as far as motivation is concerned. Data was analyzed using qualitative and quantitative techniques, with the qualitative method and data obtained through interview with Management. This was done using content analysis and logical analysis to outline patterns in the data. Data obtained from questionnaire administered to employees was analyzed with SPSS. The findings of the study have revealed that the Performance Appraisal system in International Organizations do contain many of the important elements that make the system effective and the employees are happy with having to complete performance appraisal. The Performance Appraisal systems are not considered as a key component of staff development and aren't used to determine individual and organizational training and developmental needs. In addition to, there is no unified vision about the sort of tools that trigger motivation and the current processes lack motivation factors. At the end a number of recommendations the researcher has made for the organizations to make their appraisal system more effective. Participation and support from upper level management is important. Training for both managers and employees is essential so that performance appraisal becomes an effective and smooth process. All employees must understand why performance appraisal is being conducted and the specific

goals for it. Appraisal systems need continuing systems review and changes/improvements to ensure that procedures are being followed correctly and are effective. International Organizations need to enhance the idea of motivating employee and to equip managers. Organizations need to develop a good feedback system to ensure that appraisals are not completely separated from the actual performance development or performance management process.

الملخص باللغة العربية:

يستخدم نظام تقييم الأداء في المؤسسات لقياس فعالية وكفاءة الموظفين. وينصب تركيز هذه الأطروحة على فعالية نظام تقييم الأداء في المؤسسات الدولية في الضفة الغربية من وجهة نظر الموظفين. تتمثل الأهداف الرئيسية لهذه الدراسة في: 1) البحث في مدى فعالية نظام تقييم الأداء في المؤسسات الدولية في الضفة الغربية. 2) تقييم الاليات المستخدمة في المؤسسات لغرض تطوير الموظفين وتحفيزهم. 3) دراسة أثر نظام تقييم الأداء على تطوير الموظفين وتحفيزهم.

تم تنفيذ الدراسة في عدد من المؤسسات الدولية في الضفة الغربية، واستخدمت الدراسة نظام البحث العلمي المختلط والذي يضم الأسلوبين الكمي والنوعي حيث تم جمع وتحليل المعلومات في الوقت ذاته. حيث اشتملت الدراسة على سلسلة من المقابلات النوعية من أجل الحصول على معلومات اكثر عمقا، وكذلك تم استخدام الاستمارات التي صممت للموظفين فقط باستخدام عينة عشوائية طبقية من أجل جمع البيانات من الموظفين وذلك لقياس آرائهم حول نظام تقييم الأداء ومدى نجاحه برأيهم. حيث تم توزيع هذه الاستمارات على 250 موظف من المؤسسات الدولية، 204 من هذه الاستمارات تم تعبئتها بشكل كامل، وهي ما نسبته 82% من مجموع الاستمارات. كذلك تم إجراء مقابلات مع مدراء أقسام الموارد البشرية باستخدام العينة القصدية لإظهار كيف يعمل نظام تقييم الأداء وكيف يؤثر على تطوير الموظفين وذلك باعتباره أداة لقياس تطوير الموظفين وتحفيزهم. وقد تم تحليل النتائج النوعية التي تم الحصول عليها من المقابلات التي اجريت مع ادارة الموارد البشرية عن طريق تحليل المحتوى والتحليل المنطقي للخطوط العريضة. اما فيما يتعلق بالمعلومات الكمية التي تم الحصول عليها من توزيع الاستمارات على الموظفين فقد تم تحليلها عن طريق استخدام التحليل الاحصائي (SPSS). أظهرت نتائج الدراسة أن نظام تقييم الأداء في المؤسسات الدولية يضم العديد من العناصر المهمة والتي تجعل النظام فعالاً والموظفين سعداء بإتمام نظام تقييم الأداء. كما وكشفت النتائج أن أنظمة تقييم الأداء في المؤسسات الدولية لا تعتبر مكوناً رئيسيا لتطوير الموظفين ولا تستخدم لتحديد الإحتياجات التطويرية والتدريبية الفردية والمؤسساتية. إضافة إلى ذلك، ليست هناك رؤية موحدة حول نوع الأدوات التي تساهم في تحفيز الموظفين، كما وأن العمليات الحالية تفتقر الى عوامل التحفيز. في النهاية قامت الباحثة بتقديم بعض التوصيات الى المؤسسات من اجل السعي الى جعل تقييم الاداء اكثر فعالية. المشاركة والدعم من قبل الادارة العليا يعتبر عنصر مهم. عقد تدريبات للمدراء والموظفين

من شأنه ان يساهم في فعالية تقييم الأداء. من جهة اخرى برامج تقييم الأداء بحاجة مستمرة الى المراجعة واجراء التعديلات المناسبة للتأكد ان العمليات تنفذ بشكل صحيح وفعال. المؤسسات الدولية بحاجة الى تعزيز فكرة تحفيز الموظفين وتحضير المدراء الى هذه الفكرة. بالاضافة الى ان المنظمات بحاجة الى تطوير نظام تغذية راجعة من اجل التحقق ان تقييمات الاداء ليست منفصلة بشكل كامل عن تطوير الأداء الحقيقي او ادارة الأداء.

CHAPTER ONE

INTRODUCTION

1.1 Introduction & Background

For more than a century now, human resource management, as a discipline and practice in the management of people in an organization, has evolved and developed into different areas. The underlying forces behind the evolution and development of human resource management have been (and still are) mainly environmental, and the search for knowledge of better ways of acquiring and utilizing labor (Armstrong, 1995). The changing organizational environment in the marketplace pushed managers to improve efficiency in the production and service delivery processes by increasing their ability to use the best practices of people management at the time. That is, employee management techniques or methods that would improve production, reduce service delivery costs, and at the same time ensure sustained availability of competent staff in the organization

Human resource management is defined as a strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives. The overall purpose of human resource management is to ensure that the organization is able to achieve success through people (Coyle, & Hoque, & Kessler, & Pepper, & Richardson, & Walker, 2013).

Human resource management operates through human resource systems that bring together in a coherent way: ● HR philosophies describing the overarching values and guiding principles adopted in managing people. ● HR strategies defining the direction in which HRM intends to go. ● HR policies, which are the guidelines defining how these values, principles and the strategies should be applied and implemented in specific areas of HRM. ● HR processes consisting of the formal procedures and methods used to put HR strategic plans and policies into effect. ● HR practices comprising the informal approaches used in managing people. ● HR programs which enable HR strategies, policies and practices to be implemented according to plan (Armstrong, 2006).

Organizations in the non-profit sector are increasingly challenged by the same HR issues as organizations in other sectors – an aging workforce, falling recruitment levels and rising skills requirements. However many boards and managers lack the skills, tools and resources to

address these challenges. Many are seeking resources and support in relation to their human resource management responsibilities. The diversity of organizations in the non-profit sector and the significant variations in how organizations are structured and funded means that the Human Resource Management Standards will not uniformly fit every organization. Each organization will need to consider how the Standards can be adopted to reflect their organization's available resources, such as expertise, available time and priorities, yet at the same time achieve the overall intent underlying the Standards. Organizations can work towards achieving these Standards in ways that are appropriate to their operations and which consider the resources available to them.

Among the HR practices that have been studied, performance appraisal is arguably one of the more crucial ones in terms of organization performance and appears to be an indispensable part of any HRM system.

Traditionally; the term performance appraisal referred to the process of a manager completing an annual report on a subordinate's performance and usually discussing it with the subordinate in an appraisal interview. Over the years, performance appraisal has expanded as a concept and has become part of a more strategic approach to integrating human resource activities and business policies, today known as performance management (Mishra, & Roch, 2013).

Performance appraisal is an unavoidable element of managerial, function, and organizational life. Many decisions depend on performance appraisals in modern organizations, and they are widely used in most organizations (Cintrón, & Flaniken, 2011). Employee's appraisal system is considered one of the indicators of the quality of Human Resource Management in an organization. Performance appraisal system is used in the organizations to measure the effectiveness and efficiency of their employees (Aggarwal, & Thakur, 2013). Properly designed and realized process of employees' appraisal is not only the necessary basis of successful employee performance management, but also provides valuable information for other human resource management functions. Performance Appraisal is important because it helps in Performance Feedback, Employee Training and Development Decisions, Validation of Selection process, Promotions & Transfers, Layoff Decisions, Compensation Decisions, Human Resource Planning, Career Development and Develop Interpersonal Relationship (Aggarwal, & Thakur, 2013),   (LaBreche, 2014), (Obisi, 2011), (Kondrasuk, 2011),

(Lunenburg, 2012). They are an important piece of the process by which organizations attempt to direct themselves, and they have been considered a key component in the success of organizations (Cintrón, & Flaniken, 2011).

Obisi 2000, agrees that performance appraisal is a system which provides organizations with a means of identifying not only what people's performance levels are but which areas those levels need to be improved if maximum use is to be made of human resource.

Every organization should ensure that the individual is clearly aware of what his functions and responsibilities are to make performance appraisal effective. Common outcomes of an effective performance appraisal process are employees' learning about themselves, employees' knowledge about how they are doing, employees' learning about 'what management values (Ishaq, Iqbal, & Zaheer, 2009).

In order for Performance Appraisal systems to succeed, employees must have trust in the organization and its use of such systems. Trust is related to acceptance and effective use of all stages of the performance appraisal process including the setting of performance objectives, the collection of performance feedback, the ongoing feedback process, and the performance review. Some behaviors that can help to foster manager–employee trust include setting objectives and providing timely feedback on those objectives, following through on commitments and promises, enhancing development efforts, communicating openly, and making the effort to connect with employees on a personal level (Bragger, Kutcher, Menier, Sessa, & Sumner, 2014).

Employee development through conducting trainings is one of the most important interventions in the performance improvement toolkit (Boice, & Kleiner, 1997). It helps in improving individual and organizational performance, to transmit new knowledge to employees, and to enable employees to further enhance and continuously update their knowledge, skills, and behaviors in the workplace, and that investment in training and development remains a high priority of organizations in 2013 through 2014 (Williams, & Nafukho, 2015),

Reports indicate also that effective performance appraisal systems help to create a motivated and committed workforce. For these systems to be effective they require the support of top

management to show their commitment and to translate organizational goals and objectives into personalized employee specific objectives (Boice, & Kleiner, 1997).

Performance Appraisal system is needed because every employee has a different attitude to handle the work. Performance Appraisal tends to improve the work performance, communication expectations, determining employee potential and aiding employee counseling (Aggarwal, & Thakur, 2013). The purpose of performance appraisal systems is to be related to job satisfaction and organizational commitment; appraisal systems that are used to identify and develop high performers rather than provide a legal justification for downsizing will foster a satisfied and committed work force. This also emphasizes the critical need for accurately designed performance appraisal tools that involve employee input (Bragger, Kutcher, Menier, Sessa, & Sumner, 2014)

1.2 Problem Statement

One of the basic and major needs in any organization is to evaluate its employee's performance contiguously and continually to find out whether they improve or not and know their situation in organization (Jafari, Bourouni, & Amiri, 2009). On the other hand, performance appraisal is one of the most complex and debatable human resource techniques and it is full of problems and conflicts in what it was designed to accomplish, how it is conducted and how the results are used (Roberts, 2003).

Dramatic changes in the knowledge management area have transformed the nature of performance appraisal system to an unavoidable issue, so that the lack of effective performance appraisal systems in organizations considered as one of the seven organizational deadly diseases that keep organizations from performing at their peak (Ali, Mahdi, & Malihe, 2012 & Kondrasuk, 2011). Deming in his book "Out of Crisis" mentioned that Evaluation of performance, merit rating, or annual review is one of the seven deadly diseases of management (Deming, 2000).

The inability of organizations to install an effective performance appraisal strategy has prevented them from achieving competitive advantage which they require more now than ever before (Obisi, 2011). Yet effective performance appraisal system remains a practical challenge to managers and employees because of cognitive, motivational and behavioral factors

(Akuoko, 2012). However, performance appraisal has more influence on individual careers and work lives than any other management process. Performance appraisal can both make the organization more efficient and help keep employees motivated and developed (Kondrasuk, 2011). Researches show that many organizations are not satisfied with their employees' performance evaluation plans. They suggest that performance appraisal systems have not been successful in creating motivation and improvement of employees' performance (Fletcher, 2001). Given the importance of performance appraisal, it is essential that organizations take action for more effectiveness of it. The participatory performance appraisal is a key element of essential motivational strategies that facilitate worker growth and development (Kondrasuk, 2011 & Roberts, 2003). This makes one question **"Is the Performance Appraisal in International Organizations working in West Bank Effective and is used as a tool for Employee Development and Motivation?** It is in the light of the above questions that the study was set to examine to what extent the performance appraisal systems in International Organizations in West Bank is effective and on the role of performance appraisal on employee development and motivation.

1.3 Research Questions

This study will provide an answer to the following research questions:

1. How well the performance appraisal systems are effective and used as a tool for the assessment of work performance?
2. How does the performance appraisal process lead to the employees' development?
3. How does the appraisal process motivate the employee to perform better?

1.4 Objectives of the Study

The research will examine what the employees of the organizations being studied feel about the Performance Appraisal system and if they believe it is an effective tool used for employee development and motivation.

This study involves three objectives which the researcher will test to see if these are true:

- To explore to what extent the performance appraisal in the International Organizations in West Bank is effective.
- To critically evaluate the techniques used by the organizations for the purpose of employee development and motivation.
- To find out the effect of the performance appraisal on the employees development and motivation.

By surveying the staff on whether they feel Performance Appraisal is an effective management tool, the researcher will learn whether the elements of an effective performance appraisal are present in the organizations and examine if the Performance Appraisal does what it sets out to do for the organizations.

1.5 Significant of the Study

Performance appraisal systems are recognized as a tool for human resource assessment and development that has the power to stabilize and renovate organizations (Bragger, Kutcher, Menier, Sessa, & Sumner, 2014). In the coming decades, there is likely to be more experimentation with performance appraisal systems that contributes to improvement in quality of work life as well as to development of human resources. In the background of these developments, it has been decided to conduct a study of the effectiveness of performance appraisal systems in the International Organizations in West Bank as a tool for employee development and motivation. Effectiveness of performance appraisal has so far been studied in different contexts. However, exploring important areas like the effectiveness of performance appraisal and identification of factors that can contribute in developing the employees in perspective of International Organizations in West Bank is needed.

Performance appraisals are known to have a capacity of developing employees based on how they are designed and implemented. The findings of the study will be useful to managers and supervisors of International Organizations where appraisals form part of organizational life. This is because the findings can help them avoid errors in the process. Thus, the findings of the study will provide organizations with knowledge on appropriate approaches of appraisal which could yield to an effective employee development. Furthermore, this study served as a theoretical model for future studies of the same nature.

1.6 Importance of the Study

Research reports indicate that there is widespread use of performance appraisal in work organizations all over the world and that performance appraisal is a critically needed tool for effective human resource management (Akuoko, 2012). In light of this significance and spreading of performance appraisal systems, the researcher decided to study this field of business. In fact this intention limited in the following reasons: (a) to help organizations how to inform their employees about their rates of growth, their competencies, and their potentials through performance appraisal systems, (b) to enable employees to be willful in creating their individual developmental goals to help in their personal growth, and (c) it serves a very useful role in corresponding the needs of the individual and the needs of the organization.

If used well, performance appraisal is an influential tool that organizations have to organize and coordinate the power of every employee of the organization towards the achievement of its strategic goals. It can focus each employee's mind on the organization's mission, vision, and core values (Cintrón, & Flaniken, 2011).

1.7 Aims of the Study

The aim of this study is to seek the effectiveness of the performance appraisal system in International Organizations working in West Bank and explained how performance appraisal system has encouraged employee development and motivation. The study explored the effectiveness of performance appraisal in the International Organizations and explained how performance appraisal helps in evaluating and assessing the employees and support to establish training and development programs which utilize the employee to grow in the organization. It explored how organizations have to be organized and systematic in their approach, so that they can extract the exact performance from their employees which can help them, to create a balance between performance and achieving organizational objectives. The study basically highlighted the impact of performance appraisal on the employees' development and motivation.

1.8 Study Model

In the following model selection mean selecting the right candidate who would fulfill the organizational goals and objectives. Performance means the output of employee's abilities which add value to the organization. Human resource development is highlighting the provision of necessary training session; this would help the employees to possess the relevant knowledge and skill to perform better in the organization. Due to this the employees would improve individual skills as well as advance in the organization. Appraisal is highlighting the appraisal which depends largely upon the employee's capability to perform and would show the employee's competencies and talent.
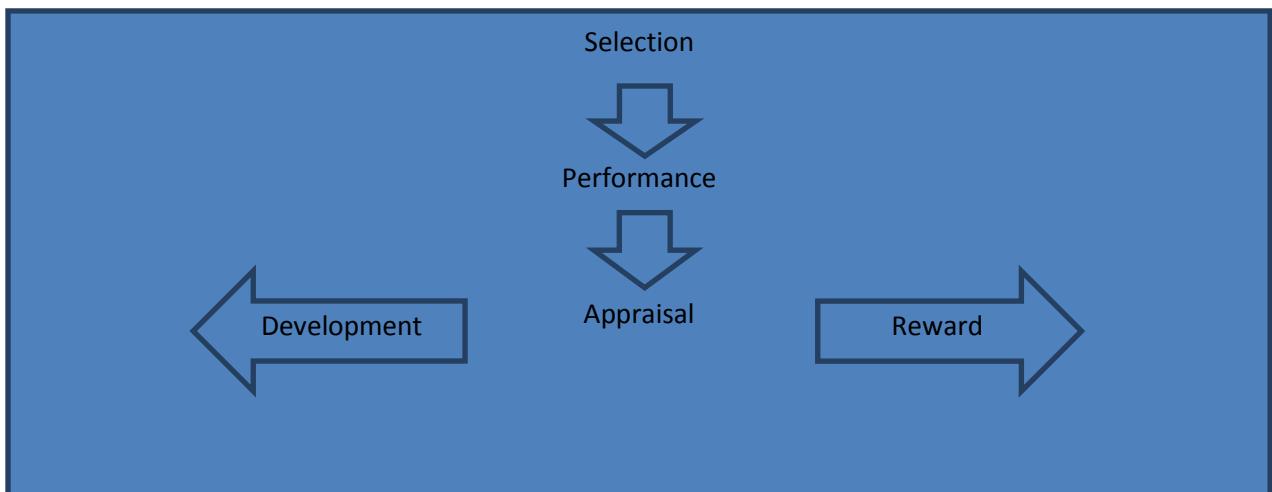
1.9 Methodology

This study employed **Concurrent Mixed Method** research design; where both quantitative and qualitative methods, comprising a series of qualitative interviews for more in-depth exploration and a questionnaire. The quantitative and qualitative data was collected concurrently, the priority between the two methods was equal and the results of the two methods were integrated during the interpretation phase.

By mixing both quantitative and qualitative designs, the researcher gained the strengths of each approach; where each design complements the other. In addition, it provided a more complete and comprehensive understanding of the research problem than either quantitative or qualitative approaches alone. Using one research design was inadequate to develop multiple

perspectives and a complete understanding about a research problem or question. One of the most advantageous characteristics of conducting mixed design is the use of several means, methods and data sources to examine the same phenomenon which allowed identifying aspects of a phenomenon more accurately by approaching it from different preference points using different methods and techniques.

In the planning phase of the research, the researcher met with participants' representatives to formalize the scope of the study and the research questions, to draft the data collection tools, to develop a list of criteria for target participants, and to establish an initial project plan and timeline.

In the collection phase, two data collection tools were developed as part of this study: (1) a survey in format of questionnaire were delivered among employees working in International Organizations to help identify organizations that were qualified and willing to participate and to gather some preliminary practices data, and (2) A semi-structured interviews were conducted with the Human Resource Department Manager in each organization to gather more in-depth, qualitative information about the practices of the selected organizations and to measure the incidence of views and opinions.. The interviews give a deeper understanding of the, given theories, helps in obtaining an edge in knowing the concepts well, and to understand the research topic more explicitly, from the perspective of the interviewee, and to understand how and why they have arrived at this perspective.

1.10 Population and Sampling

The target population composed of male and female staff and administrators involved in the staff performance appraisal process and working in International Organizations that meet the inclusive criteria set for the study.

The researcher intended to select the sampling scheme which consisting disproportionate Stratified Random Sample technique for the quantitative component. One purpose of disproportionate stratification is to achieve an allocation that maximizes the precision of the estimator of the population mean within the available resources.

Moreover, the researcher selected purposefully non-random sampling for the qualitative component which consisting of individuals (Human Resource Department Managers) were likely to generate useful data for the project and who had experience or knowledge of the issues being addressed in the research. Here the researcher was looking for individuals who have particular expertise that is most likely to be able to advance the researcher's interests and potentially open new doors.

1.11 Data Collection

The current thesis used both secondary and primary information sources, where the primary sources come from the empirical part of the research and secondary sources come from the frame of references part of the thesis. Data for the empirical part was collected via semi-structured interviews. The interview process was divided into three stages: pre-interview, interview, and post-interview stage. Respondents were given a copy of the schedule prior to the interview, a time and place was agreed upon, informed consent was obtained prior to conducting the interview, and the results of each interview was transcribed immediately. The topics of a semi structured interview were pre-determined.

Furthermore, survey in a form of questionnaire with multiple variations of answers had been sent to the wider amount of recipients. The primary technique for collecting the quantitative data was a self-developed questionnaire. Closed ended questionnaires were developed in which respondents' answers were limited to a fixed set of responses. The researcher was able to contact large numbers of people quickly, easily and efficiently.

Document review was the secondary data collection method that was used for the study, were collected from relevant material and which involved the review of previous studies which included record auditing techniques such as: books, dissertations, textbooks, articles, internet, and many others as are found necessary to the researcher. Documents were reviewed considering the context within which they were created. The review of existing records gave the researcher an insight on the subject that was being investigated and helped in shaping up the research questions and the design of research tools.

1.12 Limitations of the Study

The access limitation was one of the important limitations that faced the researcher in which it was difficult to include the International Organizations in Gaza and Jerusalem due to the political situation in which the interviews and questionnaires were limited only with the employees in the organizations that are located in West Bank.

Another important limitation was time constraint. Due to time constraint, the researcher was not able to take many interviews. Most of the senior executives whom I approached for an interview agreed to give an interview. However it was a real challenge for them to find time for the interview. In addition to, questionnaires that were distributed with time constraint were noted as problematic in that people who struggle with time constraint were less likely to respond to questionnaires because those respondents feel overworked, they just didn't have the time to complete the questionnaire. In light of this limitation, the researcher needed to map out what should be done and when should be done. The researcher also had to keep the goals and objectives for the study in mind when setting deadlines for progress and considered what benchmarks should be used to determine the progress.

A lack of data or of reliable data required the researcher to limit the scope of the analysis, the sample size, or it can be a significant obstacle in finding a trend and a meaningful relationship. In addition to, sometimes the interviewees didn't will to open up much, towards some questions. This leaded to incomplete or incorrect information. Most serious challenge for me during the field work was from some of the junior staff. Several of them were very reluctant to fill the questionnaire. There could be a number of possible reasons for their refusal. One reason could be that they were not fully aware of the performance appraisal process. Another possible reason could be that they were hesitant to talk about such organization-culture related issues which they think could have negative repercussions on them.

Lack of prior research studies on the topic was another limitation where citing prior research studies formed the basis of the literature review and helped lay a foundation for understanding the research problem the researcher was investigating. Depending on the currency or scope of the research topic, there may be little prior research discussing the effectiveness of

performance appraisal systems in International Organizations working in Palestine. Note that this limitation can serve as an important opportunity to describe the need for further research.

1.13 Ethical Statement

Research involved collecting data from people about people. The researcher needed to protect their research participants by developing trust with them, promoting the integrity of the research, guarding against misconduct and any impropriety that was reflected on their organizations and coped with new challenging problems. First and foremost the researcher had an obligation to respect the rights, needs, values, and desires of the participants. Phenomenological research solicited deep and sensitive answers to questions extracting meaning from statements and opinions. Additionally the reputation and positions of the participants were visible especially since the findings of the study were shared with other people and organizations.

To address ethical issues in the study, an email was sent to the Human Resource Manager of each of the International Organizations, requesting permission to conduct the field work relevant to this study and outlining the purpose of the study and through the office of the head of departments a request for cooperation was sent to employees. After the permission was obtained to collect data from the departments, participants were advised of the voluntary nature of their participation and that they were informed that they could withdraw from the study at any time during the process and they could decline to answer any question and gave the research participants a guarantee to keep their responses anonymous. The researcher kept in confidence all information obtained about research participants. The participants' identity was concealed in written and verbal reports of the results, as well as in informal discussions. The research objectives were clearly designed in writing and were articulated to the participants. The participants were informed of all data collection methods and activities. Provisions were made for monitoring the data collected to ensure the safety of the participant's. Written transcriptions and interpretations of the data were made available to the participants. The participant's rights, interests and wishes were considered first when choices

were made regarding reporting the data and, the final decision regarding participants privacy was rest with the participants.

1.14 Organization of the Study

The study is divided into five main chapters; each chapter consisted of several sections and subsections. The following is a brief outline of the contents of each of the chapters.

Chapter One: Introduction

Chapter one provided an understanding of the environment of the research. It began with general introduction about the purpose of the research, a brief overview of performance appraisal was presented, followed by the problem statement, questions, and objectives of the study, significance of the study, reasons for selecting the study, a brief summary of the research methodology was presented, and finally limitations of the study, and the ethical statement.

Chapter Two: Literature Review

Chapter two comprises of Literature review. It reviewed the literature related to this research topic. It started with the history of performance appraisal system. The chapter then, explained the various concepts relevant to the subject. The "Literature Review" chapter included presentations of some theory, in the area of Performance appraisal, in order to provide the reader with better understanding of the current research within this area and potential link between existing theories and the current study, which was presented in the next chapters. This chapter discussed the effectiveness of performance appraisal as well as the definitions of performance appraisal, the traditional performance appraisal, linkage of human resource management and performance appraisal, performance appraisal methods, the purposes of performance appraisal systems, and the performance appraisal process. It analyzed also the impact of effective performance appraisal in the employee development and motivation. The literature review was designed to explain the main motive of the research, therefore accordingly the relevant literatures pertaining to the research was only considered.

Chapter Three: Research Methods

Chapter three presented the methodological approach undertaken in this research study. It explained the purpose of mixed method adopted in the research. It then highlighted the relationship between the study and the research method adopted. It discussed the aim of the research study, the data collection methods used, how and why the sample was selected and how the data was analyzed.

Chapter Four: Analysis of Data

Chapter four comprised of the Analysis section. This section gives a brief introduction to the parameters on which the employees are tested in the organization and the scale on which they are judged are explained. This chapter then explained the findings of the research. It put an interpretation of the findings obtained from the questionnaires and interviews with Human Resource professionals, why the findings were relevant to the research and the findings were related to other research carried out. Also the results considering the main questions of the research are discussed in this chapter. This section broadly explained the reaction of the employees, of the appraisal system of their organization.

Chapter Five: Findings, Conclusion, and Recommendations

Chapter five presented the findings obtained from the data collection and analysis. It concluded with a brief summary of the complete research study and presented a conclusion of the study, based on the findings of the study along with a series of recommendations. It contained suggestions about how to use Performance appraisal as a winning strategy for an organization, what value the best practices could bring, usual pitfalls and mistakes and how to overcome these as well as suggestions for both employees and managers.

CHAPTER TWO

LITRETURE REVIEW

2.1 Introduction

In the current business world humans are considered as the success factor for any organization. For this reason reputed organizations are trying to hire the best human resource that is available in the market so that the organizations can maintain its image and goodwill in the future as well. But having capable human resource on board is not an easy task for the organization and for the achievement of this objective the large organizations have a separate department known as human resource department. The main objective of Human Resource Department is to perform four important functions such as recruitment and selection (Staffing), performance management (Performance Appraisal), training and development and reward management (Motivation) (Qureshi, & Hassan, 2013 & Akinbowale, & Lourens, & Jinabhai, 2013).

In today's world, almost every organization whether it is public or private sector, requires a performance appraisal system to assess the performance of its employees. Moreover, in work settings Performance Appraisal System is also utilized for several important administrative and developmental decisions, like, pay, promotion, training, and also documentation for legal purposes. So performance appraisal is stated as an integral part of organizational human resource management functions (Ikramullah, & Shah, & Hassan, & Zaman, & Khan, 2011; Qureshi, & Hassan, 2013 & Akinbowale, & Lourens, & Jinabhai, 2013).

Numerous researches have confirmed the importance of performance appraisals in organizations and have shown that performance ratings are not only significant in the traditional performance appraisal context but also for other employment practices, such as recruitment, selection interviews and assessment centers (Mishra, & Roch, 2013). Performance appraisal is one of the widely researched topics in the field of organizational psychology. So there is no rareness in the availability of performance appraisal literature (Ikramullah, & Shah, & Hassan, & Zaman, & Khan, 2011). A significant amount of work has been devoted to how to improve performance appraisals. One of the major elements to improving employee performance is paying attention to the way employees react to the performance appraisal review. This means focusing on the extent to which employees feel that they were treated fairly, that the feedback given was useful and motivating, and that they were satisfied with their review (Teckchandani, & Pichler, 2015; Mishra, & Roch, 2013 & Lam, & Schaubroeck, 1999). There is general consensus among performance

appraisal researchers that assessment of appraisal reactions is important. For instance, it is frequently argued that in order for performance appraisal to positively influence employee behavior and future development, employees must experience positive appraisal reactions. If not, any appraisal system will be convicted to failure. Performance appraisal satisfaction is the most frequently measured appraisal reaction (Seniwoliba, 2014). The literature also focuses on best practices for giving employees feedback, such as giving feedback in a neutral location and using praise and criticism effectively (Teckchandani, & Pichler, 2015; Mishra, & Roch, 2013 & Lam, & Schaubroeck, 1999).

2.2 Performance Management

Volumes have been written about performance management. Simply put, performance management is the ongoing communication process between an employee and his or her immediate supervisor. It is a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals (Otley, 1999 & Lebas, 1995).

For greatest effectiveness, this process involves establishing clear expectations and defining job responsibilities, performance measures, and ways that the employee and supervisor will work together to enhance performance. Performance management requires that managers ensure that employees' activities and outputs are congruent with the organization's goals and, consequently, help the organization gain a competitive advantage. Performance management therefore creates a direct link between employee performance and organizational goals, and makes the employees' contribution to the organization explicit. The key word in the preceding paragraph is "ongoing." It involves a never-ending process of setting goals and objectives, observing performance, and giving and receiving ongoing coaching and feedback. Reviewing an employee's performance only once a year is insufficient for optimal performance management. That is so because annual reviews are but one aspect of performance management. Effective performance management takes place throughout the year (Aguinis, 2009).

Quality and effectiveness of performance management is a reality in organizations only when certain basic and fundamental principles or practices of management are followed. These include: 1. Transparency – decisions relating to performance improvement and measurement such as planning, work allocation, guidance and counseling and monitoring,

performance review etc., should be effectively communicated to the managers and other members in the organization.

2. Employee development and empowerment – effective participation of employees and managers (individuals and teams) in the decision making process and treating them as partners in the enterprise. 3. Values – a fair treatment and ensuring due satisfaction to the stakeholders of the organization, empathy and trust and treating people as human beings rather than as mere employees form the basic foundation, apart from others. 4. Congenial work environment – the management need to create a conducive and congenial work culture and climate that would help people to share their experience knowledge and information to fulfill the managers aspirations and achieve organizational goals. The managers and employees should be well informed about the organizational mission, objectives, values and the framework for managing and developing individuals and teams for better performance. 5. External environment – effective and contextual management of external environment to overcome the obstacles and impediments in the way of effective managerial performance (Aguinis, 2009 & Chubb, & Reilly, & Brown, 2011 & Armstrong, 2006).

Note that many organizations have what is labelled a 'performance management' system. However, we must distinguish between performance management and performance appraisal. A system that involves employee evaluations once a year, without an ongoing effort to provide feedback and coaching so that performance can be improved, is not a true performance management system. Instead, this is only a performance appraisal system. Although performance appraisal is an important component of performance management, it is just a part of the whole. Performance management systems that do not make explicit the employee contribution to the organizational goals are not true performance management systems. Making an explicit link between an employee's performance objectives and the organizational goals also serves the purpose of establishing a shared understanding about what is to be achieved and how it is to be achieved (Aguinis, 2009). An effective performance management system presupposes an effective performance appraisal system (PAS) that measures individual performance accurately and rewards employees based on their performance (Fletcher, 2001).

2.3 The Performance Management Contribution

There are many advantages associated with the implementation of a performance management system. A performance management system can make the following important contributions:

Motivation to perform is increased. Receiving feedback about one's performance increases the motivation for future performance. Knowledge about how one is doing and recognition of one's past successes provide the fuel for future accomplishments. Self-esteem is increased. Receiving feedback about one's performance fulfils a basic need to be appreciated and valued at work. This, in turn, is likely to increase employees' self-esteem. Self-insight and development are enhanced. The participants in the system are likely to develop a better understanding of themselves and of the kind of development activities of value to them as they progress through the organization. Participants in the system also gain a better understanding of their strengths and weaknesses, which can help them better define future career paths (Otley, 1999 & Qamar, 2016 & Aguinis, 2009).

Managers gain insight about subordinates. Direct supervisors and other managers in charge of the appraisal gain new insights into the person being appraised. Gaining new insights into a person's performance and personality will help the manager build a relationship with that person. Also, supervisors gain a better understanding of each individual's contribution to the organization. This can be useful for direct supervisors as well as for supervisors once removed. Supervisors' views of performance are communicated more clearly. Performance management systems also allow managers to communicate to their subordinates their judgements regarding performance. Thus there is greater accountability in how managers discuss performance expectations and provide feedback. When managers possess competencies, subordinates receive useful information about how their performance is seen by their supervisor (Aguinis, 2009).

The job definition and criteria are clarified. The job of the person being appraised may be clarified and defined more clearly. In other words, employees gain a better understanding of the behaviors and results required of their specific position. Employees also gain a better understanding of what it takes to be a successful performer. In addition, organizational goals are made clear. The goals of the unit and the organization are made clear, and the employee understands the link between what he or she does and organizational success.

This is a contribution to the communication of what the unit and the organization are all about and how organizational goals cascade down to the unit and the individual employee. Performance management systems can help improve employee acceptance of these wider goals (Aguinis, 2009 & Armstrong, 2006).

Employees become more competent. An obvious contribution is that the performance of employees is improved. In addition, there is a solid foundation for developing and improving employees by establishing developmental plans (Aguinis, 2009).

Performance management systems provide valid information about performance, which can be used for personnel actions such as merit increases, promotions and transfers, as well as terminations. There is better timely differentiation between good and poor performers. Performance management systems allow for a quicker identification of good and poor performers. Also, they force supervisors to face up to and address performance problems on a timely basis (i.e., before the problem is too costly and cannot be remedied). In general, a performance management system helps ensure that rewards are distributed on a fair and credible basis. In turn, such decisions based on a sound performance management system lead to improved interpersonal relationships and enhanced supervisor–subordinate trust (Aguinis, 2009 & Armstrong, 2006).

Organizational change is facilitated. Performance management systems can be a useful tool to drive organizational change. For example, assume an organization decides to change its culture to give top priority to product quality and customer service. Once this new organizational direction is established, performance management is used to align the organizational culture with the goals and objectives of the organization to make change possible. Employees are provided with training in the necessary skills, and are also rewarded for improved performance so that they have both the knowledge and the motivation to improve product quality and customer service (Aguinis, 2009 & Armstrong, 2006).

2.4 Traditional Performance Appraisal

Traditionally, performance appraisal was considered as a tool for assessment of employee's performance, and the expression performance appraisal referred to the process of a manager completing an annual report on a subordinate's performance and usually discussing it with the subordinate in an appraisal interview (Mishra, & Roch, 2013 &

Ikramullah, & Shah, & Hassan, & Zaman, & Khan, 2011). Traditionally performance appraisal was used more as a routine function to promote or reward employees than as a developmental tool. It was more focusing on past performance with little or no orientation towards future activities (Singh, 2015). Organizational scholars have traditionally viewed the measurement of individual differences in performance as the primary purpose of performance appraisal. The emphasis of traditional performance appraisal is on measuring individual results, which tend to focus on individual differences rather than the limitations resulted by the overall system. Examples of such constraints include the leadership context, work process flow, and the organization design (Lam, & Schaubroeck, 1999). The traditional process of performance appraisal reflects and enhances an outdated, top-down, dictatorial style of management that depends on organization charts and fear of job loss. The traditional performance appraisal process treats employees as possessions of the company, fails to create a dialogue, and rarely results in positive employee development and progress (Heathfield, 2007).

The use of performance appraisals became institutionalized as a way of monitoring and improving organizational output during the Industrial Revolution when bureaucratic organizations reproduced. Primary use of performance appraisals during this period was usually linked to reactivity and punishment for poor performance. In other words, the performance appraisal mechanism focused on punishing employees for poor performance as a means for motivating them to achieve higher performance standards. As industrialization continued and bureaucratic organizations appeared and increased, however, the performance appraisal system similarly began to develop (Kondrasuk, 2011).

Kennedy and Dresser (2001) told how "organizations gradually adopted more refined methods for seeking improvement in workplace performance...eventually championing rewards over punishment, arguing that performance should not only be appraised but also managed, and devising new and sometimes complex methods to improve performance" (Kennedy and Dresser, 2001, p. 8).

Over the years, performance appraisal has expanded as a concept and has become part of a more strategic approach to combining human resource activities and business policies, today known as performance management (Mishra, & Roch, 2013). The modern approach of performance appraisal is associated with employees as individuals. In this approach, performance appraisal is used as a contributor to employee motivation, development and

human resources planning. In the modern approach, the purpose of performance appraisal confirms that employees have full potentials that can be explored and expanded. Employees with promising abilities and expertise can be employed positively to sustain the quality of service and product of the organization. Consequently, with the employees' roles and responsibility to perform at the highest level of their work competencies, performance appraisal tend to be more constructive, parallel with the employees' work development (Ahmad, & Bujang, 2013). The performance appraisal can be used as an effective managerial decision tool if its results are providing the accurate information about the performance of employees. The need to evaluate performance of various types of employees working in different roles and environments in an organization challenges managers to indentify and use the most effective performance appraisal techniques (Singh, 2015 & Akinbowale, & Lourens, & Jinabhai, 2013).

2.5 Performance Appraisal Concepts

Performance appraisal has been synonymous with performance review, performance evaluation, performance assessment, performance measurement, employee evaluation, personnel review, staff assessment, service rating, and other terms and combinations of terms (Kondrasuk, 2011; Aggarwal, & Thakur, 2013 & Ahmad, & Bujang, 2013). Performance appraisal is among the most important human resource practices and one of the more heavily researched topics in work psychology, a subject of research for over 70 years. Still, many organizations express dissatisfaction with their appraisal schemes and others do not even appraise their employees (Seniwoliba, 2014 & Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014). Performance Appraisal on one hand is the vital factor for the success and survival of an organization because in the current world human resources are considering to be one of the essential factors for an organization (Qureshi, & Hassan, 2013 & Seniwoliba, 2014). Performance appraisal is an important component of a broader set of human resource practices; it is the mechanism for evaluating the extent to which each employee's day-to-day performance is linked to the goals established by the organization (Seniwoliba, 2014 & Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014).

In many organizations performance appraisal are formal systems that are used to evaluate and measure the quality of an individual employee's behavior and accomplishments over a specific period of time and to identify the better performing employees who should get the

majority of available merit pay increases, bonuses, and promotions. Further, effective performance appraisal practices are instrumental to administrative decisions organizations make such as merit pay allocations or promotions (Fletcher, 2001). Well-designed and well-executed performance appraisals have a strong motivational impact. Appraisals have the power to motivate employees because they provide a number of interconnected benefits.

Performance appraisal demonstrates the need for improvement. If employees don't have a clear understanding of how they've been performing, they can't be motivated to make any improvements. Performance appraisal enhances personal development and they are motivational for employees who are looking to enhance their personal learning, growth, and development. Appraisals are a highly valuable source of information, insights, and tools necessary for such progress. Performance appraisals are similarly motivational for employees whose needs are centered on achievement, goal attainment, and sensing personal effectiveness, respect, and trust (Armstrong, 2010). Performance appraisal increases satisfaction**. When performance appraisals meet the employees' needs in such areas as gaining recognition, sensing achievement and competence, experiencing growth, and meeting objectives, they're also contributing to the employees' job satisfaction, and this is one of the most important elements at work today. When employees are satisfied, some of the most visible indicators are reduced turnover, absenteeism, and tardiness (Murphy, & Cleveland, 1995).

Researchers continue to find that recognition is one of the most powerful forms of motivation for large numbers of employees. Although you can find numerous possible sources of recognition on the job, performance appraisals are an opportunity for employees to receive formal, significant, and enduring recognition from their manager. Moreover, when managers take the time and effort to carefully review, analyze, document, and discuss performance with employees, the underlying message to the employees is that they're important and valuable, and this alone is quite rewarding, whether the feedback is positive or not (Armstrong, 2006).

Performance appraisal system is important to any organizational work performance; it determines the organization's success or failure. Organizations use different tools and have a number of goals for performance appraisals, often resulting in some confusion as to the

true purpose of performance appraisal systems (Akinbowale, & Lourens, & Jinabhai, 2013).

On the other hand it is one of the most complex and debatable human resource techniques (Deepa, & Kuppusamy, 2014; Ikramullah, & Shah, & Hassan, & Zaman, & Khan, 2011 & Seniwoliba, 2014). Although it has many benefits for the organization, states that performance appraisal have the equal probability of having a bad impact on the organization as well as on employee performance. In spite of that performance appraisal improves the work performance and employee satisfaction, it can also de-motivate employees and leaves a bad impression on the good employees. Most of the employees do not approve of continuous performance appraisal and also consider it as a burdensome activity (Akinbowale, & Lourens, & Jinabhai, 2013).

With the importance of performance appraisal given, several organizations have declared their dissatisfaction with the existing performance appraisal system and hold the view that a majority of performance appraisal systems fail to create motivation among employees not leading them through development (Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014 & Akinbowale, & Lourens, & Jinabhai, 2013). Such feeling of dissatisfaction may serve that performance appraisal system had failed to be as a mechanism for individuals' improvement. One crucial factor in illustrating the issue is that performance appraisal systems overemphasize the evaluating aspect (administrative application) of evaluation, underestimating their developmental applications. Consequently, the research trend and implementation of performance appraisal has moved away from evaluation and psychometrics issues toward motivational and developmental themes (Fletcher, 2001).

Performance appraisal plays an important role from both a practical and a theoretical point of view. It is widely used by organizations and has two specific features that deserve particular attention. On the one hand, performance appraisal reflects the need for a comprehensive measurement of worker performance. Such comprehensive measurement of performance involves a high degree of subjective evaluations. As emphasized by performance appraisal is based on judgments and opinions, while an objective measurement of performance uses indicators such as sales figures and the number of produced pieces (Jirjahn, & Poutsma, 2013).

The development of performance appraisal has four distinct phases. It is called TEAM (Technical, Extended, Appraisal and Maintenance) approach. Performance Appraisal is reviewing past performance through an interview where an employee's job performance is assessed and feedback is given to the employee, rewarding past performance through a system of setting employee job expectations, employee actual job performance, assessing that performance, feedback is given to the employee on the performance assessment and how to improve it in the future, setting new goals and expectations for future performance and employee development (Aggarwal, & Thakur, 2013 & Kondrasuk, 2011).

Performance appraisal can be defined as "a general heading for a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards" (Mieroop, & Vrolix, 2014).

Performance appraisal is a system that involves a process of measuring, evaluating, and influencing employees' attributes, behavior and performance within the overall performance management process which involving the assessment and comparison of employee performance in light of predetermined standards and purposed supplies taking of the success with the actual output of the employees, which an individual or organization has achieved in performing assigned tasks or meeting set goals over a period of time (Mitchell, 2010; Kondrasuk, 2011; Ahmad, & Bujang, 2013; Jafari, Bourouni, & Amiri, 2009; Deepa, & Kuppusamy, 2014; Obisi, 2011; Singh, 2015; Joseph, 2014; Darehzereshki, 2013 & Abd El-Fattah, & Ghamdi, 2015). This happens as a result of the establishment of objectives at the beginning of the assessment cycle which brings employees with obvious performance goals view, also the supervising of performance during the assessment cycle and the support provided for high-quality performance through rewards, typically in the type of higher pay. Performance appraisal is considered to encourage employee performance in consequent performance cycles (Darehzereshki, 2013 & Seniwoliba, 2014).

Performance appraisal can be seen as the systematic and structured assessment and description of individual job-relevant strengths and weaknesses and establish targets for him to achieve within the overall objectives of the organization that is as objective as possible of an ongoing program or policy, its design, implementation and results for the purposes of making a decision about the individual. Its aim is to appraise the relevance and fulfillment of objectives, efficiency, effectiveness, impact and sustainability (Messah,

2011; Singh, 2015; Joseph, 2014; Seniwoliba, 2014; Deepa, & Kuppusamy, 2014; Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014 & Akinbowale, & Lourens, & Jinabhai, 2013).

Performance appraisal is the process through which organization takes support of its human resource manpower in terms of its present performance, the competence and interest of each person, his strengths and weaknesses and his potential for growth (Mitchell, 2010; Kondrasuk, 2011; Ahmad, & Bujang, 2013; Jafari, Bourouni, & Amiri, 2009 & Obisi, 2011). It should serve as a basis for the employee's self-development and as a basis for sound company program for the guidance and development of personnel and the promotions and pay increases could be based on objectives performance data rather than on favoritism, subjectivity, observations or opinions. This should motivate the employees to raise their levels of performance (Joseph, 2014). The appraisal system helped define roles and responsibilities more clearly, review and determine job descriptions, organizational goals and objectives, and led to continuous learning, team building and improved productivity (Deepa, & Kuppusamy, 2014).

Performance appraisal serves as management information systems for organization and it gives the data we need to provide feedback to the employees about his/her performance, and therefore can be said to have been generally accepted as a logical means to evaluate, analyze and effectively utilize the abilities and knowledge of employees at all organizational levels (Grote, 2002 & Joseph, 2014). It encourages performance improvement, make valid decisions, justify terminations, identify training and development needs, and defend personnel decisions (Grote, 2002). The data emerging from such an exercise includes the primary database for employee development and should be communicated to the subordinate (Obisi, 2011). The information from appraisal is used to adjust organizational processes. System improvement within focusing on individual performance is seen to transfer the organization's effort to improve systemically (Lam, & Schaubroeck, 1999). Appraisal data can also provide information on how well the recruiting strategies are working, what developmental process is good enough and what the effectiveness of employees is. Performance appraisal process could be a data sheet highlighting the overall performance of all employees; telling how well productivity has improved, remains same or fall (Seniwoliba, 2014). The usefulness of the performance appraisal system not only depends upon its ability to provide accurate information about employees' performance, but also to enrich attitudes, experiences and skills that improves

the effectiveness of employees (Javed, & Saif, & Rehman, & Qureshi, & Khan, & Khan, 2013). By this, there is a responsibility on management to provide systematic procedures for reviewing and appraising the contributions of staff to the organization's objectives and having the manager to coach and counsel the staff in areas requiring correctives actions, to motivate and to improve overall performance for the benefit of both employees and the total organization (Joseph, 2014 & Akinbowale, & Lourens, & Jinabhai, 2013). The commitment from the organization to conduct performance appraisal policy correctly is essential. This includes logistical and technical support, in depth job analysis and ongoing training (Akinbowale, & Lourens, & Jinabhai, 2013).

Performance Appraisal serves to identify the connections between employee actions and outcomes (Lam, & Schaubroeck, 1999). The capacity to achieve positive outcomes will be a function of the quality of the performance appraisal experience. Organizational efficiency can be affected by the quality of the performance appraisal process. One source of quality difference in performance appraisal is the approach and attitudes of supervisors to the performance appraisal (Darehzereshki, 2013).

Performance appraisal has, over time, referred to instrument that facilitates organizational goal achievement and enhances the effectiveness of work teams in their efforts to improve the performance of the organization as a whole (Lam, & Schaubroeck, 1999; Singh, 2015; Ikramullah, & Shah, & Hassan, & Zaman, & Khan, 2011 & Kondrasuk, 2011). Used well, performance appraisal enables managers to mobilize the energy of people to achieve strategic goals. Appraisal can focus every person's attention on the mission, vision and values (Grote, 2002). Individuals and group members play an important role to achieve the vision of the organization. Both parties play a vital function to complement each other. In the performance appraisal context, the power of individual performance is important in comparison with team performance. This is because the appraisal process is more towards the individual reward system rather than the group reward system (Ahmad, & Bujang, 2013). If organization is able to achieve the desired results, it shows that employees are achieving their objectives in the desired manner otherwise there is the possibility of some underperformed employees, which are not able to achieve their targets. Performance Appraisal is a strategic and integrated approach towards the performance of individuals and teams who are delivering their best for the success of the organization (Qureshi, & Hassan, 2013).

One of the responsibilities of management is to ensure that an organization functions effectively and efficiently. In order to achieve these goals, managers must be able to determine and assess performance levels of both an organization and its individual employees (Cardy, & Gregory, 1994). Indeed, for many organizations performance appraisal has become an important tool for maximizing the effectiveness of all aspects of the organization, from staffing and development to production and customer service (Fletcher, 2001). The efforts of employees can determine the success and survival of an organization and appraisal is potentially one way in which those efforts can be aligned with the aims of an organization, employees can be motivated and their performance managed. Competent appraisal of individual performance in an organization serves to improve the overall effectiveness of the organization (Drucker, 1994).

Performance Appraisal is the basis for many important organizational actions, accuracy of appraisal has major implications for individuals and organizations (Selvarajan, & Cloninger, 2012). The clarity of performance expectations shows the scope to which employees are familiar with the purpose and role of the performance appraisal. This will involve accuracy and clearness of the role of performance appraisal that will play in shaping an employee's fate within the organization and the performance appraisal process (Darehzereshki, 2013). Most studies on performance appraisal indicate that employee acceptance will be maximized if performance appraisals systems and evaluation process are understood and perceived to be more accurate, the procedures are implemented fairly, the appraisal goals are compatible with personal goals, and the raters do not exceed their perceived authority. That is, when employees believe their performance ratings to be more accurate, they tend to accept the performance appraisal as a legitimate indicator of their performance, thus may have more positive reactions toward performance appraisal, and participate in the performance appraisal process and actions that are based on appraisals (Selvarajan, & Cloninger, 2012 & Lam, & Schaubroeck, 1999). Extensive literature has evolved to help managers design systems that are accurate. Yet, while appraisal is supposed to be objective and accurate, the reality is different. Many managers distort and manipulate appraisals for political purposes. In reality, managers may need other than being completely accurate and rational. Managers giving appraisals may have other motives and purposes that may replace a concern for accuracy (Ahmad, & Bujang, 2013).

Performance management system needs a careful but crucial communication effort in order to make the purposes of such an instrument clear and to reduce cognitive and emotional

mistrust assumptions (Ikramullah, & Shah, & Hassan, & Zaman, & Khan, 2011 & Greiling, 2007). The level of communication between the employees and their supervisors that specifies the opportunities to evaluate information and acquire supply, in combination with clarity about performance appraisal processes provide employees with the chance of exercising a level of process control. Moreover, providing an employee with the chance to express his or her opinion is appreciated in it and asserts his or her belongings in the organization (Darehzereshki, 2013). It therefore shows that performance appraisal practices should be intended and not by accident. It calls for serious approach to knowing how the individual is doing in performing his or her tasks (Obisi, 2011). In a typical performance appraisal there are three main steps of communication i.e. rater sets performance objectives for employees, continuous performance feedback is given on progress toward set targets during the evaluation cycle, while the final feedback is provided when supervisor concludes performance appraisal cycle with assessment of subordinate's performance in the form of a graded assessment (Ikramullah, & Shah, & Hassan, & Zaman, & Khan, 2011).

What would be an ideal performance appraisal? From the supervisor's perspective, it would probably be an appraisal that would be accurate and helpful in making administrative decisions about the employee. From the employee's perspective it would probably be an appraisal that would fully capture all that the employee has contributed in the job to the employer. From society's view it would probably be an appraisal that fairly assesses the employee's performance and is used justly in the employment situation to make the organization more useful to society. It seems to be a rather simple and straight-forward activity. However, it is one of the most problematic areas in human resource management (Kondrasuk, 2011). For appraisal to have positive systemic influences, raters must decide what organizational outcomes are desired, make the necessary performance observations, and then deliver appropriate feedback to ensure that those consequences will come about (Lam, & Schaubroeck, 1999).

An ideal appraisal form has five sections: 1. cultural competencies, 2. job-specific competencies, 3. key job responsibilities, 4. goals and major projects, and 5. summary of the most important achievements. Performance appraisal enables everyone to understand and be held accountable for meeting important objectives (Grote, 2002). Although, performance appraisal itself is often a process that involves documentation and communication, the tendency in recent years has been to formalize the appraisal process,

whereas in years past, an informal approach with very little record keeping sufficed, now more documentation is required. Organizations usually formalize part of the process by using a standard form (Messah, 2011).

Five Parts of the Perfect Form

The appraisal form should focus energy on high-priority issues. An ideal appraisal form has five sections: The first two deals with organizational and job-specific competencies; the next two concentrate on key job responsibilities and goals; and the fifth is a summary of what the person did to further mission, vision, and values (Grote, 2002).

1. Cultural competencies. Top management should identify about six competencies for every person and position. These competencies may include such attributes as communication skills, learning and continuous improvement, and ethics and integrity (Grote, 2002).

2. Job-specific competencies. The talents and skills required for success in one job may differ from those needed in another job. For example, in professional jobs, skills such as analytical thinking and achievement orientation might be indispensable, while in leadership jobs emphasis is placed on developing talent and people management skills. The ideal form identifies competencies that linked with job success (Grote, 2002).

3. Key job responsibilities. The major components of the position should be listed in a well-written job description. Identify the most important responsibilities or accountabilities of the job. Few jobs have more than six key responsibilities. If you have more, you're probably listing minor tasks that are performed to accomplish a key responsibility (Grote, 2002).

4. Goals and major projects. Goals go beyond key job responsibilities. Real goals are transformational, visionary, and long-term. They transform the nature of the position. Many people also take on special projects or assignments. Often their contributions are unheralded in their appraisal. This section provides for the recognition of these contributions (Grote, 2002).

5. Summary of the most important achievements. Growth and development result more from building on a person's unique strengths than from attempts to support deficiencies.

Performance appraisal enables everyone to understand and be held accountable for meeting important objectives (Grote, 2002).

Performance appraisal is a very strong process which not only is a connecting force between the management process and employee performance but also represents the kind of work environment an organization is having and helps of creating a work environment or setting in which people are enabled to perform to the best of their abilities (Heathfield, 2007 & Agarwal, & Mehta, 2014). If the right staff is recruited and created a supportive work environment with great managers and leaders, the organization will succeed. Performance Appraisals don't drive performance; they support and enforce the positive environment that already exists. An organization with dysfunctional performance appraisal would function better without them. Many have emphasized the importance of considering social, cultural, and climate influences on how performance appraisals are carried out, and several outstanding organization development practitioners emphasize the importance of gaining executive sponsorship to support organization change (Cleveland, & Murphy, & Tziner, & Roberts, 2001). Yet, very little attention is paid to how executives and other key managers create a culture that values performance appraisal. When key executives and influencers communicate the importance of the appraisal process on an organization wide basis, both employees and their managers have more confidence in the system. When executives are silent or noncommittal, even a well-designed system suffers (Lewis, 2011).

A high quality performance appraisal experience is expected to improve employees' feelings of attitudes, achievement, self-worth about their job and their feelings of a constructive position in the organization. High quality performance appraisal experiences are consequently essential to generate high levels of job satisfaction. A low quality performance appraisal experience may result in a lower level of job satisfaction. The employee is likely to feel that their contributions are not valued as they have limited capacity to exercise any process control and experience some confusion about the performance expectations of the organization. The process of trial and error in attempting to live up to vague performance expectations will reduce the employees' feelings of achievement and self-worth and ultimately job satisfaction (Darehzereshki, 2013).

Employees' performance in the workplace is a continuous process of monitoring on a timely basis that the organizational goals are achieved in an efficient and effective way (Qureshi, & Hassan, 2013). This is to ensure that improvements in performance are

continuous and within time, the organization becomes a learning organization. Several important purposes of mentoring are to identify the gap that exists between existing employees (with abundance of experience) with new employees (with minimal experiences); to identify opportunities that can assist existing employees with unfamiliar task or challenges; to identify any problems in advance to achieve the existing standards; and to collect documentation data on the employee's performance for the final appraisal (Ahmad, & Bujang, 2013).

2.6 Linkage of Human Resource Management and Performance Appraisal

In every organization, employees play an important role in determining its existence (Ahmad, & Bujang, 2013). It is important that employee care must be taken in an organization before anything is done and since staff forms a significant factor in the operative aspect and even to the success of the organization; policies that will make them more productive should always be formulated (Joseph, 2014). Employee's performance appraisal is a subject of great interest in any organization. In line with that, an employee is perceived as an important or valuable asset to an organization and is the key factor to make sure the operation of the organization runs as planned. Employees become the heart of the organization and really important to determine the needs and expectations of the customers. Employees can be used positively to sustain the quality of service or product of the organization. This is associated with the roles and responsibilities of the employees to perform at the highest level of their work competencies (Ahmad, & Bujang, 2013).

Therefore, in appraising employees or subordinate on any level, the key result areas should be identified, performance should always be monitored with the key results, it should be made of point of duty to discuss evaluations with employees and finally, both parties should agree on development plans while the superior counsels the employee. It is in this view that performance appraisal is viewed as a means of bringing about motivation in employees – since motivators are those factors that contribute to job satisfaction. Performance Appraisal is a remedy for staff development promotion, salary administration and other helpful rewards (Joseph, 2014).

Employees should know from the start of the year that what their desired goals, objectives and targets are so that during the year he can put his efforts in the right direction for the achievement of the goals. All the employees should know that at the end of the year their supervisors are going to check their performance by comparing the actual results with the desired results and on the basis of this they can be judged as the over performed, satisfactory or underperformed worker. Employees should also know that their pay and package is dependent upon their performance and the employees who are performing well in the current year they get high pay rise after their performance appraisal (Qureshi, & Hassan, 2013).

In today's scenario, human resources are to be considered as a very important asset of the organization and the importance of human resources is very well known to the organization (Singh, 2015). Human resource forms an essential part of the organization. Human resource management is a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities are critical to achieving competitive advantage, this being achieved through a characteristic set of integrated employment policies, programs and practices. Human resource management forms a core in understanding people's behavior towards their colleagues as well as their organizations (Qureshi, & Hassan, 2013).

The modern human resource system may be divided into four parts acquisition of human resources (recruitment and selection), training and development, motivation and compensation. Performance appraisal is involved in all four parts and serves to tie them together by providing feedback information for all of the other parts. Performance appraisal therefore is known as the powerful tool for managing human resources. Therefore, a human resource management process forms an important element in the organizational structure (Qureshi, & Hassan, 2013). For many organizations, the primary goal of an appraisal system is to improve individual and organizational performance. There may be other goals, however. A potential problem with PA, and a possible cause of much dissatisfaction, is expecting too much from one appraisal plan. For example, a plan that is effective for developing employees may not be the best for determining pay increases. Yet, a properly designed system can help achieve organizational objectives and enhance employee performance. In fact, PA data are potentially valuable for virtually every human resource functional area.

Human Resource Planning: In assessing an organization's human resources, data must be available to identify those who have the potential to be promoted or for any area of internal employee relations. Through performance appraisal it may be discovered that there is an insufficient number of workers who are prepared to enter management. Plans can then be made for greater emphasis on management development. Succession planning is a key concern for all organizations. A well-designed appraisal system provides a profile of the organization's human resource strengths and weaknesses to support this effort (Pedersen, Smith, & Austin, 2003).

Recruitment and Selection: Performance evaluation ratings may be helpful in predicting the performance of job applicants. For example, it may be determined that an organization's successful employees (identified through performance evaluations) exhibit certain behaviors when performing key tasks. These data may then provide benchmarks for evaluating applicant responses obtained through behavioral interviews. Also, in validating selection tests, employee ratings may be used as the variable against which test scores are compared. In this instance, determination of the selection test's validity would depend on the accuracy of appraisal results (Armstrong, 2006).

Training and Development: Performance appraisal should point out the employees' specific needs for training and development. For instance, if an organization finds that a number of first-line supervisors are having difficulty in administering disciplinary action, training sessions addressing this problem may be appropriate. By identifying deficiencies that adversely affect performance, training and development programs can be developed that permit individuals to build on their strengths and minimize their deficiencies. An appraisal system does not guarantee properly trained and developed employees. However, determining training and development needs is more precise when appraisal data are available (Messer, & Mires, 2001).

Career Planning and Development: Career planning is an ongoing process whereby an individual sets career goals and identifies the means to achieve them. On the other hand, career development is a formal approach used by the organization to ensure that people with the proper qualifications and experiences are available when needed. Performance appraisal data is essential in assessing an employee's strengths and weaknesses and in determining the person's potential. Managers may use such information to counsel

subordinates and assist them in developing and implementing their career plans (Pedersen, Smith, & Austin, 2003).

Compensation Programs: Performance appraisal results provide a basis for rational decisions regarding pay adjustments. Most managers believe that you should reward outstanding job performance tangibly with pay increases. They believe that the behaviors you reward are the behaviors you get. Rewarding behaviors necessary for accomplishing organizational objectives is at the heart of a firm's strategic plan. To encourage good performance, an organization should design and implement a reliable performance appraisal system and then reward the most productive workers and teams accordingly (Singh, & Mohamed, & Darwish, 2013).

Performance Appraisal is essential to understand the employee's performance through human resource department. In fact, performance appraisal is the basis for human resource department. It was viewed that performance appraisal was useful to decade upon employee promotion, salary determination. But in the recent development, Performance appraisal indicates that the level of desired performance, level of actual performance and the gap between these two. This gap should be bridge through human resources development techniques like training, and executive development, etc (Deepa, & Kuppusamy, 2014).

In the 21st century, performance appraisal activities continue and has been widely recognized as an integral part and one of the most important Human Resource Management functions and applied human resource management components of an organization, because performance of the employees is very significant for organization to be more effective and competitive in comparison with other organizations, it has a great effect on both the financial and program components of any organization, it is essential to investigate employees qualities critically. In working organizations there is legal and moral pressure to evaluate employees in an objective, consistent and fair way (Heijden, & Nijhof, 2004; Selvarajan, & Cloninger, 2012; Jafari, Bourouni, & Amiri, 2009 & Ahmad, & Bujang, 2013). Also, Performance Appraisal is often considered one of the most important Human Resource practices and one of the more heavily researched topics in work psychology. However, the traditional researches have done little to improve the usefulness of Performance Appraisal as a managerial tool (Javed, & Saif, & Rehman, & Qureshi, & Khan, & Khan, 2013). Performance appraisal is among the most critical Human Resource functions that brings global success for one organization (Darehzereshki, 2013). Appraisal

processes use aspects of other human resource practices, such as rewards, communication, feedback, employee reactions, equity and fairness, trust and acceptance, attitudes towards conflict, as well as the social context and motivational aspects such as investigating the influence of factors like rater motivation and employee reactions on the appraisal process (Singh, Mohamed, & Darwish, 2013 & Mishra, & Roch, 2013).

The success of any organization depends on its ability to correctly measure the performance of its members and use that measure to neutrally enhance their performance. In modern business scenarios where job roles have become more diverse it's not easy to measure the performance of any employee. This is where performance appraisal methods can be really helpful (Singh, 2015). A better performance appraisal system integrated with better human resource practices will enhance performance appraisal satisfaction and also increase employee job satisfaction and reduce turnover intentions to bring effectiveness in the organizations (Ahmed, & Hussain, & Ahmed, & Akbar, 2010).

Performance appraisal systems can provide valuable performance information's for number of critical human resource activities i.e. to assess employees and develop their competence, enhance performance and distribute rewards such as promotions, merit pay, feedback on the development and assessment of training needs and other human resource evaluations like selection predictors, performance documentation for legal purposes (Javed, & Saif, & Rehman, & Qureshi, & Khan, & Khan, 2013).

2.7 Effectiveness of Performance Appraisal

Within the last thirty years scholars and professionals alike have actively analyzed and critically examined the use and effectiveness of performance appraisals within the organizational context. Unfortunately no consensus exists as to what type of system best meets the desired objectives (Kondrasuk, 2011). However, effective performance appraisal policy remains a practical challenge to managers and employees because of cognitive, motivational and behavioral factors. At an organizational level, the performance appraisal policy impacts other human resources policies as well as organizational strategy (Akinbowale, & Lourens, & Jinabhai, 2013). The effectiveness of an organization's performance appraisal system is a prerequisite for ensuring the success of its selection, training, and employee motivation practices. At a strategic level, the need for rapid and

effective organizational change in today's active social, economic, and political environment requires that employees continually re-align their performance with the developed goals and objectives of the organization. The need to continually re-align performance characterizes many organizational departments which continue to struggle with getting their members to adopt the philosophy and practices that are directed at reinforcing performance (Messah, 2011 & Akinbowale, & Lourens, & Jinabhai, 2013).

Research finds that properly developed and implemented Performance Management systems can be effective Human Resource Development tools and help to create a motivated and committed workforce (Bragger, & Kutcher, & Menier, & Sessa, & Sumner, 2014). TQM supporter raise the issue of how effectiveness of the appraisal methods might be evaluated and they suggested three potentially appropriate types of criteria. The first type of criteria is concerned with the validity and reliability of measurements. An effective appraisal according to these criteria will reduce common measurement errors such as halo effects, central tendency and leniency (Lam, & Schaubroeck, 1999).

An effective performance appraisal and management system is a complementary part of organization's human resource management effectiveness (Akinbowale, & Lourens, & Jinabhai, 2013; Heathfield, 2007 & Selvarajan, & Cloninger, 2012). Effective appraisal systems should address clarity, openness, and fairness; recognize productivity through rewards; and be cognizant of appraiser leadership qualities (Abd El-Fattah, & Ghamdi, 2015). On one hand it eliminates some traditional appraisal process factors such as numeric ratings, forced ranking of employees across the organization and imposed goals and objectives, and on the other hand adds others such as schedule update and discussion meetings quarterly and annually with each employee, make the performance development planning meetings interactive, and negotiate and agree upon goals for both organization development and employee development (Heathfield, 2007 & Selvarajan, & Cloninger, 2012).

For performance appraisals to be effective for an organization, on one hand employee's individual goals must work to achieve the bigger goals of the organization. A key assumption of this approach is that the individual is capable of, and responsible for, influencing the way things get done in an organization. It is assumed the organization's performance will then be improved by the assemblage of the individual improvements (Lam, & Schaubroeck, 1999 & Akinbowale, & Lourens, & Jinabhai, 2013). Developing an

effective performance appraisal system requires strong commitment from top management: if the system does not provide the linkage between employee performance and organizational goals, it is bound to be less than completely effective (Deepa, & Kuppusamy, 2014).

Many firms use inappropriate assessments because they do not use the correct tools for designing the system (Kondrasuk, 2011). There is evidence of positive relationships between well-designed, and successfully implemented Performance Management systems and both employee productivity and organizational performance and employee satisfaction and engagement (Bragger, & Kutcher, & Menier, & Sessa, & Sumner, 2014).

For an appraisal system to be effective, employees must believe that they have an opportunity for meaningful input into the appraisal process. Regardless of the nature of employee input, it is clear that giving employees a voice in their own appraisals enhances the perceived fairness of the appraisal process, which, in turn, increases the probability that employees will accept the appraisal system as a legitimate and constructive means of measuring their performance contributions (Messah, 2011). Fairness perceptions about various components of performance appraisal systems are helpful in determining the system success and usefulness and have very serious implication not only for employee, but also for an organization. Therefore, successful working of performance appraisal system depends on employees' fairness perceptions and reactions to various aspects of the system (Ikramullah, & Shah, & Hassan, & Zaman, & Khan, 2011). Employees want to be treated fairly throughout the performance appraisal process as this is considered to have an effect on the quality of the results of the process (Darehzereshki, 2013).

In the context of performance appraisal, variables pertaining to fairness are: knowledgeable supervisor, chance given to employee for expressing his/her appraisal related feelings and appraisal frequency in a rating year. If employees have an opportunity to change their ratings or have given simply right to raise their voice against ratings which they perceive unfair then this will result in fair perceptions of performance appraisal (Ikramullah, & Shah, & Hassan, & Zaman, & Khan, 2011). Without the perception of fairness, the system that is designed to appraise, reward, motivate, and develop can actually have the opposite effect and create frustration and dissatisfaction (Messah, 2011). Employees' satisfaction with various aspects of performance appraisal like performance targets setting and performance feedback are related to fairness of appraisal system. Employees' fairness

perceptions of performance appraisals have significant effect on the performance appraisal rating's acceptance, employees' satisfaction with performance appraisal process and organizational commitment (Ikramullah, & Shah, & Hassan, & Zaman, & Khan, 2011).

The two basic considerations in designing the actual appraisal tool are what to measure and how to measure it. What to measure refers to the way in which to measure the employee's performance, such as quantity, quality and timeliness of work. It may also be measured in respect to developing one's competencies or achieving one's goals. In terms of how to measure it, there are various methodologies that are available for implementation (Kondrasuk, 2011 & Ikramullah, & Shah, & Hassan, & Zaman, & Khan, 2011). On the other hand employees need to feel like they have a high-quality relationship with their manager. Specifically, employees need to feel that the manager is providing encouragement and emotional help and in addition the manager should be trustworthy. When managers use an approach that involves building high quality relationships, characterized by trust and support, with all employees, they will react more favorably to the performance appraisal review. Employees who consider their supervisor is capable and has high-quality knowledge of their employees' job responsibilities will be more probable to rate their performance appraisal experience positively and trust their supervisor Furthermore, when employees trust their supervisor, they understand positive outlooks about their supervisor's motives, judging that their manager will act in their finest attention (Darehzereshki, 2013 & Teckchandani, & Pichler, 2015). This will lead to more positive attitudes and improved job performance and, hence, to improved organizational effectiveness (Teckchandani, & Pichler, 2015). Moreover, employers use performance appraisal to a greater extent under circumstances that contribute to trust and cooperation (Jirjahn, & Poutsma, 2013). Trust is one of the possible soft factors which could lead to more effective performance management in the non-profit sector. Trust is also a factor that is highly relevant to non-profit organizations, not least because they produce to a large extent goods and services with confirmation properties (Greiling, 2007). While this relationship building approach effectiveness of performance appraisals, it is important to note that it occurs outside the traditional performance appraisal process (Teckchandani, & Pichler, 2015).

Common outcomes of an effective performance appraisal process are using of evaluations as feedback to improve performance, reducing employee stress and turnover, reviewing of overall progress, increased motivation, existence of feelings of equity among employees,

linkage between performance and rewards, linkage between current performance and employee's goals, and development of specific action plans for future. The provision of information for the development of managerial strategies for training and development could be viewed as an outcome (Ishaq, Iqbal, & Zaheer, 2009).

2.8 Performance Appraisal Methods

Performance evaluation methods are the systems and processes through which appraisal is implemented in an organization. The methods include determining the types of data collected and evaluated in the appraisal, the forms and frequencies of communication that take place between supervisors and their employees, and the various types of evaluation tools used to measure performance. It is important to understand the evaluation methods used because they can influence the usefulness of the appraisal system in an organization and the perceived or actual benefits gained from its use (Cintrón, & Flaniken, 2011).

When designing a PA, one must first answer the question of what should be measured. Assessing employee performance is a very difficult task. While employee performance in some jobs is clearly measurable, assessing performance in many other professions, such as that of a nurse, can be less evident. In general, we can measure traits, behaviors, and results (Kondrasuk, 2011).

There are numerous numbers of alternative methods to measure employee's performance appraisal, each with their own strengths and weaknesses that make them more appropriate for use in some situations than in others, but some of these methods are not suitable in some cases. Obviously, no method can claim that it has an integrated approach in performance appraisal. Therefore, human resource managers should select an appraisal method which is most efficient in their organizations. Further, it is assumed that superiors accurately appraise their subordinates' performance, leading to unbiased and objective judgments Effective appraisal systems should address clarity, openness, and fairness; recognize productivity through rewards; and be cognizant of appraiser leadership qualities (Jafari, Bourouni, & Amiri, 2009; Aggarwal, & Thakur, 2013 & Kondrasuk, 2011).

There are various techniques and methods used for conducting performance appraisals, each having their own advantages and shortcomings. Depending upon the needs of an

employee or an organization a performance appraisal method needs to be selected. All performance appraisal methods can be divided into two different categories namely past oriented methods and future oriented methods (Singh, 2015).

Performance evaluation measures have been described by multiple authors in various ways. Those performance measures are organized into two groups: judgmental or subjective measures and nonjudgmental or objective measures. Objective measures such as sales, the quantity of produced output and time to complete a task, involve a relatively low degree of discretion and can be easily verified. In contrast, subjective performance measures, such as performance evaluations by superiors (e.g., evaluations of a worker's cooperativeness), entail a substantial degree of discretion and often are not verifiable. While subjective performance measures entail a substantial degree of discretion, they allow making comprehensive judgments about the performance of the individual workers. Although judgmental measures are more broadly used; objective performance measurements have been helpful measures of performance for routine, manual jobs. Other non-judgmental indicators that do not assess performance directly but provide information on the general health of the organization, including absenteeism, turnover, and accidents, have also been researched. The more holistic assessment of performance could evaluate helping employee, learning new skills, participating effectively in groups, or building good relations with customers. This suggests that formal performance appraisal systems should be more likely to be used in firms where production is characterized by a larger degree of multitasking (Jirjahn, & Poutsma, 2013 & Landy & Farr, 1983).

Organizations currently use several methods to appraise performance. For the purpose of simplicity, we can group them into four categories: the judgmental approach, the absolute standards approach, the results-oriented approach, and the modern methods (Lunenburg, 2012; Cintrón, & Flaniken, 2011 & Jafari, Bourouni, & Amiri, 2009).

2.8.1 Judgmental Approach

A manager or performance appraiser is asked to compare an employee with other employees and rate the person on a number of traits or behavioral dimensions. These appraisal systems are based on the exercise of judgment by the superior. Four widely used

judgmental approaches are graphic rating scales, ranking, paired comparison, and forced distribution (Lunenburg, 2012 & (Cintrón, & Flaniken, 2011).

A. Graphic Rating Scales is a popular and the most commonly used method of performance appraisal, it is simple and less time-consuming for evaluating employees by using a graphic rating scale. It is a scale that lists a number of traits and a range of performance for each in which the rater assess the employee by identifying the score that best describes his or her level of performance for each trait on factors such as initiative, dependability, cooperativeness, attitude and quantity of work. The utility of this technique can be enhanced by using it in conjunction with the essay appraisal technique (Aggarwal, & Thakur, 2013; Obisi, 2011; Lunenburg, 2012; Cintrón, & Flaniken, 2011; Jafari, Bourouni, & Amiri, 2009; Qureshi, & Hassan, 2013 & Singh, 2015).

B. Ranking Method is an alternative method to graphic rating scales involves managers ranking their subordinates in order of their performance effectiveness from best to worst on a particular trait, choosing highest, then lowest, until all ranked, which is used when it becomes necessary to compare the performance of two or more individuals. The usual procedure requires the rater to write the name of the best subordinate on the top of a list, then the name of the worst at the bottom and continue this sequential procedure until all subordinates are listed. Ranking is most frequently used for making decisions such as promotions or the merit salary increase each employee will receive (Lunenburg, 2012 & Aggarwal, & Thakur, 2013; Cintrón, & Flaniken, 2011; Obisi, 2011; Jafari, & Bourouni, & Amiri, 2009; Singh, 2015; Seniwoliba, 2014 & Abd El-Fattah, & Ghamdi, 2015).

C. Paired Comparison is a modification of the ranking procedure. This method overcomes the problem linked with differentiating between subordinates in the middle range of the distribution. Under paired comparisons, raters compare only two subordinates at a time until all two-way comparisons have been made among all employees. After rating all pairs, the manager can put the subordinates into a rank order by counting up the number of times each employee has been judged superior (Lunenburg, 2012; Cintrón, & Flaniken, 2011; Singh, 2015 & Seniwoliba, 2014).

D. Forced Distribution (Grading on a curve) is a good example of the forced distribution method of performance appraisal. With this technique, the rater should rank individual work behavior between two or more states and places a predetermined percentage of rates

into four or five performance categories. The usual procedure for accomplishing such a distribution is to record each employee's name on a separate index card. Then, for each dimension being appraised (leadership, management, etc.), the employee's index card is placed in one of the five categories (Lunenburg, 2012; Cintrón, &Flaniken, 2011; Jafari, & Bourouni, & Amiri, 2009; Singh, 2015; Seniwoliba, 2014 & Abd El-Fattah, & Ghamdi, 2015).

2.8.2 Absolute Standards Approach

Most appraisal measures that utilize an absolute standards approach are based on job analysis. This type of analysis can provide a more detailed description of the actual behavior necessary for effective performance. Managers compare the performance of each employee to a certain standard instead of to the performance of other employees; thus, they rate the degree to which performance meets the standard. The most common performance appraisal processes in this group are checklists, essays, critical incidents, and behaviorally anchored rating scales (Lunenburg, 2012; Cintrón, & Flaniken, 2011; Jafari, & Bourouni, & Amiri, 2009; Seniwoliba, 2014 & Abd El-Fattah, & Ghamdi, 2015).

A. Checklist method is the most common technique in the absolute standards group. Checklists tend to be more behaviorally based than either graphic rating scales or other employee-comparison methods, in which the rater does not evaluate performance but merely records it on a series of questions concerning the employee's behavior, the rater checks yes or no responses e.g. (a) does the individual perform his or her job, (b) shows superior ability to express himself or herself. More detailed procedures, such as weighted and force choice checklists, are also available. Specific weights are assigned to a list of work behaviors in the weighted checklist. A forced choice checklist consists of job-behavior statements with two to five response items in each set that correlate with high- and low-performing employees. The end result is a single numerical rating that is useful for personnel decisions such as salary and promotion (Obisi, 2011; Lunenburg, 2012; Rothwell, & George, 2012; Jafari, & Bourouni, & Amiri, 2009; Singh, 2015; Seniwoliba, 2014 & Abd El-Fattah, & Ghamdi, 2015).

B. Narrative Essay requires the manager to write an explanation about each employee's strengths and weaknesses points, previous performance, and potential for promotion,

positional and suggestion for his or her improvement at the end of evaluation time. This kind of evaluations usually includes some parts of other systems to cause their flexibility. This method often combines with other methods. This technique mainly attempt to focus on behavior. The essay method is along with suggestions for ways to improve performance. Some organizations require every rater to respond to specific open-ended questions, whereas others allow more flexibility. Compared to employee comparison methods, the essay method is time-consuming and difficult to quantify. Differences in the writing skills of raters are another limitation. Some organizations have combined the graphic and essay methods by providing space for comments on the graphic rating scale (Aggarwal, & Thakur, 2013; Obisi, 2011; Jafari, Bourouni, & Amiri, 2009; Lunenburg, 2012; Singh, 2015; Seniwoliba, 2014 & Abd El-Fattah, & Ghamdi, 2015).

C. Critical Incident Method was defined as a set of procedures designed to describe human behavior by collecting description of events having special importance and meeting systematically defined criteria, and by using trained observers to collect critical incident identification. Identification of the critical incidents during task performance can be an individual process or a joint process between user and evaluator (Aggarwal, & Thakur, 2013).

Critical Incident technique begins by identifying job requirements for successful performance. Job requirements are those behaviors that determine whether the job is being done effectively or ineffectively. It focuses on key factors which make difference in performing a job efficiently. This method is more credible because it is more related to job and based on individual's performance than characteristic. It is a method in which the manager for each subordinate is asked to keep a written record of both effective and ineffective incidents of on the job behaviors, incidents that of uncommonly good or undesirable examples that illustrates both positive and negative behavior of an employees' work related behavior. The incidents are then analyzed and reviewed it with the employee at predetermined times and refined into a combined picture of the required essentials in a particular job. From this a checklist is developed, which includes the framework against which the subordinate is evaluated. During the evaluation conference, the manager can refer to the critical incidents to correct work deficiencies, identify training needs, or praise successful performance. In this method, the individual's actual behavior and not personality traits, is discussed (Aggarwal, & Thakur, 2013; Obisi, 2011; Lunenburg, 2012;

Cintrón, & Flaniken, 2011; Dessler, 2011; Jafari, & Bourouni, & Amiri, 2009; Singh, 2015; Seniwoliba, 2014 & Abd El-Fattah, & Ghamdi, 2015).

The necessity of this system is to try to measure individuals' performance in term of incidents and special incidents which take place in job performance. These incidents are known as critical incident (Jafari, Bourouni, & Amiri, 2009).

D. Behaviorally Anchored Rating Scale (BARS) is a newer and somewhat related approach to the critical incidents technique. It was developed to overcome with the problem of identifying scale anchor points and replaces traditional numerical anchors tools with behavioral prototypes of real work behaviors. Specifically, the scale points such as unacceptable, needs improvement, acceptable, commendable, and outstanding may be difficult to define and may lead to unreliable or invalid appraisal results. Behavioral anchor scales are more informative than simple numbers. Hence, the BARS define scale points with specific behavior statements that describe varying degrees of performance and define the particular response categories for the evaluator. The form for BARS generally covers six to eight specifically defined performance dimensions. A BARS should be developed for each dimension. The response made by the evaluator is specific enough to be used as feedback in an appraisal interview and is meaningful to the subordinate. Behaviorally anchored performance dimensions can be operationally and conceptually can be distinguished from one another. Rater will act as observer not the judge. BARS help rater focus on specific desirable and undesirable incidents of work behavior which can serve as examples in discussing a rating. BARS use behavioral statements or concrete examples to illustrate multiple levels of performance for each element of performance. BARS have five stages 1) Generate Critical Incidents, 2) Develop performance dimensions, 3) Relocate incidents, 4) Rating of level of performance for each incident and 5) Development of the final instrument (Aggarwal, & Thakur, 2013; Lunenburg, 2012; Cintrón, & Flaniken, 2011; Fletcher, 2008; Jafari, & Bourouni, & Amiri, 2009; Qureshi, & Hassan, 2013; Singh, 2015; Seniwoliba, 2014 & Abd El-Fattah, & Ghamdi, 2015).

2.8.3 Results-Oriented Approaches

In recent years, results-oriented approaches to performance appraisal have been suggested as an alternative to the judgmental and absolute standards approaches. As the name

meaning, the emphasis of results-oriented approaches is on the evaluation of results both quantitative and qualitative. The focus is on what the subordinate is supposed to accomplish on the job rather than a consideration of the subordinate's traits or on-the-job behaviors (Grote, 2011).

A. Goal Setting is one popular results-oriented approach**.** Goal-setting is often associated with motivation and, more specifically, as a motivational technique. Goal setting can also serve as the basis for an organization's performance appraisal system. It is particularly well suited to high-level management positions for which methods such as BARS may be inappropriate. This program typically includes two major elements. First, the supervisor and the subordinate meet to discuss goals, which are established by the supervisor alone or jointly by the supervisor and the subordinate. Second, the supervisor and the subordinate meet to appraise the subordinate's performance in relation to the previously established goals (Lunenburg, 2012 & Seniwoliba, 2014).

2.8.4 Modern Methods

Modern Methods were devised to improve the traditional methods. It attempted to improve the deficiencies of the old methods such as biases, subjectivity (Aggarwal, & Thakur, 2013).

A. Management by Objectives (MBO): Management by objective (MBO) was introduced by Peter Drucker in 1954 which changed a manager's role from being a judge to a helper. Management by objective is an approach or performance evaluation is based on converting organizational goals and objective for individuals suggests that the above performance appraisal method could be communicated to the employee using the following methods. It includes seven elements: strategic planning and hierarchy of objects, setting objectives, planning for action, implementation of MBO, control and appraisal, subsystems, and organizational and management development (Aggarwal, & Thakur, 2013 & Obisi, 2011). It consists of four steps: goal setting, action planning, self-control and periodic reviews. The use of management by objectives (MBO) to define and measure job performance is often used with managerial and executive performance. There is a particular importance placed on the contribution of the employee to the organization's goals and results. There are several elements common to MBO programs. First, MBO

includes involvement in goal-setting. The supervisor and the subordinate are working together to define the goals and performance measurements for the subordinate. They decide what needs to be achieved and how the achievements will be measured. Secondly, MBO entails objective feedback regarding advancement towards accomplishing the goals. In a MBO system, performance is likely to be defined in terms of measurable outcomes. However, the setting of goals, targets, and objectives is very subjective, involving negotiation between the manager and the employee (Murphy & Cleveland, 1995). If a high performing employee fails to achieve his or her goals, it is not unusual for the manager to renegotiate objectives so that the manager can be sure that the capable performer will obtain outcomes that are seen as good performance. Two of the disadvantages of a MBO system include a significant amount of paperwork, particularly in the beginning stages of a new system, and the concern that MBO tries to make unclear responsibilities and goals exact and forces employees to measure objectives that are not measurable (Cintrón, & Flaniken, 2011; Jafari, Bourouni, & Amiri, 2009; Qureshi, & Hassan, 2013 & Singh, 2015).

B. Humans Resource Accounting: The main theory underlying the HRA is that people are valuable resources of an organization, information on investment and value of human resource is useful for decision making in the organization (Aggarwal, & Thakur, 2013).

C. Assessment Centers: Common job simulations used in assessment centers are in group discussions, simulations of interviews with subordinates or customers, fact finding exercises, analysis and decision making problems, oral presentation exercises, written communication exercise (Aggarwal, & Thakur, 2013 & Singh, 2015).

D. Peer Appraisal conducted by colleagues in the immediate working environment i.e. the people the employee interacts with regularly. Peer appraisal processes exclude superiors and underlings. Peer appraisals are a form of which are designed to monitor and improve job performance. Peer appraisals can be broken down into specific measures. Peer ranking involves workers ranking each member of the group from best to worst, either overall or on various areas of performance or responsibility. In peer ratings, workers rate colleagues on performance metrics.

Commonly-cited advantages of the peer appraisal process include insight and knowledge – workers are often in the best position to appraise a colleague's performance. Peer appraisal

also encourages a more inclusive team dynamic as colleagues gain a deeper insight into the challenges their colleagues face, and encourages development of a shared goal as workers realize they must impress their colleagues and respond to their ideas, concerns and needs.

Peer Appraisal and feedback is not just about gathering more information for the performance review. Providing vehicles for individuals to offer feedback to others encourages a culture of feedback and recognition, and supports collaboration. Individuals who receive feedback on their performance from peers gain valuable insight into their strengths and development needs. Soliciting feedback from one's peers makes the process of improvement and development visible and public. Once the feedback is received, individuals are more likely to take action on developmental feedback as they become accountable to their peers. Integrating feedback from multiple sources in performance appraisal not only increases the perceptions of fairness, but also improves the manager's ability to provide accurate ratings. As previously mentioned, managers have a limited ability to observe performance. Peer appraisal helps to provide a more complete picture of employee performance so that accurate judgments can be made.

Peer appraisal is a good way to begin the process of integrating 360 degree feedback into the performance review process. Collecting performance feedback from peers and direct reports provides managers with information they would otherwise not have in the performance appraisal process.

E. 360 Degree Appraisal Method also known as multi-source assessment or 360-degree feedback, it is a popular performance appraisal technique that refers to the process by which performance appraisals are collected from different sources of individuals, it involves evaluation input from multiple levels within the firm as well as external sources. This kind of methods ensures that not only the superior that appraises the subordinate but also the subordinate also appraises the superior. Colleagues also evaluate colleagues and individuals who appraise themselves and all the appraisals are used to arrive at the final appraisal outcome after calculating the average. 360 degree feedback is an approach that gathers behavioral observations from many layers within the organization and includes self-assessment, which can give the wider prospective of the employee's competencies. 360 degree feedback programs, feedback about a target individual are solicited from significant others using a standardized instrument. It relies on the input of an employee's superior, colleagues, subordinates, sometimes customers, and supplier instead of relying on

appraisals from a single source. It provides people with information about the effect of their action on others in the workplace. It provides a concept of behavioral change might be evolved through a process of enhanced self-awareness. This should provide the feedback recipient with information not otherwise available, and ensure that raters in the best position to observe certain types of behaviors are the ones to evaluate that behavior. The rationale behind this is that different evaluation perspectives offer unique and valuable information and thus add incremental validity to the assessment of individual performance (Aggarwal, & Thakur, 2013; Obisi, 2011; Singh, & Mohamed, & Darwish, 2013; Jafari, Bourouni, & Amiri, 2009; Ahmad, & Bujang, 2013 & Singh, 2015; Seniwoliba, 2014 & Abd El-Fattah, & Ghamdi, 2015).

Consequently, a fruitful application of 360-degree appraisal depends upon a careful formulation of criteria, thorough reactivation of the concept to be measured and, of course, an environment in which people can inform one another of strengths and weaknesses in performance at a particular career stage. The accurate interpretation of differences in appraisal by different sources requires that one can assume each set of ratings uses the same measurements. If, for whatever reason, one group of raters interprets the text of an item or a set of items differently from another group, the resulting differences in the ratings may be the result not only of the observations of the raters but also of the interpretative difference elicited by the item (Singh, & Mohamed, & Darwish, 2013).

F. 720 Degree Appraisal Method review focuses on what matter most, which is the customer or understanding of their work. 720 degree approach gives people a very different view of themselves as leaders and growing individuals. 720 Degree Performance Appraisal, considered an "all-round" appraisal, is one of the most recently introduced concepts. The major setback in the previous methods of appraisal was that it did not guide the employee after the appraisal hence the 720 Degree Appraisal was introduced when the employees performance is measured, analyzed and targets are set in the first appraisal and after a short period his performance is measured again and proper feedback and guidance is given to ensure that the employee achieves the target. Hence, 720 degree performance appraisal can be stated as twice 360 degree performance appraisal: once when the appraisal is done and the targets are set and the second where the feedback is given and the boss gives tips to achieve the goals. Hence, there is a pre and a post round of feedback. The 720 Degree Performance Appraisal system is a kind of double check for the 360 Degree Performance Appraisal system. 720 Degree Performance Appraisal is the evaluation of an

employee from all the aspects and giving timely feedback to ensure that the person is able to achieve the set goals before the next appraisal. In other words a 720 Degree Appraisal is basically a 360 Degree Appraisal performed twice. A second 360 Degree is performed at a timely interval and compared against the results of the first 360 Degree appraisal (Aggarwal, & Thakur, 2013).

As mentioned above, each method has advantages and disadvantages which make appraisal method more accurate and candid by using of several methods. In order to decision making and determining the best appraisal method, a question should be answered: "The best for what?"

It means that the appraisal method should be achieve to which goal or measure which performance? Therefore the manager should determine organization's goals, objectives and expectations of performance appraisal. Performance appraisal objectives are usually evaluating and nurturing. On the other hand, an effective appraisal method should be reliable, trustworthy and free of error (Jafari, Bourouni, & Amiri, 2009).

How to Better Engage Employees in the Performance Appraisal Process?

One of the important messages about performance appraisal is that employees need to be actively engaged in the process. This is important. In many, if not most organizations, performance appraisal is something that managers "do" and employees "receive". That tends to lead to employees being disengaged from the process, and even cynical about it. For performance appraisal to be truly effective, we need to change that paradigm. The question then is: how to do it?

Getting employees to complete self-appraisals, before their managers write their appraisals is a great way to involve them in the process and in their performance. It's a way to give them an active role and a voice in the process. It's also a great way to give the manager insight into their employees' perspective on things, and identify any differences in opinion before the performance appraisal meeting. Even for managers who work closely with their employees, it's hard to get the full picture, and understand all the factors that affect their employees' performance. Employee self-appraisals help fill that knowledge gap and avoid surprises. But more importantly, they give the employee an active role in the process.

Most of us are more committed to the things that we signed up for than to the things others ask us to do. This is not to say that employees should get to do only what they want to. But giving employees access to the organization's high level goals, and the department's goals, then asking them to identify how they, in their role, will contribute to these is a great way to give them context for their work and to get them committed to their goals. It's also a great way to uncover hidden talents, abilities or interests might not know about otherwise. It can help start a conversation about the employee's roles and responsibilities, and ways to expand them, or even focus them. Similarly, managers should ask employees to draft their own development plans. Doing this invites them to take an honest look at areas they want to develop or improve. And again, if they initiate it, they're more likely to be committed to the outcome.

It's hard to be engaged in something that only happens once a year. We all know how everyone tends to file away their annual performance appraisal and forget it until next year. Employee performance is really something that should be managed on an ongoing basis. One of the ways is that by encouraging the use of some kind regular progress report or shared performance journal. It can be a short weekly report, or a more comprehensive monthly report, or even better, a kind of performance or project diary where the employee keeps notes on progress, successes, failures, etc. This kind of recording encourages reflection, which can foster learning and growth. Sharing this regular progress reporting with the manager can open up another forum for dialogue and keep the manager in the loop with what's going on in the employee's work life. Managers can also foster more ongoing dialogue by building in more frequent mini-performance reviews into process. A lot of organizations find it helps to conduct quarterly reviews in addition to the annual performance appraisal. These mini reviews make everyone stop, take stock of where things are at, make any needed adjustments to goals and development plans, and address any performance challenges before they become big issues. And they just get managers and employees formally talking about performance on a more frequent basis – which is always a good thing.

The more engaged the employees are with the performance appraisal process, the more the organization will reap its benefits. Don't just go through the motions of rating performance, setting goals and identifying development plans. When done well, employee performance appraisals can be an invaluable tool for driving employee engagement.

2.9 The Purposes of Performance Appraisal

As stated previously, the ideal performance appraisal system could refer to a specific instrument, the performance appraisal interview, a performance appraisal system, or performance management. It is very important to realize that the ideal performance appraisal system is a format (process) and not a form (specific instrument). We need to clarify the purpose of the performance appraisal system (Kondrasuk, 2011). Performance appraisal research suggests that appraisal purpose is another important characteristic that can influence appraisal outcomes (Selvarajan, & Cloninger, 2012).

For many organizations, the primary goal of performance appraisal is to improve employee and organizational performance (Akinbowale, & Lourens, & Jinabhai, 2013 & Deepa, & Kuppusamy, 2014). The basic purpose of performance is to achieve the organization mission and vision (Heathfield, 2007). The overall objective of performance appraisal is to improve the efficiency of an organization by attempting to mobilize the best possible efforts from individuals employed in and improve employee performance in order to align employee performance with organizational goals (Obisi, 2011 & Teckchandani, & Pichler, 2015). Almost no one performs, for the organization, however, if his or her own mission and vision are not accomplished as well. So, within such a system, feedback to each staff member occurs regularly. Individual performance objectives are measurable and based on prioritized goals support the accomplishment of the overall goals of the total organization (Heathfield, 2007).

The introduction of formal appraisal systems and plans are designed to meet three needs, one for the organization and two for the individual. There are several categories of use. Firstly, appraisals are used to make between-person decisions; it provides systematic judgment to back up salary administration, promotions or termination decisions. Secondly, performance appraisal may be used for within person decisions, to determine competency profiles and strengths and weaknesses for instance in order to give performance feedback and discover training needs. Thirdly, performance appraisal is increasingly being used as a basis for coaching and counseling of the individual by the superior. Furthermore, organizational aspects such as system maintenance (e.g. personnel planning) and documentation are other possible purposes of performance appraisal (Grunda, & Sliwkab, 2009; Cleveland, & Murphy, 1989 & Qureshi, & Hassan, 2013).

Many years ago it was generally acknowledged that organizations typically try to achieve two main purposes of a performance appraisal system at the same time which produces a conflict and less than ideal results. Organizations seek to use the performance appraisal to 1) Developmental which means to improve employee performance (by learning the shortcomings of the employee and seek to help the employee improve in those areas) and 2) Administrative to make administrative decisions such as whether to fire, retain, promote, the level of pay increase, training needs. One stated goal of performance appraisal is to learn what the employee is/is not doing as well as possible and help the employee to improve her or his job performance. This is basically a counseling or guidance role that the evaluator plays in this role. The second goal or purpose is to use the performance appraisal results to help make administrative decisions such as if and how much to award in pay increases, what training is necessary or helpful to improve employee performance, and other uses such as test effectiveness criteria. This second goal places the evaluator in the role of judge (Kondrasuk, 2011; Singh, & Mohamed, & Darwish, 2013; Selvarajan, & Cloninger, 2012; Akinbowale, & Lourens, & Jinabhai, 2013; Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014 & Deepa, & Kuppusamy, 2014).

Several studies state that the supervisor needs to achieve both goals. However, trying to achieve both goals can create a conflict in the appraiser and employee. The appraiser must act as councilor in the former and a judge in the latter. It is very difficult for the supervisor to be a counselor while trying to be a judge at the same time. An employee is likely to be very open and admit weaknesses to a counselor who could help him but not be candid to a judge who may cut his pay raise or reduce his promotional opportunities or fire him. Evaluators may feel they are placed in conflicting roles by having to be both a coach and a judge of subordinate performance.

On the other hand, the employee tends to selectively hide potentially damaging information that could hurt his being judged highly but tends to openly state weaknesses that could be corrected when the appraiser is acting as a counselor. So there are conflicts within both the appraiser and the subordinate in a typical performance appraisal. The proposed best way to deal with these conflicts is to clearly separate the two goals (administrative and developmental) so that both the subordinate and the manager know when each purpose is occurring. It should be clear when the manager is evaluating the employee on administrative standards (tied to organization goals) or on developmental goals (tied to what the employee personally wants to achieve in that work setting). This

separation also has implications for the training of appraisers; they should be trained in how to be a good counselor as well as a good evaluator (Roberts, 1998 & Kondrasuk, 2011).

Performance appraisal has basically two important purposes, from an organizational point of view it is the maintenance of organizational control and the measurement of the efficiency with which the organizations human resources are being utilized. But ,there are also a variety of other declared purposes and desired benefits for appraisal, including: Improving motivation and morale of the employees, clarifying the expectations and reducing the ambiguity about performance, determining rewards, identifying training and development opportunities, improving communication, selecting people for promotion, managing career growths, counseling, discipline, planning remedial actions and setting goals and targets (Joseph, 2014; Qureshi, & Hassan, 2013 & Deepa, & Kuppusamy, 2014).

From other point of view the ideal purpose of the appraisal is to present employees with worthwhile feedback which can be used to improve respective performance. This may involve encouragement to carry on with their good performances and positive behaviors and suggestions on what aspects need to be changed. Managers can demonstrate to their subordinates the value of improving their performance and of development of skills for possible promotion, added responsibilities, and increase in monetary compensation and benefits (Seniwoliba, 2014 & Deepa, & Kuppusamy, 2014).

It is often said that organizations that perform well are a reflection of the efforts and successes of their staff. Recognizing these efforts and appropriately praising or redirecting them is urgent for organizational success. This is one of the basic purposes of performance appraisals, in other words, to discuss performance and plan for the future, but also to provide feedback to individual officers. To support these discussions, there must be a reliable and accurate method by which to determine current levels of performance and compare them with predetermined levels of acceptability. There is therefore an inference of a need for quantifiable standards linked to job descriptions and expected performance (Akinbowale, & Lourens, & Jinabhai, 2013 & Seniwoliba, 2014).

There is rise in more harder and judgmental forms of performance appraisal than softer and developmental approaches. Therefore there has been a shift in performance appraisal away from using it for career planning and identifying future potential and increased use of it for

improving current performance and allocating rewards. Performance appraisal can be used as an effective tool to improve employees' job performance by identifying strengths and weaknesses of the employees and determining how their strengths can be best utilized within the organization and overcome weakness over the period of time (Qureshi, & Hassan, 2013).

Systematic performance appraisals can be implemented for several purposes. Such appraisals achieve four objectives including salary reviews, development and training of individuals, planning job rotation and assisting in promotions. Although performance appraisal is usually thought of in relation to one specific purpose, which is pay, it can in fact serve for a wider range of objectives which are; it provides systematic judgment to the organization to back up salary increases. It is a means of telling a subordinate how he is doing and suggesting needed changes in his behavior, attitude and skill or job knowledge and improving present performance of employees. It lets him know where he stands with the manager. It is being used as a base for coaching and counseling the individual by the superior. In addition, it helps in identifying training needs, improving potentials, improving communication, improving motivation, helps in pay determination (Obisi, 2011; LaBreche, 2014 & Grund, & Przemeck, 2012).

Employee reactions to appraisal vary depending on the purpose of the appraisal. When the purpose of the appraisal is administrative, employees seek comparative information to evaluate the appraisal system. Since performance appraisals used for administrative purposes are influenced by friendships and political influences, it is quite likely that appraisals used predominantly for administrative purposes may be perceived as more unfair. In other words, employees may perceive that administrative appraisals may lack distributive fairness (Kuvaas, 2007). In contrast, appraisals that include developmental components may be perceived as having higher levels of fairness because employees may not seek comparative information for the developmental component of their appraisals (Selvarajan, & Cloninger, 2012).

However, a potential problem with performance appraisal and possible cause of much dissatisfaction, is expecting too much from one appraisal. The performance appraisal that is effective for developing employees may not be the best for determining pay increases. A properly designed performance appraisal can help achieve organizational objectives and enhance employee performance (Akinbowale, & Lourens, & Jinabhai, 2013).

2.10 Performance Appraisal Process

Performance appraisal includes activities to ensure that goals are consistently being met in an effective and efficient manner. Performance appraisal can focus on performance of the organization, a department, processes to build a product or service, employees, etc (Joseph, 2014).

2.10.1 Frequency of Performance Appraisal

Appraisal frequency can be an important factor for improving appraisal outcomes. Frequent appraisals contribute to better interactions between manager and employees and thus may lead to perceptions of more positive interactional fairness (Selvarajan, & Cloninger, 2012). When and how often should employee performance be evaluated is a question that deserves careful attention in which the informal counseling should occur continuously. The manager o should discuss an employee's work as soon as possible after he has judged it. He should use good work as an opportunity to provide positive strengthening and use poor work as a basis for training. In most organizations employees are formally evaluated once a year, in others twice a year. New employees are rated more frequently than the older ones e.g. three and six months (Obisi, 2011).

2.10.2 Performance Appraisal Process

In the traditional performance appraisal process, the manager annually writes his or her opinions on the performance of a reporting staff member on a document supplied by the human resources department. In some organizations, the staff member is asked to fill out a self-review to share with the supervisor during the performance review meeting. Usually, the form has numeric ratings that rank employee performance from 1 to 10, 1 to 5, or whatever current ranking system dominates. Rarely are parameters for awarding specific numeric rankings provided. And, even when an organization has gone through the painful process of assigning criteria to the numeric ratings, they are still dependant on managerial assessment of what the criteria mean (Heathfield, 2007).

Performance appraisal is a continuous process whereby a manager will judge and evaluate their employee. Although raters review performance after three, six, nine months or at the end of the year, employees are still being observed consistently. Nevertheless, appraisals

should be viewed as a participative process which involves raters and employees. This can be seen as a mutual process whereby the successfulness of the activity lies on the mutual and honest understanding between both raters and employees. The process must be viewed as a procedure that can benefit all parties in the organization especially the employees and to achieve the organization's goal. The appraisal activity can also be seen as a motive response- feedback process. The organization needs to conduct this activity to evaluate the motive (job description) given, the response of the employees (cognitive, behavioral, and affective) and feedbacks which involves trust and responsibilities of the employees (Ahmad, & Bujang, 2013).

Performance appraisal process should not be a checklist of 'do's and don'ts '; it should provide a wider perspective to the employees. Performance appraisal has to be designed in such a way that, both, the employee and the organization can obtain fruitful results from it. A performance appraisal system should be made in such a way that the organization can ensure proper achievements of goals; at the same time the employee can expect clear and concise work expectations. Knowing what is expected from them is the first step in helping one overcome better with the stress usually associated with lack of clear divisions. To make performance appraisal effective, criteria need to be presented. Employees should be actively involved in the evaluation and development process. Managers need to enter performance appraisals with the constructive and helpful attitude. Realistic goals must be mutually set. Managers must be aware, and have knowledge of the employee's job and performance (Qureshi, & Hassan, 2013).

A great performance appraisal system features four phases: 1. performance planning, 2. performance fulfillment, 3. performance assessment, and 4. performance review. The appraisal form should focus energy on high-priority issues (Grote, 2002). According to Abd El-Fattah, & Ghamdi, 2015 there are three key phases for such a performance appraisal process: the implementation of the appraisal methods and the indicators, the collection and classification of the performance data of staff, and use of the appraisal results.

The process of performance appraisal begins with planning and designing the process and the evaluation criteria (Heathfield, 2007; Obisi, 2011; Messer, & Mires, 2001; Abd El-Fattah, & Ghamdi, 2015 & Grote, 2002). Planning the process means setting performance expectations and goals for groups and individuals to channel their efforts toward achieving

organizational objectives. It also includes the measures that will be used to determine whether expectations and goals are being met. Involving employees in the planning process helps they understand the goals of the organization, what needs to be done (key responsibilities, projects, goals), why it needs to be done, and how well it should be done (behaviors and competencies).They also discuss the person's development plans (Grote, 2002 & Heathfield, 2007). Moreover, if the process plan linked to the organization's strategic plan, then the performance appraisal should enable the organization to transform strategic plans into real accomplishments. On a more operational level, goal setting, as an appraisal objective, is also seen as a planning function, as an employee plans his/her future performance with his/her immediate supervisors, through the performance appraisal policy's goal setting objectives (Akinbowale, & Lourens, & Jinabhai, 2013).

Human Resource designs the performance appraisal process with the help, input, direction, and support of all levels of management (Obisi, 2011 & Messer, & Mires, 2001). The management team of department is required to define the principles, methods and purposes of performance appraisal (Abd El-Fattah, & Ghamdi, 2015). Then the establishment of performance standards takes place and followed by communicating the standards to the employees because if left to themselves, would find it difficult to guess what is expected of them (Obisi, 2011 & Messer, & Mires, 2001).

Performance standards are the measuring base for determining the outcomes of employee's performance whether it is successful or unsuccessful. Sometimes raters themselves are confused on the meaning of performance appraisal and the standard measurement to measure work performance. Standards need permanently to be followed and well-articulated to the people. Standards are important because of several reasons; to help the organization achieve and reach its goals; to motivate individual or a group to a higher level of personal work behavior; standards can reinforce behavior; standard promotes the consistency of employee's performance of the organization; and standard can be used to weight and measure the impact of employee's performance on their core business (Qureshi, & Hassan, 2013).

A second critical phase is training employees. The missing link in the implementation of most performance appraisal processes is training. Employees and managers alike frequently view reviews as a painful process. The manager is uncomfortable in the judgment role and the employee often becomes defensive. Training for both managers and

employees is essential for changing these attitudes so that performance appraisal becomes an effective and smooth process. Training should be on giving and receiving feedback, identifying common factors that distort objectivity in ratings, simplifying discussions, understanding common challenges, and setting performance goals should be frequent and continuous. All employees need to be trained on the appraisal process. They need to understand how the instrument was developed and how the process will take place. Furthermore, employees need to be trained on the value of feedback and how to constructively receive feedback. Managers need to be trained in how to observe behavior and how to communicate the appraisal to employees (Messer, & Mires, 2001).

A third phase in the process is coming to an agreement about the indicators to be included. It is necessary to implement a transparent process targeted at arriving at a common and shared understanding of the expectations regarding the outcome of the performance management system. Shared expectations are not only necessary at the level of the general purpose of the management system but also on matters regarding the tasks assigned to individuals and teams. The tasks assigned to individuals or teams must also be in line with the competences and capabilities required. Furthermore, it is necessary to implement a consensual system that describes how to deal with incompatible issues and how to implement organizational learning (Greiling, 2007).

After managers and employees are sufficiently trained in participating in reviews, Human Resources distribute the appraisal form to managers. Clear instructions should be provided for completing the form. Additional materials such as job descriptions may also be distributed. Managers and employees complete the form by using the same document and the same criteria. This is followed by measurement of actual performance and then compare the actual performance to the performance standard set and discuss the appraisal outcome with the employee and if necessary, initiate corrective actions. Managers and employees meet to discuss and develop a consensus of the employee's performance and establish goals and training objectives for the next appraisal period. They talk honestly about performance: strengths, weaknesses, successes, failures, and improvement needs. The results of the appraisal are written and copies are given to the employee and human resources. Managers follow up regularly with employees to monitor training needs and goal achievement (Obisi, 2011; Messer, & Mires, 2001 & Grote, 2002). Managers provide coaching and feedback, creating conditions that motivate and resolve any performance

problems that arise. Every quarter, they review performance against the plans and goals (Grote, 2002).

The crucial step in the implementation of performance valuation is the collection, classification and tracking of the performance data. Generally, staff's or the human resource office shall file the data into the computer. The system will enable the managers to track down the performance of all the staff on a real-time basis. Based on the appraisal criteria system and the performance data of the staff, the results for the evaluation of each staff and the ranking will be created. An analysis will be conducted based on the results of appraisal, which will provide evidence for the management team to make decision over promotion, bonus and appointment of posts (Abd El-Fattah, & Ghamdi, 2015 & Seniwoliba, 2014).

A constant procedure for evaluating employee appraisal would not be only in the interest of the individual but also to the organization. The organizations should first look at the content of the appraisal form and satisfy itself that the appraisal form is in order and well understandable not only to the manager but also to the employee. Moreover, the appraisal form should be given to the employee who will return it to the appraiser, who then rates the employee and returns the form to the employee to read through and sign if he or she agrees with the rating. But even if the subordinate does not agree with the manager rating he would give his or her own comment, and still signs the appraisal form. The form then goes to the next higher officer or personal department or the appraisal committee or the managing director as the case may be where the manager rating may be challenged, changed or added to, but the final appraisal outcome should be communicated to the employee through his or her immediate superior who will later discuss the same final performance appraisal outcome in a post appraisal interview (Obisi, 2011).

2.10.3 Performance Appraisal Interview

Performance appraisal interview is an important part in the appraisal process. It is a frequent on the job communication as well as feedback process and can be seen as a periodic activity. Normally, it is conducted one-to-one between the employee and his personal supervisor or rater. The employer will monitor and gather information on the employee's performance to determine whether the employee has accomplished the

organization's goal or not. Discussion between the employer and the employee can be focused on the employees' core tasks and other activities related with their job description (Ahmad, & Bujang, 2013).

2.10.4 How to Measure Employee Performance

The most difficult part of the performance appraisal policy is to accurately and objectively measure the employee performance. Measuring the performance covers the evaluation of the main tasks completed and the accomplishments of the employee in a given time period in comparison with the goals set at the beginning of the period. Measuring employee performance is the basis of performance appraisal policy and performance management. Accurate and efficient performance measurement not only forms the basis of an accurate performance review but also gives way to judging and measuring employee potential (Akinbowale, & Lourens, & Jinabhai, 2013). According to (Kuvaas, 2006), measuring also includes the quality of the accomplishments, the compliance with the desired standards, the costs involved and the time taken in achieving the results.

For the purpose of measuring employee performance, different input forms can be used for taking the feedback from the various sources like the supervisor, peers and the employee. All the perspectives received should be combined in the appropriate manner and to get an overall, complete view of the employees' performance (Akinbowale, & Lourens, & Jinabhai, 2013). Bond and Fox (2013) state that some suggestions and tips for measuring employee performance are: Organizational outcomes or the achievement of organizational goals should also be kept in mind; If possible, collect the feedback about the performance of the employees through multi-point feedback and self-assessments; and also take note of the skills, knowledge and competencies and behaviors of the employees that help the organization to achieve its goals.

For an organization to be effective for its goals, it is very important to monitor or measure its employee performance on a regular basis. Effective monitoring and measuring also includes providing timely feedback and reviews of the employees for their work and performance according to the pre-determined goals and solving the problems faced. Timely recognition of the accomplishment also motivates and helps to improve the performance of employees (Akinbowale, & Lourens, & Jinabhai, 2013). Measuring the performance of the

employees based only on one or some factors can provide with inaccurate results and leave a bad impression on the employees as well as the organization. For example, by measuring only the activities in employee's performance, an organization might rate most of its employees as outstanding, even when the organization as a whole might have failed to meet the goals and objectives. Therefore, a balanced set of measures should be used for measuring the performance of the employees (Kuvaas, 2006)

This process not only transforms performance management from an annual event to an on-going cycle, it tightly links the performance of each member with the mission and values of the company. That's the purpose of performance appraisal: to focus everyone's attention on achieving the strategic goals and integrating the company's vision and values in day-to-day behavior (Grote, 2002).

2.11 Performance Appraisal and Employee Development

The vitality and performance of the organization is ensured with a focus on developmental plans and opportunities for each staff member. The developmental plan establishes the organization's commitment to help each person continue to expand his or her knowledge and skills. This is the basis on which a continuously improving organization builds (Heathfield, 2007). Performance management system can be the organization's most powerful tool for employee development. Performance appraisal is a developmental tool which is used for all round development of an individual. It is the assessment of performance on an individual in a systematic way. It helps identify ways to improve one's job performance thus benefiting organization and society as a whole (Kennedy, & Dresser, 2001). In spite of the fact that individuals' performance improvement and development is considered as an important goal of performance appraisal, few researches has been conducted regarding developmental performance appraisal which results in individuals' motivation and improvement (Felcher, 2001). Developmental performance appraisal is related to any attempt made to improve individuals' attitudes, experiences and skills leading to their performance improvement and potentially creates motivation and commitment at the workplace (Kuvaas, 2007). Performance discussions take time, but the payoffs are great. If the discussions are done well and done continuously, the result will be better performance from employees. Their enhanced performance will reduce costly errors

and mistakes, increase productivity, and reduce time-consuming misunderstandings among staff (Messer, & Mires, 2001).

Training and development of employees is an issue that has to be faced by every organization. It is in one of the ways of overcoming deficiencies in human performance at work. One of the sources of training and development needs in an organization is derived from manpower wastage associated with poor recruitment, induction and training (Wangithi, &Muceke, 2012).

Perceived organizational support refers to employees' perception of the organizations' commitment to them and reflects their beliefs about the extent to which the organizations value their contributions and care about their well-being. Social exchange theory suggests that workers who perceive a high level of organizational support for example training and developmental programs will feel a commitment to repay the organization through positive attitudes and appropriate behaviors and enhancing performance. Previous research suggests that perceived organizational support can mediate the relationship between human resource management practices and performance management (Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014).

The positive relationship both between promotion and developmental experiences are signs of the fact that organizations value workers' contributions. A developmental HR practices may be viewed as signaling purpose for long term investment in employees that forces them to respond with distinguished role behavior (Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014).

The more effective, broader view requires that organizations understand the meaning of performance management. Performance management is the ongoing communication process between an employee and his or her immediate supervisor. If any organization is serious about training and development, a well-designed performance management system should be the cornerstone of the organization's employee development efforts. For greatest effectiveness, this process involves establishing clear expectations and defining job responsibilities, performance measures, and ways that the employee and supervisor will work together to enhance performance. For a performance management system to be an effective tool in employee development, feedback must be immediate and continuous (Messer, & Mires, 2001).

Several scholars have mentioned the possible uses of appraisals from the documentation, administration, evaluation and development of employees as being a tool for expression, communication and coaching (Hempel 2001). Moreover, appraisals have taken in a new function as a method of communicating development needs, highlighting gaps in an employee's performance and clarifying organizational expectations and job objectives, as well as mapping future training and development designs (Singh, & Mohamed, & Darwish, 2013). Consistent with past research in appraisals, it had proved that performance appraisals used for administrative and developmental purposes were perceived as more accurate and effective than appraisals conducted for purely administrative purposes. Appraisals that are used for administrative and developmental purposes may have elements of bias (for administrative decisions) and honesty (for developmental feedback). Therefore, such appraisals may be perceived as more accurate than administrative appraisals (Selvarajan, &Cloninger, 2012). For this, it is important to differentiate between appraisals as a decision making instrument and the appraisals as a developmental tool. In the latter the aim is to provide constructive feedback in an environment in which one's growth is enhanced and there is field for improving one's weaknesses without immediate negative effects. The organization should ensure that employees have the opportunity for on-going training and development. The provision of training and development sends a message to employees that the organization cares about them and supports them (Heijden, &Nijhof, 2004).

Several studies have supported that there is a positive relationship between HRM practice and organizational commitment. Researchers have shown that high levels of organizational commitment is linked with such positive outcomes as job satisfaction, work performance, higher motivation and a less tendency to leave work. In addition, effective commitment was positively linked with task performance. Generally, previous research shows that developmental performance appraisal, both directly and through some attitudinal variables involving organizational commitment as well influence employees' task performance (Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014).

There is a misconception about the term training and development; most of the peoples are consider is same but there is some difference between training and development. Training is the systematic and formal change in the behavior of an individual due to the tendency, instructions and planned experiences. Trainings are required knowledge and abilities to the employees of the organization for the performance of the particular tasks. Development is

somehow different from training as it is the use of the knowledge, skills and abilities by the employees, which the employees can use for the performance of tasks today and in future. From the above definitions it is clear that training is the provision of education, instructions and knowledge to the employees so that they can achieve their own targets and contribute in the achievement of the goals and objectives of the organization as well. On the other hand, development is the ability of the employees that how they are implementing the knowledge, skills, instructions and education, which they have gained during different training sessions (Qureshi, & Hassan, 2013).

2.11.1 Performance Appraisal Development

Development is any learning activity which is directed towards future needs rather than present needs, and which is concerned more with career growth than immediate performance. Through employee development as the skillful provision and organization of learning experiences in the workplace performance can be improved, work goals can be achieved and that, through enhancing the skills, knowledge, learning ability and enthusiasm at every level, there can be continuous organizational as well as individual growth. Employee development must, therefore, be part of a wider strategy for the organization, aligned with the organization's corporate mission and goals. The focus of development tends to be primarily on an organizations future manpower requirement, and secondly on the growth needs of individuals in the workplace. Developmental programs seek to develop skills for future jobs (Wangithi, & Muceke, 2012).

Three components are for developmental performance appraisal involving goal-setting, participation and performance feedback. In the area of performance, goal- setting refers to the extent to which employees perceive their performance goals as being clear, challenging, relevant and understandable. Performance feedback refers to the extent to which employees experience appreciation for performance feedback being perceived as clear, relevant and understandable. By representing fundamental and important mechanisms, such perceptions show how goal establishment and feedback, as key activities in the field of developmental performance appraisal across organizations, lead to employees' attitude and performance improvement (Kuvaas, 2007 & Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014).

Performance appraisals that include developmental purposes tend to be more accurate since managers have less need to manipulate and distort the ratings related to the developmental component of performance appraisals to suit political goals and, thus, appraisals that have developmental components may be perceived as having more positive procedural justice. A more comprehensive understanding of the role of individual level cultural values in assigning performance ratings would not only help in designing training programs that make raters aware of the role of their values when assigning performance ratings, it would also help in designing effective appraisal strategies for multinational organizations (Mishra, & Roch, 2013). In addition, for appraisals that have developmental components, there may be more positive interaction between manager and employees to discuss the employee's developmental goals, and, thus, appraisals that have developmental components may be perceived as having higher levels of interactional fairness (Selvarajan, &Cloninger, 2012).

The administrative appraisal was done more lenient than developmental appraisal, with the first as having less accuracy. The appraisal made with a goal of developmental application spends more influence. Developmental usages include career planning, education and development over administrative usage. Employees accept appraisal system and feel satisfied with it when it emphasizes their development and performance improvement; whenever the developmental goals of performance appraisal are emphasized, employees' feelings will be improved in order to do appraisal. Moreover, the evaluation made with an aim of development has been considered as more positive. On the basis of theory and research regarding performance appraisal, the developmental component of performance appraisal is regarded as a positive predictor of satisfaction with performance appraisal (Cleveland, & Murphy, 1989). So that whenever employees accept appraisal system, feel satisfied with it and performance appraisal process is accurately implemented, such system will influence their development and performance improvement (Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014).

The greatest employee development occurs when managers continuously coach and mentor their employees' on the job experience. This experience creates additional employee capabilities and competencies (Messer, & Mires, 2001).Trust and support go hand in hand. For instance, when the manager is seen as more trustworthy by his or her employees, a more supportive relationship is likely to develop. There are two main types of supportiveness: emotional and instrumental. Emotional supportiveness involves having the

employees feel they are valued and accepted. A numerous number of studies have shown that when employees think that their supervisor truly cares about them, they feel more supported and have improved job attitudes and performance. Instrumental support refers to specify ways that managers help their employees succeed. Instrumental support means providing employees with the tools and resources that they need to be effective in their role and addressing employees' developmental needs. Managers are responsible for allocating important resources, such as challenging job assignments or tasks, as well as for giving constructive and supportive feedback to employees on a regular and informal basis, both of which can improve employee attitudes and performance (Teckchandani, &Pichler, 2015).

2.11.2 Performance Appraisal Training

Training plays an important role in an organization's life. Training is any learning activity which is directed towards the acquisition of specific knowledge and skills for the purposes of an occupation and task. Training programs are directed toward maintaining and improving current job performance. Training has the important dual function of utilization and motivation (Wangithi, & Muceke, 2012).

For the performance appraisal purposes, several objectives of training can be identified such as to develop the raters' skill, knowledge and abilities in performing their job; to rise the credibility on appraisal process; to solve problems faced; to deal with new issues; to fulfill the demand for skilled workers; and to understand on most successful asset of organization. In general, training can be beneficial to an organization through better understanding of the appraisal system; strengthening the misperception of the system; create sense of awareness and also by encouraging the organization to be a learning organization. For employees, training on appraisal can enhance their understanding on the system. Apart from reinforcing their competency and efficiency, employees are able to discuss with the management group in improving performance appraisal's decision (Ahmad, & Bujang, 2013).

By improving employees' ability to perform the tasks required by the organization, training allows better use to be made of human resources. Some of the gains which training brings are greater productivity and quality, less scrap or bad work and fewer accidents.

More often training is given as a response to some event like a realization that performance is inadequate (Wangithi, & Muceke, 2012).

Employer provided further training should be positively associated with performance appraisal use for two reasons. First, performance appraisal may be important to determine an employee's training need and to evaluate training success. Second, employers are more likely to provide further training when jobs are more multitasking. Multitasking requires that workers have multiple skills to perform a broader set of tasks. This requires an increased need for training. Empirical studies assert that a reorganization of work tasks and the investment in modern technologies increases the organization' tendency to provide further training. This suggests a positive influence of training on performance appraisal use (Jirjahn, & Poutsma, 2013).

2.12 Performance Appraisal and Employee Motivation

DeNisi and Pritchard (2006) observed that performance appraisal research has been criticized for its exaggerated emphasis on psychological issues and the authors suggested that appraisal research should focus on designing effective performance appraisal systems that can motivate employees to improve employee performance.

Organizations today, regardless of how they are established must have their own goal and objectives so as to work in the right part. To achieve the goals and objectives employees must be well-motivated in order to put in their maximum effort in the organization. There must be a sound encouragement that will motive employees to act as it is expected by the management. The management must provide motivational packages for its employees in order to enhance their output capacity. The topic motivation has been of strong interest to managers and social scientist especially with the past three decades (Joseph, 2014). Human Resource practices, appraisals, incentives and rewards can be instrumental in motivating employees to invest their best efforts for the benefit of the organization (Singh, & Mohamed, & Darwish, 2013). Motivation to improve performance means that performance appraisal system is related to improvement in employees' future performance, and the motivational effect of performance appraisal is considered an important outcome variable for performance appraisals (Roberson, & Stewart, 2006 & DeNisi, & Pritchard, 2006).

2.12.1 Employee Motivation

Performance appraisal has more influence on individual careers and work lives than any other management process. Performance appraisal can both make an organization more efficient and help keep employees motivated. By evaluating people at regular periods, appraisals help organizations show where their employees succeed, where they can improve, and how well they have followed the goals set by the organization (Kondrasuk, 2011). Performance appraisal process and its outcome can affect an employee's motivation. Employee's performance is seen as most directly as a result of the employee's ability and his motivation to perform (Parab, 2007).

Perceived accuracy of appraisals is one of the most widely used criteria for effectiveness in appraisal research and is related to various appraisal outcomes such as appraisal satisfaction and motivation to improve performance (Selvarajan, & Cloninger, 2012). Focusing on work motivation theory, an effective appraisal system is required so as to make differences between performing employees to allow for equal and efficient distribution of rewards, communication of organizational needs and requirements, as well as enhancing the preferred performance outcomes (Singh, & Mohamed, & Darwish, 2013).

Performance appraisal process and its outcome can affect an employee's motivation. Employee's performance is seen as most directly as a result of the employee's ability and his motivation to perform. In Organizational context, the performance is assessed by examining the employee's abilities and capabilities to achieve the desired objectives (Parab, 2007). Performance Appraisal System helps the employees to motivate themselves in two ways; either financially or non-financially. Financially, by providing extra incentives, it helps the employees to motivate themselves and makes them to have a more commitment in the organization. Non-Financially, by providing extra roles and responsibilities, it helps the employees to have a great citizenship behavior which helps them to work more and to increase in their productivity. Performance Appraisal System also motivates the employees to engage themselves towards the work and makes them to have a very good job satisfaction (Deepa, & Kuppusamy, 2014 & Akinbowale, & Lourens, & Jinabhai, 2013). Appraisal can motivate staff by clarifying objectives and setting clear future objectives with provision for training and development needs to establish the performance objective (Messah, 2011).

Communication and motivation are key elements to employee performance. Moreover, performance appraisal policy creates a learning experience that motivates employees to develop themselves and improve their performance. Performance appraisal fulfills an important communicative function by reinforcing and establishing the organization's core values and competencies. Performance appraisal should constitute an open communication, where both manager and employee state what is done well and what needs improvement (Akinbowale, & Lourens, & Jinabhai, 2013).

Performance appraisal serves as a means for providing feedback that can result in improved performance (Selvarajan, & Cloninger, 2012). In fact, articles regarding performance appraisal motivation discuss that providing accurate ratings and feedback to employees may improve employee performance. That is, employees are more interested to accept appraisals that are considered as accurate to improve their future performance (Mishra, & Roch, 2013). Accurate appraisals will have stronger motivational effect to improve future performance (Roberson, & Stewart, 2006). Performance appraisal has a positive and negative impact. Employees who receive a good score on his/her appraisal are generally motivated to perform well and maintain his performance. Positive feedback on appraisals gives employee a feeling of worth and value, especially when accompanied by salary increases. If a supervisor gives an employee a poor score on his appraisal, the employee may feel a loss of motivation in the workplace. Consequently, this can impact on the employee's performance (Akinbowale, & Lourens, & Jinabhai, 2013).

Organizational researchers have suggested that fairness perceptions can be a source of motivation for employees. The basis for the motivational effects of fairness conceptions is the self-determination theory, which assumes that employees can be motivated when their primary needs are met. Researches indicate that fair treatment is an important fundamental need, and when employees realize that they are fairly treated, it can provide a motivational basis for future performance improvement. Performance appraisal research in this area suggests that when employees perceive their appraisals to be unfair, they may ignore the feedback and not use the appraisal feedback to further improve their performance (Selvarajan, & Cloninger, 2012). That is, performance appraisals that were perceived as procedurally fair were positively related to motivation to improve performance and perceptions of distributive fairness were not related to motivation to improve performance. That is, higher levels of satisfaction with performance appraisals were positively related to motivation to improve performance due to performance appraisals (Selvarajan, &

Cloninger, 2012). Satisfaction with appraisal system can be an important motivator of future employee performance. Research in performance appraisal suggests that when employees are satisfied with their appraisal systems, they are more interested in using the feedback to improve future performance (DeNisi, & Pritchard, 2006).

Employee reactions to appraisal in terms of perceived employee fairness, accuracy, and satisfaction are important elements of appraisal effectiveness because these perceived employee reactions can motivate employees to improve their performance (Taylor, Tracy, Renard, Harrison & Carroll, 1995 & Roberson, & Stewart, 2006). Thus, an important issue is to determine the factors related to performance appraisal systems that can elicit positive employee reactions to performance appraisal which in turn can motivate employees to improve performance. Research in performance appraisal has demonstrated that performance appraisal characteristics (such as appraisal purpose and source) can extract positive employee reactions to performance appraisal and, which in turn, can motivate employees to improve their performance (Selvarajan, & Cloninger, 2012). It is not the ability of rater but his motivation that determines the accuracy of a formal appraisal. Rater may be able to provide accurate appraisal but he might not provide it, only to achieve his personal goals and manipulate the evaluation process for political motives. Rater may communicate different information in an attempt to motivate poor performer than raters who want to get rid of such poor performers (Javed, & Saif, & Rehman, & Qureshi, & Khan, & Khan, 2013). This requires a system of communication that is related to the objectives of positive reinforcement. Accurate information systems are required in order to combine performance and feedback results (Joseph, 2014).

Since a process-focused appraisal will help employees understand how they can perform better, both the expected and actual performance may be more likely to improve. Researches examine different methods for building employee self-efficacy, which is positively linked to motivation, and has found that process feedback is an important element of the more effective forms of training (Gist, & Mitchell, 1992). Self-efficacy is strongly linked to expectations of performance improvement. Understanding the weaknesses and limitations of one's previous task strategies can be an assist to improving them. Rater and employee acceptance is significantly related to performance appraisal effectiveness. Acceptance determines to a large extent how the system can motivate employees, enhance productivity, reduce absenteeism, and help remove incompetent employees (Lam, & Schaubroeck, 1999).

Productive work cannot be achieved through command, order. Improved employees productivity depends on individual motivation. Though, people are the single most important problem in the management of people at work the chances are; they will mention motivation, leadership and communication. Motivation activates human energy. It is a force which leads people to satisfy their important needs. All human behavior is directed towards a goal. The critical factor is the direction of that motivation is to work hard, to do high quality work. The core of productivity is motivation (Joseph, 2014).

The Behavior Maintenance Model shows the importance of outcomes in the motivational process. In the framework, goal aspirations lead to goal achievement and motivation. When goal aspirations leads to goal achievement which when achieved by the employee give a sense of job satisfaction. When an employee is satisfied then he ultimately becomes motivated to work more efficiently in the organization (Parab, 2007).

2.12.2 The Effectiveness of Reward System

Employees' motivation and commitment depend on the reward management and the structure of incentives created within the organization. Reward management is the process which can result in the provision of rewards to all the efficient and effective employees. Rewards system is the practice and policies of an organization, which enables an employee to get rewards, based upon his/her skills, contribution, and competence (Qureshi, & Hassan, 2013). The saving of incentives for employees typically requires the measurement of employee performance. Which performance measure is used depends, in turn, on circumstances and type of organization (Jirjahn, & Poutsma, 2013). Organizations should develop proper, transparent and well communicated reward system to ensure pleasant work environment to achieve both tangible and intangible organizational objectives (Deepa, & Kuppusamy, 2014). Organizational reward system basically enhances employees' performance to the extent that it gives more opportunities for achievement, responsibility, advancement, recognition and growth in confidence. In addition, rewards motivate a person to act in a certain way or at least develop a tendency for specific behavior (Joseph, 2014). Moreover, when salaries and other incentives are directly linked to performance, employees are motivated to put in more efforts to increase productivity (Seniwoliba, 2014). Account is taken of every way in which people can be rewarded and obtain satisfaction through their work. The aim is to maximize the combined impact of a wide range of

reward initiatives on motivation, commitment and job engagement (Akinbowale, & Lourens, & Jinabhai, 2013).

The terms rewards and recognition refer to different concepts. It is accepted that incentives such as rewards and recognition programs are used in the belief that they will enhance an organization's values, promote outstanding performance and foster continuous learning by acknowledging ongoing achievements. Both types are dependent on managers recognizing the subordinates' achievements whether as individuals or as part of teams (Messah, 2011). More so, reward can be described as all rewards direct financial payments, indirect payments (benefits), incentives individuals receive in an organization, and non-compensation rewards-all those aspects of the pleasant work environment that serve to enhance their sense of self-respect and esteem by others. In other words, it is the money and benefits that organization give employees in exchange for work (Joseph, 2014).

The concept of rewards come within the overall concept of compensation strategies which is essential integrating mechanism through which the efforts of various units or individuals are directed towards the achievement of an organization's strategic objectives. It has been formally defined as something provided to employees and viewed as meaningful and valued in exchange for work, it is financial in nature, such as salary and benefits. They are management tools that contribute to the organization's effectiveness by affecting individual or group behavior. All organizations use pay, promotion, bonuses or other types of rewards to encourage high levels of performance (Messah, 2011). Rewards represent the principal means of achieving and emphasizing organizations' required behaviors from their employees, with such a method considered to be one of the most effective human resource practices for the management and maintenance of high performance levels from employees (Qureshi, & Hassan, 2013 & Messah, 2011). While recognition is still an important management tool it is somewhat different. Usually it is a nonfinancial award given to employees selectively, in appreciation of a high level of behavior or accomplishment that is not dependent on achievement against a given target. Recognition can be as simple as giving someone feedback on what they have done right. It is about acknowledging effort, commitment and learning, even if the outcomes were not as planned and it celebrating successes. A big part of motivating people is giving direction and purpose to what they do. By recognizing accomplishments when they occur can keep enthusiasm going (Messah, 2011).

For any new behavior to continue, it has to be consistently rewarded. The consistency and effectiveness of reward are function of reinforcement. Positive reinforcement means that rewards are used to encourage people to perform in a desired manner. There are three necessary conditions for successfully motivating employees to attain a desired level of performance: rewards for job should be known and clearly stated, people should be rewarded for specific increase in level of performance, and rewards should follow desired performance, as closely as possible (Joseph, 2014).

The effective use of this practice depends on the extent to which the employee appreciates the rewards offered. The reward system in organizations has gradually shifted from compensating employees according to non-performing factors, such as seniority and years of service, to compensation according to contribution, which allows for promoting the performance and ability of employees through performance and skill-based reward systems (Singh, & Mohamed, & Darwish, 2013). This type of rewards system encourages employees to work hard and give best results so that he can gain more. On the other hand, this system is helpful for the organization because organizations can get higher level of output from the employees with the help of addition motivation of higher earnings from employees (Qureshi, & Hassan, 2013).

Effective compensation and reward systems are those designed that intended to attract, retain and motivate employees. Total reward includes everything that employee's value in the employment relationship. A total reward strategy is critical to addressing the issues created by recruitment and retention as well as providing a means of influencing behavior. It can help create a work experience that meets the needs of employees even unwritten needs and encourages them to contribute extra effort. They do not just happen. Four conditions must exist for this to occur, those factors are to be: enough or adequate rewards to fulfill basic needs, equity with the external labor market, equity within the organization; i.e. equitable rearward for employee's contributions to organizational goals, treatment of each member of the organization in terms of his or her individual needs (Joseph, 2014 & Akinbowale, & Lourens, & Jinabhai, 2013).

Employees achieving their performance goals receive a reward for their efforts, showing a clear connection between pay and performance – a strong motivator. Skill-based incentives and reward systems can also act as a motivator for employees to gain additional skills and knowledge, which would increase the intellectual capital of the organization. Job-based

incentive and reward systems result from equity theory, which aims to achieve organizational fairness and consistency as rewards are based on job worth (Singh, & Mohamed, & Darwish, 2013).

The administration of reward such as pay, what really is deserved to motivate employees to learn and do certain tasks on the job and to display behavior defined as good performance on a continuous basis and bring about balances. The importance of this to management is that it needs to consider the results expected from proposed plans could not be obtained just as well as, means of improved supervision. And employee's ability to see a clear relationship between his earnings and his efforts has a direct influence on the extent to which he tries to increase his output when working under a wage incentive system (Joseph, 2014).

Rewards combine two major categories: transactional and relational. Transactional rewards are tangible rewards arising from the transactions between the employer and the employees concerning pay and benefits such as base pay, contingent pay, shares, salaries and holidays. Relational rewards are those intangible rewards concerned with learning and development and the work experience, like training, career development, performance management, employee voice and recognition. The approach towards total reward is holistic (Akinbowale, & Lourens, & Jinabhai, 2013).

Currently, many organizations are implementing or planning to implement, reward and/or recognition programs believing that these will help bring about the desired cultural change. In some organizations, large amounts of money are being invested in these types of activities and some managers are required specifically to set aside a certain amount from their budgets for this purpose. This rationale is based on the assumption that these types of incentives will encourage employee loyalty, foster teamwork and ultimately facilitate the development of the desired culture that encourages and supports knowledge sharing. Others maintain that to encourage knowledge-sharing organizations should design reward and recognition systems that stimulate sharing of all kinds: goals, tasks, vision as well as knowledge (Messah, 2011).

In order for people to be encouraged and motivated to be-productive they must know where they stand. Studies on money as a motivator for higher productivity arrive at somewhat hesitant conclusions about its effectiveness. Income satisfies a number of needs,

both financial and psychological. The problem in understanding its functions, as a productivity motivator is that money covers a wide range of needs and difficulties exist in isolating its effect relative to other motivators. No management system will be effective if it continually emphases higher levels of performance and improvement, but fall to reward and recognize managers for their higher performance levels. Managers and employees at all levels will have to be convinced that productivity has rewards (Joseph, 2014).

The conflict with assessing past performance and distribution of rewards based on past performance. Employees are reluctant to confide any limitations to and concerns with their current performance as this could impact on their merit-related reward or promotion opportunities. This conflict with performance appraisal as a developmental process as appraisers are challenged with differing roles as both monitors and judges of performance, and an understanding counselor, few managers receive the training to perform. Managerial unwillingness to criticize also results from classic evidence that they are reluctant to make negative judgments on an individual's performance as it could be de-motivating, leading to employee complaints of lack of managerial support and contribution to an individual's poor performance (Messah, 2011).

Researchers have reported that employee seems to have greater acceptance of the appraisal process, and feel more satisfied with it, when the process is directly linked to rewards. Such findings are a serious challenge to those who feel that appraisal results and reward outcomes must be isolated from each other. There is also a group who argues that the evaluation of employees for reward purposes, and clear communication with them about their performance, are part of the basic responsibilities of management. The practice of not discussing reward issues while appraising performance is based on inconsistent and confused ideas of motivation. In many organizations, this inconsistency becomes serious by the practice of having separate wage and salary reviews, in which merit raises and bonuses are decided arbitrarily, and often secretly, by supervisors and managers. In the early part of the second century, performance appraisal was used in larger organization mostly for administrative purposes such as making promotions and determining salaries and bonuses (Seniwoliba, 2014).

2.13 Performance Appraisal and International Organizations

The International NGO Sector comprises a vital part of the Palestinian business community and has maintained an active role in the Palestinian service delivery and development process. This is on account of their historical role and experience as service providers, and the perception that they have a comparative advantage in providing for the most vulnerable and marginalized populations. They exist as a major pillar of Palestinian civil society, which is responsible for protecting citizens' interests, providing them with platforms for self-expression, and reaching out with their services to the poor and marginalized. Not only do INGOs target marginalized population, which tend to be neglected by official policies or to which the latter do not have easy access, but they also try to base their activities on people's mobilization and organization for their own development, according with the beneficiaries' own ideas about their priority needs and methods. What is more, they contribute to the creation of diverse social structures and the constitution of a democratic base at grass-roots level, indispensable for a really just and stable political democracy, which is a factor in sustainable development, and a major goal in itself. The INGOs also frequently act directly in favor of human rights, particularly where vulnerable or minority groups are concerned. International NGOs are working in support of Palestinians since a long time, throughout solidarity activities and campaigns, emergency/relief operations, development projects, cultural activities, etc.

These INGOs are in a strategic position to influence the future of Palestinian society. INGOs have carved a space for themselves between the community, the government, donors, civic groups, traditional Palestinian organizations, and the international community. The INGOs clearly played a very important role, not only through their activities, but also through their developmental philosophy. In the case of Palestine, it is possible to classify the INGOs to charitable societies, development oriented non-governmental organizations, community-based organizations (CBOs), and other non-profit groups organized to serve public interest. Regardless of how they are categorized and despite being heavily criticized under the current environment, INGOs continue to play an important role in maintaining social cohesion, ensuring that the poor (at least as many as those that they can reach) obtain their basic needs, promoting steadfastness among the population, and continuously articulating the social aspiration of the search for a vital Palestinian state.

The International Organizations have a Performance Management system which includes a performance appraisal tool. Performance appraisal of employees in International Organizations is very critical in that it helps in the identification of individual`s current level of job performance, motivation and helps them in identifying training and development needs, provides information for succession planning, enables coaching and counseling of employees, controls the behavior of both employees and managers, improves internal communication and thus helping in setting performance goals and assessing potential for promotion of employees among many others.

Their appraisal meetings are held annually and are largely carried out by the Management. Performance Appraisals, for the most part, are implemented as a way of advising employees what is expected from them in their roles and how well they are meeting targets and expectations.

The current appraisal system used by International Organizations lacks focus of organizational objectives. Such systems fail to emphasize goal setting, assessment, and skill development and ultimately contribute little to organizations success and learning. Performance appraisals of International organizations working in West Bank are currently faced by a lot of challenges thus denotes some weakness. Organizations carry out Performance Appraisal as a basis for administrative decisions such as promotion, allocation of financial rewards, employee development and identification of training needs.

In International organizations six primary approaches used to evaluate employees and administrators:

1. Unstructured narration: In this approach, the supervisor provides a written assessment of the employee's strengths and weaknesses, along with suggestions for improvement. It is assumed the supervisor will write a thoughtful statement using firsthand knowledge of the employee and that this approach will be as productive as any more formal approach. If it is done well, it can provide excellent detailed information about the performance of the employee. However, this approach makes it difficult to do comparisons among several employees because each evaluation could focus on diverse aspects of each employee's performance.

2. Unstructured documentation: In this approach, the supervisor documents the activities and accomplishments of the employee by requesting letters of recommendation, interview

data, daily logs, and ratings of other employees in programs under the responsibility of the supervisor. The approach primarily involves independent evaluation and does not represent a formal program. It also does not produce information concerning the activities and successes, or objectives and failures, of the employee during the appraisal time.

3. Structured narration. This approach requires the supervisor to answer a series of questions about the employee's performance. The questions might include such things as what are the employee's greatest strengths, where are the greatest needs for improvement, what would this employee's colleagues say about this employee, and to what extent has the employee fulfilled the following goal.

4. Structured documentation: In this approach the supervisor and employee agree on the performance categories (e.g. job functions, skill areas, performance objectives) that are meaningful for the employee's position. This can be done with the input of subordinates, peers, instructional employees, and others who understand the position at hand. At the end of the evaluation period, the employee provides an explanation of how he or she performed against the performance categories. It is then up to the supervisor to document the claimed successes of the employee.

5. Rating scales: This is the most widely used method of evaluating administrative performance and many types of scales are used. Some drawbacks to using scales include they are usually not tailored to specific positions, the characteristics used for appraisal may not be appropriate or may be incorrectly scaled, and scales do not provide the depth of understanding that a thoughtful narrative appraisal provides.

6. Management by objectives. In this approach, as mentioned earlier, the focus of the appraisal changes from the personal attributes of the employee to performance in the job. It is a results-oriented rating technique that is dependent on goal setting to create objectives for the employee.

2.14 Summary

Human Resource Management is becoming more and more important in the strategy of the organizations and is seen as extremely vital for strategic success. The majority of recent literature on Performance Appraisal states that it needs to be carried out as part of a whole

Performance Management system and none solely on its own. Performance Management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams. Performance Management is creating a shared vision of the aims and purpose of the organization, helping each individual employee to understand and recognize their part in contributing to them, and thereby managing and improving the performance of both individuals and the organization. Performance Appraisal plays a central role in Performance Management Systems; it is normally the vehicle behind which the organizational goals and objectives are translated into an individual's objective. It also remains the primary way of discussing and acting on the development of the individual. Competent appraisal of individual performance in an organization serves to improve the overall effectiveness of the organization.

Performance Appraisal still plays a huge part in organizations today. In recent years, performance appraisals have been used in organizations for numerous reasons, as opposed to the historical method it was used for, making administrative decisions. The assessment of employees' performance is one of the most common practices in almost every organization, and so performance appraisal is an essential procedure for the better performance of employees and the organization itself. Many organizations regularly use performance appraisal scores to determine the distribution of pay, promotions, and other rewards; however, few organizations attempt to evaluate how employee perceptions of performance appraisal fairness impact employee attitudes and performance.

There are three main functional areas of performance appraisal systems as: administrative, informative, and motivational. Appraisals serve an administrative role by facilitating an orderly means of determining salary increases and other rewards, and by delegating authority and responsibility to the most capable individuals. Informative function is fulfilled when the appraisal system supplies data to managers and employees about individual strengths and weaknesses. When effectively used, performance appraisals will be seen to be playing a major role in helping employees and managers establish goals for the period before the next appraisal. Other purposes for appraisal include: Identification of individual`s current level of job performance, identification of individual`s strength and weaknesses and a basis for rewarding employees in relation to their contribution to the organization`s goals. It motivates individuals and also helps them identify training and development needs. It also provides information for succession planning enables counseling and coaching of individuals and helps control their behavior of both the

individual and their supervisor. Finally, it improves internal communication, sets performance goals and assesses potential for promotion.

There is no universally accepted model of performance appraisal. However, more often than not this process is designed around the following elements: setting performance goals and objectives; measurement of performance against those goals and objectives; feedback of results; amendments to goals and objectives. Performance appraisal systems can provide organizations with valuable information to assist in the developments of organizational strategies and planning. The information gained from this process can assist: in identifying and developing future management potential; in increasing performance and overall productivity; it works towards identifying strengths and managing weaknesses; in providing clarity to employees about an organization's expectations regarding performance levels; in providing an opportunity to evaluate current human resources and identify areas for future development.

From reviewing the literature, there appears to be no one single best method of Performance Appraisal, although there are certain common elements throughout all effective methods. Effective performance appraisals are commonly associated with clear goals that are attached to specific performance criteria and are well-accepted by both supervisor and employee. All effective performance appraisals include elements such as linking appraisal to rewards, the supervisor and employee working together to identify goals, performance goals clearly defined, feedback given to the appraiser on their effectiveness and compliance with legal requirements.

For performance appraisal to be effective and useful, it is vital that those taking part, the manager and the employee, are both benefiting from it and find the procedure a productive tool, as without this, it would be impossible for the system to work. A vast amount of literature looks at whether performance appraisal is successful based on rating accuracy and qualitative aspects of the appraisal, but it is reasonable to suppose that employees' reactions to the appraisal system could have just as much influence on the success of an appraisal system. An organization might develop the most precise appraisal system, but if the system is not recognized by the staff, its effectiveness will be limited. Having both the manager carrying out the appraisal and the employee setting goals mutually is crucial for the effectiveness of the performance appraisal. This can ensure that the employee will work harder to reach these goals as they participated in setting them initially. The degree of

involvement of subordinates in the appraisal has been seen to be of benefit to the success of the system.

There has been considerable research concerning the use of performance appraisal for multiple uses (evaluative and developmental). The question being asked is whether or not performance appraisal can be used simultaneously for both evaluative purposes and for developmental purposes. The results have yielded conflicting findings and conclusions. Some research has indicated that the developmental and evaluative uses of performance appraisal are incompatible and should not be used together, while other research has indicated there is either no correlation, or a slight positive correlation, when they are used together. The above studies suggest that although performance appraisal may have widespread usage, there is much dissatisfaction and frustration by current users of these systems. There is ongoing debate among practitioners, academicians, and scholars concerning the actual effectiveness of performance appraisal.

Performance appraisal methods are the systems and processes through which appraisal is carried out in an organization. The methods include determining the types of data collected and evaluated in the appraisal, the forms and frequencies of communication that take place between supervisors and their employees, and the various types of evaluation tools used to measure performance. It is important to understand the evaluation methods used because they can influence the usefulness of the appraisal system in an organization and the perceived or actual. The performance appraisal data is organized into two groups: judgmental or subjective measures and nonjudgmental or objective measures. Although judgmental measures are more broadly used, objective performance measurements have been helpful measures of performance for routine, manual jobs. Other nonjudgmental indices do not assess performance directly but provide information on the general health of the organization, including absenteeism, turnover, and accidents.

There are certain principles or system requirements that are necessary for performance appraisal to be successful. Focus on both staff and organization improvement. The needs of the organization are the underlying reason for establishing staff positions, and performance appraisal systems exist to help guide staff to achieve the goals of the organization. But performance appraisal systems do not exist solely or even primarily as a control mechanism. Their primary purpose is organizational functioning through staff and institutional improvement.

Link performance appraisal to organizational productivity and rewards. Individual employees benefit from performance appraisal and should have a clear association to organizational achievement using a recognized reward system. Not having this clear link may result in negative consequences on employee morale and productivity. All the staff should be involved in the design and implementation of the performance appraisal system to encourage their ownership and to promote the credibility of the system. The system will be flawed to the extent that staff does not participate in the complete process.

Ensure system clarity, openness, and fairness. For the system to be effective, the employees must understand it well and have the confidence that the system is fair to all staff. This can be accomplished by reviewing the system on a regular basis.

Prevent systematic biases. The existence of any system biases, either unintentional or intentional, will most likely cause the failure of the performance appraisal system. If the staff does not trust the system because of biases toward certain behaviors or practices, they will lose confidence and not derive any benefit from the system.

The above principles of staffing practice confirm that performance appraisal is a complex and sensitive organizational system that must be planned and implemented well to be successful.

CHAPTER THREE

METHODOLOGY

3. METHODOLOGY

This chapter consisted of design, population, sampling strategies, data collection methods, data collection instruments, data quality control, procedure and data analysis.

This chapter deals with specific methods and techniques that were used in order to produce valid research findings. This study adopted a mixed method approach where both quantitative and qualitative were used. Quantitative is used through the standard questionnaire responses with employees working in International Organizations in West Bank, with the opportunity for qualitative analysis through the general responses in the in-depth interviews which were conducted with the Human Resources managers in the targeted International Organizations. However, since the sample size is rather small, this study will not adopt hypothesis testing. A mixed-methods methodology provided detailed quantitative and qualitative data on which to base more expansive findings and recommendations. There were several reasons for using mixed method. Researcher explored to view problem from multiple perspectives to enhance and enrich the meaning of a unique perspective. The researcher wanted to contextualize information, to take a macro picture of systems and add in information about individuals. Other reasons include merging quantitative and qualitative data was to develop a more complete understanding of a problem, and to develop a complementary picture.

Data for the analysis was collected from the existing available sources of information and from qualitative interviews – interviews with Human Resource Department manager in each organization. In addition a questionnaire was distributed among employees in International Organizations. Answers were reviewed and analyzed with the support of a statistical method. There are some recommendations for best practice use and improvement of the appraisal process in the final part of the research.

Based on the surveyed questionnaires I drew a conclusion if the performance appraisal systems in International Organizations are effective (clear purpose and understanding of performance appraisal, timely and consistent feedback on individual performance) and used as a tool for employee development and motivation.

3.1 Research Design

The research design employed for this master dissertation is a Concurrent Mixed Method research design where qualitative and quantitative methods were used in an attempt to corroborate findings within a single study. The quantitative and qualitative data was collected concurrently, the priority between the two methods was equal and the results of the two methods were integrated during the interpretation phase. When the intent is to merge concurrent quantitative and qualitative data to address study aims; the researcher combines both quantitative and qualitative research. The researcher collected quantitative data as well as qualitative individual interview data and combined the two to best understand participants' experiences.

The main reasons for choosing these approaches were due to limited time and resources, and due to their applicability for this study and the time constraint faced during the data collection period. The researcher chose this method because it would reduce time wasting and ensure that representation of respondents was done according to those found at the organizations and to fill in the gaps of each research type. Since one method alone is not able to cover all aspects which are to be researched, for example selective semi-structured interview may not give the full picture about researched phenomenon therefore additional use of survey as a larger quantitative study may serve as supplement to the qualitative interviews.

According to Babbie (2010), quantitative research can be described as involving a collection of numerical data and as presenting a view of the relationship between theory and research as a deductive and objectivist conception of social reality, with a preference for a mutual science approach. It is used to evaluate the evidence and to clarify theories. It is much more focused on the collection and analyzes of statistics. Quantitative methods use highly structured questionnaires whose purpose is to measure the incidence of views and opinions. However, it can also be argued that the method has a disadvantage in that it requires large sample for data analysis and statistical significance testing (Hunter, & Leahey, 2008).

On the other side, the qualitative method is interpreting what the people think and say. That method is much more subject to interviews and relies less on numbers. Qualitative methods refer to research that produces descriptive data, generally people's own written or

spoken words. Usually no numbers or counts are assigned to observations. The indispensable condition or qualification for qualitative methodology is a commitment to seeing the world from the point of view of the participants (Denzin, & Lincoln 2005). It gives a deeper understanding of the, given theories and helps in obtaining an edge in knowing the concepts well. As the data obtained through qualitative is the interviewees own responses, it helps in gaining a broader perspective about the topic. The exact responses pertaining to the literature review helps in linking the data well (Saunders, & Lewis, & Thornhill, 2009).

One of the advantages of this method is that it allows the interviewer and interviewee, through its in-depth interview technique, to know each other personally as they have to talk to each other face to face. It further enables the researcher to describe the actions of those who had participated in the research. One of the disadvantages is that it is difficult to capture qualitative views from a large sample.

3.2 Validity

The survey conducted in International Organizations. The purpose of the survey was to collect primary data from the employees of International Organizations to assess its performance appraisal system effectiveness and to assess if it is used as a tool for employee development and motivation. The questionnaire was self-administered and personal contacts were established to deliver it to the respondents. The questions were designed with theoretical inputs taken from printed material, online questionnaires, and discussion with the supervisor. The questionnaire was composed in a brief and appropriate language to avoid ambiguity and to attract respondent's interest. Therefore the researcher kept in mind during survey composition period to design questions in a relatively short, easy to understand and complete manner in order to encourage a higher rate of response. The questions were closed which the respondents were asked to select an answer from among a list provided by the researcher. Before adopting the questionnaire, it was validated by the researcher's supervisor who supplied his own modifications concerning some items. The questionnaire was also reviewed by 5 referees, it was sent to referees for the purpose of testing and approval. Additional feedback was received and used from the

referees to finalize the questionnaire. The following table shows the referee of the questionnaire:

Table: **3-1 Referee of the Questionnaire**

	Name	**Position**
1.	Dr. Samir Abu Znaid	Dean College of Finance and Management, Hebron University
2.	Dr. Mohammad Aljabari	Lecturer, Hebron University
3.	Mr. George Diek	Lecturer, Palestine Polytechnic University
4.	Michel Tanas	Lecturer, Bethlehem University
5.	Ibrahim Tamimi	A Project Coordinator in GIZ

The questionnaire was pilot tested to refine the questions so that respondents did not have problems in answering them. It was pilot-tested by distributing it to a group of 10 of my officers and colleagues to check for ambiguities and for time required in completing the questionnaire. Each employee was asked to review the questionnaire in terms of content clarity, presentation, and ease of understanding. Written feedback was received including comments such as "very good structure and questions were to the point," "wordy," and "well-organized and easy to follow." Necessary modifications were carried out to several questions based on this feedback.

The validity of a questionnaire is the degree to which the questionnaire measures what it claims to measure, which called also the accuracy measurement. One of the most useful methods to measure the validity is the Factor analysis by principal component method. It gives numbers called Extraction communalities which estimate the variance in each questionnaire's item accounted for by the factors (components or dimensions) in the factor solution. For other extraction methods, these values are the proportion or the amount of variance accounted for in each variable by the rest of the variables.

High values of the extraction coefficients (>0.5) indicate that variables (Parts) fit well with the factor solution, and should possibly not be dropped from the analysis. The next table shows the extraction coefficients for all items in each part and it's clear that most of them are greater than 0.5 which means that the questionnaire has high level of validity.

Table: **3-2 Extraction Communalities**

Extraction Communalities			
Statement No.	Staff Experience with Performance Appraisal	Employee Development	Employee Motivation
1.	0.69	0.38	0.72
2.	0.77	0.74	0.77
3.	0.46	0.64	0.79
4.	0.65	0.64	0.66
5.	0.52	0.61	0.54
6.	0.57	0.59	0.67
7.	0.59	0.69	0.68
8.	0.66	0.55	0.69
9.	0.69	0.63	0.75
10.	0.71	0.71	0.74
11.	0.47	0.67	0.70
12.	0.54	0.59	0.62
13.	0.74	0.58	0.61
14.	0.78	0.70	
15.	0.77	0.60	

3.3 Reliability

Reliability analysis allows to determine the extent to which the items in the questionnaire are related to each other, and the reliability coefficient value represents overall index of the repeatability or internal consistency of the scale (questionnaire) as a whole, this procedure also enables to identify problem items that should be excluded from the scale The next table shows Alpha Cronbach coefficients which represent the most common procedure to assess scale of reliability:

Table: **3-3 Alpha Cronvach Coefficients**

Part	N of Items	Cronbach's Alpha
Staff Experience with Performance Appraisal	15	0.92
Employee Development	15	0.92
Employee Motivation	13	0.92
Total	43	0.96

The Reliability Coefficients (Alpha Cronbach) was 0.96 of the whole questionnaire, and it is clear that they are equal 0.92 for each part of the questionnaire. These values of reliability coefficients   indicates that there exist acceptable reliability level of the

questionnaire(all greater than 0.70), and 96% of all data can be reproduced or repeated in the case of repeating this research using the same questionnaire.

3.4 Statistical Methods

The researcher coded the data collected through the questionnaires and performed the needed data manipulation and the statistical analysis using a computer statistical package for social science (SPSS) to screen and analyze collected data, the Strongly Agree (SA) answers coded by 5, Agree answers (A) coded by 4, Neither Agree Nor (NA) Disagree (ND) answers coded by 3, Disagree (D) answers coded by 2 and Strongly Disagree (SD) answers coded by 1.

The Statistical methods used in the analysis of the research are:

1. Frequencies and Percentages to describe personal and demographic variables.
2. Means (averages) and Standard Deviations to measure perceptions of the respondents toward the Questionnaires' Items or statements.
3. Factor Analysis Method for validity.
4. Alpha (Cronbach) scales for Reliability.

3.5 Population and Sampling

3.5.1 Study Population

The target population composed of male and female staff and administrators involved in the staff performance appraisal process and working in International Organizations at West Bank that meet the inclusive criteria set for the study. These criteria's are 1) The total number of employees in the organization is more than 19 2) The employees are full-time employees involved in the performance appraisal 3) There is a performance appraisal system applied in the organization 4) There is a Human Resource department which is managed by human resource manager 5) The organization is working in West bank. The total number of International Organizations working in Palestine is (126) with a total number of 2774 (Two Thousand Seven Hundred Seventy Four) employees. The total number of International Organizations that meets the inclusive criteria's is twenty two (22) with a total number of 1463 (One Thousand Four Hundred Sixty Three) employees.

Twelve (12) organizations with a total number of 780 (Seven Hundred Eighty) out of 22 participated and collaborated in implementing this master thesis, while four organizations refused to participate and cooperate due to the policies of their organizations and six organizations didn't respond to the emails that were sent by the researcher for getting the approval; although the researcher made sever phone calls to them and send email reminders more than once. The following table shows the International Organizations that were targeted in this study and the total number of employees in each one based on the statistics of the Ministry of Interior and Association of International Development Agencies (AIDA):

Table: **3-4 Targeted International Organizations in West Bank**

		Total Numbers of Employees	**Frequency**	**Percent**
	World Vision	137	44	32.1
	Handicap International	31	10	32.3
	TIPH	70	13	18.5
	CHF	158	16	10.1
	Action Aid	27	17	62.9
	Acted	19	12	63.1
Organization	PUI	28	22	78.5
	MSF	100	15	15
	TWOON	96	14	14.5
	Care International	31	14	45.1
	GVC	34	17	50
	OXFAM	49	10	20.4

3.5.2 Sampling Technique and Sample Size

It was impractical to collect data on the whole population, considering the size, as well as the time, available to the researcher, hence the need to select a sample that represented the whole population. The researcher used Stratified Random Sample and Purposive Sampling techniques in collecting data relative to the study.

For quantitative data the researcher used the used Disproportionate Stratified Random Sample technique. One purpose of disproportionate stratification is to achieve an allocation that maximizes the precision of the estimator of the population mean within the available resources.

Stratified Random Sampling is a probability sampling technique wherein the researcher divides the entire population into different subgroups or strata, then randomly selects the final subjects proportionally from the different strata. Stratified random sampling involves first dividing a population into subpopulations and then applying random sampling methods to each subpopulation to form a test group (Battaglia, 2008). Stratified random sampling is used when the researcher wants to highlight a specific subgroup within the population. This technique is useful in such researches because it ensures the presence of the key subgroup within the sample. Researchers also employ stratified random sampling to observe existing relationships between two or more subgroups (Dörnyei, 2007). With a stratified random sampling the researcher is not sure whether the subgroups that he wants to observe are represented equally or proportionately within the sample. With stratified random sampling the researcher can representatively sample even the smallest and most inaccessible subgroups in the population. This allows the researcher to sample the rare extremes of the given population (Ektikan, & Musa, & Alkassim, 2016).

The participants for this study consisted of full-time employees involved in the performance appraisal at International Organizations working in West Bank. The researcher intended to target a sample size of 250 participants which forms 17% of the total population but the actual targeted sample size was 204 participants of the population of 1463 employees from the overall organizations targeted which forms 10% of the total population. All the participants were employed in organizations that offered individual performance appraisals. In terms of gender, 40.2% of the respondents were male and 59.8% of the respondents were female.

For qualitative data the researcher used a purposive sampling technique. Purposive sampling is a non-probability sampling technique that is characterized by a deliberate effort to gain representative samples by including groups or typical areas in a sample. Also known as judgmental selective or subjective sampling, purposive sampling relies on the judgment of the researcher when it comes to selecting the units that are to be studied. Usually, the sample being investigated is quite small, especially when compared with probability sampling techniques (Bernard, 2002).

Purposive sampling involved choosing people whose views are relevant to the issue being looked at, where the researcher tried to create a representative sample without sampling at random. The main goal of purposive sampling was to focus on particular characteristics of

a population that are of interest, which best enabled the researcher to answer the research questions. In purposive sampling researcher has sufficient knowledge of topic to select sample of experts and subjects are chosen in this sampling method according to the type of the topic. Therefore, skills and capabilities of the researcher to find appropriate individuals to contribute to the achievement of research objectives play important role on the outcome of studies using this sampling technique (Patton, 2002).

This sampling method offers the following advantages: Less time consuming compared to other sampling methods because only suitable candidates are targeted. Results of purposive sampling are usually more representative of target population compared to other sampling methods. Purposive sampling can be the only way to recruit the members of rare or much sought after groups. The researcher targeted a sample of ten (10) Human Resource Managers for the qualitative interview which was sufficient for the establishment of themes for the research. The participants were purposively selected to generate useful data for the project and who had experience or knowledge of the issues being addressed in the research. Here the researcher was looking for individuals who have particular expertise that is most likely to be able to advance the researcher's interests and potentially open new doors.

3.6 Instrumentation

3.6.1 Methodology for Questionnaire Survey

It has been described in literature that questionnaires are used for descriptive research, such as that undertaken using questionnaires of organizational practices, which enables in identifying and describing the variability in different phenomenon (Saunders, & Lewis, & Thornhill, 2003). Surveys include the use of a questionnaire which is an instrument specifically designed to elicit information that will be useful for analysis. Questionnaires are used primarily in survey research and include close-ended questions which the respondents are asked to select an answer from among a list provided by the researcher. Based on this technical input questionnaire survey was selected to collect primary data. A main advantage of the questionnaire was that it enabled the researcher to cover wider population of respondents and therefore collect larger quantity of data within relatively short period of time. As well as using multiple answer option the respondents were not limited to mark one option only and can mark several from the given list of options.

However, the main advantage of having anonymous surveys was that a participant who sent survey was able to get more trustworthy information since respondents were not constrained by possibility of being discovered by name. The main disadvantage of conducting surveys, that it was quite rare to receive answers from all respondents to whom were sent survey questions. Moreover, respondents answering on the survey lack an opportunity to clarify question composition due to absence in physical presence of the originator of such survey.

The questionnaire consisted of 8 pages, four sections and total of 55 questions with multiple answers which were possible to obtain the answer within given 15 minute time-frame, covering various aspects to assess the effectiveness of performance appraisal in International Organizations. The introductory part of the questionnaire included standard questions about occupational position, period of work for the company, and educational background. Information about the demographic data of the participants was gathered from the multiple choice questions (closed), which just required that the right answers be ticked by the respondents. In the second part questions were related to the employee's basic experience with performance appraisal. The third part of the questionnaire was related to the performance appraisal and competence development activities which were currently implemented in the organization. Here respondents were asked about their understanding of the purposes of performance appraisal forms which they are asked to fill in on a yearly basis and about their attitudes towards competence development activities. The fourth part of the survey was related to performance appraisal and employee motivation and the effectiveness of the compensation system in International Organizations.

The main part of the questionnaire, which concerns the questions of the thesis, consisted of likert-scale questions. These questions helped the researcher to find how strongly the respondents agree with a particular statement. The answers of the questions are based on five-level scale and the options are: strongly agree, agree, neither agree nor disagree, disagree, strongly disagree to be able to answer the research questions and to find our conclusions and recommendations. The questionnaire is enclosed in (Appendix II). The questionnaire consisted of covering letter (Appendix I), which explained the purpose of survey as well as guidelines for answering the questions. The covering letter also assured the respondents about the confidentiality of their responses. Concerning confidentiality I agreed to the organizations that employees would fill in the questionnaire anonymously. I also agreed to share with them a report summary and not individual questionnaire.

3.6.2 Methodology for Interview

The interview method was also used to find some information needed for the research, which could not be found through questionnaire such as the structure of performance appraisal in the organizations, the role of the performance appraisal as part of the performance development process. The advantages of conducting interviews are that personal interview gives an opportunity of a better control in terms of the questions to be correctly understood. That is in case when interviewee might not understand the meaning of the question he or she is able to ask the interviewer for clarifications directly. That is not possible to do when using questionnaire sent online or in case of absence of a direct contact in that particular moment when such potential ambiguity takes place. Moreover, via interview it is possible to collect additional information in relation to a subject matter. A disadvantage of conducting personal interviews is that it is a time-consuming process, due to the reason that interviewee and interviewer must arrange meeting at a time, date and venue suitable for both parties. Besides the information collected during the interview may not always be fully useful with a respect to the subject matter. In some cases when asked questions may be perceived personal or sensitive for the interviewee trustworthiness of the answers provided can be questionable (Murray, 2003).

According to Murray (2003) there are several approaches which could be used when developing interview questions. He described four of those approaches as follows: "loose question, tight question, converging question and response-guided"

The loose question approach described as having purpose to ask very general questions with a strategy to get respondents to have personal interpretation, this are so called open-ended questions. The tight question approach is opposite to the loose question approach. Using this approach respondents would have questions structured in such way that they have given answer alternatives they are able to choose from. The converging question approach embed in itself both loose and tight question approaches, where interviewer first asks open ended questions and later narrows them down asking questions by giving specific alternatives as possible answers. The response-guided approach structured in a way that interviewer ask preliminary prepared questions from the start and may ask some extra questions, spontaneously, later.

When planning my interviews I utilized the converging question approach. This was done based on the requirements set by the department management of the targeted International Organizations to be preliminarily introduced to the interview questions prior to conducting the interviews. However, there was not set any restrictions on asking additional questions and to providing alternative answer options. The time frame of each interview has been also discussed beforehand with the department management and was limited to 60 minutes. The interviews were conducted in Arabic and subsequently written notes were taken. An interview guide was designed to obtain in-depth information from key respondents. Interviewees were probed and information obtained helped supplement data from questionnaires. The Human Resource Department managers in the targeted International Organizations were interviewed by the researcher since they were at the focal point of managing the appraisal process. They were contacted because the performance appraisal process is normally administered by the Human Resource department, and due to this oversight function, directors of this department should have a broad understanding of the process of performance appraisal as well as an understanding of the benefits and challenges of the performance appraisal process at their respective.

Interviews helped to test for areas hard to investigate by the use of the questionnaire approach. Interviews further helped test for variations in responses. The interview questions were designed, keeping in mind the research objective. Twelve questions were designed in accordance with the literature review. The interview questions were categorized into three parts. The questions designed under the first part were designed to understand the performance appraisal system and process in the organization. The second part, focused on the performance appraisal as a tool for employee development and on the training aspect of the organization, which forms an important part of the appraisal process. The third part was designed to reflect answers relating to motivation and better performance in the organization. The questions designed were open-ended because, it could give the human resource manager the chance to elaborate the given situation. The interviews have been conducted in personal, one-on-one meeting format, where questions and answers were conducted verbally. The interview questions are in (Appendix III).

3.7 Data Collection

3.7.1 Data Collection Methods

Three important data collection methods can be distinguished as surveys, observations and interviews. Murray (2003) claims that depending on the boundaries of the study there can be used single or mixed methods of data collection, whereas the latest one such as use of the mixed methods is the most common. Techniques used in this research included the review of relevant literature, in-depth interviews and quantitative surveys. Each of these techniques has advantages and disadvantages, and therefore adopting several techniques enable a more solid set of findings and recommendations.

Additionally, in those methods researchers use primary and secondary information sources. It was done in order to enrich the content of the research and provide more reliability for the obtained results. The primary types of information sources are first-hand information from observations, interviews, surveys, tests, experiments and content analysis, and are obtained directly from original sources such as mangers, coordinators, officers who are involved in the appraisal process. The secondary types of information sources are collected from relevant material related to the variables under investigation and these included record auditing techniques such as: dissertations, textbooks, articles, internet, and many others as are found necessary to the researcher.

The current thesis used both secondary and primary information sources, where the primary sources come from the empirical part of the research and secondary sources come from the frame of references part of the thesis. Data for the empirical part was collected via semi-structured interviews. Furthermore, survey in a form of questionnaire with multiple variations of answers had been sent to the wider amount of recipients. Data for the theoretical chapter consisted of numerous books, articles and websites related to the field of Human Resource Management. The review of existing records gave the researcher an insight on the subject that was being investigated and helped in shaping up the research questions and the design of research tools. One disadvantage of this technique was that the review of numerous documents was time-consuming.

3.7.2 Data Collection Procedure

On the approval of the research proposal by the dissertation committee at Hebron University, a letter of introduction was served to seek permission from the International Organizations in order to conduct this study. A pre-notice email was sent to each contact name to describe the research project and to request the participation of the people on the list. It identified the importance of the research project and how the results of the research were to be used. The purpose of this letter was to let people know ahead of time that they would be contacted.

Appointments were made to visit the organizations to administer questionnaires and interview respondents. Since the researcher was an administrator, the process was easier since there were fewer barriers in the collection of the data. In each organization involved in this study, once the agreement was made to participate, a discussion with a representative from the personnel department followed. There was an explanation of the criteria for participation and we made samples of employees appropriate for our questionnaires.

An interview schedule was also used to get information from an HR official who is in charge of training on performance development. This is to ascertain Management's side of how the process is supposed to work and how it is related to rewards and recognitions. At the beginning of the interview process, there was set list of questions which interviewees received and were introduced before the interviews. For the convenience of the interviewee the time and place of the interview were chosen by the interviewee. The respondents introduced the ongoing process of Performance Appraisal in their own organization. Then they were asked about the different aspects of the system necessary for the purpose of this study. The interview sessions were conducted on one-to-one basis for each staff. This study has used the transcribed recordings as part of the research. Participants were asked to elect whether or not to be audio recorded, some said yes and others no but the choice was entirely theirs. However, logic of the semi-structured interviews was in such manner, that the interviewer may ask additional spontaneous questions which might emerge during the interview process. The interviews for the purposes of the current master thesis have been conducted with a limited amount of persons, Ten (10) Human Resource managers within the targeted International Organizations. The results from the in depth interviews were

analyzed. The following table shows the names of the Human Resource Managers department in the targeted International Organizations:

Table: **3-5 Human Resource Department Managers**

		HR Manager
Organization	World Vision	Nae'la Abu Samra
	Handicap International	Hamza Abu Baker
	TIPH	Max Oser
	CHF	Areej Feidy
	Action Aid	Nadim Zagloul
	Acted	Sawsan Labadi
	PUI	Ayman Zahran
	MSF	Manar Arafeh
	TWOON	Amal Tarazi
	Care International	Wala' Abasi

The second stage was the undertaking of a quantitative survey using questionnaires. The researcher was aware that some literature refers to the design of questionnaires being used in the quantitative methodology approach. In this regard, questionnaires were constructed, distributed and collected. Data was collected with the questionnaire distributed among the employees working in International Organizations by hand delivery, for them to indicate their views, satisfaction and reservations about the process of how performance is appraised and fed into the performance development system and how it is applied in relation to rewards and recognitions. The respondents were employees whose performance needs to be appraised annually by their superiors. For the data collection from desirable employees, the researcher personally administered questionnaire with a covering letter explaining purpose of the study. Respondents were supplied with standardized instructions on how to complete the questionnaire and to explain what is expected from them. Moreover, during data collection process participants were encouraged to complete questionnaire in break time and they were also requested to immediately return back questionnaire after completion. The questionnaires were distributed among 250 eligible employees. The survey obtained data from 204 employees with response rate of (82%). In participant 82 were males and 122 females. Data was then analyzed and thereafter relevant chapters were written. The advantage of this technique was that respondents have time to think about the answers to the questions. The disadvantage was that the researcher was not

at hand to explain uncertainties, nor was the researcher assured that the questionnaire was completed by the same person. This situation could lead to distorted answers by the participant.

3.7.3 Data Management and Research Timeframe

The data management process included all steps necessary to extract answers to research questions from data and to check the quality of the research results. During and after the data collection process, great care was taken to ensure that data were properly cleaned, edited, classified, coded and stored. Coding data involved transforming responses such as `agree/disagree' or `yes/no' into numerical form for quantitative analysis and creating code categories for qualitative data. Cleaning and editing data involved ensuring consistency and appropriateness of responses, where decisions were made, and confirming data entry into a computer or transcribing data onto code sheets.

However, a number of obstacles were also faced during the data collection period. Firstly and the most serious challenge for me during the field work was from some of the junior staff. Several of them were very reluctant to fill the questionnaire. There could be a number of possible reasons for their refusal. One reason could be that they were not fully aware of the performance appraisal process. Another possible reason could be that they were hesitant to talk about such organization-culture related issues which they think could have negative repercussions on them. Such reluctance and hesitations show the lack of communication and openness in the organization and possibility of fear among the employees to talk about organizational problems and issues. To counteract these issues, I did try to convince the potential participants who declined that my area of interest is purely academic and anonymity will be maintained to protect them from any negative repercussions. The second problem was faced from some of the senior level staff. Most of the senior executives whom I approached for an interview agreed to give an interview. However it was a real challenge for them to find time for the interview.

The research was conducted in April 2015 to September 2016.

3.8 Data Analysis

Both qualitative and quantitative techniques were used in analyzing data, with the qualitative method and data obtained through interview with Management. This was done using content analysis and logical analysis to outline patterns in the data. Data obtained from questionnaire administered to employees was analyzed with SPSS. The SPSS software helped to breakdown the raw data that was collected from the field into simpler quantitative and classified form for easy understanding and assimilation. Microsoft Excel was used, in addition to SPSS to generate the diagrams from tables obtained. The goal of data analysis is to ask questions about the data that answer the research questions on which the study was based.

CHAPTER FOUR

DATA ANALYSIS

4. DATA ANALYSIS

4.1 Introduction

This chapter presents the data collected from the questionnaires completed by the employees of the International Organizations and from the in-depth interviews with key respondents and went on to discuss the research findings. It covered the presentation and interpretation of findings, seeking to respond to the research questions outlined in Chapter 1. The researcher used graphs and charts to display the findings in order to make it easier for the reader to analyze the results. The chapter first looked at the demographic statuses of employees surveyed their age, gender and length of service, it then went to examine and discuss the responses to the questions asked and the statements that were presented to the respondents in the questionnaire and interview. The findings looked at how effective the appraisal is according to the employees and if it is used as tool for development and motivation, this will be measured using their answers to the survey questions.

The researcher laid out three objectives in the dissertation. These were:

1. How well the performance appraisal systems are effective and used as a tool for the assessment of work performance?
2. How does the performance appraisal process lead to the employees' development?
3. How does the appraisal process motivate the employee to perform better?

4.2 Analysis of Questionnaire Results

The first part of the questionnaire presents some demographic data questions. Questionnaires were distributed to 250 employees of the targeted International Organizations, 204 were returned.

The second part of the questionnaire is connected with the research questions. There are 43 statements and the respondents are requested to tick the level of agreement or disagreement, based on their attitude and opinion of the performance appraisal and different factors related to the performance appraisal system and their own experiences with the organization performance appraisal process.

4.2.1 Frequency Analysis Related to Demographic Data

The samples involved in this present study were 204 individuals who are working in different International Organizations in West Bank. From the total respondents of 204, there were almost equal distributions of the sample in relation to gender, where 122 respondents were female, while the rest comprised of male respondents. Of the samples, majority of the respondent were from the middle age group (46.1%) whereas only a small percentage was from the older group. (6.4%) of the total respondents reported that their position within their organization were at executive level or higher where else (32.8%) reported that they were at lower level in their organizational hierarchy (Please refer to Figure 4.5). Furthermore, (19.1%) of the total respondents noted that they've been working in their current organization for less or equal to 6 years where else (8.3%) of the total respondents has been working in their current organization for more than 10 years.

4.2.1.1 Organization

The table below shows the International Organizations that have participated in the survey and the total number of employees from each organization.

Table: **4-1 Number of Employees participated from each International Organization**

		Total Number of Employees	Frequency	Percent
Organization	World Vision	137	44	21.6
	Handicap International	31	10	4.9
	TIPH	70	13	6.4
	CHF	158	16	7.8
	Action Aid	27	17	8.3
	Acted	19	12	5.9
	PUI	28	22	10.8
	MSF	100	15	7.4
	TWOON	96	14	6.9
	Care International	31	14	6.9
	GVC	34	17	8.3
	OXFAM	49	10	4.9
	Total	780	204	100.0

The International NGO Sector comprises a vital part of the Palestinian business community and has maintained an active role in the Palestinian service delivery and development

process. This is on account of their historical role and experience as service providers, and the perception that they have a comparative advantage in providing for the most vulnerable and marginalized populations. They exist as a major pillar of Palestinian civil society, which is responsible for protecting citizens' interests, providing them with platforms for self-expression, and reaching out with their services to the poor and marginalized.

The target population composed of male and female staff and administrators involved in the staff performance appraisal process and working in International Organizations at West Bank that meet the inclusive criteria set for the study. These criteria's are 1) The total number of employees in the organization is more than 19 2) The employees are full-time employees involved in the performance appraisal 3) There is a performance appraisal system applied in the organization 4) There is a Human Resource department which is managed by human resource manager 5) The organization is working in West bank. The total number of International Organizations that meets the inclusive criteria's is twenty two (22) with a total number of 1463 (One Thousand Four Hundred Sixty Three) employees. Twelve (12) organizations with a total number of 780 (Seven Hundred Eighty) out of 22 participated and collaborated in implementing this master thesis, while four organizations refused to participate and cooperate due to the policies of their organizations and six organizations didn't respond to the emails that were sent by the researcher for getting the approval; although the researcher made sever phone calls to them and send email reminders more than once.

4.2.1.2 Gender

Table: 4-2 **Sample Distribution According to Gender**

		Frequency	**Percent**
Categories	Male	82	40.2
	Female	122	59.8
	Total	204	100.0

Of the 204 respondents, 82 or 40.2% selected male and 122 or 59.8% selected female. From these results, we can conclude that International Organizations are gender – diverse organizations in which men and woman bring different insights and facilitating better problem solving, gender -

diverse teams are better able to serve diverse cultures, and gender - diverse teams help further attract and retain talented woman. In a work situation, a variety of different people with a variety of perspectives will lead to a greater range of ideas for how to accomplish something or solve a problem, which means the best idea possible, will more likely come up.

4.2.1.3 Age

Table: 4-3 **Sample Distribution According to Age**

		Frequency	Percent
Categories	20-29	63	30.9
	30-39	94	46.1
	40-49	32	15.7
	50-59	15	7.4
	Total	204	100.0

Most participants of the survey are mature age employees between 30-39, totaling 94 or 46.1% of the respondents. Mature age employees often bring a number of valuable skills and years of experience to an organization. These skills can then be passed on to younger employees and co-workers through formal or informal training. Skills like customer service, empathy and conflict resolution are often strong in mature aged workers as they are developed through years of experience dealing with a wide range of different situations and people. Mature aged workers are often more settled and stable and are less likely to switch frequently between employers. This means a reduction in staff turnover and recruitment and training costs. The next most common age group was 20-29 which had a total of 63 employees or 30.9%. 15.7% of the respondents are between 40-49 and 7.4% of them are 50 and over.

4.2.1.4 Length of Service

Table: **4-4 Sample Distribution According to Length of Services**

		Frequency	Percent
Categories	Less than a year	42	20.6
	1-3 year	60	29.4

	4-6 years	39	19.1
	7-10 years	46	22.5
	More than 10 years	17	8.3
	Total	204	100.0

For this question, of the total 204 respondents, 42 of those are working in the organization under a year, a percentage of 20.6%. The largest section of employees is in the organization between 1-3 years, a total of 60 of the respondents, or 29.4%. Thirty nine of the respondents or 19.1% are working in the organization between 4-6 years and 46 of the employees or 22.5% are there between 7-10 years. The smallest category with 8.3%, 17 of the 204 staff surveyed are in the organization over 10 years.

An employee's length of service can have a forceful influence on how they perceive Performance Appraisals. If an employee is with the company less than a year and has only one appraisal meeting then they may have a different view on it that someone who is with the organization over 10 years. This can be a problem in many elements of the appraisal, in particular when looking at whether the system is of benefit to the employees. Someone in the same position and in the same organization for a long length of time may feel that there is not as much to gain from performance appraisal as someone who is new to the organization. They may find it difficult to keep setting goals and may find the systems less valuable than others. The above results indicate that 29.4% of the employees in International Organizations may don't get the desired benefits of the performance appraisal and this may affect their perspectives on the performance appraisal system in their organizations.

4.2.1.5 Position

Table: 4-5 **Sample Distribution According to Positions**

		Frequency	**Percent**
	Top Management	13	6.4
	Middle Manager	12	5.9
	Manager	18	8.8
Categories	Coordinator	33	16.2
	Officer	67	32.8
	Assistant	28	13.7
	Other	33	16.2

		Frequency	Percent
Categories	Top Management	13	6.4
	Middle Manager	12	5.9
	Manager	18	8.8
	Coordinator	33	16.2
	Officer	67	32.8
	Assistant	28	13.7
	Other	33	16.2
	Total	204	100.0

For this question, of the total 204 respondents, the largest section of employees is officers, a total of 67 of the respondents, or 32.8%. The smallest category with 5.9%, 23 of the 204 staff surveyed are middle managers. This result is logic where the officers occupy the large space of the organizations' structure. The common structure in international organizations is the one that contains more implementers and fewer planners. Officers are the front line employees who contribute directly in achieving the organizational and strategic goals. For this reason they should be involved in the performance appraisal process and in setting goals to be more committed in achieving these goals.

4.2.1.6 Department

Table: 4-6 **Sample Distribution According to Department**

		Frequency	Percent
Categories	Human Resource	10	4.9
	Finance	25	12.3
	Quality	9	4.4
	Technical	36	17.6
	Monitoring and Evaluation	15	7.4
	Operation	24	11.8
	Field Work	35	17.2
	Administration	19	9.3
	Other	31	15.2
	Total	204	100.0

For this question, of the total 204 respondents, the largest section of employees are belonging to the field work department, a total of 35of the respondents, or 17.2%. The smallest category with 5.9%, 23 of the 204 staff surveyed are middle managers. This result

is compatible with the results above as the officers are part of the two departments which got high percentages (Technical, Field Work).

4.2.1.7 Qualification

Table: 4-7 **Sample Distribution According to Qualifications**

		Frequency	Percent
Categories	Secondary education	5	2.5
	Diploma	12	5.9
	Bachelor's degree	109	53.4
	Masters' degree or higher	78	38.2
	Total	204	100.0

Majority of the respondents were highly educated, where (53.4%) have completed their bachelor degree and another (38.2%) have even completed their post-graduate studies. The results indicated that International Organizations recruit employees who are highly educated where they are seeking to be more specialized and to get the advantage of their knowledge in achieving its' goals. Selecting highly educated personnel is essential to the success of organizations. They recognize exactly what are the things that actually directly for the organization. It is very easy to them to solve any sort of complications especially. It is effortless to them to learn new things, guidelines and also regulation, performs their relevant tasks in a proper manner. With more desirable educated and skilled staff the communication strengthens within the group, and also as well as having far better time management skills, this will take place to greatly improve work effectiveness leading to a much more productive staff. Considering that they are highly qualified they operate as expert and also with great results on the respective responsibilities. The highly educated team makes less error and they put the organizations in a much better position as well as give a competitive advantage.

Do you feel satisfied with your current position and the work you do?

Table: 4-8 **Satisfaction to the Current Position**

		Frequency	Percent
Categories	Completely Satisfied	29	14.2
	Satisfied	106	52.0
	To some extent Satisfied	51	25.0

	Frequency	Percent
Not Satisfied nor Dissatisfied	10	4.9
To some extent Dissatisfied	5	2.5
Dissatisfied	2	1.0
Completely Dissatisfied	1	.5
Total	204	100.0

The majority of the respondents is satisfied and to some extent satisfied with their current position which indicated that the employees in the targeted International Organizations were motivated and the organizations provided the needed incentives to retain the employees. The success of an organization largely depends on the commitment of their members, and this may, to a large extent, depend on how satisfied the employees are in respect of the organization's appraisal mechanism. Employees need to have both an understanding and a commitment to the appraisal procedure, but this is difficult if they do not feel they are benefiting from it and see it as a confidential and transparent process. The outcome of the performance appraisal should be a win-win situation for both the organization and the employees.

On the other hand, we couldn't ignore that there are also employees who are not satisfied; I've come up with some of the reasons why people are not satisfied in their jobs: Some employees feel like they're working harder than they're getting paid for. They my notice behaviors, patterns, and decisions that lead them to believe their job is unstable. They might worry about being laid off or fired, or they might worry that the entire organization is going under. There isn't much room for advancement and there's no room for promotions. If they feel like they aren't growing or working toward something it's natural to feel unsatisfied. Some of them may be tired of the high-pressure environment. They're expected to do too much in too little time, and they never get to focus on the quality work they'd like to be doing or create a healthy work-life balance.

Have you ever had your performance appraised/reviewed since joining this organization?

Table: 4-9 **Performance had ever appraised**

		Frequency	Percent
Categories	Yes	175	85.8
	No	29	14.2
	Total	204	100.0

The results found there were many of the International Organizations that did use a performance appraisal system as a tool to assess the performance of employees, but they were not receiving all the potential benefits that an appraisal system could offer. The researcher found as previously discussed it is vital that organizations involve as many employees as possible in the appraisal system. If the employees are not measured the same way then there may be some injustice in how employees are assessed. If injustice exists then employees may not have much confidence and trust in the appraisal system.

How often is your performance appraised?

Table: 4-10 **Frequency of Performance Appraisal in the Organization**

		Frequency	**Percent**
	Every month	4	2.0
	Quarterly	18	8.8
Categories	Half yearly	72	35.3
	Yearly	99	48.5
	Other	11	5.4
	Total	204	100.0

In order to further look into question ten and the frequency of performance appraisal in the organization, the researcher asked how often was performance appraisal carried out in the organization. According to the responses of this question, 99 employees answered that performance appraisal is carried out every 12 months, 72 employees stated that appraisal was carried out every 6 months and 18 employees stated that appraisal was carried out every 3 months. Four employees stated that the appraisal carried out every month.

This result shows that 48.5% of respondents are appraised every 12 months. 35.3% of employees are appraised every 6 months and 8.8% are appraised every 3 months. These figures show some inconsistency in how often the appraisal is carried out. The majority of respondents are appraised every 12 months but, with some contradictory figures, the organizations need to ensure that there is a level of consistency throughout the appraisal process. This is due to the lack of a framework for performance appraisal and that the employees aren't aware of the performance appraisal purpose in their organizations. Therefore all employees must understand why performance appraisal is being conducted and the specific goals for it. The specific goals will allow the managers to select

performance criteria that will support the organization's objectives and increase the motivation of the managers to carry out the appraisals properly.

The organizations also should look to introduce a framework for Performance Appraisal within the organization that sets out a number of important objectives such as fairness, confidentiality, employee development and mutual involvement. This framework would need to be explained to all involved in the process and training provided so as to ensure managers and employees are aware of how the system works and can stick to the guidelines.

Therefore, performance appraisal process has to be comprehensive in its approach. It should help in defining the goals of the organization in a more cohesive manner which would be achievable by the employees and beneficial to the organizations and the employees. Performance appraisal gives a platform to compare the employees and would create healthy competition between them.

What could be the strongest factors for you to stay with your current organization?

Table: 4-11 **The Strongest Factors for Employee to stay in the current Organization**

Factors	Frequency	Percent
The Salary	90	44.1
Internal work environment	87	42.6
Opportunities for personal knowledge	79	38.7
Career growth possibilities	74	36.3
Opportunities of competence development	52	25.5
Type of projects	50	24.5
Lack of external employment opportunities	35	17.2
Discomfort with change	13	6.4
Other	10	4.9

From the results in the table below, the strongest factor for employees to stay with their current organization is the Salary (44.1%), then the Internal work environment (42.6%), then the Opportunities for personal knowledge (38.7%), then the Career growth possibilities (36.3%). We can conclude from the above result that the two factors related to performance appraisal (career growth possibilities and opportunities of competence development) obtained good percentages in comparing with other factors and this would be important in the commitment of employees to the processes of appraisal since they would

feel attached to the organization culture and therefore be part of the holistic organization system. It was however noted that most employees felt attached to the organization so there were consistencies in behavioral patterns of employees towards the appraisal system. Several studies have supported that there is a positive relationship between HRM practice and organizational commitment. Researchers have shown that high levels of organizational commitment is linked with such positive outcomes as job satisfaction, work performance, higher motivation and a less tendency to leave work (Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014).

Furthermore, the findings reported that employees who are satisfied with how performance appraisal is conducted are indulge in higher work performance, more committed and have lower turnover intentions. Thus, in order to obtain such positive outcomes, organization should provide a performance appraisal platform where employees must report satisfaction with performance appraisal.

On the other hand, the factor with the lowest percentage is Discomfort with Change. Employee resistance to change is a complex issue facing management in the complex and ever-evolving organization of today. The process of change is appearing and employee resistance is a critically important contributor to the failure of many well-intend and well-conceived efforts to initiate change within the organization.

Although leaders can't always make people feel comfortable with change, they can minimize discomfort. Diagnosing the sources of resistance is the first step toward good solutions. And feedback from resistors can even be helpful in improving the process of gaining acceptance for change. This lowest percentage that the results reported in the above table could be explained in two ways, either the International Organizations in this study don't seek to change or the employees aren't resistance to change that take place within their organizations.

What could be the strongest factors for you to quit your current organization in case you will decide so?

Table: 4-12 **The Strongest Factors for Employee to quit their current Organization**

Factors	Frequency	Percent
Better external employment opportunities	79	38.7
Career growth possibilities	72	35.3
Internal work environment	67	32.8
The Salary	48	23.5
Underdevelopment of personal knowledge	35	17.2
Underdevelopment of personal competence	28	13.7
Monotonous work changing with periods of work overload	25	12.3
Distance from work station	22	10.8
Other	14	6.9

From the results in the table below, the strongest factor for employees to quit their current organization in case they will decide so is better external employment opportunities (38.7%), then Career growth possibilities (35.3%), then the Internal work environment (32.8%). Based on this result we noticed that there is a contradiction with the results above because the factor Career growth possibilities obtained almost the same percentage which indicated that this factor in some organizations is a motivating factors and in the others is not. The researcher can conclude that in some organizations Performance Appraisal ratings are not directly linked to rewards such as leading to promotion and bonus payments and also to salary levels. For some organizations linking payment of annual bonus and promotions to performance appraisal ratings may affect team work, morale and overall performance.

How your personal performance is measured in your organization?

Table: 4-13 **Employee Performance Measurement Methods**

Method	Frequency	Percent
Through self – assessment form / template	115	56.4
Through oral feedback from the line manager	103	50.5
Management by Objectives	99	48.5

Method	Frequency	Percent
Through self – assessment form / template	115	56.4
Through success of project team	41	20.1
Through oral feedback from my colleagues	29	14.2
Through oral feedback from beneficiaries or partners	15	7.4
Other	15	7.4
I don't know	8	3.9

From the results in the table above, the most important methods used to measure employees' personal performance in their organizations are: Through self – assessment form / template (56.4%) and through oral feedback from the line manager (50.5%) and through achieving objectives (48.5%).

The results were also discussed in relation to other scholars since the finding is not entirely new in the management understanding. A number of scholars in other organizational environments present a number of views that highly support the findings of the current study. Nkata and Maicibi (2004) present four common sources of information that are frequently used by managers to measure actual performance; personal observation, statistical reports, oral reports and written reports. Each has its strengths and weakness; however, a combination of them increases both the number of input sources and the probability of receiving reliable information.

When asked what kind of performance appraisal system their organizations used, 56.4% responded that they used self – assessment form / template, while 50.5% responded that they are appraised through oral feedback from the line manager. Feedback about the effectiveness of an individual's behavior has long been recognized as essential for learning and for motivation in performance-oriented organizations. Feedback is considered as an important tool in performance appraisal process. Feedback can be a useful tool for development, especially if it is specific and behaviorally oriented, as well as both problem-oriented and solution-oriented (Murphy and Cleveland, 1995).

One of the basic purposes of formal appraisal process is the provision of clear and performance based feedback to employees. Some organizations use feedback as a development tool, while in some organizations it is used for merit evaluation and compensation adjustment. Feedback is very essential for the employees because it forms a baseline for the employees who help them to get a review of their past performance and chance to improve their skills for the future (Parab, 2007).

Ashford (1986) says that when feedback is considered as a valuable resource, then only the individuals feel motivated to seek it, which helps in reducing uncertainty and provides information relevant to self-evaluations. There is also evidence that performance feedback if given appropriately can lead to substantial improvements in future performance.

4.2.2 Analysis of Results related to the First Research Question

How well the performance appraisal systems are effective and used as a tool for the assessment of work performance?

To answer this question, Means, Standard Deviations and Percentages used for Items related to Staff Experience with Performance Appraisal in the Organization as the following:

Table 4-14: **Means, Standard Deviations and Percentages for Items of Staff Experience with Performance Appraisal in the Organization.**

	Statement	Strongly Agree (SA)	Agree (A)	Neither Agree Nor (NA) Disagree (ND)	Disagree (D)	Strongly Disagree (SD)	Mean	Standard Deviation
1.	There is a recognized frame work for evaluating employees	26.5%	57.4%	12.7%	3.4%	0.0%	4.07	0.73
2.	I am aware of the appraisal system processes	29.9%	52.9%	10.3%	6.4%	0.5%	4.05	0.84
3.	There is oral discussion where staff can participate in the PA	30.9%	47.5%	14.2%	6.4%	1.0%	4.01	0.89
4.	PA objectives are linked to my job descriptions	20.1%	59.3%	13.2%	6.9%	0.5%	3.92	0.81
5.	PA system helps define roles and responsibilities more clearly	18.6%	57.4%	17.6%	5.4%	1.0%	3.87	0.81
6.	The establishment of objectives at the beginning of the assessment cycle brings employees with obvious performance goals	11.8%	67.2%	16.7%	3.4%	1.0%	3.85	0.70

#							Mean	SD
	view							
7.	The PA process is carried out based on accurate information	10.3%	60.3%	23.0%	4.9%	1.5%	3.73	0.77
8.	The PA process helps me understand how I perform in my job	10.8%	61.8%	18.6%	7.4%	1.5%	3.73	0.81
9.	PA system seeks to develop staff competence	10.8%	55.4%	25.5%	7.4%	1.0%	3.68	0.80
10.	PA ratings are reliable which can help employee to accept the performance appraisal as legitimate indicator of their performance	6.4%	57.4%	27.5%	7.8%	1.0%	3.60	0.77
11.	The PA process is applied without bias	9.3%	51.0%	29.9%	8.8%	1.0%	3.59	0.82
12.	PA system has clear standards for appraising staff	7.8%	57.4%	23.0%	9.8%	2.0%	3.59	0.85
13.	The outcomes of the PA process reflect fairly my contribution to the organization	8.8%	54.4%	26.0%	8.8%	2.0%	3.59	0.85
14.	The outcomes of the PA process reflect fairly the effort I have put into my work	9.8%	52.5%	27.0%	8.8%	2.0%	3.59	0.86
15.	The PA objectives are designed with consultation with employees	12.3%	40.2%	31.9%	14.2%	1.5%	3.48	0.93
	Total	14.9%	55.5%	21.1%	7.3%	1.1%	3.76	0.56

The table above shows means and standard deviations of items of Staff Experience with Performance Appraisal in the Organization, the items were arranged descending by means. The total value of mean indicates that the respondents' attitudes are high, where the total mean value equals to (3.76) with standard deviation equals to (0.56) which indicates that the degree of Staff Experience with Performance Appraisal in the Organization is high and we have moderate dispersion in the attitudes of the respondents and their attitudes are closed to gather moderately.

The items were arranged descending by its means, and the highest items are: the item (There is a recognized frame work for evaluating employees) with mean (4.07) and standard deviation (0.73), the item (I am aware of the appraisal system processes) with mean (4.05) and standard deviation (0.84), the item (There is oral discussion where staff can participate in the PA) with mean (4.01) and standard deviation (0.89), the item (PA objectives are linked to my job descriptions) with mean (3.92) and standard deviation (0.81).

In the other hand, the lowest items are: the item (The PA objectives are designed with consultation with employees) with mean (3.48) and standard deviation (0.93), the item (The outcomes of the PA process reflect fairly the effort I have put into my work) with mean (3.59) and standard deviation (0.86), the item (The outcomes of the PA process reflect fairly my contribution to the organization) with mean (3.59) and standard deviation (0.85), the item (PA system has clear standards for appraising staff) with mean (3.59) and standard deviation (0.85).

When looking at the statements as a whole, the results seem to be mostly positive, with the majority of the respondents selected that they agreed or strongly agreed. There was also a significant amount of respondents who selected undecided. The figures for disagreeing and strongly disagreeing for the most part are low.

The statement with the highest agreement was statement 6 with a total of 67.2% of respondents. The appraisal process begins with the establishment of performance standards which have evolved out of job description, this is important because performance standards are clear and objective enough to be understood and measured. The percentages indicated that the performance appraisal process gives a clearer understanding of employees' objectives and functions and makes them more competent to achieve their goals. It is an essential part of the organizations. The employees know their duties well in the organizations, they know what is expected from them and their target goals are laid down for the coming period.

The statement with the lowest agreement was statement 15 with a total of 40.2% of respondents. This statement asked the respondents whether they are involved in setting the objectives and targets for their future performance. This is not a good result for the organization as Performance Appraisals cannot be successful without the staff taking part

understanding the goals that are being set and knowing what level their performance needs to be at in future. Roberts (2003) has previously highlighted the benefits of having the employee involved in the process of setting objectives and goals for their performance. He stated how it keeps employees interested in the procedure and helps them to understand it better. Having the employees involved in setting the objectives of the appraisal is linked to improved employee satisfaction. He suggested that employees' involvement in the process of setting objectives for themselves is a motivator itself and can be a practical way of improving their performance. For the organizations that did not do this, it represents an opportunity for them to improve their appraisal system by soliciting input from their staff and managers, and to thereby increase the ownership of the process from these people. This would be an excellent way to increase the effectiveness of their appraisal system. These improvements appear to be achievable if they would periodically review and change their appraisal systems to insure their effectiveness.

As discussed in the literature review, effective performance appraisals include a high level of employee participation. Messah (2011) stated that Performance Management systems are effective when they are based on goals that are jointly set and are driven by an organization's strategy and that effective performance appraisals include elements of the supervisor and employee working together to identify goals. To ensure the employees have a connection with the procedure and feel involved in the appraisal is vital for the effectiveness of the system. Appraisal systems must be kept current to reflect and keep up with the changes occurring within the organizations and the changes that can occur in specific job responsibilities.

4.2.3 Analysis of Results related to Second Research Question
How does the Performance Appraisal process lead to the Employees' Development?

To answer this question, Means, Standard Deviations and Percentages will be used for Items related to Employee Development in the Organization as the following:

Table 4-15: **Means, Standard Deviations and Percentages for Items of Employee Development in the Organization.**

	Statement	Strongly Agree (SA)	Agree (A)	Neither Agree Nor (NA) Disagree (ND)	Disagree (D)	Strongly Disagree (SD)	Mean	Standard Deviation
1.	Performance Appraisal aim is to provide constructive feedback in an environment in which one's growth is enhanced	9.3%	69.6%	16.2%	3.4%	1.5%	3.82	0.70
2.	There is positive interaction between manager and employees to discuss the employee's developmental plans	15.2%	60.3%	16.2%	7.4%	1.0%	3.81	0.82
3.	Employees' performance improvement and development are considered as an important goal of performance appraisal	12.7%	62.7%	16.7%	6.9%	1.0%	3.79	0.79
4.	Employee development is part of a wider strategy for the organization, aligned with the organization's corporate mission and goals	13.7%	59.3%	19.6%	6.4%	1.0%	3.78	0.80
5.	The knowledge/skills acquired from training can be applied at workplace	10.3%	59.8%	24.0%	5.9%	0.0%	3.75	0.72
6.	Performance appraisal is a method for identifying development needs and future training	11.3%	60.8%	18.1%	7.8%	2.0%	3.72	0.84
7.	The trainings organized contribute to employee's development	9.8%	54.4%	27.9%	7.4%	0.5%	3.66	0.78
8.	The developmental component of performance appraisal leads to satisfaction with performance appraisal	7.8%	56.9%	28.4%	5.9%	1.0%	3.65	0.75

9.	Employees are provided with the resources they need to develop their related skills highlighted in PA	6.9%	52.5%	28.9%	10.3%	1.5%	3.53	0.83
10.	I have adequate training to do my job	6.9%	53.4%	26.0%	12.3%	1.5%	3.52	0.85
11.	Performance Appraisal is used to determine an employee's training need and to evaluate training success	6.9%	52.9%	27.5%	10.3%	2.5%	3.51	0.86
12.	Each employee has well defined development plan that is based on inputs from organizational needs, superiors and employee himself	4.9%	45.6%	37.7%	10.8%	1.0%	3.43	0.79
13.	My organization has well established system of feedback to know the effectiveness of training imparted	8.8%	36.3%	38.2%	15.7%	1.0%	3.36	0.89
14.	The department manager sends you information about different trainings you can apply for	7.4%	44.6%	27.5%	16.2%	4.4%	3.34	0.98
15.	Training opportunities internally and externally are fairly distributed among employees	3.4%	36.8%	40.2%	14.7%	4.9%	3.19	0.90
	Total	9.0%	53.7%	26.2%	9.4%	1.6%	3.59	0.56

The table above shows means and standard deviations of the items of Employee Development in Organization, the items were arranged descending by means. The total value of mean indicates that the respondents' attitudes are high, where the total mean value equals to (3.59) with standard deviation equals to (0.56) which indicates that the degree of Employee Development in Organization is high and we have moderate dispersion in the attitudes of the respondents and their attitudes are closed to gather moderately.

The items were arranged descending by its means, and the highest items are: the item (Performance Appraisal aim is to provide constructive feedback in an environment in which one's growth is enhanced) with mean (3.82) and standard deviation (0.7) , the item

(There is positive interaction between manager and employees to discuss the employee's developmental plans) with mean (3.81) and standard deviation (0.82), the item (Employees' performance improvement and development are considered as an important goal of performance appraisal) with mean (3.79) and standard deviation (0.79), the item (Employee development is part of a wider strategy for the organization, aligned with the organization's corporate mission and goals) with mean (3.78) and standard deviation (0.8).

From the other hand, the lowest items are: the item (Training opportunities internally and externally are fairly distributed among employees) with mean (3.19) and standard deviation (0.9), the item (The department manager sends you information about different trainings you can apply for) with mean (3.34) and standard deviation (0.98), the item (My organization has well established system of feedback to know the effectiveness of training imparted) with mean (3.36) and standard deviation (0.89), the item (Each employee has well defined development plan that is based on inputs from organizational needs, superiors and employee himself) with mean (3.43) and standard deviation (0.79).

The overall response in this context was pretty positive. The employees believe that training and development is objective of an appraisal process and formed an important element in the process and the training guidelines help them to understand their organizational objectives and functions well. Most of the respondents were satisfied with the training and development program because it helps them to enhance their skills in the job. The trainings and development programs help the individuals to enhance their abilities and acquire the required skills to meet the expectations and goals set by the organization and also help them to grow in the organization.

In order for performance appraisal to positively influence employee behavior and future development, employees must experience positive appraisal reactions (Murphy, & Celevland, 1995). Thus, there is general consensus among performance appraisal researchers and practitioners that assessment of appraisal reactions is important (Fletcher, 2001). Thus, it is suggested that, in order to develop task performance at organizations, the policy-makers should implement developmental performance appraisal in such a way that it can increase employees' organizational commitment in the favor of organizations.

The statement with the highest percentage was statement 1 with a total of 69.6% responses which indicates that performance appraisal in International Organizations provides

constructive feedback in an environment in which one's growth is enhanced. It shows that, the employees accept their feedback in a positive sense, as this is the way they can identify their strengths and weaknesses. Employees like to know how they are doing. Feedback is the only process, through which the employees get a chance to improve them. It is the responsibility, of the manger to give, some developmental reviews which the employees should undertake to perform better next time. The manager should discuss any improvements and disappointment very clearly to the employee in every appraisal process. For a performance management system to be an effective tool in employee development, feedback must be immediate and continuous – not saved up all year long and dumped on an employee during an annual review. The best performance results are realized when a supervisor gives feedback and helps an employee while in the middle of solving a problem. Timely feedback has long lasting effects because the learning can be applied immediately. Supervisors who take advantage of these small teachable moments will save supervisory time by preventing a problem from growing out of control and will build the employee's confidence.

The statement with the lowest percentage was statement 13 with a total of 36.3% of responses which talks about the presence of feedback system to know the effectiveness of training imparted. It is clear from the responses that International Organizations lacking of such a system and the effectiveness of the training programs were not measured. The best designed training course in the world is useless if participants do not apply the learnings from the program. Many training programs fail to deliver the expected organizational benefits. Having a well-structured measuring system in place can help determine where the problem lies. Consider also that the business environment is not standing still. Competitors, technology, legislation and regulations are constantly changing. What was a successful training program yesterday may not be a cost-effective program tomorrow. Being able to measure results will help organizations adapt to such changing circumstances. An evaluation at each level answers whether a fundamental requirement of the training program was met. It's not that conducting an evaluation at one level is more important that another. All levels of evaluation are important.

How do the organizations evaluate the worth of soft skills training programs, such as leadership, team building and communication? The answer is not as difficult as they might think. With the right combination of hard and soft measures, they can produce a useful and credible evaluation report. Getting learners to transfer their learning to their jobs is

recognized as the biggest challenge facing program sponsors and training professionals today. A structured approach to the problem of training transfer helps significantly. For the training program to have impact, program participants need to be motivated to learn and to apply the skills back on the job. Discussing with each employee before they start a training program why they are attending the course and how they will apply their skills is a smart practice. The pre-training briefing sets the scene for later training transfer to the workplace.

Creating effective training programs begins with completing a reliable and accurate training needs analysis. Many training programs conducted that are a waste of time and resources. The reason is that in these cases training was not the answer to the performance problem identified. This explains why project communications are so important for the success of training programs. Find out what needs to be communicated to which of stakeholders and the methods available. Some training programs labor under poorly defined objectives and hastily chosen solutions. Involving key stakeholders in creating an impact map engages the people who matter most in the outcomes and helps forge an organization link between the training program and organizational benefits.

One of the questions asked was if employees' performance improvement and development are considered as an important goal of performance appraisal in their organizations. The literature suggested that performance appraisal serves two basic purposes: the first is evaluative (or administrative) and the second is developmental (Kondrasuk, 2011; Singh, & Mohamed, & Darwish, 2013; Selvarajan, & Cloninger, 2012; Akinbowale, & Lourens, & Jinabhai, 2013; Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014 & Deepa, & Kuppusamy, 2014).

The evaluative function refers to the extent to which there has been progress toward goals as a result of the employee's efforts. It is backward looking where past performance is reviewed in light of the results achieved. It can include the use of performance appraisal for salary management, promotions, terminations, layoffs, and identifying poor performance. It is used not only to enable organizations to make decisions about individuals, but also to compare candidates on some type of objective basis. The development function is forward looking, directed towards increasing the capacity of employees to be more productive, effective, efficient and satisfied in the future. It covers such things as job skills, career planning, employee motivation, and effective coaching between mangers and subordinates. It is any endeavor concerned with enhancing attitudes,

experiences, and skills that improve the effectiveness of employees (Boswell & Bourdeau, 2002).

Almost (62.7%) of respondents to the current study agreed that their organizations used performance appraisal to review past performance and to improve the effectiveness of the employees. This suggests that most organizations feel that performance appraisal should be used for both purposes simultaneously. Only 6.9% indicated that they used performance appraisal solely to review past performance. This is a small percentage of the total and it suggests that these organizations are not receiving the maximum benefits available from the appraisal process. These organizations may feel there is a conflict when evaluative and developmental appraisals are done together. This is particularly true if an employee's compensation is impacted by the results of the appraisal, since it could influence how honest and truthful a supervisor is with the employee. The results of the current study strongly suggest, however, that most organizations believe that both purposes of performance appraisal can be used together effectively.

Another question asked was if the developmental component of performance appraisal leads to satisfaction with performance appraisal. Almost 56.9% agree that the developmental component of performance appraisal leads to satisfaction with performance appraisal. In fact employees accept appraisal system and feel satisfied with it when it emphasizes their development and performance improvement; whenever the developmental goals of performance appraisal are emphasized, employees' feelings will be improved in order to do appraisal. Moreover, the evaluation made with an aim of development has been considered as more positive (Poursafar, & Rajaeepourl, & Seyadat, & Oreizi, 2014).

In addition, because of the individualized nature of motivation, organizations should focus on giving individuals opportunities for growth and development to bring about performance improvement. As employees become more independent and self-directed, they are able to process events in a more choice-filled manner. Individuals who are already passionate about their work, they are able to continue enjoyment at work and outside of work rather than risking burnout. They may also learn to give positive self-feedback about learning experiences, viewing consequences more objectively rather than associating negative situations with challenges to competence (Taylor, 2015).

A total of 60.3% of the employees agreed that the system improves their relationship with the manager. Fisher (1995) lists better relationships as a major benefit of performance

appraisal for all parties involved. Having meetings with a manager in relation to performance, gives employees the opportunity to discuss past performance and new targets and can often be a chance to speak about employees are getting on in the role. This may not be something many employees get the opportunity to do in larger organizations and consequently this can help build relationships and improve communication. The respondents overall seem happy with the relationship with their manager as a result of the performance appraisal, and so this is not a concern for the organizations.

4.2.4 Analysis of Results related to the Third Research Question
How does the appraisal process motivate the employee to perform better?

To answer this question, Means, Standard Deviations and Percentages will be used for Items related to Employee Motivation as the following:

Table 4-16: **Means, Standard Deviations and Percentages for Items of Employee Motivation in the Organization.**

	Statement	Strongly Agree (SA)	Agree (A)	Neither Agree Nor (NA) Disagree (ND)	Disagree (D)	Strongly Disagree (SD)	Mean	Standard Deviation
1.	Motivational effect is an important outcome for performance appraisals	31.4%	50.5%	12.7%	4.4%	1.0%	4.07	0.84
2.	Performance appraisal policy motivates employees to develop themselves	18.6%	52.0%	23.5%	4.9%	1.0%	3.82	0.82
3.	Incentives encourage employees' loyalty, foster teamwork and facilitate the development of the desired culture that encourages and supports knowledge sharing	12.3%	52.0%	24.5%	8.3%	2.9%	3.62	0.91

4.	Performance appraisal is linked with salary increase, promotion and payment of bonus	16.2%	46.6%	20.1%	14.2%	2.9%	3.59	1.02
5.	Employees are fairly treated during PA which provide a motivational basis for future performance improvement	8.3%	53.4%	27.5%	9.8%	1.0%	3.58	0.82
6.	Performance Appraisal System helps to motivate employees financially by providing extra incentives	11.3%	45.1%	28.9%	10.8%	3.9%	3.49	0.96
7.	Staff is promoted to higher positions according to excellent performance and needs analysis	11.3%	42.6%	29.4%	14.2%	2.5%	3.46	0.95
8.	Employees are satisfied with their appraisal systems, and they are more interested in using the feedback to improve future performance.	4.9%	45.1%	37.3%	9.8%	2.9%	3.39	0.84
9.	The reward system and the structure of incentives are designed to attract, retain and motivate employees	3.4%	45.6%	34.8%	13.7%	2.5%	3.34	0.85
10.	There is a proper, transparent and well communicated reward system	6.4%	41.7%	35.3%	12.7%	3.9%	3.34	0.92
11.	Reward system is Skill-based incentives and motivate employees to gain additional skills and knowledge	6.9%	40.2%	35.8%	13.7%	3.4%	3.33	0.92
12.	Salaries and other incentives are directly linked to performance	6.9%	38.7%	31.9%	16.7%	5.9%	3.24	1.01

	appraisal							
13.	My organizations use pay, promotion, bonuses and other types of rewards to encourage high levels of performance	3.9%	37.7%	32.4%	20.1%	5.9%	3.14	0.98
	Total	10.9%	45.5%	28.8%	11.8%	3.1%	3.49	0.64

The table above shows means and standard deviations of Employee Motivation Items, the items were arranged descending by means. The total value of mean indicates that the respondents' attitudes are high, where the total mean value equals to (3.49) with standard deviation equals to (0.64) which indicates that the Employee Motivation degree is high and we have moderate dispersion in the attitudes of the respondents and their attitudes are closed to gather moderately.

The items were arranged descending by its means, and the highest items are: the item (Motivational effect is an important outcome for performance appraisals) with mean (4.07) and standard deviation (0.84), the item (Performance appraisal policy motivates employees to develop themselves) with mean (3.82) and standard deviation (0.82), the item (Incentives encourage employees' loyalty, foster teamwork and facilitate the development of the desired culture that encourages and supports knowledge sharing) with mean (3.62) and standard deviation (0.91), the item (Performance appraisal is linked with salary increase, promotion and payment of bonus) with mean (3.59) and standard deviation (1.02).

On the other hand, the lowest items are: the item (My organizations use pay, promotion, bonuses and other types of rewards to encourage high levels of performance) with mean (3.14) and standard deviation (0.98), the item (Salaries and other incentives are directly linked to performance appraisal) with mean (3.24) and standard deviation (1.01), the item (Reward system is Skill-based incentives and motivate employees to gain additional skills and knowledge) with mean (3.33) and standard deviation (0.92), the item (There is a proper, transparent and well communicated reward system) with mean (3.34) and standard deviation (0.92).

The general response under this section revealed that, the employees were motivated to perform well in the organization. The appraisal tells the employees where they stand in the organization. It tells them what are their strengths and where they should concentrate more to improve themselves. It talks about the improvement plan and also decides the goals and objectives for future. This provide them a roadmap for the future period and they exactly know what steps should be taken to excel their performance.

High motivation to perform better would give those bonuses and recognition; hence they take extra effort to give excellent performance. A good performance feedback acted as a boosting agent which utilized their ability to perform better next time. The employees seemed to be unable to identify most of the objectives the organization has for the performance appraisal process and didn't have exact idea as to why it is carried out. The exact goals of the system must be identified and communicated clearly throughout the organization. But what is demonstrated by the responses of the survey was that employees of the organization didn't acknowledge all of the performance appraisal goals, with both the rewards and promotion objectives receiving a poor number of percentages.

The statement with the lowest volume of agreement is statement thirteen, which relates to promotion being based on performance appraisal. This echoes the results of statement 4 in where 46.6% of the employees selected that they didn't felt appraisal was used for a basis for promotion and also to statement 7 below. For the most part the organizations do not seem to base promotion and reward decisions on the results of the appraisal. This trend certainly is not good for organizations that should have a well-motivated staff which works as a team to achieve the organizations' goal. This means that the system is not being managed well, to enable it realize its full potential. Many academics believe that one of the main purposes of performance appraisal is using it as a tool to determine rewards and benefits. One of the key factors of performance appraisals is that the program should tie personal rewards to organizational performance (Singh, & Mohamed, & Darwish, 2013). However Fisher (1995) states that including pay and reward in the performance appraisal can cause problems. He believes that it can cause conflict between the developmental aspects of the scheme and the financial rewards aspects. If the two were to be mixed up in the one review, the parties may focus on the financial outcomes and neglect the more important developmental aspects. Based on this, many organizations tend to have a separate meeting to focus on performance related pay.

I think employees in an organization should recognize the objectives of organization and themselves. Then, organization should provide the opportunities for employee development. Firstly, organization needs to encourage employees to improve their knowledge or skills. Secondly, organization should promote employee if they have outstanding performance. In this way, employees can be motivated to do a better job and then contribute to employee performance. The evaluation in the stage of rewarding performance focus on the effectiveness of the whole process and its contribution to overall organizational performance to allow changes and improvements to be made, and also provides the feedback to the organization and to individual staff about their actual performance. Moreover, performance appraisal plays a key role in motivating people to utilize their abilities in pursuing the organization's objectives.

The statements 4 and 12 are about the organization's aims of performance appraisal. It asks the respondents directly whether their pay, benefits and promotion are linked on their performance appraisal. 14.2% and 16.7% of the respondent disagree, that they were not based on the performance appraisal rating. The results show that there is a considerable amount of variety throughout the organization as to whether rewards and promotion are linked to the results of the performance appraisal or not. While there are arguments both for and against using performance appraisal for pay and reward choices, there is a substantial percentage of respondents who are unsure if it is a part of their appraisal. A total of 20.1% and 31.9% of the staff surveyed said they did not know if such decisions were based on their performance ratings or not. This again highlights that there is significant variety in how the performance appraisal are carried out in the organizations. Such inconsistency needs to be resolved and a performance appraisal procedure that is used across the board needs to be considered. Managers and employees need to aware that the performance management activities need to be revised. Furthermore, when the managers set up objectives, they should consider the culture of the organization, the knowledge and skills of employees and other problems. Authors have recommended trying to produce more measurable goals to begin with, give more frequent feedback on performance to employees, reduce biases in appraising employees, better train appraisers in appraising employee job performance achievements, individual development/improvement plans should also be employed and periodically and continually reviewing the effectiveness of the performance appraisal system . Grote (2002) adds that there should be more responsibility placed on the employee such as being

responsible for seeking coaching and feedback and doing a self-evaluation at the end of the period. As a result, the objectives could be more achievable and motivating employee better. Then, managers need to create a comprehensive model for performance appraisal to asses employees fairly and consequently to motivate better employee performance. It is obviously that performance appraisal is useful and meaningful for an organization to improve employee and organizational performance.

Selvarajan & Cloninger (2012) discussed how higher levels of perceived fairness and accuracy could lead to higher levels of employee appraisal satisfaction and motivation to improve performance in the future. It total, 53.8% of the employees agreed that the appraisal was fair, while only 9.8% disagreed with the statement five. The perception of fairness in performance appraisals performance appraisal is one of the most important factors and considered a criterion when reviewing performance appraisal effectiveness. The perceived fairness in performance appraisals also increasingly receives attention and interest from the employees, and when employees perceive unfairness in performance appraisals, it can destroy the employee-manager relationship, affect the employee's loyalty and have other negative consequences for the organization.

The survey supports that perceived fairness of performance appraisal has a very strong impact on employee performance. Similarly we also find that most of the people agree to the fact that perceived fairness of performance appraisal behavior plays a very important role in improving performance. Perceived fairness of performance appraisal is discretionary behavior that is part of an employee's formal job requirements, and at the same time it nevertheless promotes the effective functioning of the organization by increasing employee performance.

The statement with highest volume of neutrality is statement 8 which relates to the employee satisfaction of their performance appraisal system. In fact performance appraisal can increase motivation through the feedback process and may provide evaluation of working conditions and it can improve employee productivity. This subsequently would result in collective productivity and hence organizational goal achievement. Several factors contribute to the achievement of the goals of an organization of which performance appraisal, as a motivation tool is one such key issue. Responses on dissatisfaction and de motivation indicate that once employees are not satisfied and motivated with the system, they may not put in their possible best towards achieving the goals of the business. As

stated earlier, the success of every organization depends largely on the availability and quality of a well-motivated human resource.

The research tried to find out whether respondents were motivated by and satisfied with the appraisal. Out of the 204 respondents, 45.1% are satisfied while 9.8% are not and 37.3% are undecided. Once processes and procedures are not adhered to employees' satisfaction with the system could not have been higher and they would not be motivated either. Thus, the improper management of the system has led to the de motivation and dissatisfaction.

The following table shows the total Means, total Standard Deviations and total Percentages for each part of the questionnaire:

Table 4-17: **Means, Standard Deviations and Percentages for total parts of the questionnaire.**

Part	Strongly Agree (SA)	Agree (A)	Neither Agree Nor (NA) Disagree (ND)	Disagree (D)	Strongly Disagree (SD)	Mean	Standard Deviation
Staff Experience with Performance Appraisal	14.9%	55.5%	21.1%	7.3%	1.1%	3.76	0.56
Employee Development	9.0%	53.7%	26.2%	9.4%	1.6%	3.59	0.56
Employee Motivation	10.9%	45.5%	28.8%	11.8%	3.1%	3.49	0.64
Total	11.7%	51.8%	25.2%	9.4%	1.9%	3.62	0.52

The table shows that the overall total mean value of the questionnaire indicates that the respondents' attitudes are high, where the total mean value equals to (3.62) with standard deviation equals to (0.52). The highest part was the Staff Experience with Performance Appraisal (3.76), the next was the Employee Development (3.59) and the last one was the Employee Motivation (3.62).

From table 4-17 we observed that the employee motivation obtained the lowest percentage of agreement and the highest percentage of disagreement and neutral. This indicates that in International Organizations in order to get employees motivated to perform on high levels,

management should focus on behavioral aspects of performance appraisal. Moreover, there is a remarkable difference in different International Organizations regarding the more significant reaction criteria to determine employee motivation. On the other hand the results clearly show that high percentage of employee was not aware of the motivational factors in their organizations that related to performance appraisal systems that can elicit positive reactions to performance appraisal which in turn can motivate them to improve performance. Research in performance appraisal has demonstrated that performance appraisal characteristics (such as appraisal purpose and source) can extract positive employee reactions to performance appraisal and, which in turn, can motivate employees to improve their performance (Selvarajan, & Cloninger, 2012). Organizations should develop proper, transparent and well communicated reward system to ensure pleasant work environment to achieve both tangible and intangible organizational objectives (Deepa, & Kuppusamy, 2014). There are three necessary conditions for successfully motivating employees to attain a desired level of performance: rewards for job should be known and clearly stated, people should be rewarded for specific increase in level of performance, and rewards should follow desired performance, as closely as possible (Joseph, 2014).

4.3 Analysis of Interviews Questions (Qualitative Analysis)

The Human Resource Department managers in the targeted International Organizations were interviewed by the researcher since they were at the focal point of managing the appraisal process. They were contacted because the performance appraisal process is normally administered by the Human Resource department, and due to this oversight function, directors of this department should have a broad understanding of the process of performance appraisal as well as an understanding of the benefits and challenges of the performance appraisal process at their respective. The interview questions were designed, keeping in mind the research objective. Twelve questions were designed in accordance with the literature review. The interview questions were categorized into three parts. The questions designed under the first part were designed to understand the performance appraisal system and process in the organization. The second part, focused on the performance appraisal as a tool for employee development and on the training aspect of the organization, which forms an important part of the appraisal process. The third part was designed to reflect answers relating to motivation and better performance in the

organization. The questions designed were open-ended because, it could give the human resource manager the chance to elaborate the given situation.

Three main aspects were investigated through the interviews with Human Resource Manager in the targeted organizations.

4.3.1 Performance Appraisal System

In order to understand the performance appraisal system and processes within the International Organizations in West Bank, the researcher had focused mainly on investigating several aspects including having more insights about how the process is carried out, what is the aim of the process and the strengths and weaknesses within the system especially when linked to employees' development and motivation. Interviews outcome revealed the following findings:

Around 50% of the organizations stated clearly that the appraisal system is a comprehensive tool, not only for evaluating the performance of employees but also for employees' motivation and development. Despite this strong statement, most of the organizations do not have a comprehensive developmental plan that is linked to the outcome of the appraisal system; with the exception of two organizations. Both organizations have a vibrant process in this regard including trainings and clear deadlines.

Only two organizations considered the appraisal system as a powerful tool for strategic planning or as a milestone in developing a comprehensive human resource policy. One organization only went as far as considering the appraisal system as a developmental tool linked to the organization's mission and vision. Most organizations do not consider motivation and development as a follow up tool. One organization considered the appraisal system as part of a strategy to renew the contracts as its outcome is linked to the employees' weaknesses rather than his/her strengths.

Not all organizations follow the same tactic in applying the appraisal system. Two organizations do not have a clear time for the exercise to be carried out, while four organizations have it as an annual event, three organizations have a semi-annual appraisal. One organization finds it very hard to link performance appraisal to an employee developmental plan due to the nature of work it is involved in. Most of them leave after a

specific deadline. Furthermore, the interviewed organizations do not have a unified tactic when it comes to the sort of appraisal they apply. Some of them follow the sort of a discussion between the manager and the employee, others have a 360 degree system (in which all the stakeholders evaluate the work of the employee), while some organizations have a sort of a committee which carries out the appraisal and others need approval from senior management when it comes to the outcome of the evaluation exercise. One organization has an upward feedback system where an employee evaluates his/her supervisor. Most of the organizations carry out the appraisal in a friendly "discussion and reflection" atmosphere rather than a very formal one.

The performance appraisal system in the International Organization has mostly two dimensions: one that is linked to the administrative aspect of the organization's running (one that is connected to employee's benefits, contract renewal, notices, salary scale, termination, etc…) and the other is linked to the employees' development which is linked to the overall developmental plan of the organization. The findings above show that while most organizations know and stress the importance of linking the appraisal system to the overall developmental plan of the organization which also includes the employee's development plan, most of them do not have a clear and comprehensive plan to fall back to. And as most of the organizations stated that the appraisal exercise itself is carried out in a friendly non-formal atmosphere, it could hint that they do not rely a lot on the outcome of the appraisal. The friendly nature in which the performance appraisal is being carried out shows that the organizations use this opportunity to discuss the work and the way the work is done with the employee, and a chance for the employee to reflect on his/her job momentarily rather than for the future. If the organizations link the outcome of the appraisal with a sort of a capacity building scheme, then it means that they perceive the appraisal as an important tool for employee development. However, since most of them stated that they don't link it to a capacity building plan, then it could be concluded that they see the importance of the administrative dimension of the appraisal rather than the developmental one. Furthermore, all organizations do not consider motivation and development as a follow-up tool with the employee. This shows that any sort of capacity building that is taking place in the employee's time at work is the result of momentarily need and not part of a long-term plan. Follow-up is an indication of the organization's approach in developing the employee and his/her work at the organization. When follow-up is not linked to employee development and motivation, it could mean that the

organization has the employee undergo specific trainings that serve the current lack of expertise or skills and not a training that is linked to the overall developmental plan of the organization.

4.3.2 Performance Appraisal and Employee Development

Although it was not clear in the organizations' definition of the appraisal system, when asked directly about the role of it as a developmental tool, most organizations agreed that it is a tool that helps developing the employee. One organization acknowledged that it can't be a tool for development since it is done at the end of mission. In this regard this organization has a unique character.

One organization saw it as a developmental tool for the employee as well for the organization. While another organization stated that employee development, when identified through the appraisal, will be a joint responsibility between the employees, the manager and the organization.

One organization connected the appraisal system with the organizational strategy and shared this with the employee. It does so because it believes that employee development is thus ensured and will benefit the organization. To boost employees' development, one organization thinks that the appraisal should not be limited by mangers in twice-a-year event and they should provide support for employees on a continuous basis.

Some organizations developed a clear developmental plan after the appraisal while others only offer recommendations. Both the employee and the manager agree on what development opportunities must be provided for the employee.

The developmental plan is set in most organizations through a discussion between the employee and the management about the strengths and weaknesses and what are the skills needed to counter them. Afterwards trainings and coaching opportunities are defined.

One organization proposed its model for staff development: 70 % of capacity is developed on the job by taking new assignments and new work areas. 20% of capacity is developed through coaching, staff meetings and personal reading, while the remaining 10% is enhanced by training. That is why this organization builds the capacity of its managers in

order to provide continuous coaching and on-the-job trainings. Similar to this approach, is the approach of two other organizations who mentioned that less training is needed while more coaching, mentoring and on-the-job trainings are done.

The organizations do not apply a system to assess the success/failure of the training. However, two organizations measure the training progress through the performance appraisal. Another organization mentioned that measuring the results after the training depending on the topic stating and that measuring the training results is a science that needs specific mechanisms. Measuring the results of the training is easy in some topics and is done within a short time, while it takes long time in other cases. Generally it was clear that most of the organizations do not have a clear system to measure the effectiveness of the trainings and some organizations do not see the training as the main tool for development. Therefore, feedback through performance appraisal exercise is a tool used in some organizations that is considered as a measurement tool for the effectiveness of the capacity building opportunities.

The findings regarding the employee's development and its linkage to the appraisal system shows that most organizations have the tendency to consider appraisal as a tool for employee development. This is somehow contradictory with the findings in the definition of the appraisal above. If the organizations do not include this thought in their defining of the appraisal system, yet somehow apply it in their dealing with the employees, it stresses the above mentioned idea that employee development is not linked to the appraisal system's outcome. Organizations do not have a comprehensive system of measuring the effectiveness of trainings. They offer trainings to the employee to face a specific lack of skills which arise after a performance appraisal exercise took place. This has two dimensions: the first one is that the training of the employee is the result of an immediate dire need, and the other is that organizations are not interested in whether these trainings met the lack and shortage or not. This pours into the above finding that the training is not linked to a long-term developmental plan of the employee that is linked to the organization developmental plan. With the exception of a couple of organizations, the remaining organizations use the appraisal as a chance to discuss strengths and weaknesses of the employees to draw schemes for possible trainings to face these weaknesses. The other couple of organizations see that on-the-job training is the most effective one and it adds to the employee development process (as theory is applied practically with a coaching from a senior in position and/or skill).

4.3.3 Performance Appraisal and Employee Motivation

Most organizations have a mixture of tools related to the appraisal and motivation: financial benefits or through the development opportunities the employee gets. Also organizations see that when employees reflect on their own achievements, this motivates them to perform better.

Ten organizations think that financial benefits and merit increase are the motivation of the employees while the other two think that recognition of efforts and achievements, constructive feedback as well as the learning opportunities the employee gets is a powerful tool for motivation. One organization sees that connecting the employee to the vision and mission of the organization increases the employee's commitment and motives them to work. Efficiency is increased when the staff develops their skills. Having and implementing a comprehensive plan for the employee development will inspire higher level of efficiency and motivation.

Interviewed organizations see the importance of motivation and its effects on performance. There is no unified vision about the sort of tool that triggers motivation. 50% of organizations see that the employee is mostly motivated by financial merit to work more efficiently and effectively, while others see that opportunities of development and constructive feedback encourages the employee to perform better. This depends on the organizational culture. Organizations that encourage loyalty and feeling of ownership of the employee toward their organizations are the ones who see that the latter option is the source of motivation, while organizations that see the employee in a disconnected sense from the organization (looking for opportunities elsewhere, does not have a sense of ownership, pride in the organization's mission and vision) are the ones who might tend to encourage motivation based on financial merit. From the findings, this distinction is also linked to the difference of approach between organizations. Mostly, organizations that see the importance of employee development and its linkage to the overall developmental plan of the organizations are the ones who follow the stream of encouraging constructive feedback and opportunities for developments. Some of the organizations that see employee development from the window of a rising dire need or shortage of skills tend to connect motivation to financial merit.

Participatory process how does it affect the motivation

- Almost all organizations apply a participatory approach except for one organization in setting the objectives of work and they believe that this adds so much value and increases the motivation of the employee.

- The participatory approach as they say provides more clarity, ownership, and more understanding as the employee will feel like he/she is a partner of the process. This in turn increases the motivation of the employee and so helps him/her perform better.

- Furthermore, this approach helps the management and the employee to set objectives that are built based on the employees' capacity thus are more probably to be achieved.

This section shows that the organizations encourage the sense of cooperation between employee and management which means that they are willing to invest (time and resources) to benefit the overall achievement of the organization. Setting achievable and realistic objectives in coordination and discussion with the employee him/herself not only encourages the feeling of ownership, but it also helps reveal many of the shortages in skills and expertise the employee might have. It increases the responsibility of the employee toward the job and his/her motivation to achieve it. Setting clear objectives means that they will be time-bound and the performance of achieving them will be evaluated. All employees who will understand this will want to prove their efficiency in implementing the objectives since the failure will be clearly assessed. This sort of motivation that is built on a mutual agreement between the management and the employee can also add and enhance the developmental plan of the employee.

Reward system- enhancing employees' commitment and motivation.

- Reward system in nine organizations is linked to financial benefit however; some do not apply this system.

- Performance appraisal is linked in most of the organizations either with financial benefits and/or provision promotion opportunities if vacancies are available.

- Nine of the organizations (that have the financial rewards system) think that financial incentives can increase employees' commitment and motivation.

- One organization stressed that a system of financial incentives affects the motivation but it is not the main factor that promotes motivation and it should not be.

- One organization thought of performance appraisal as only a developmental and improvement tool and thought that by linking it to financial rewards; it could create a competitive and uneasy atmosphere.

75% of International organizations see the importance of financial incentives as a way of motivating the employee. This approach, is successful and effective at the moment, could prove disastrous in the future if the organization finds itself in a financial crisis. They will have difficulties in mobilizing the employees and increasing their sense of ownership to the organization and the efficiency of their work because they did not invest in them in this sense. When the employee awaits financial merit (beyond his/her salary), it becomes part of the working culture of the organizations, which is very hard to change/amend or improve. This if considered a major motivation incentive when the financial means are available, will become a major deterrent for the employees.

CHAPTER FIVE

FINDINGS, CONCLUSION, AND

RECOMMENDATIONS

5. FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter has been designed to give a detailed account to the findings exported from the study results in Chapter Four. This chapter focused on the subsequent sections that emerged from the research questions as witnessed below:

5.2 Findings and Results

The results of the study obtained through the questionnaires were distributed to 204 employees of International Organizations in West Bank and the interviews were conducted with ten managers of Human Resource department, the following findings, conclusions and recommendations were made.

5.2.1 Results Related to Effectiveness of Performance Appraisal

In terms of measuring whether the performance appraisal process in the International organizations is effective, the researcher will look into whether the process includes fundamental elements of an effective appraisal according to the literature.

- After much consideration on the Performance Appraisal system at International Organizations, it is concluded as a whole that the current systems are successful to achieve the objectives. The findings of the survey and interviews have shown that the Performance Appraisal systems in International Organizations do contain many of the important elements that make the system effective, but these elements are intermittent and not present in every appraisal that is carried out.

- Performance Appraisal in International Organizations was developed as a tool to give employees a clear direction as to what needs to be achieved and how to achieve them. It is an essential part and the employees are generally satisfied about the current performance appraisal process and feel the system is efficient. 76% of employees agree that performance appraisal helps define role and responsibilities more clearly and they know their duties well in the organizations, they know what is expected from them and their target goals are laid down for the coming period.

- The research revealed that the 84% of employees in the organizations complete performance appraisal and for the most part, have an appraisal meeting once a year.

- Results showed that 79% of the employees agree that appraisal process begins with the establishment of performance standards which have informed by employees' job descriptions and by agreed performance measurements.

- 56.4% of employees are asked to complete a self-assessment before the feedback session and managers are the only source used to rate the employees and are accounted to give feedback on the employees' performance. It is very seldom that colleagues are asked to give such feedback both to their peer employee and their manager.

- One of the challenges and pitfalls noted in the literature can arise when organizations does not allow managers and staff to provide input in the design, development, and choice of criteria used in the appraisal, and the performance appraisal system is not periodically reviewed and changed to insure its effectiveness. The current study found that 47.6 % of the employees did not provide input in the appraisal. In fact, these organizations were not achieving the maximum results from their appraisal systems because the organizations were not allowing the constant involvement of all their stakeholders.

- The absence of an integrated performance management system constituted a major challenge to International Organizations. Furthermore, inadequate coaching and mentoring for employees constituted obstacles to effective Performance Appraisal in International Organizations.

- Findings showed that International Organizations use Performance Appraisal tools in a proper manner. This is due to the fact that the term performance appraisal also includes employee performance review, evaluation, feedback and further competence development as a method of HRM.

- When asking about the performance appraisal purposes, the HRM said: "they use performance appraisal information for salary administration, promotions and recognition," two organizations mentioned the functions of the development approach. In theory the Performance Appraisal has two purposes. First one serves as a control mechanism to monitor performance with an aim to reach set goal, while second is a feedback mechanism to facilitate individual growth and development. However, in the case of interviewed International Organizations, control mechanism is mostly implemented in order to avoid conflict of interests between organization and employee.

- Only 17% of the organizations considered the appraisal system as a powerful tool for strategic planning or as a milestone in developing a comprehensive human resource policy. One organization only went as far as considering the appraisal system as a developmental tool linked to the organization's mission and vision. 80% of the organizations do not consider motivation and development as a follow up tool.

- The results showed that not all organizations follow the same technique in applying the appraisal system and the interviewed organizations do not have a unified technique when it comes to the sort of appraisal they apply. 70% of interviewed organizations carry out the appraisal in a friendly "discussion and reflection" atmosphere rather than a very formal one.

5.2.2 Results Related to Performance Appraisal and Employee Development

In terms of measuring whether the performance appraisal system in the International Organizations is used as a tool for employee development, the second part of the questionnaire and interview focused on the training programs obtained through the appraisal process. The questions were designed to understand if the organization really requires training and development programs and whether it is useful for them to grow in the organization.

- The employees believe that training and development is an objective and form an important element in the appraisal process and the training guidelines help them to understand their organizational objectives and functions well. 64% of the respondents were satisfied with the training and development program because it helps them to enhance their skills in the job.

- 72 % of employees typically respond well to opportunities given them to improve their skills and future career opportunities, and performance appraisal could be a very helpful tool to accomplish this.

- With 76% of the respondents selecting they agreed it improved the relationship, it is apparent that the organizations' system is improving communications and building better relationships between the management and their staff. Fletcher (2004) listed that one of the three things that employees being appraised looked for in a performance appraisal is their relationship with the appraiser. In the eyes of the

employee, the performance appraisal is not effective it there is not a good relationship between them and the appraiser.

- Another area of weakness revealed in this study was the lack of use of performance appraisal to determine individual and organizational training and development needs. 18.1% of the respondents were not sure if it was used for this purpose. This appears to be another opportunity to improve the usefulness of performance appraisal as a management tool if an emphasis is placed on determining the training and development needs of the staff.

- All organizations do not apply a system to assess the success/failure of the training. It was clear that all the organizations do not have a clear system to measure the effectiveness of the trainings and 25% of organizations do not see the training as the main tool for development. While 60% of organizations used the feedback through performance appraisal exercise as a measurement tool for the effectiveness of the capacity building opportunities.

5.2.3 Results Related to Performance Appraisal and Employee Motivation

In terms of measuring whether the performance appraisal system in International Organizations is used as a tool for employee motivation. In this part, the questions were designed to see if the employees get motivated by their appraisal process or not. Other questions were designed to check on what parameters performance appraisal is useful to perform well in the organization.

- There is a remarkable difference in different International Organizations regarding the significant reaction criteria to determine employee motivation. On the other hand the results clearly showed that 32.4% percentage of employees were not aware of the motivational factors in their organizations that related to performance appraisal systems that can elicit positive reactions to performance appraisal which in turn can motivate them to improve performance.

- In terms of critical factors towards effective performance management processes in International Organizations, current processes lack motivation factors and those interviewed indicated that they know these factors from a theoretical point of view but their application in International Organizations are nonexistent.

- Looking at the responses, 50% of the International Organizations do not appear to use the appraisal as a method for determining rewards and pay, this is not necessarily a negative, but it is important that the company makes participants aware of what they are using the appraisal for.

- The employees seemed to be unable to identify most of the objectives the organization has for the Performance Appraisal process and didn't have exact idea as to why it is carried out. The exact goals of the system must be identified and communicated clearly throughout the organization. But what is demonstrated by the responses of the survey was that employees of the organization didn't acknowledge all of the performance appraisal goals, with both the rewards and promotion objectives receiving a poor number of percentages.

- Performance appraisal is linked in some of the International Organizations either with financial benefits and/or provision promotion opportunities if vacancies are available.

- 50% of the organizations (that have the financial rewards system) think that financial incentives can increase employees' commitment and motivation.

- When the respondents were asked if the results of performance appraisal were used to facilitate decisions concerning pay increases, promotions, and layoffs, 32.4% said they neither agreed nor disagreed with this statement. This is a high percentage given the respondents' responsibility over their respective organizations' Human Resources departments and appraisal processes, and it suggests that performance appraisal is not used for this purpose at these organizations. An additional 26% of the respondents said they Disagreed or Strongly Disagreed with this statement. Thus, up to 58.4% of the respondents did not indicate performance appraisal was used to facilitate decisions concerning pay increases, promotions, and layoffs. The implication is that these organizations could increase the relevancy, usefulness, and importance of performance appraisal by using it as one factor in decisions concerning pay changes and job changes.

At the end of this section the researcher concluded that the results of the questionnaires and the interviews were supportive to each other. There were no obvious differences between the results of questionnaires and interviews. Although the current study had requested feedback from the Human Resource manager at each organization, they may have had a biased view of the appraisal system at their organizations since they had ownership and

responsibility for the success of the appraisal system and may not have wanted to criticize a system for which they were responsible, but they were honest and their answers were consistent with the employees' responses. And the summary of both results that the researcher reached are as follows:

- The results of the research also support the statement by Murphy and Cleveland (1995) that none of the possible benefits will automatically accrue to an organization due to the mere presence of a performance appraisal system. Rather, the organization must plan and implement its performance appraisal system well to incur some or all of these benefits. The results of this study found there were many organizations that did use a performance appraisal system, but they were not receiving all the potential benefits that an appraisal system could offer. This was observed, either directly or implied in the responses. These included the recognition of contextual constraints on employee performance, the constant involvement of all stakeholders, the requirement that procedures are clear, open and fair, the requirement that appraisers show leadership and recognize their unique contribution to the results of the appraisals, and the avoidance of all systematic biases.

- The results have shown that the tool is definitely worthwhile, it may need some fine tuning but for the most part employees are happy to be involved in the appraisal and see the system as a vital part of managing performance. However, in terms of developing employees, the organizations have a lot of work to do in order to ensure their staff are gaining from the system and are seeing some personal improvements.

- Despite the limitations, the results are very encouraging insofar as they support the notion that satisfaction with Performance Appraisal systems does have significant relationships with important employee outcomes in the organizational context as a whole.

- Results revealed that management in International Organizations does not bring staff along the journey; they hardly contribute to decisions making process. As a result, employees are not passionate in implementing a plan which was formulated without their input.

- Regarding the problems generated by the appraisal systems, we can distinguish different types of problems. The use of inconsistent criteria which lead to negative attitude toward the appraisal system, unskilled appraisers who lack communication

skills and consequently are not able to conduct an effective performance feedback, absence of tools aiming to improve the performance appraisal system and finally the lack of the senior management support.

- The Performance Appraisal systems are not considered as a key component of staff development and this deficiency seriously affects staff performance negatively at the International Organizations.

- The findings showed that while all organizations know and stress the importance of linking the appraisal system to the overall developmental plan of the organization which also includes the employee's development plan, 80% of them do not have a clear and comprehensive plan to fall back to.

- Organizations do not have a comprehensive system of measuring the effectiveness of trainings. They offer trainings to the employee to face a specific lack of skills which arise after a performance appraisal exercise took place. This has two dimensions: the first one is that the training of the employee is the result of an immediate dire need, and the other is that organizations are not interested in whether these trainings achieved what was planned to be achieved out of these training. This pours into the finding that the training is not linked to a long-term developmental plan of the employee that is linked to the organization developmental plan.

- There is no unified vision about the sort of tool that triggers motivation. Some organizations see that the employee is mostly motivated by financial merit to work more efficiently and effectively, while others see that opportunities of development and constructive feedback encourages the employee to perform better. This depends on the organizational culture.

- The results showed that there is a considerable amount of variety throughout the International Organizations as to whether rewards and promotion are linked to the results of the performance appraisal or not. While there are arguments both for and against using performance appraisal for pay and reward choices, there is a substantial percentage of respondents who are unsure if it is a part of their appraisal.

- Several factors contribute to the achievement of the goals of an organization of which performance appraisal, as a motivation tool is one such key issue. Responses indicate that once employees are not satisfied and motivated with the appraisal

system, they may not put in their possible best towards achieving the goals of the organization. As stated earlier, the success of every organization depends largely on the availability and quality of a well-motivated human resource.

5.3 Conclusion

Performance Appraisal system, as a field of study, is a popular topic in Human Resource Management over time. It is important for an organization to plan, manage and reward the performance. In doing so, organization's productivity would be developed as well through supervising the whole process of performance appraisal, such as building objectives, checking feedback and evaluating performance. On the other hand, employees are the resources and assets of an organization. Organizations need to figure out strategies for identifying, encouraging, measuring, evaluating, improving and rewarding employees' performance at work. Consequently, improved employee performance could also influence organizational performance.

The purpose of this study is to seek the effectiveness of the appraisal system in International Organizations working in West Bank and explained how performance appraisal system has encouraged employee development and motivation. The study explored the effectiveness of performance appraisal in the International Organizations and explained how performance appraisal helps in evaluating and assessing the employees and support to establish training and development programs which utilize the employee to grow in the organization. It explored how organizations have to be organized and systematic in their approach, so that they can extract the exact performance from their employees which can help them, to create a balance between performance and achieving organizational objectives. The study basically highlighted the impact of performance appraisal on the employees' development and motivation.

This master thesis presented the existing literature covering performance management, performance management system as well as employee performance, the measurement models of employee performance, as well as the empirical studies examining the relationship between performance appraisal system and employee development and motivation. The literature review provided an overview on the development of the performance appraisal and the other purposes and perception of performance appraisal system. A vast amount of the literature on performance appraisal demonstrated the benefits

of having performance appraisal systems in place and looked at how they can be used for a variety of purposes. From the literature review, there are three stages in performance appraisal system.

The research method chapter provided a detailed explanation in the research process. The analysis of data chapter provided the reviews of the questionnaires' and interviewees' responses towards the appraisal process in their organizations. The analysis of the survey responses has revealed that according to the employees, performance appraisal is effective. The system is a worthwhile tool; it motivates staff and improves their performance. The International Organizations appraisal also includes the vast majority of effective performance appraisal objectives.

The focus on training and development has led to other benefits. Performance appraisal systems should be used to recommend appropriate training and development session for the employees. This helps employees to improve their productivity in the long run. Improved productivity of the employees is helpful for the organization to achieve its objectives. Moreover the result of performance appraisal is helpful for the reward management.

However, a number of challenges have been identified and must be dealt with if the whole process is to be objective, fair and beneficial to all parties. It was found that Performance Appraisal ratings are not directly linked to rewards in most of the International Organizations such as selection for interview, leading to promotion and bonus payments and also to salary levels.

While the system has its flaws and needs a lot of improving to get it to where it needs to be, it is going in the right direction and has some positive results.

5.4 Recommendations

Performance Appraisal is a vital activity for the success of an organization. When it is properly implemented in the organization then it would help an organization to obtain productive and competitive employees. Therefore, the study was designed to explain how the performance appraisal system of an organization could be used effectively and efficiently in the future. The findings have revealed numerous potential weaknesses that are preventing the effectiveness of the appraisal system. A number of challenges have been

identified and need to be demonstrated if the whole process is to be beneficial and fair to all involved. The organizations need to improve the appraisal accordingly if it is to be successful in carrying out its objective.

On the basis of the findings that have been established and conclusion drawn from the study, the following recommendations are necessary:

- Participation and support from upper level management is important. This perceived lack of support for performance appraisal by the institutional leadership is a significant challenge to accomplishing a successful performance appraisal process. Without commitment from top management the performance appraisal system will not function properly. Because the organizations goals cascade down into individuals goals, top management needs to be supportive of the system. The top managers play a lead in the entire process by setting trends for the lower level and acting as role models for the employees. Their responsibility is to design policies which ensure an efficient management of performance in an organization and to define and act upon the core values relating to performance. Top management plays a vital role in convincing the line managers that performance management can be instrumental in the achievement of organizational goals and thus ensure that they take this aspect seriously in their work front for maximizing employee satisfaction and productivity. Top managers are expected to develop a high performance culture in an organization by ensuring the following: By communicating an organization's mission and values to its employees. By clearly defining the work expectations and communicating to everyone for ensuring success in the achievement of goals and facilitating an overall performance improvement. By keeping the employees informed about their progress towards the achievement of goals and suggesting corrective actions for non-achievement of performance. By establishing a shared belief amongst the employees regarding the importance of continuous improvement in performance.

- The missing link in the implementation of most performance appraisal processes is training. There is a need to properly train managers to conduct effective appraisals to meet the ever-changing work environment. Training for both managers and employees is essential for altering these attitudes so that performance appraisal becomes an effective and smooth process. Training on giving and receiving

feedback, identifying common factors that distort objectivity in ratings, facilitating dialogue, understanding common legal challenges, and setting performance goals should be frequent and continuous. Without these critical competencies, the organizational appraisal process cannot achieve its desired objectives.

- All employees need to be trained on the appraisal process. They need to understand how the instrument is developed and how the process will take place. Furthermore, employees need to be trained on the value of feedback and how to constructively receive feedback. This topic is often skipped in training. Managers need to be trained in how to observe behavior and how to communicate the appraisal to employees.

- Employees need to understand how they and the organization can benefit from the system so from the beginning get them involved. Workshop ideas with them and continually ask for their input and feedback.

- All employees must understand why performance appraisal is being conducted and the specific goals for it. The specific goals will allow the managers to select performance criteria that will support the organization's objectives and increase the motivation of the managers to carry out the appraisals properly.

- Another way of improving efficiency is to make a regular review of the appraisal process through surveys and questionnaires or get opinions through focus group discussions. Appraisal systems need continuing systems review and changes/improvements to ensure that procedures are being followed correctly and are effective. This could be accomplished by measuring the acceptance and trust of the system by the employees, comparing the relationship between performance and rewards, and reviewing the consistency of implementation of policies and procedures across all departments and locations. Each of these three critical components serves to encourage effective appraisal practices by the individual managers who ultimately determine the overall effectiveness of most appraisal systems.

- Management needs to set up a monitoring system to ensure that due process is followed by both team leaders and team members, to ensure that measures are put in place to ensure effective performance reviews are adhered to all the time in terms of the face-to-face, objective quarterly meetings.

- With moderate results from the research in terms of how the appraisal developed the employees being appraised and how it enhanced performance, the organization needs to ensure the system spends more time helping to develop employees, from identifying training needs, providing coaching and giving more accurate, constructive feedback. The appraisal discussion should allow time to both parties to discuss developmental areas and to design and agree learning interventions that will help people to address their current skills gaps. Managers need to put more effort and provide further career guidance and counseling and support people to see their possible short and medium term development.

- There is the need for the process of training to be monitored to ensure adherence and enhancement of proper management of the system. Thus, if employees are not aware of how this is done, they would not accept its outcomes and hence the system would fail to achieve needed results.

- International Organizations need to enhance the idea of motivating employee and to equip managers -who conduct the appraisals or the review interviews- with this idea through the Performance Appraisal system. By this way the organizations can create well-motivated human recourses.

- Performance ratings must be linked to organizational rewards. Greater rewards should be linked to superior job performance because this increases the motivation of the employees to perform. If this link is absent, employees will tend to perform only to minimum standards.

- Organizations need to develop a good feedback system to ensure that appraisals are not completely separated from the actual performance development or performance management process. There are specific techniques for giving constructive and effective feedback and managers who want to strive for perfection should be aware of best practices. Only this can ensure that poor or weak performers get the chance to develop and catch up with the rest of the team, for team work to be effective and geared towards achieving organizational goals.

- Organizations should promote employee if they have outstanding performance. A promotion is not just beneficial for employees but is also highly crucial for the organization. It boosts the morale of promoted employees, increases their productivity and hence improves upon the overall performance of the organization. One of the most important benefits of employee promotion is that it helps to

recognize and acknowledge the performance and hard work of employees and thus makes them feel valued. An employee who gets promoted tends to feel more inspired and motivated to continue doing the good work. Moreover, a promotion also improves and increases loyalty among the employees since they tend to feel a sense of belonging in the workplace and start thinking in its favor. When the better team person gets promoted, the other team members may be charged and motivated to perform better than them, and this helps to develop a healthy competitive spirit at the workplace. Merit-based promotions are types of promotions in which a person is promoted on the basis of their skills, performance, knowledge, hard work and qualifications. Organizations should provide a good learning environment is to have a motivated workforce. They should make opportunities available to employees to increase their knowledge, skills, and abilities as this contributes to improved performance on the job. Motivation can be low when employees don't have the requisite knowledge to do their jobs and perhaps would even rather not try than fail. In addition employees need to be affirmed with positive feedback, praise or reward for a job well done. Affirmation can lead to incentive and initiative. Institute a reward system; employees appear to be most motivated by public recognition. Employees are most motivated by praise from their immediate manager, positive recognition from organization leadership, and the opportunity to lead projects. Monetary compensation follows public recognition and leadership opportunity. Organizations validate and motivate employees when take their input seriously and act upon it. Create a feedback cycle that allows for constant exchange of information. Also, empowerment and the opportunity to lead can be incredibly motivating. Communicate need for input and give employees opportunities to participate in decision-making. They will be more supportive of tasks and projects when they have played an active role in shaping them.

5.5 Recommendations for Future Research

Based on the research presented in this study, the following recommendations are made for future study:

1. It is recommended that this study be replicated with Governmental Organizations to determine if there are differences between International Organizations and Governmental Organizations.
2. Future research can attempt to investigate the effect of performance appraisal satisfaction on employee outcomes such as job satisfaction and job involvement.
3. Expanding the model for future studies is recommended so that more factors and variables can be used and identified more accurately. Gender, age and other demographic characteristic can be used in future studies to investigate more thoroughly the relative influence of demographic variables on the perception of employees towards performance appraisal.

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APPENDIXE I

Cover Letter for the respondents (INGO Staff)

Subject: Completion of the questionnaire for MBA Research

Miss Heba Mohammad is an MBA student at the University of Hebron and she is undertaking research on "**The Effectiveness of Performance Appraisal in International Organizations in West bank: A Tool for Employee Development and Motivation**". The aim of this study is to seek the effectiveness of the appraisal system in International Organizations working in West Bank and explained how performance appraisal system has encouraged employee development and motivation.

Please grant her part of your valuable time to answer the questions of the attached questionnaire. Please be assured that all data and information obtained from you will be treated with confidentiality and will be only used for scientific research purposes of the named study.

Thanks and regards,

Moh'd Awad, Ph.D.

Supervising Professor

APPENDIX II

Employee Questionnaire

The Effectiveness of Performance Appraisal in International Organizations in West bank: A Tool for Employee Development and Motivation

Section A: Introductory Questions: Employee's Background Information. Please choose one answer:

1. I am a:

  A. Male

  B. Female

2. What is your age group?

  A. 20 - 29

  B. 30 - 39

  C. 40 - 49

  D. 50 - 59

3. How many year have you been working with this organization for?

  A. Less than a year

  B. 1-3 years

  C. 4-6 years

  D. 7-10 years

  E. More than 10 years

4. What is your title / position at work?

  A. Top Management

  B. Middle Manager

  C. Manager

  D. Coordinator

  E. Officer

  F. Assistant

G. Other (please specify) ----------------------

5. What is the department you at?

A. Human Resource

B. Finance

C. Quality

D. Technical

E. Monitoring and Evaluation

F. Operation

G. Field Work

H. Administration

6. What is your academic qualification?

A. Secondary education

B. Diploma

C. Bachelor's degree

D. Masters' degree or higher

7. Do you feel satisfied with your current position and the work you do?

A. Completely Satisfied

B. Satisfied

C. To some extent Satisfied

D. Not Satisfied nor Dissatisfied

E. To some extent Dissatisfied

F. Dissatisfied

G. Completely Dissatisfied

8. What could be the strongest factors for you to stay with your current organization? You can choose more than one answer

A. The Salary

B. Internal work environment

C. Opportunities for personal knowledge

D. Opportunities of competence development

E. Career growth possibilities

F. Type of projects

G. Discomfort with change

H. Lack of external employment opportunities

I. Other (please specify) ----------------------

9. **What could be the strongest factors for you to quit your current organization in case you will decide so? You can choose more than one answer**

A. The Salary

B. Internal work environment

C. Underdevelopment of personal knowledge

D. Underdevelopment of personal competence

E. Monotonous work changing with periods of work overload

F. Career growth possibilities

G. Distance from work station

H. Better external employment opportunities

I. Other (please specify) ----------------------

10. **Have you ever had your performance appraised/reviewed since joining this organization?**

A. Yes

B. No

11. **How often is your performance appraised?**

A. Every month

B. Quarterly

C. Half yearly

D. Yearly

12. **How your personal performance is measured in your organization? You can choose more than one answer.**

A. Through self – assessment form / template

B. Through oral feedback from the line manager

C. Through oral feedback from my colleagues

D. Through oral feedback from beneficiaries or partners

E. Through achieving objectives

F. Through success of project team

G. I don't know

H. Other (please specify) ----------------------

	Section B: Staff Experience with Performance Appraisal in the Organization					
	Statement	**Strongly Agree (SA)**	**Agree (A)**	**Neither Agree Nor (NA) Disagree (ND)**	**Disagree (D)**	**Strongly Disagree (SD)**
1.	There is a recognized frame work for evaluating employees					
2.	I am aware of the appraisal system processes					
3.	The PA objectives are designed with consultation with employees					
4.	PA objectives are linked to my job descriptions					
5.	PA system helps define roles and responsibilities more clearly					
6.	PA system seeks to develop staff competence					
7.	PA system has clear standards for appraising staff					
8.	PA ratings are reliable which can help employee to accept the performance appraisal as legitimate indicator of their performance					
9.	The establishment of objectives at the beginning of the assessment cycle brings employees with obvious performance goals view					
10	The PA process helps me understand how I perform in my job					
11.	The PA process is applied without bias					

		Strongly Agree (SA)	Agree (A)	Neither Agree Nor (NA) Disagree (ND)	Disagree (D)	Strongly Disagree (SD)
12.	There is oral discussion where staff can participate in the PA					
13.	The PA process is carried out based on accurate information					
14.	The outcomes of the PA process reflect fairly my contribution to the organization					
15.	The outcomes of the PA process reflect fairly the effort I have put into my work					

Section C: Employee Development in your Organization						
	Statement	**Strongly Agree (SA)**	**Agree (A)**	**Neither Agree Nor (NA) Disagree (ND)**	**Disagree (D)**	**Strongly Disagree (SD)**
1.	Employee development is part of a wider strategy for the organization, aligned with the organization's corporate mission and goals					
2.	Employees' performance improvement and development are considered as an important goal of performance appraisal					
3.	Performance appraisal is a method for identifying development needs and future training					
4.	Performance Appraisal aim is to provide constructive feedback in an environment in which one's growth is enhanced					
5.	Employees are provided with the resources they need to develop their related skills highlighted in PA					
6.	There is positive interaction between manager and employees to discuss the employee's developmental plans					
7.	The developmental component of performance appraisal leads to satisfaction with performance appraisal					
8.	I have adequate training to do my job					
9.	Performance Appraisal is used to determine an employee's training need and to evaluate training success					
10.	The trainings organized contribute to employee's development					

		Strongly Agree (SA)	Agree (A)	Neither Agree Nor (NA) Disagree (ND)	Disagree (D)	Strongly Disagree (SD)
11.	The knowledge/skills acquired from training can be applied at workplace					
12.	My organization has well established system of feedback to know the effectiveness of training imparted					
13.	Each employee has well defined development plan that is based on inputs from organizational needs, superiors and employee himself					
14.	The department manager sends you information about different trainings you can apply for					
15.	Training opportunities internally and externally are fairly distributed among employees					

Section D: Employee Motivation						
	Statement	**Strongly Agree (SA)**	**Agree (A)**	**Neither Agree Nor (NA) Disagree (ND)**	**Disagree (D)**	**Strongly Disagree (SD)**
1.	Motivational effect is an important outcome for performance appraisals					
2.	Performance appraisal policy motivates employees to develop themselves					
3.	Performance Appraisal System helps to motivate employees financially by providing extra incentives					
4.	Performance appraisal is linked with salary increase, promotion and payment of bonus					
5.	Staff is promoted to higher positions according to excellent performance and needs analysis					
6.	Employees are fairly treated during PA which provide a motivational basis for future performance improvement					
7.	Employees are satisfied with their appraisal systems, and they are more interested in using the feedback to improve future performance.					

No.	Statement					
8.	There is a proper, transparent and well communicated reward system					
9.	The reward system and the structure of incentives are designed to attract, retain and motivate employees					
10.	My organizations use pay, promotion, bonuses and other types of rewards to encourage high levels of performance					
11.	Salaries and other incentives are directly linked to performance appraisal					
12.	Reward system is Skill-based incentives and motivate employees to gain additional skills and knowledge					
13.	Incentives encourage employees' loyalty, foster teamwork and facilitate the development of the desired culture that encourages and supports knowledge sharing					

THANK YOU FOR PARTICIPATION

APPENDIX III

Interview Questions

Human Resource Department Manager

The Effectiveness of Performance Appraisal in International Organizations in West Bank: A Tool for Employee Development and Motivation

Thank you for your participation in this interview. The results of this interview will help us understand the Effectiveness of Performance Appraisal in International Organizations and if it serves as a tool for employee Development and Motivation. All the answers will be kept confidential and anonymous.

Part One: Performance Appraisal System: The questions designed under this section were designed to understand the Performance Appraisal System and Process in the Organization
1. What is Performance Appraisal and what is its role in measuring employee performance?
2. Do you consider the Performance Appraisal System successful? Why? What are the limitations to the success of the appraisal system?
3. How the Performance Appraisal process is carried out? How effective is this process?
4. How does the Performance Appraisal process helps the employees deliver desired results?

Part Two: Employee Development: The questions designed under this section were designed to understand the Performance Appraisal as a tool for Employee Development and the effectiveness of training programs in the Organization

1. What does the Performance Appraisal mean to your organization as part of the Performance Development process?

2. How do the development programs of the appraisal process help the employees to perform better and develop skills for future job?

3. How does performance appraisal used to determine an employee's training need and evaluate training success?

4. How does well established system of feedback help to know the effectiveness of training imparted?

Part Three: Employee Motivation: The questions designed under this section were designed to understand the Performance Appraisal as a tool for Employee Motivation in the Organization and the effectiveness of the compensation system that are provided by the organization

1. How does performance appraisal make an organization more efficient and help keep employees motivated? What are the motivational effects of performance appraisal?

2. How would employee participation in the appraisal planning and in setting job objectives lead to employee motivation to perform?

3. What is the reward system used by the organization and how effective is this system? How do the performance appraisal results link to the reward system?

4. How do the reward management and the structure of incentives created within the organization enhance employees' motivation and commitment?

THANK YOU FOR PARTICIPATION

HEBRON
UNIVERSITY

Ref.

Date

الرقم :

التاريخ : 2015/10/26

ص.ب ٤٠ الخليل – فلسطين

بسم الله الرحمن الرحيم

لمن يهمه الأمر

يفيد برنامج إدارة الأعمال في كلية الدراسات العليا في جامعة الخليل بأن الطالبة/ **هبه موسى احمد محمد**، ورقمها الجامعي (21219049)هي احدى طلاب برنامج ماجستير ادارة الاعمال (MBA)، وهي في طور مرحلة اعداد خطة رسالة الماجستير بعنوان (**فاعلية تقييم الاداء في المؤسسات الدولية في الضفة الغربية: أداة لتطوير العاملين وتحفيزهم**) يرجى مساعدتها في تسهيل مهمتها لاعداد الرسالة.

مع الاحترام و التقدير،،،

د. سمير أبو زنيد

عميد كلية التمويل والإدارة
رئيس لجنة الدراسات العليا