

THE UNIVERSITY OF HULL

Employees' Perceptions of Fairness in Practice of Performance Appraisal

Being a Thesis Submitted for the Degree of Doctor of Philosophy

In the Business School in the University of Hull

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Jan 2013

Abstract

Employees' performance appraisal (PA) is an essential tool used by organisations to develop and improve employees' competencies and skills, and so assure organisations' survival. In recent years research has moved from a psychometric approach, such as rater accuracy and rating error studies, to the qualitative aspect of PA where employees' reactions and perceptions of performance appraisal are seen as indicators of success and effectiveness. Employees' satisfaction with the system is indicated by scholars as the major indicator of employee perception of fairness (Cardy and Dobbins, 1994; Cawley et al., 1998; Keeping and Levy, 2000; Murphy and Cleveland, 1995). The focus of this research is on the employees' perceptions of fairness in performance appraisal in Saudi Basic Industries Corporation (SABIC). A conceptual framework is developed based on three dimensions of organisational justice theory (the terms 'justice' and 'fairness' are used interchangeably): distributive, procedural (using the due process model), and interactional, which involves interpersonal and informational justice, to explore employees' perceptions of justice in their appraisal. A qualitative approach was applied through an interpretivist paradigm; semi-structured interviews were used for collecting primary data from 44 respondents,

The findings reveal the practice of performance appraisal is strongly influenced by cultural factors, which are divided into two dimensions. First, social factors, which include relationship, friendship, family relations, regionalism, tribe, personal interest and emotion. Second, managerial factors or characteristics of the manager (the terms supervisor, manager, direct manager, or rater are used interchangeably to refer to the person who evaluates or assesses employees' performance) which includes expectations of managers that their subordinates obey them, managers' tendency to threaten subordinates, and unwillingness to accept criticism. In relation to the process and procedures of appraisal the findings reveal a feeling that appraisal ratings did not reflect

employees' actual contributions or input, absence of standards for allocating salaries, and unequal training course distribution.

The findings also reveal that goals and objectives are not set at the beginning of each appraisal period, and the appraisal standards used by supervisors are unclear, there is no clear feedback, and employees cannot participate in their appraisal process, meaning that appraisal decisions are only taken by managers. When employees receive their result, if they are dissatisfied with their grades they cannot appeal as the decision process is not explained to them. Employees were dissatisfied for three reasons: first, raters' bias and subjectivity; second, evaluation depends on the department budget, and on forced distribution; third, involvement of top management in the rating and their changing the result without contacting the direct manager or supervisor who conducted the evaluation. These findings strongly support the organisational justice theory, and have important implications for practice.

In my Memory

My Mum, to say thank you for your love and sacrifices for me.

To my Dad, who passed away on 04 June 2012, who always encouraged me to high achievement. I ask Allah to place his soul in Heaven.

Also

I dedicate this work to my brothers Hamdan (Abo Turki) Hameed and Hamdi and others, and my sisters, who always help, support and encourage me throughout my life and study.

Also thanks go to my wife, Bashair Almadadi, for her help and support to achieve my targets, and to my son Mohamad.

Acknowledgements

Alhamdulillah, praise be to Allah, for giving me blessings, courage and strength to do this work through the journey of PhD study. Moreover, there are many people who supported me in completing this work, with their guidance, help and encouragement. Their support helped me to gain more knowledge and motivation during this journey and will remain with me throughout my career.

First of all, my deep thanks and gratitude go to my supervisor, Dr. Denise Thursfield, for her invaluable guidance, endless support, constant advice and comments from her knowledge and time devoted to my thesis. Without her constructive comments this work would not have been completed. It was an honour for me to work under the supervision of Dr Denise.

Also my thanks go to the Business School at the University of Hull, and to Dr David Bright for his advice. Special thanks go to Dr. Khalid Battal, for his advice and support during this journey. I would like also to thank the Research Office at the Business School, especially Rebecca Conyers, and staff at the graduate school. Special appreciation to Mrs. Kathryn Spry for her time in proof reading. Thanks go to SABIC Company for providing access for data collection, to all participants for sharing their experience, and to Mohamad Alsubaie for facilitating arrangements with participants. Also thanks go to Mastor Abad for his support when I was in Riyadh during the fieldwork. I would like also to thank all my friends and PhD students at the Business School for their support and sharing of knowledge during all stages of the PhD process. Many names are in my mind; my thanks go to all of them and I hope they fulfil their dreams. Special thanks go to Fahad Alsunideh, Ali Alhejla and Munif Alotibi.

Special sincere appreciation goes to my mother and thanks to my oldest brother Hamdan and others for their endless advice, encouragement and support, and thanks

also to my sisters. Finally, particular appreciation and thanks go to my wife for her patience and support during hard stages in my study.

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Chapter One: Introduction

1.1 Introduction

The concern of this thesis is with perceptions of accuracy and fairness in Performance Appraisal (PA), specifically, how employees or recipients of appraisal perceive the process. This is because previous studies show the usefulness of employees' perceptions of fairness in determine the success of the whole system (Erdogan et al., 2001; Narcisse and Harcourt, 2008). The study was conducted in the private sector in Saudi Arabia, in Saudi Basic Industries Corporation (SABIC). Contemporary literature on PA highlighted the significance of fairness of its practice that can improve the appraisal process and outcomes, for the benefits of both organisations and individuals (Pichler, 2012). It has been argued by Konovsky (2000) that justice or fairness (the two terms will be used interchangeably) is one of the core values of organisations and it is important to understand consequences emanating from employees' perceptions of fairness or unfairness in the process.

Perceptions of fairness can be classified into three dimensions: distributive, procedural and interactional justice (Erdogan et al., 2001; Narcisse and Harcourt, 2008). In relation to performance appraisal, distributive justice is about perceptions of the fairness of appraisal outcomes in relation to employees' actual contribution, while procedural justice is about perceptions of the fairness of the procedures that determine the outcomes (Greenberg, 1986). Finally, interactional justice is concerned with perceptions of the fairness of interpersonal treatment that employees receive from their raters during the process of appraisal, and informational justice whereby employees perceive fairness in the justification that raters give to explain rating decisions (Bies, 2001). The above three dimensions of organisational justice theory were used as a theoretical framework for this research.

This chapter explains the rationale of the study, starting by clarifying the research problem, followed by research aim, research questions, then the significance of the research, research context, and finally the structure of the thesis.

1.2 Problem Statement

Performance appraisal (PA) has been researched extensively from different angles (Kuvaas, 2006; Narcisse and Harcourt, 2008). PA is a formal process for assessing subordinate performance. It is used in most organisations on an annual basis, aiming to improve and develop employees' skills and competencies in order to improve organisations' quality of productivity and profit (Fletcher, 2001). Therefore, scholars stated the importance of appraisal systems. They argue that the system is a significant part in the success of organisations, because the ideal process of appraisal offers improvement guidance for low performers and ways to maintain high performance for high performers. The process of appraisal involves implementation, communications and managing actions of the process (Smith and Rupp, 2003). Therefore, the success of PA depends on the satisfaction of employees with the process. Spears and Parker (2002) indicated that when the system of PA uses accurate measurement it will meet with employees' satisfaction. Therefore, employees' attitudes towards the adequacy and fairness of PA measurement reflects effectiveness and consistency in the process of the appraisal. Cook and Crossman (2004) emphasized, however, that evidence of dissatisfaction with the system of PA is widespread among many industries, and they suggested that the main reason for the dissatisfaction that occurs with PA starts with ineffective process and procedure of the appraisal system, as a tool to motivate and improve employees' performance.

Therefore, the appraisal system can be a practical tool that develops and motivates employees, if they perceive fairness and accuracy in its practices (Ilgen et al., 1979). Often, practices of performance appraisal include a formal review session providing

employees with feedback about their performance. In addition, it may include setting work objectives and goals. The outcomes of the performance appraisal can influence employees' reactions towards their job, or rater and perhaps their organisation as well (Thurston and McNall, 2010). Moreover, Skarlicki and Folger (1997) indicated that the process of performance appraisal can be a source of extreme dissatisfaction and employees' frustration if employees perceive the process to be biased or based on political considerations.

Researchers have therefore shifted their focus from performance measurement to the qualitative aspect or criteria of PA, which is employees' reaction to the process (Cawley et al., 1998; Erdogan et al., 2001; Levy and Williams, 2004; Murphy and Cleveland, 1995; Keeping and Levy, 2000). This is because previous attempts to develop the appraisal process, such as the traditional approach, e.g. the psychometric approach, proved less successful at improving the process than was required or desired. Hence, employees' reaction is an alternative target for improving the appraisal process and outcomes (Pichler, 2012). Employees' reaction is important to the success of the system, as it places a ceiling on system effectiveness (Murphy and Cleveland, 1995). Reaction is the attitude and responses of system users to perceptions of accuracy and fairness in the process and satisfaction with the system as a whole (Pichler, 2012).

The majority of research in this field has been conducted in developed countries such as the USA (Holbrook, 2002; Narcisse and Harcourt, 2008; Peretz and Fried, 2012). However, the Middle East and Arab region are neglected in such studies. Suliman (2007) said, "Researchers in the non-Middle Eastern contexts seem to focus these days on the issues of justice, trust and fairness in the workplace. Unfortunately, this trend is yet to reach the Middle East"(p.305 & 307). Therefore, perceptions of fairness are still problematic for organisations. This is certainly so in the Saudi context. In this respect

Idris (2007) indicated that modern management theories in the Western literature do not fill the gap between business culture and work practice in the Middle East. In addition, Weir (2003) emphasised that HR as seen from a Western perspective is ignored in the Middle East and Arab countries. As almost all the current research of performance appraisal and justice is Western, therefore, it reflects Western, and not necessarily universal, cultural norms regarding justice and fairness (Narcisse and Harcourt, 2008). As Giangreco et al (2010) argued, “The situation is dramatically different when we shift focus from the Western to the Eastern world” (p.155), while Skarlicki, (2001) argued that “By assuming that our current understanding of workplace fairness is universal, we overlook the deep cultural differences that can exist between people of different nations” (p.292). The system of Human Resource Management (HRM), like any other system, is affected by cultural and other socially embedded systems. Indeed, Bratton and Gold (2001) stated that social culture inevitably shapes HRM policies and activities. More precisely, many empirical studies in this region have found that the Arab and Middle East countries, religion and cultural factors have a great influence in shaping HRM functions (see also Branine and Pollard, 2010; Budhwar and Mellahi, 2007).

1.3 Aim of the Research

The aim of this study is to identify factors that influence employees’ perceptions of fairness in their performance appraisal. Then the applicability of these factors will be determined with reference to the experience of the employees in Saudi Basic Industries Corporation (SABIC). The assumption of this research is that employees’ perceptions of fairness in performance appraisal originate from their interpretation of their experience of the practices and process of the appraisal.

1.4 Research Questions

The research will address the following questions.

1. What are the key aspects of national culture that influence practice of Performance Appraisal (PA) in Saudi Basic Industries Corporation (SABIC)?
2. How do employees perceive fairness in the process of PA in SABIC?
3. To what extent are employees satisfied with the overall PA system in SABIC?

1.5 Research Significance

The significance of this study comes from the fact that few studies have discussed Human Resource Management, particularly fairness in performance appraisal, in the Middle East, especially in Saudi Arabia. Moreover, research has now moved from the psychometric approach to qualitative aspects of appraisal, such as employees' reaction, which reflects the accuracy and fairness of the process. This study fills a research gap by answering calls to address the above two issues.

The majority of HRM theories have been adopted and borrowed from Western theories and applied to Arab countries (Assad, 2002; Giangreco et al., 2010). As Saudi Arabia is a developing country, organisations suffer from administrative problems at both behavioural and structural levels (Assad, 2002). As organisational justice theory is a Western theory, and since, as Skarlicki (2001) argued, there are cultural differences between nations, this study will provide insight into the applicability of this theory in the context of Saudi Arabia, and whether there are any factors that may be significant in influencing perceptions of fairness in the Saudi context.

Also, the main focus in appraisal is on the employees who are evaluated. Jawahar (2007) said, "The success of appraisal systems may well depend on ratees' perceptions of fairness and reactions to important aspects of appraisal process" (p.735). The role of performance appraisal has a direct link with employees' career in its influence on promotion, motivation, training etc. Therefore, it is important to understand employees'

perceptions and opinions about how far the practices are objective and fair. Such focus on fairness perceptions, however, is a new research field in Saudi Arabia.

The review of the relevant literature on HRM and PA in Arab and Middle East organisations shows a serious gap in the HRM literature, especially PA in developing countries and Saudi Arabia particularly (Assad, 2002; Budhwar and Mellahi, 2007; Giangreco et al., 2010; Metcalfe, 2007). In this respect, Abu-Doleh and Weir (2007) and Hutching and Weir (2006) indicated that the Arab world is a new area of research and they described it as under-researched. Similarly Rees et al. (2007) said the context of the Middle East “identifies a dearth of academic research” (p.33). The majority of studies discuss performance appraisal from different angles such as concepts, goals and feedback, while studies about accuracy and fairness in performance appraisal are rare (Abo Shika, 2005; Alhamod, 1994; Alhawamda, 2004; Yousf, 2000).

Moreover, this is the first empirical study to investigate fairness in performance appraisal by using the three dimensions of organisational justice theory. As stated above, the lack of research in the Middle East give this study chance to contribute to understanding of the appraisal implementation and practices, as the issues or factors that face employees are still not clearly defined, Suliman (2007) also noted that interest in justice and fairness in the workplace is a new trend in the region, and that the region needs much research in this regard. Therefore, this research helps in explaining this phenomenon and may discover a new factor that influences employees’ perceptions of fairness. In addition, it is significant because of the use of qualitative methodology, through semi-structured interview, which provides rich information, with detailed examples of issues that challenge the practices. The findings have important implications for management, practitioners, and policymakers, as highlighted in the Conclusion chapter.

Further, the study is also significant for Middle East researchers seeking to provide a holistic view of appraisal practices in Saudi Arabia or non-Middle East countries as they can use the findings of this study for comparison with other contexts. Also it is significant for practitioners in Saudi Arabia in showing them the issues that face the appraisal practices.

The study will contribute to the body of knowledge in several ways. First, this research will make a valuable contribution to this field in an under-research region by exploring challenges to appraisal practices. Also, it provides insights about a complex phenomenon, as there is a call for defining the issues that challenge practices, to help in the next step, which is improvement of the practice. Second, it will contribute to understanding of the nature of PA, by exploring how practitioners in Saudi conceptualise and operationalise the idea of PA and how it is practised in Saudi private sector organisations. Third, the study hopes to improve understanding and raise awareness of the importance of PA and how it contributes to organisation productivity and effectiveness, which could help organisations' managers, practitioners, policymakers, and raters to work hard to improve appraisal practices. These contributions will clarify and improve the understanding of the PA process in the private sector in Saudi Arabia. Thus, this study will expand the limited literature of PA in Saudi Arabia.

1.6 Context of the Research

The study took place in Saudi Basic Industries Corporation (SABIC). SABIC is the world's leading manufacturer of chemicals, fertilizers, plastics and metals, which it supplies to other companies, for manufacture of products. SABIC operates in the non-oil industrial sector in Saudi Arabia and worldwide (SABIC, 2011). It is the largest company in the Middle East and the sixth largest petrochemicals company in the world (SABIC, 2011; Datamonitor, 2010). SABIC was founded in 1976 and is based in Saudi

Arabia. It has 20 factories with around 33.000 employees in more than 100 countries, in the Middle East, Africa, Asia, the Americas and Europe (SABIC, 2011). SABIC is 70% government owned and 30% owned by shareholders. It's capital is \$ 82.4 billion. Its income in 2009 was \$ 9 billion (Alperowicz, 2010). SABIC's headquarters are located in the capital of Saudi Arabia, Riyadh, where the study took place. The headquarters has seven departments and 1800 employees.

Performance appraisal policy at SABIC states that appraisal helps subordinates to know and fully understand the objectives and goals they are required to achieve. This is conveyed by their direct manager or supervisor, who should clearly explain to subordinates how they can achieve what is expected of them. Also the policy emphasises that managers should set a plan to develop subordinates in order to help them to achieve their goals, by working with their employees and providing ongoing feedback. Moreover, supervisors and their employees are urged by the policy to work together to develop a performance plan by using a "Performance Agreement and Review Form". This form sets out the role of managers toward their subordinates, including reviewing employees' responsibilities, setting detailed, specific and measurable performance objectives, helping employees with assessing their weaknesses ongoing discussion and feedback throughout the year and at the end of the year evaluating employees accurately based on the goals and responsibilities defined at the beginning of the year. This is because SABIC's performance appraisal policy emphasises that managers should fairly evaluate their employees' performance and ratings should be consistent based on defined goals, and finally based on a fair evaluation. The rating result is linked with rewards such as annual increments and promotion.

Performance appraisal in the company depends on two axes, the result of performance appraisal in the light of objectives set out at the beginning of the year and the quality of performance in terms of the value to the company, motivation, participation, creativity and achievement. Evaluation is annual, based on the period starting in the month of January and ending in the month of December of each year.

1.7 Structure of the Thesis

This thesis is structured in eight chapters, including this introduction. The remaining chapters are as follows:

Chapter Two Part I of Literature Review; This chapter provides an overview of performance appraisal literature; including process and techniques, purposes, Islamic and cultural influences on Human Resource Management practice, employee reactions to performance appraisal, and fairness in performance appraisal,

Chapter Three Part II of the literature Review; This chapter reviews organisational justice theory literature, including distributive justice, procedural justice and interactional justice, and as well as the application of organisational justice to performance appraisal.

Chapter Four explains the research methodology; including research paradigms, research approach, justification for using the interpretive paradigm, research strategy, data collection, sampling , data analysis, reliability and validity and research ethics.

Chapter Five is the first chapter of the findings. It presents an analysis of the first category of findings, about the process of performance appraisal, presented in nine themes.

Chapter Six presents the second part of the findings, about providing feedback to employees; which contains two themes; clarifying tasks to employees, which includes

two themes; employees' satisfaction with the overall appraisal system, which includes three themes and finally, cultural factors that influence appraisal practices, which includes one theme and several subthemes.

Chapter Seven contains a discussion of the findings according to the research questions. The first question is about national cultural factors that influence appraisal practice, the second question is about the extent to which employees perceive fairness in the appraisal process, while the third question addresses their overall satisfaction with the appraisal system.

Chapter Eight is the conclusion of the study. It starts by summarising the main study findings, then the implications of the research, including its contribution to theory, practice and methodology. It discusses the limitations of the study and provides recommendations for future research.

Chapter Two: Literature Review Part I; Performance Appraisal

2.1 Introduction

Often performance appraisal is considered one of the most important functions in HRM (Cawley et al., 1998; Shore and Strauss, 2008). This importance is because it provides employees with feedback on their performance to improve poor and maintain high performance, which in turn will benefit their organisation. In order to improve the appraisal process, research on performance appraisal previously examined appraisal characteristics and rating. However, recent research has shifted to recipients' perceptions (Levy and Williams, 2004; Roberson and Stewart, 2006).

This chapter presents the first part of the literature review. It starts by providing an overview of appraisal literature, including description of the performance appraisal concept, definitions and an overview of the purposes it is used for. Then it moves to offer an overview of appraisal methods or techniques used to improve its accuracy. The literature discusses many such methods. In this chapter, those most extensively reported in the literature will be discussed. Then the influences of culture and Islam on HRM practice will be addressed. After that, critiques of the performance appraisal system and concept will be reviewed. The last two sections are about employees' reaction to the appraisal process and fairness in performance appraisal.

2.2 Performance Appraisal description, definition and purposes

The subject of performance appraisal (PA) has been researched extensively (Kuvaas, 2006; Murphy and Cleveland, 1995). PA is a formal mechanism for evaluating and assessing the performance of individual employees. Activities of PA are often used on an annual basis with the aim of developing and enhancing employee competencies and performance in order to improve organisation productivity and profit (Fletcher, 2001). Hence Smith and Rupp (2003) stated that PA plays a critical part in organisation

success as it maintains high performance as well as offering improvement and guidance to poor performance. The system of PA comprises procedures that involve implementation, managing and communication of actions included in PA.

With respect to the importance of PA Fletcher (2001) stated, “PA has become a general heading for a variety of activities through which organisations seek to assess employees and develop their competence, enhance performance and distribute rewards” (p.473). The process of PA involves superiors assessing, judging and evaluating the work performance of their subordinates. PA is a key feature that can drive organisations towards competitive advantage by continuous improvement and change in employee performance (Byrne and Cropanzano, 2001; Youngcourt et al., 2007).

Performance appraisal provides a framework for the individual objectives and the criteria of performance are set for the coming period (Boxall and Purcell, 2003; Bramham, 1994). The importance of effective PA has been indicated by several studies (Lawler et al., 1984; Longenecker and Goff, 1992). Landy and Farr (1983) cited in Walsh (2003) point out five areas of effective PA:

“a, Determine pay; explains and communicates pay decisions b, provides the subordinate with development information and support, c, fosters mutual task definition and planning of future work goals, d, documents and recognizes subordinate’s performance, e, allows the subordinate to provide feedback about feelings, supervision and definition of work” (p23).

McGregor and Bennis (1985) defined PA, saying;

“Performance appraisal is often perceived simply as technique of personal administration, but where it is used for administrative purposes it becomes part of a managerial strategies, the implicit logic of which is that start in order to get people to direct their effort towards organisational objectives,

management must tell them what to do, judge how well they have done and reward or punish them accordingly” (p.77).

Many other scholars have defined PA .For example, Latham and Wexley (1994) stated that “PA is any personnel decision that affects an employee’s attention, termination, promoting, demotion, transfer, salary increase or decrease, or admission into training programmes” (p.4). The first two definitions focus on some details such as the purpose, and how the process is conducted, while the third definition takes a holistic view as it describes appraisal as any personnel decision.

Thus PA can be summarised as a process of communicating and evaluating how far an employee has performed his/her task within agreed objectives over a specific period of time, whereupon, future goals and targets will be set to improve and reward the subordinates’ performance. There are several purposes or uses of PA. Taylor (2005) and also Cleveland et al., (1989) in their empirical study of “Multiple Uses of Performance Appraisal” indicated that organisations use PA for a variety of purposes. Taylor (2005) asserts that PA has significant impact on promotion, salary administration, training, performance feedback employee development, and identifying the strengths and weaknesses of individuals.

Many scholars in Human Resources have indicated the importance of the information that PA provides which can help management decisions (Greenberg, 1990; Jawahar, 2007; Murphy and Cleveland, 1995). Brumback (1988) cited in Abu-Doleh and Weir (2007) suggest two main purposes for using PA: first, administrative decisions such as promotion and payment increase; second, developmental needs such as staff training. Landy and Farr (1980) offered a model of PA that comprises 13 factors: “Organisation characteristics, position characteristics, rating purposes, rating process, scale development, rating instrument, rater characteristics, ratee characteristics, observation

storage, recall and judgement, data analysis, performance description and personnel action” (p94). On the other hand, Mohrman et al. (1989) stated that the cycle of PA within organisations has four activities: performance definition, evaluation and measurement of performance, feedback and implementation of the result in the organisation.

These activities are supported by Latham and Wexley (1994) who added developing appraisal instruments, reviewing the legal requirements and praise for performance. Murphy and Cleveland (1995) stated that PA is used for several purposes within and across the organisation. They indicated that the three main purposes for using PA in Great Britain are “to improve current performance, set objectives and identify training and development needs” (p.89). In addition, they stated that the general purposes of PA are first, to aid administrative decisions: the most obvious and clear purpose of the PA system is as a decision aid. The information that PA provides is one of the essential factors in management decisions such as pay rises, promotion, termination etc. They emphasise that when the quality of PA is high, it will be important for making personnel decisions. Second, PA is used as a feedback system: if feedback is given appropriately to subordinates, it will strongly lead to improved performance in future (Fletcher, 2004; Ilgen et al., 1979; Jawahar, 2007; Landy and Farr, 1980; Peretz and Fried, 2012). Feedback is important to provide relevant information for self-evaluation and to reduce uncertainty. Feedback is seen as a motivator to individuals as well as a valuable resource. Murphy and Cleveland (1995) insist that feedback is a useful tool for development, especially when it contains solution-oriented and problem-oriented information. In this respect, Jacobs et al. (1980) indicated that feedback is a source of motivation or satisfaction and it can serve for improvement of future performance.

The study of Cleveland et al, (1989) cited in Abu-Doleh and Weir, (2007) provides a comprehensive list of purposes and uses of PA and they categorised them into four groups:

“First, between-individual (salary administration, promotion, retention/termination, recognition of individual performance, lay-offs, and identifying poor performance). Second, within individual (identifying individual training needs, performance feedback, determining transfer and assignment, and identifying individual strengths and weaknesses). Third, system maintenance (personal planning, determining organisational training needs, evaluation goal achievement, evaluating personnel system, reinforcing authority structure, and identifying organisational development needs), and fourth, documentation (criteria for validation research, documenting personnel decisions, and meeting legal requirements)” (p.77).

From an organisational perspective, Fletcher (2004) identified six purposes of appraisal which are 1. “*Making reward decisions*” (p.4). This is the case when the performance assessments is used annually and it will direct each individual to the reward if he/she deserves. 2. “*Improving performance*” (p.4) when individuals have information about pervious appraisal and achievement, this enables them to enhance future performance. 3. “*Motivating Staff*” (p.5). There are three ways to motivate staff: first, by providing feedback, second, by fairness in rewards distribution, and third by setting targets that will motivate employees to achieve them. 4. “*Succession planning and identifying potential*” (p.5). This is when organisations identify poor and good performers, which will enable the organisation to plan the succession of individuals. 5. “*Promoting manager-subordinate dialogue*” (p.5) which is achieved by discussing performance with individuals, and 6. “*Formal assessment of unsatisfactory performance*” (p.5)

A survey conducted by the Institute of Personnel Management (1986) in UK organisations on the purposes of PA found that 97 per cent of the participating organisations used it to assess and evaluate training and development needs, 97 per cent to improve current performance, 98 per cent to review past performance, 71 per cent to evaluate future potential, 75 per cent to access career planning decisions, 81 per cent to set performance objectives, 40 percent for pay or salary level and increase and 4 per cent for other purposes such as updating personnel records (Bramham, 1994). Randell et al. (1984) assert that the aim of appraisal is to develop employees or the organisation by using information about employee behaviour in the workplace. They added that the purposes vary from “organisation-centered to individual-centered” (p.12). They argued that the main concern of appraisal is to control employees’ behaviour or to change their behaviour. They listed six elements of appraisal purposes: “evaluation auditing, constructing, succession plan, discovering training needs motivating staff, developing individual and checking the effectiveness” (p.12 & 13).

Bratton and Gold (2001) stated a list of potential purposes of performance appraisal and he described it as a panacea in organisations. The list comprises 11 elements:

“improving motivation and morale, clarifying exceptions and reducing ambiguity but performance determine rewards, identifying training and developing opportunities improving communication, selecting people for promoting, managing career, counselling, discipline, planning remedial action and stating goals and targets ” (p.251).

They also stated that in many organisations performance appraisal is formally conducted annually and involves interview or discussion between the supervisor or manager and employee or subordinate. The purposes of the interview or discussion are categorised into groups:

1. Judgement purposes: this about administrative decisions, e. g. about promotion and career, pay and work responsibilities.
2. Development purposes: this is about performance development and discussion about developing needs such as identifying training needs and plans of action.

The most obvious purpose for which organisations use PA is as a decision aid. For example, PA information helps management to decide on promotion, termination, pay rises etc. Murphy and Cleveland (1995) indicated that sometimes promotion decisions depend on prediction of future performance, which is based on past performance assessment (Cleveland et al., 1989; Randell et al., 1984).

From the above literature on PA purposes and uses in organisations, several scholars categorise the purposes of PA into two main purposes: developmental and evaluative. Developmental purposes are used for achievement of organisational goals and to develop employees such as feedback, assistance and identify training needs, while evaluative PA is used for administrative decisions such as promotion and pay increase (Abu-Doleh and Weir, 2007; Lam and Schaubroeck, 1999; Murphy and Cleveland, 1995; Nurse, 2005; Reb and Greguras, 2010; Taylor, 2005; Youngcourt et al., 2007).

2.3 Technique of Performance Appraisal

As mentioned earlier, the effectiveness of PA depends on techniques or methods that help appraisal to be effective and more accurate (Armstrong and Baron, 1998; Fletcher, 2007). Techniques of PA are designed to measure personality, performance or behaviour, or achievement of goals (Torrington and Hall, 1995). Weiner (1993) asserts that when the technique of appraisal matches the type of employee task it is more likely to be accurate, whereas the accuracy of appraisal would be less when the type of task and the technique or methods of appraisal employed by the appraiser or rater are mismatched.

In respect of the accuracy of methods or techniques of appraisal, Orpen (1997) mentioned that when techniques of appraisal are accurate it will help to enhance and improve the effectiveness of employee performance. He concludes that appraisal is effective when the methods, techniques, or procedures employed match with the nature of the rated task. He stated, "Appraisal techniques play an important role in performance judgements. Improvement in the effectiveness of such judgement can be brought about by fitting or matching appraisal technique to task type" (p.139). Bratton and Gold (2001) mentioned that there are several forms and formats of PA, which organisations use to evaluate and judge employee performance. Townley (1994) cited in Bratton and Gold (2001) stated that "the uses of the various techniques of appraisal serves to enhance manageability of employees" (p.270).

Literature describes several techniques and methods of appraisal (Armstrong and Baron, 1998; Bratton and Gold, 2001; Carroll and Schneier, 1982; Fletcher, 2007; Martin and Bartol, 1998) such as rating scales, numerically-anchored and objective-anchored, behaviourally-anchored rating scales, behaviour-observation scales, behaviour-discrimination scales, check list, weighted checklist, critical incident, forced choice checklist, maxed standards scales, simple ranking, forced distribution, management by objective. The most extensively reported will be discussed below:

2.3.1 Results-Oriented Appraisal

The technique of result-oriented appraisal is espoused by the Management By Objectives (MBO) movement (Fletcher, 2007). MBO is an influential and powerful method of employee appraisal that helps employees to enhance and improve performance. Martin and Bartol (1998) indicated that MBO controls the appraisal system. This technique or method requires the appraisal system to adopt a specific task for each employee or ratee, then at the appraisal period the supervisor or appraiser will evaluate the subordinate or employee to see whether he or she has achieved the

organisation's targets and goals that were assigned, or failed to do so. When the employee achieves a set of financial targets, the organisation is likely to reward the employee. This process is seen as a good mechanism for developing and managing staff, according to Fletcher (2007). He added that the method is more reliable and valid for maintaining the performance of individuals. He stated that "the great objectivity serves to reduce some of the appraisers' concerns about the appraisal process as well as appraise....because of this result-oriented appraisal is a more effective motivational mechanism" (p.22).

Result-oriented appraisal emphasizes that individual performance is evaluated or measured in terms of achieving organisation targets or goals. As a result it helps to reduce uncertainty among employees regarding appraisal or evaluation. In this regard Akhtar et al. (2008) stated that "the result-oriented appraisal system provides substantial incentives for employees to work hard to accomplish their performance objective" (p.28). Consequently, they suggest that this technique has significant effects on measures of performance.

However, Redman and Wilkinson (2006) argued that the result-oriented appraisal method has the drawback that many types of job do not have obvious or clear targets or goals to be set with subordinates; therefore the level of ambiguity will be increased. Edwards et al. (1984) criticised MBO, listing six issues or problems related to his method. One is that the goals or objectives are a function of supervisors rather than subordinates. Second, "mutual goal setting provides a minimal amount of common ground for comparing performers because the goals of the different performers may vary drastically" (p.30). Third, when the goals are set which are well defined and measurable, the evaluation will concentrate on the defined goals that are measured and exclude any factors that were associated with actual or true performance. Fourth, the

supervisor will be forced to work as judge and counsellor. Fifth, subjectivity may be involved in assessing to what extent each stated goal was achieved, and finally sixth, of rater's subjective judgement is very difficult to be validated, because some raters may be harsh whereas others may be lenient. Also Murphy and Cleveland (1995) agreed with this point . Another criticism of MBO was that it relies on cost-criteria more than behaviour. As it does not rely on consistent measurement, its reliability is low. Levinson (1976) argued that this is not an appraisal technique but best regarded as a motivation tool. Moreover Edwards et al. (1984) argued that the main problem is with its process as its procedures consume substantial time, since for each subordinate it will take up to a week per year. This time is costly for organisations.

2.3.2 Behaviourally-Anchored Rating Scale (BARS)

BARS are designed to minimize and reduce rating error. They include a number of performance dimensions (Armstrong and Baron, 1998). BARS are sometimes called Behaviour-Expectation Scales (BES). The main purpose of this technique is to reduce the problem faced with traditional graphic rating scales, for example, failure to guide further observation of performance (Carroll and Schneier, 1982; Fletcher, 2007; Latham and Wexley, 1994). Each scale of BARS involves an important aspect of job performance or job dimension, such as knowledge, abilities, duties, skills, personal characteristics or personalities (Carroll and Schneier, 1982). The manager evaluates each dimension on a scale (Armstrong and Baron, 1998). Torrington and Hall (1995) stated that the only way of linking behaviour with rating at the workplace is BARS. Pynes (2004) asserts that “raters evaluate employees using a set of behavioural descriptions” (p.214). Latham and Wexley (1994) argued that sometimes an employee's work is considered as outstanding by one supervisor, whereas another supervisor disagrees. The solution to this problem is by using “behaviour descriptions” that illustrate various degrees on a scale, for example, excellent, average or poor for each

performance dimension. Each “behaviour description” is “anchored”. BARS makes the rating clear to the rater by expressing the level of individual performance in terms such as unacceptable, below satisfactory, satisfactory or excellent. Murphy and Cleveland (1995) stated, “These scales use behavioural examples of different levels of performance to define both the dimension being rated and the performance level on the scale in clear behavioural terms” (p.434). The work behaviour must be agreed by discussion between supervisor and subordinate. Torrington and Hall (1995) assert the BARS is a helpful technique when raters use scales clearly related to work behaviour. Also it increases the commitment to the outcomes as the appraisee is involved in the process; in other words, when the subordinate agrees with his/her supervisor about work behaviour, he/she is more likely to accept the appraisal outcome. BARS has been supported by some scholars, e.g. Martin and Bartol (1998) who state that BARS is a suitable technique for evaluating each employee and controlling the system of appraisal.

BARS has been criticised for rater error that may occur since, as indicated above, one supervisor may see a subordinate as outstanding and another be dissatisfied (Latham and Wexley, 1994). Another issue is that “a substantial number of critical incidents generated in the job analysis are discarded” (Latham and Wexley, 1994: p.82). Also it is difficult for supervisors to observe behaviour for each or specific dimensions. Moreover they said, “Evaluators may have a difficulty deciding the scale value of effectiveness of the observed behaviour against the examples provided” (Latham and Wexley, 1994: p.82 & 83). Also the categories of behaviour incident in their definitions should be independent and distinct enough. Here, however, subjectivity may occur because raters tend to give the same rating to subordinates across the categories. Moreover, Price (2011) stated that BARS is expensive to maintain as it “requires experts to develop rating scales anchored to real-life behaviour though critical incidents..... They are less usable in situations where new technology or procedural changes require frequent

updating of scales” (p.428). Moreover, scholars criticize this technique as a complex and long process (Murphy and Cleveland, 1995; Pynes, 2009). It is time consuming according to Armstrong and Braron (1998) and Fletcher (2007).

2.3.3 360-Degree Feedback System

This technique is also known as multi-level feedback, multi-source feedback, or multi-rater feedback (Armstrong and Baron, 1998; Fletcher, 2007; Pilbeam and Corbridge, 2006; Taylor, 2005). Armstrong and Baron (1998) define 360 degree feedback as “the systematic collection and feedback of performance data on an individual or group derived from a number of stakeholders on their performance” (p.313). They said this is the latest technique and some people see it as the most helpful to develop performance. In this technique an individual is rated by supervisor, peers, subordinates, client, customers, or self-assessment. The procedure used in this technique overcomes the weakness of a single evaluation or assessment (Fletcher, 2007; Robinson, 2006; Taylor, 2005).

According to Jawahar (2006) providing regular feedback directly contributes to affect organisation performance. This has been supported by Ilgen et al. (1979) who highlighted the necessity and importance of individual feedback. Ashford and Cummings (1983) found that feedback helps organisations in many ways, e.g. reducing uncertainty, enhancing role clarity and developing competencies. Also it contributes to job satisfaction (Jawahar, 2006). Robinson (2006) emphasises that the use of feedback must be for developmental purposes. A survey conducted by the IPD in 1998 cited in Armstrong and Braron (1998) found that 92 per cent of organisations used 360 degree feedback to assess development needs. Robinson (2006) stated that the multi-source technique is powerful as it involves feedback. Tyson and Ward (2004) indicate that the 360-degree feedback system is a valid and reliable method or technique to improve organisation performance. Pilbeam and Corbridge (2006) stated, “The aim of 360-

degree feedback is to achieve a broader view of employee performance” (p.295). In addition, it can increase customer focus, decrease the hierarchical approach, support them initiatives and provide greater employee involvement. Taylor (2005) emphasises that the technique of 360-degree feedback has been observed in many studies and experiment to contribute to the behaviour of employees rather than performance.

Despite the advantages listed above, it has been criticised as well. Fletcher (2007) indicates that “peer ratings given as an input to appraisal tend to be less reliable, less valid and more lenient” (p.63). Moreover, Greguras et al. (2003) found that that the quality of subordinate ratings is low when it is planned to use them for appraisal purposes. Also in using this technique, Fletcher (2007) said, “Target managers will become more defensive and less ready to accept the feedback because of the potentially damaging consequences for them” (p.63). In addition, this technique may lead to political games, such as subordinates asking for change or upgrading of the assessment from colleagues when they know that it will contribute to the evaluation. Also, if assessment by this technique is conducted on an annual basis it consume cost and time, and “even those giving the assessments may suffer rating fatigue” (Fletcher, 2007: p.64). Price (2011) agreed with Fletcher about the cost and effort consumed, and added that because the process is anonymous, it may allow malicious and negative ratings. Hensel et al. (2010) stated that this technique is frequently criticized. As they pointed out, “The inter-rater agreement in multi-source ratings of all sorts of performance is low” (p.2816). Vinson (1996) indicated that the problem with this technique is that when one employee fills out a form or provided feedback about another employee whom he dislikes, this raises the question, “How accurate and reliable is the feedback?” (Vinson, 1996: p.12).

2.3.4 Forced Distribution

Forced distribution (FD) is a technique of appraisal which has been defined by Jason (2006) as “a distribution of appraisal ratings in a specific set in order to ensure the majority will be middle-ranked (average) and the minimum number that hits above and

below” (p.96). Forced distribution is also known as a forced ranking system or “rank and yank” (Boyle, 2001). Boyle also said FD “forces managers to be honest with workers about how they’re doing” (p.187).

Forced distribution determines the distribution of ratings among subordinates, for example; 10 per cent to the higher or top rating, 20 per cent to the next high, 40 per cent to the average or middle, 20 per cent to below average and finally 10 per cent to the lowest performers. In practice, Fletcher et al. (1997) said, “The use of forced distribution is usually found in connection with overall ratings of performance rather than individual performance characteristics” (p.19). It serves the purpose of managers differentiating between employees in cost. In this respect employees may perceive some unfairness in this method (Fletcher, 1997).

The theory behind FD is to help organisations to build higher performance by ensuring that managers are able to better differentiate between employees such as high, average and low in term of employees’ performance (Guralnik et al., 2004). Stewart et al.(2010), emphasised the need for training of managers if the organisation applies this method. They said, “Some important issues to consider include providing adequate training and ongoing support to managers who will be carrying out the system” (p. 168). They also emphasise that the ability of managers to distinguish between employees in terms of their performance is the key to making business successful, and the true goal of FD is to force managers or supervisor to make this distinction.

The most common use of this method is to allocate bonuses and pay and help to select termination. One of the main requirements for applying FD is “open feedback”, which means honest and accurate feedback. As Guralnik et al. (2004) said, “Requiring FD pushes managers to take a closer look at their workforce” (p.341). It imposes pressure on both managers and employees; it pushes managers to share their judgements and

observations, which allows them to provide positive or negative feedback, and pushes employees to be tolerant when they receive feedback they do not like or which is negative, and make use of it. When Stewart et al. (2010) listed the advantages of FD, one of those mentioned was feedback. They emphasized its importance to improve performance, and said, “In a best-case scenario, feedback to employees will be enhanced when a forced distribution system is used and this facilitates good individual and team performance” (p. 172).

Daley (1992), in classifying performance appraisal types, divided the techniques of appraisal into three categories: first, subjective techniques; second, interpersonal comparison techniques and third; objective techniques. He located FD in the second category and said that the drawback of FD is that it assesses or evaluates employees against each other rather than evaluating them on a specific task or job to be done. He argued that “the problem inherent in an interpersonal comparison performance appraisal is that it may transform what should be objective, job-related performance measures into subjective, comparative personal assessment” (p76).

Stewart et al. (2010) suggested that organisations that use FD should develop standards or criteria, which requires setting goals or objectives regarding job tasks that should be defined at the beginning of the year and then employees should be ranked or rated based on them. These criteria could also include certain behaviours that the company want employees to practise.

FD has been criticised, as indicated above, for focusing on overall rating rather than the characteristics of individual performance, in order to distribute percentages. Therefore, employees may receive unfair ratings (Fletcher, 2007). Stewart et al. (2010) illustrate the problem with FD by assuming a case where an organisation has a good reputation for customer service and all its employees are selected for certain criteria. All

employees have extensive customer service experience. If this organisation employs FD, it means 10 percent need to be rated below average in their performance appraisal. What if almost all employees are performing well? The 10 percent still has to be allocated below average. In this case employees may feel that their ratings are arbitrarily allocated to satisfy the FD requirement. Moreover, relating to this issue, Stewart et al (2010) stated that organisations will face a problem after a few years of applying this system. This is because, for a few years, the lowest rated employees, regarded the poorest performers, will be sacked. Then the organisation will find it difficult to distinguish between high performers and outstanding performers. Schleicher et al. (2009) found that the use of FD is difficult for raters and less fair. Also Stewart et al. (2010) indicated that another danger with FD is that poor management use it as crutch, which means management may use it an excuse for employees receiving poor ratings.

2.4 Impact of Culture on HRM

The Human Resource Management (HRM) system, like any other system, is affected by the cultural environment. Bratton and Gold (2001) stated that social culture inevitably shapes HRM policies and activities, Peretz and Fried (2012) said, “Every organisation is nested in a particular national culture and it inevitably influenced by it” (p. 449). In the Arab and Middle East countries religion and cultural factors have a great influence in shaping HRM functions (Branine and Pollard, 2010; Budhwar and Mellahi, 2007; Metcalfe, 2007). These authors indicate that “the term Middle East mainly refers to a cultural area which does not have precise borders” (Budhwar and Mellahi, 2007: p.2).

Idris (2007) in his article, “Cultural barriers to improved organizational performance in Saudi Arabia” indicates that cultural issues are a great challenge facing managers to improve organisation performance. There are challenges facing Saudi skilled and technical labour because Saudis are more motivated by high position and status (Idris,

2007; Mellahi, 2006). Bell (2005) argues that many young Saudis grow up in very good living conditions and luxury and see their relatives and parents have high status positions and be well-paid. The study of Rowings et al. (1986) cited in Idris (2007) showed that Saudi workers are not motivated and will not accept low ranking jobs. For this reason, the private sector suffers from a high rate of turnover, forcing the country to depend heavily on foreign labour.

Another issue that deeply affects the practice of HRM is that supervisors and managers in most organisations do not provide accurate, candid and honest performance appraisal because they fear it may damage and affect employees' self-esteem (Idris, 2007). Also Idris asserts, "In Saudi Arabia candid feedback on performance might be viewed by employees as unfriendly and hostile" (p. 37). In Arab and Saudi culture, managers avoid giving feedback directly to employees or subordinates to avoid sending the wrong message and causing conflict; they give feedback through an intermediary (Idris, 2007). The ideology is different, e.g. when the performance of Saudi employees is compared with the performance of foreign or expatriate workers, they immediately understand that the manager favours and prefers foreigners and will not help to promote Saudisation, which means nationalisation of jobs.

The study of Curry and Kadasah (2002) indicates that the major hindrance to achieving and improving organisations performance in Saudi Arabia is the traditional culture. Their study also indicated that improvement programmes in organisations must be accompanied with culture changes. Assad (2002) supports the argument about Saudi culture and its effect on HRM and said, "Saudi Arabia continues to face challenges resulting from ways in which cultural values influence administrative structures and behaviour in organisations" (p. 51). Moreover, Assad (2002) pointed out a phenomenon that is very prevalent, whereby employees are often hired based on personal

considerations or family rather than possession of required education or skills, which in turn affects work performance.

Mellahi (2006) described the context of Saudi culture as more collectivist than other Arab countries, with in-group relationships placed above personal concerns; as he stated, “Typical Saudi management style focuses on the group rather than on individuals, which results in less importance being attributed to task identity” (p.104). In addition, he indicated that both employees and employers have a similar sense of moral obligation to develop and improve their relationships in order to increase organisational solidarity. Moreover, the personal lives of employees have a complex interrelation with their organisational life and work. Consequently, companies or organisations not only provide and offer economic security for employees but also give emotional support based on their moral obligations. According to Atiyah (1999) managers are more concerned about the surrounding society and family than the responsibility of work.

Mellahi (2006) noted that the collectivist and high context culture in Saudi Arabia is very strong within in-group such as extended family or tribe, but very weak within out-group such as non-kin or different religious sects. Another issue regarding in-group and out-group is that supervisors or managers when dealing with individuals from the out-group are tough and place emphasis on task achievement, whereas when they deal with the in-group they take a cohesive approach to protect their kin. Inequalities between supervisors or managers and their employees or subordinates are accepted. Saudi managers want employees to do whatever they require them to do.

Hofstede (2001b) in this respect identified five dimensions of social culture and values. These dimensions, which differ from one country to another, are power distance, uncertainty avoidance, individualism and collectivism, masculinity and femininity, and long versus short-term orientation.

First, power distance is defined by Hofstede (2001a) as “the relationship between a boss B and subordinate S in a hierarchy” (p.83). This concerns distance in hierarchy or differences in human inequality. Inequality is reflected in the relationship between managers and their subordinates where the relationship is characterised by large power distance, and people accept large disparities in the power (Robertson et al., 2002). Hofstede included Saudi Arabia with other similar Arab countries and called them the ‘Arab World’. He found the Arab World scored high on power distance. Bjerke and Al-Meer (1993) stated that in countries that are high in power distance, “Parents put high value on children’s obedience, managers are seen as making decisions autocratically and paternalistically, managers are more satisfied with directive and persuasive superior, managers like seeing themselves as benevolent decision makers and employees fear to disagree with their boss” (p.31). Aycan (2005) in relation to performance appraisal, argued that organisations in a society that is characterised by high PD, it is logical to predict that organisations will design appraisal systems in which managers are the primary evaluators, rather than other sources such as customers, peers etc.

Uncertainty avoidance is the second dimension, which is about people’s tolerance of ambiguity and uncertainty in their dealings. When the level of this dimension is high, people have a high tendency to define rules and policies, because members of society feel threatened by ambiguous and unclear situations. Robertson et al. (2002) said, “Strong uncertainty-avoidance people are also more tolerant of unfairness and more believing in absolute truths” (p.589). The Arab World scored high on uncertainty avoidance.

The third dimension is the relationship between individual and group. People from an individualist society look for themselves and their direct family, whereas people from collectivist society are integrated into a cohesive strong in-group. Arab culture is more

collectively orientated, as the Arab World scored low on individualism. Alanazi and Rodrigues (2003) and Hofstede (1998) described Saudi culture as collectivistic. Also Alanazi and Rodrigues (2003) argued that Saudi HRM is strongly affected by collective thinking, which means relationships take priority in business dealings. Often, business deals are done in an informal setting, in the evening, outside the work environment, where the parties can discuss their concerns freely as well as employee-related issues. Saudi individuals avoid starting directly with the business or topic at hand (which is considered impolite); they prefer to loop around this by starting with greeting and social talk, then they will get to the business in hand.

The fourth dimension is masculinity and femininity, which refers to the degree to which cultural values are masculine, characterised by assertiveness and lack of concern for others. Robertson et al. (2002) indicated that things and money are more important for masculine groups, whereas environment and people are important for feminine groups. Metcalfe (2011) indicated that the Gulf culture or traditions are characterised by masculinise attitudes.

The fifth dimension is long versus short-term orientation. This represents the extent to which a society's perspective is pragmatic and future orientated. Peretz and Fried (2012) stated that "organisations in high FO societies are likely to engage in future-oriented behaviours such as planning, development, and goal setting" (p.449). The opposite is the case in low FO cultures. In respect to performance appraisal Peretz and Fried (2012) indicated that organisations in high FO societies are more likely to implement formal appraisal systems that emphasise planning and goal setting than less FO societies.

Table1 describes how a few HR functions are influenced by culture.

Table 1: Conflict between theory and culture

| HRM / HRD issues | Family Values | Business Values |
|--------------------------|---|---|
| Recruitment | Increased recruitment of relatives, mainly sons | Recruitment should be based on competencies |
| Compensation | Compensating on the basis of the individual's needs and development | Compensation on the basis of individual's value in market and performance |
| Evaluation | No distinction among relatives. Individuals are not means but ends | There is differentiation among individuals to select and reward the best |
| Training and development | Learning opportunities should be provided to individuals according to their development needs | Planning, learning and development based on the company's needs |

Source: Achoui (2009: p42).

Al-Faleh (1987), based on his experience and observation of Arab culture, listed many elements of culture characteristic of Arab management. For example, subordinates act with obedience to managers, and the predominant management style is authoritarian. This is supported by Branine and Pollard (2010). Decisions can be negotiated later after being made. Decisions are influenced by familial and paternalistic concerns. Al-Faleh (1987) mentioned that the democratic style is absent from the culture. While decisions sometimes go through consultation, they are carried out on a personal basis, formalities are important, the uncertainty level at work is high, employees rarely oppose managers' decisions, kin are very important, nepotism is practised and accepted, and managers often rely on friendship, relationship, and family to get things done for them, their organisation or society in general. Bjerke and Al-Meer (1993) similarly state that the

Saudi manager is influenced by family and friends and relatives, as “Saudi managers live in a society where family and friendship remain important and influential factors in the functioning of institutions and groups” (p.33).

Connections are very important to Arabs who call it *Wasta*. Smith et al. (2012) called it “going in between” (p.3), which also means mediation. Hutching and Weir (2006) indicated that *Wasta* can be defined variously as connections, network, contact, and even nepotism. Also they said about *Wasta*, “It is seen as a force in every significant decision in Arab life” (P.273). Moreover, they describe *Wasta* as “intrinsic to the operation of much valuable social process, central to transmission of knowledge, and the creation of opportunity” (p.278). Metcalfe (2007) related *Wasta* to the tribe or the family when she said, “*Wasta* relates to the recognition that power in society is related to tribal or familial structures....facilitated by recognizing how to move within relevant power networks ” (p.57). Also Branine and Pollard (2010) define *Wasta* more directly as “a type of interpersonal relationship which is exploited in order to get things done”(p.16). Branine and Pollard (2010) indicated that power and authority in Arab society have a very strong impact on relationship between manager and employee. They added, “It does not matter how much you know but who you are” (p.15). They indicated that power and status has many sources; it can be from a person’s relationship with the state apparatus, tribe, family, position in the organisation, or relationship with a person who works in the management of the organisation. In addition, they indicated that employee reward is very often based on *Wasta*. They emphasised that despite knowledge of Western methods of rewards, Arab cultural practice gives precedence to tribe, family and kin over the objectives of the organisation (Branine and Pollard, 2010). Moreover, they indicated that managers in Arab countries feel an obligation to help and support family, relatives and friends. In addition, it has been found that Arab people prefer face to face interaction, because they believe this type of interaction produces

trust. Also they indicated that “The Arab society is paternalistic, collective and highly power structured” (p.16), which means the young must respect the old, as in the Arab culture age is a plus factor in terms of authority and credibility, so the older person in the house or family or tribe is the leader, and this is even translated into work, where the older is the leader. AlDalan (1995) found relationship, friendship, and family relations influence appraisal practices. More clearly, Ali (2009) said, “Performance evaluations do not exist independent of social norms” (p.152).

2.5 The Impact of Islam in HRM

Islam affects all aspects of society in Saudi Arabia (Idris, 2007). As Idris indicates, “Islam infiltrates in all aspects of life in Saudi Arabia..... Islam influences all decisions for Arabs including business decisions” (p.37). Moreover, Hutching et al. (2010) emphasised the roles of Islam in all spheres of life in the Islamic states, saying, “The Islamic religion provides guidelines encompassing all aspects of public and private existence and the political and economic spheres” (p.67). One effect is that in the management of organisations in Arab countries, the process of decision making goes through consultation (Budhwar and Mellahi, 2007). This principle comes from the *Qur’an* (the Holy book of Muslims). Many scholars who wrote about Islam and its effect on HRM indicated that consultation is involved in the majority of daily actions or organisation issues. Metcalfe (2007) indicated that the traditions of Islam are rooted in followers’ beliefs, since the *Qur’an* emphasises that “those who conduct their affairs through consultation are among the ones on whom God’s mercy and heavenly rewards will be bestowed” (p.57). Supervisors and managers find consultation a helpful and useful technique. Also managers and employees always use it to avoid disagreement in the workplace, according to Tayeb (1997), who added that consultation can also be used as a mechanism for gathering information.

Walker et al (2003) cited in Idris (2007) stated that fatalism is strong among Middle Eastern people. Saudis believe that the environment is ultimately controlled by God. Walker et al. (2003) cited in Idris (2007) said, “The issue is not with the belief itself but rather with people’s misguided interpretations of the belief and Islam teachings” (p.37). They added that “misguided interpretations” strongly affect the business environment and commitment, as well as meeting targets and goals in the Kingdom of Saudi Arabia, leading to weakness in running businesses.

Mellahi (2006) stated, “Saudi Arabia is governed by an Islamic monarchy in which Islam makes up the civil, culture, economic, legal, political and social fabric of the country” (p.88). Metcalfe (2007) explained more clearly how the *Quran* and *Hadith* provide and structure the moral framework in Muslims’ life. Consequently, in the context of HRM, religion is significant in individual behaviour and in management as a whole. Also she asserts, “Islam will continue to have a strong influence on HRM philosophies and practice in the Middle East context” (Metcalfe, 2007: p.57). Anastos et al. (1980) support the above view that Islam influences behaviour toward business, which in turn influences HRM practice. They listed three major effects and influences of Islam on HR practice or business operations: 1. High ethical standards; Islamic law is not simply a system of legal administration and rules; Muslim managers are guided and directed by their beliefs in order to maintain high ethical standards as required by religion. 2. Egalitarianism; this concept is a strong belief in Islam, which asserts the equality of humans in all activities, political, economic and social affairs. This means the practice of HRM is a democratic process in decision making which goes through consultation between colleagues. 3. “God Willing” (*Inshallah*); this reflects the belief that fate is in the hands of God. Mellahi (2006) stated, “Quranic principles and prophetic prescription put strong emphasis on respect and obedience to leaders” (p. 105). However, Beekun and Badawi (1999), cited in Mellahi (2006), argue that although

Islam emphasises on followership of leaders, it is not blind following; the onus is on leaders to convince subordinates that their orders are worth being obeyed.

Hashim (2009) stated that “Religions are generally considered as specific systems of belief, worship, and conduct” (p.254), and emphasised that national context such as religion in most Islamic countries influences HRM practice in the regulations and rules that govern employee management relations. These regulations and rules can be related to issues that govern the rights of individual employees such as job security, equal employment opportunity, and wage level. Also they can be related to employees’ collective rights such as decision making and unionization.

Tayeb (1997) made clear how religion affects HRM, and stated that HRM policies in organisations are generally set by senior managers in organisations, sometimes with consultation of employees, sometimes without. They are often implemented and adapted according to the national context in which companies or organisations operate. These include, for example, national culture, ideology, religion etc. Robertson et al., (2002) said, “Islamic values are pervasive in the workplace, and the commitment to the Muslim faith tends to influence many organisational policies and cultures” (p. 587). Mellahi (2006) stated, “Religious, social and cultural norms are embedded deeply in the everyday life of Saudis” (p.103). These values and norms are rooted to Islam, and set out in the *Quran* and traditions of Prophet Mohammad (*Sunnah*). These values include intention, mastery, efficiency and proficiency, sincerity, passion, for excellence, justice, truthfulness, and patience, which are called Islamic management by Branine and Pollard (2010). They found that there is a gap between Islamic management and the practice of management in Arab countries. Also their findings shows that management practices in Arab countries are heavily influenced by non-Islamic values and traditions such as national culture.

With regard to women's work in the Middle East, Metcalfe (2011) stated that interpretations of employment laws "is guided by Shari'a law, cultural practice and *urf* (custom)" (p.134). This view is consistent with Achoui (2009). In the majority of Gulf counties, the above factors require society to protect women and this is interpreted as including "creating a moral work environment" (Metcalfe, 2011: p.134). Also according to Arab culture, women are homemakers (Al-Ahmadi, 2011; Metcalfe, 2008, 2011; Omair, 2008). Metcalfe (2006) cites an international developmental report of (2003) about gender employment in the Middle East, which indicated that gender roles in work are shaped by four factors; "first; the centrality of the family, rather than the individual as the main unit in society; second, recognition of the man as the sole breadwinner of the family; third, a code of modesty that rests on family dignity and the reputation of women; and fourth, an unequal balance of power in the private sphere that is anchored in family laws" (p.97). The report indicates that although gender equality exists in education, in employment it does not. Therefore the roles of women in Islamic counties are different from those in West, as Metcalfe (2006) stated that "working philosophy underpins the heart of Islamic faith" (p.103). This means that Islamic values are followed by the majority of females in these countries, which makes them accept these norms and practices without any resistance (Omair, 2008). This is reflected in their representation in work, since as Metcalfe (2008) indicated, "Arab women are significantly under-represented (or entirely absent)" (p.86), in many spheres, even the private sector.

Furthermore, Metcalfe (2007) stated that the one of reasons that restricted women's role in labour was the high oil revenues earned from the 1960s to 1980s. This view is supported by Ross (2008), who indicated that, although many scholars and observers claim lack of women's progress in employment is due to Islamic teachings in his view, it is because of oil, not Islamic teaching. He explained this by examples from other

countries not in the Middle East that are oil-rich. As he stated, “Oil production affects gender relations by reducing the presence of women in the labour force” (p.107). Regarding the barriers that influences women from entering the labour force, Ross (2008) mentioned that typically, labour markets are segregated by gender even when qualifications are similar, and this segregation tends to reduce job availability for women, and wages as well. Al-Ahmadi (2011), citing Effendi (2003), argued that women’s low participation in the labour market is not from Islam, but from patriarchal societies, which interpret Islam to support their position about denying women responsibility. Also many other studies reveal that women in the Gulf countries are surrounded by many restrictive traditional customs (see Abdalla, 1996). As Ahmed (1998) argued, that there are some society practices that are not related to Islamic teaching (Metcalf, 2007).

2.6 Critique of Performance Appraisal

Murphy and Cleveland (1995: p.13) indicated that low quality feedback may be harmful. They emphasised that there is clear evidence that high quality PA and feedback directly contribute to perceptions of fairness (Jawahar, 2006). On the other hand, when feedback is inaccurate, sketchy or not given to the employee at all, that will rise concern about the appraisal process and the procedure of making decisions on many functions such as promotion, pay etc may be suspect. McDonnell and Gunnigle (2009) in their chapter on performance management started by noting the difficulty of judging and evaluating employee performance. They added, “Appraisals are not always precise” (p.189).

Although PA helps organisations to improve employees’ competencies and skills as well as productivity as a whole, Murphy and Cleveland (1995) indicated that PA can harm organisations as well. They listed three ways in which performance appraisal may hurt organisations. First, “Appraisal overemphasises the individual and underemphasises the Team or System” (p.333). Joiner (1994) and Deming (1986) cited

in Murphy and Cleveland (1995) argued that appraisal of individuals is dysfunctional because it interferes with teamwork, fosters a focus on short-term outcomes and overemphasises performance differences among individuals. Deming criticises appraisal as overly subjective and argues that appraisal focuses on product and ignores the process. He goes further to suggest that PA for individuals should not be done. Peters (1985) cited in Murphy and Cleveland (1995) notes that “PA systems often fail to consider the role of situational variables in determining performance” (p.335). This means PA often focuses on individuals and ignores the context. Second, “Performance appraisal systems send mixed messages” (p.333). This means that organisations may send confusing messages to employees about which aspects of their job performance are important and which ones are not. In addition, organisations claim that PA is important and cannot be separated from the supervisor’s job, yet organisations rarely reward managers and supervisors who complete good appraisal or evaluation of their employees or subordinates or who punish employees who produce consistently poor performance. Hence Murphy and Cleveland (1995) stated, “Appraisal can be a cause of dissatisfaction and dissent” (p337). Then they listed five reasons why PA is frequently a source of dissatisfaction among organisations: a- appraisal often forces the supervisor, manager or rater to make distinctions that are not functional or realistic; b- performance appraisal routinely disappoints ratees, who often feel that they have been evaluated unfairly even when performance appraisal was completely accurate. Then they stated that “It may not be possible to develop an appraisal system that produces ratings that are viewed as fair by all, or even most ratees” (p.338); c- PA puts supervisors, managers, or raters in an uncomfortable role or position as counsellor or judge; they must evaluate their subordinates as well as provide them with feedback that supports and contributes to future enhancement and improvement; d- often PA seems to violate the procedural justice obligation, because appraising performance is subjective and subjective

evaluation would give the appearance of unfairness and bias even when the process is fair. In this respect, Woehr and Huffcutt (1994) assert that the majority of PA measures rely on subjective judgment, which greatly distorts the appraisal process. Finally, the poor reputation of PA contributes to dissatisfaction with the system itself. Third, PA is generally a headache for everyone involved and can be a cause of dissent and dissatisfaction in an organisation.

Myland (1992) argued that the problems with PA are associated with its implementation and stated, “Most problems associated with performance appraisal are not related to the principle of having a scheme so much as to how it is implemented” (p.27). He criticised appraisal implementation and listed six points. 1. Time; evaluating employees accurately consumes great effort and time. In this respect Nickols (2007) argued “The typical performance appraisal system devours staggering amounts of time and energy”(p.13). 2. Ability; because of differences in ability to use appraisal schemes appraisal would be vulnerable to misuse and variations in how managers and supervisors carry out appraisal. Then Myland claimed, “No matter how competently training is carried out or how well the scheme is monitored at senior levels, there will always be participants who think they know better, who have no commitment to the process or who are simply incapable” (p.28). This highlights both the importance of training and communication and of top managers monitoring the appraisal scheme conscientiously. 3. Paperwork and job description; a culture of resistance exists in some organisations regarding the practical elements of performance appraisal, e.g. completing the appraisal form. Scholars emphasise that in design of paperwork, care must be taken not to impose an irrelevant and unnecessary load on appraisers. Resistance may be greater in describing the jobs as well as in implementation process of the scheme. In addition, Myland asserts that this is a common problem in organisation and that “the truth is that if employees become inflexible because they have job descriptions, the

problems are way beyond the fact that job descriptions are begin used. A long hard look at how staff are managed and monitored is required” (p.28). Additionally, objective assessment standards must be clear, as indicated in the literature above, to evaluate what employees have achieved. If organisations fail to provide an objective basis then the process of appraisal becomes subjective and there is a tendency to evaluate and assess general aspects of behaviour and personality, because the structure of appraisal is lacking. 4. Attitude; negative attitudes toward appraisal prevail or may be formed. 5. Structure; meeting to appraise employees on a regular basis is difficult in some organisations due to widespread location of the workforce that make interviews and communications difficult also. Catano et al. (2007) indicated there are limitations with performance appraisal such as “inflated ratings, lack of consistency, and the politics of assessment” (p.201). Myland (1992) argued that to manage 30 employees is difficult enough, while to appraise all of them fairly is impossible; and finally; Management commitment; sometimes there is a lack of commitment among managers to evaluate employees. They say they do not have time for appraisal, which can be translated as meaning that appraisal is not important enough to them, because if they wanted to do it they would make time for it; people usually make time for things they want to do. Also often there is a failure to accept that staff development is part of the job of managers. Myland concludes, however that “Most problems in performance appraisal are not insurmountable” (1992: p.31).

Armstrong and Baron (1998) indicated that the operation of appraisal schemes in practice receives many criticisms. As an example, they cited Levinson (1976), who emphasised that the use of PA has many things wrong with it and the main problems or drawbacks with appraisal schemes are:

“1. Judgement in performance is usually subjective, impressionistic and arbitrary; 2. Rating by different managers

is not comparable; 3. Delaying in feedback occurs which creates frustration when good performance is not quickly recognised and anger when judgement is rendered for inadequacies long past and; 4. Managers generally have a sense of inadequacy about appraising suburbanites, and paralysis and procrastination result from their feeling of guilt about playing God” (p.41).

Levinson (1976) is reported as saying that the process of PA needs to be reviewed, including both data and people. Levinson also pointed out that one problem with the process of management is that the objectives of individuals and those of the business are rarely related. If individual objectives are not linked with business or department objectives appraisal will be irrelevant. Long (1986) cited in Armstrong and Baron (1998) offered a balanced critique and comment when he said,

“There is no such thing as the perfect performance review system. None are infallible although some are more fallible than others. Some systems, despite flaws, will be managed fairly conscientiously; others, despite elegant design, will receive perfunctory attention and ultimately fail. The relative success or failure of performance review, as with any other organisation system, depends very much on the attitudinal response it arouses” (p.41).

Additionally, Armstrong and Baron (1998) indicated that the main problem with performance appraisal is that too often PA is perceived as the property of the Personnel department, and line managers criticise it as irrelevant; as a result they ignore it. They assert that the worst feature of PA is that it is ignored by management and not regarded as a necessary process of management. PA receives particular criticism for being carried out separately from other tools used for managing employee performance. This criticism falls into two categories: “It’s a good idea but it doesn’t work and it’s a bad idea and it doesn’t work” (p.85). In the first case managers believe PA is a bureaucratic imposition

that does not fit with their real work. They claim that individuals either fear the appraisal meeting or view appraisal as irrelevant. Armstrong and Baron (1998) stated, “There is said to be general dissatisfaction among both managers and individuals with rating systems, which they see as being applied inconsistently and unfairly” (p.85). They cite Furnham (1996) to suggest some reasons why this is so: managers are afraid to provide subordinates with negative feedback; they do not have skills to implement appraisal correctly or are not trained; they believe that providing employees with feedback on a daily basis is better than assigning specific meeting hours over the year; and finally, organisations do not take the appraisal process seriously.

Mabey et al. (1998) contrasted two schools of thought on the effectiveness of PA in evaluating individual performance. The first focuses on PA as a social process. Since one person evaluates and appraises another’s performance, they argued, it is impossible to untangle social influences which are present. Second, there is a political dimension in PA. For example, poor working relationships between appraiser and employee may exist that may result in employees perceiving their appraisal as unfair. Also it may demotivate employees and affect turnover and other covert and overt outcomes. Furthermore, appraisers may not possess sufficient information to evaluate the performance of an individual or the appraiser may have failed to keep records of individual performance since the last appraisal, which in turn may result in a situation where employees receive inaccurate and incomplete information about their appraisal. In this respect James (1988) asserts that when appraisers appraise based on insufficient or irrelevant information, this damages the ethics of performance appraisal.

2.7 Critique of Performance Appraisal Concept

Rees and Porter (2003) indicated that the common problem with appraisal schemes is that the schemes have too many objectives. As they said, “This can make them cumbersome and generate conflict between objectives” (p.280). Vasset et al. (2010)

indicated that the concept of performance appraisal in recent years has been transformed from performance monitoring to performance development, with three functions: “to provide adequate feedback to support employee development, to serve as a basis for modifying of changing behaviours to produce more effective work for organisations, and to provide useful information to supervisors” (p.30). They indicated that this transformation is because the majority of employees perceive performance appraisal as biased or unfair. Fletcher (2004) said that the fairness notion has been identified as the most important aspect of employee response.

According to Jackman and Strober (2003), “Nobody likes performance reviews” (p.101). This is because employees are terrified that they will only hear criticism from their managers and supervisors. Rao (2008) indicated that the concept of performance appraisal has undergone a lot of development in the last two decades, because scholars realise that performance appraisal will inevitably be subjective. He added, “This is because the appraisers are always varied in their standards, judgment, information assimilation, and processing abilities with respect to their appraisees, and many other parameters” (p.2). Also he raised another issue in this respect, that annual appraisal reduces the effort of individuals during the entire year to numbers that are assigned by supervisors or raters in the context of ratees’ work or performance, then these numbers are used by top management or high level authorities without concern for or awareness of the context in which the rating was assigned. Thus, rating loses the employees’ identities and deals with numbers. In this situation, injustice will affect the performers.

Rao (2008) in an attempt to address fears and criticism related to PA suggested a “change from appraisal to management and focus on contribution and improvement” (p. 2). He indicated that the most significant mistake is the actual title, of “performance appraisal system”. This is because the main purpose of “appraisal” is evaluation and as

mentioned earlier, it reduces the entire year of individual effort to numbers which can cause a few employee to get promoted and other employees, undeservingly to lose their jobs. Also a few employees work every day in their offices with low satisfaction and interest to carry on their jobs. As he said, “The numbers in performance appraisal do not follow any rules except the rules of nominal scales” (p.3). This is unjust, because evaluation or ratings depend on many factors, such as the rater or supervisor’s expectations, personality, and previous background, as well as the ratee’s expectations, and background, the goal-setting culture of the organisation, etc. Rao suggested using the term management instead of appraisal, because management is broader and combines many things such as development, planning, improvement, etc. Alternative, organisations may use titles such as Performance Development System PDS, or Performance Improvement Programme PIP. However, he argued that “merely changing the title does not help; it is the spirit that needs to be promoted. It can be done by having a new look at the potential of PMS and by using PMS for objectives other than appraisals generating numbers in percentages” (p.3). Similarly, Wright and Evans (2008) indicated that the term performance appraisal has become outmoded in recent years and should be changed to “Employee Development Scheme, or Employee Development and Performance Review” (p. iii). Also Harper (1983) indicated that both managers and employees are worried about appraisal, but instead if they used performance review and development it is would be better for developing employees and fulfilling organisations’ goals.

2.8 Appraisal Approaches

Performance appraisal can be used to appraise employees’ performance in a variety of things. Sometimes it measures behaviour or performance sometimes personality or achievement of goals. These measures can be either qualitative or quantitative (Torrington and Hall, 1995). Qualitative appraisals may involve unstructured writing in general

about appraisee performance or guidance may given to appraisers on the areas they should make comments about. McDonnel and Gunnigle (2009) mentioned that qualitative measures of performance such as customers' attitude are a good resource to gain information about employees. However, there is a criticism of use of this type of measure, related to its subjective nature. In this respect, appraisers should be trained to reduce and minimise subjectivity. McDonnel and Gunnigle recommend that organisations should utilise regular appraisal in order to bring a degree or level of formalisation that will be used in the performance management process. They emphasised that the most essential and important characteristics of PA are validity and reliability; they state that reliability "refers to whether the same decision reached would be reached if other individuals made it" (p.195), while Mabey et al. (1998) said, "Validity refers to whether the indicator actually measures what it is supposed to measure"(p.135). Torrington and Hall (1995) criticise qualitative appraisal on the ground that it may ignore essential areas.

Quantitative appraisal uses a form of scale that sometimes contains five points, e.g. from excellent to inadequate. As Mabey et al. (1998) and McDonnel and Gunnigle (2009) stated, quantitative measures of performance use numerical data such as the number of products that the individual produced or a number on a scale. These scales are used to assess if employees have achieved the goals they have been set or not. Mabey et al. (1998) criticised quantitative measures arguing that two problems arise when using them, which are sufficiency and quality.

2.9 Employee Reaction to Performance Appraisal

Reaction criteria have been seen as an extremely important in the success of appraisal systems (Murphy and Cleveland, 1995; Williams and Levy, 2000; Pichler, 2012; Selvarajan and Cloninger, 2012). They indicate that the appraisal will not work if the appraisers and appraisees do not believe or accept it. As noted earlier in the

literature, when supervisors or managers do not take the appraisal system seriously or they regard it as a joke, raters will not accept the system and it would be seriously flawed. In that case appraisal is pointless as the system will not meet the organisation's needs. Murphy and Cleveland (1995) stated, "Reactions to a performance appraisal system probably place a ceiling on the possible effectiveness of the system, in that acceptance of the system by raters and ratees may be necessary but not sufficient for the system to be effective" (p. 311). Also Cawley et al. (1998) insist that the reaction of employees regarding their performance appraisal is an important determinant of the ultimate effectiveness and success of the appraisal process. Also scholars and practitioners emphasise that employees' reactions to PA are an important point and key criterion of judgment of PA. Pichler (2012) proposed an operational definition of employee reaction which is "individual-level attitudinal evaluations of and responses to the performance appraisal process" (p. 710).

If organisations want to convince their appraisers and appraisees that appraisal is reasonable and get them to accept it, dimensions of work behaviour must be relevant, appraisers must have information about the aspects of performance that will be measured and organisations must give visible and clear support to performance appraisal in the organisations. If the performance aspects evaluated are irrelevant or organisations require the raters to make judgements for which they are not competent or the appraisal system is regarded or treated by the majority of organisation staff or members as an unimportant activity, reaction to PA will be negative. Also "acceptability of the outcomes" (p.311) is important in employee reaction to PA, for example, when appraisal is used for salary increase or administration.

Most scholars and researchers on employees' reaction to performance appraisal indicated that reaction focuses on perception of accuracy, fairness and satisfaction with

the system (Brown and Benson, 2003; Cawley et al., 1998; Dorfman et al., 1986; Jawahar, 2007; Keeping and Levy, 2000; Pichler, 2012). Murphy and Cleveland (1995) suggested that performance appraisal is mostly perceived as fair and accurate if it meets certain criteria, i.e. that appraisal is and must be formal, supervisors have high job knowledge, the appraisee has chance to appeal or raise any concern about the rating or relevant performance dimensions, and there is an appropriate plan to deal with weak performer.

Performance appraisal literature indicates that appraisal effectiveness is the most important point and the heart of the research (Greenberg, 1990; Levy and Williams, 2004; Murphy and Cleveland, 1995). Keeping and Levy (2000) state that “appraisal effectiveness refers to how well the appraisal system is operating as a tool for the assessment of work performance” (p.708). Therefore, appraisal effectiveness focuses on both sides of the equation, criterion and predictor. Scholars suggest that employee reaction to appraisal is an important part of the process; thus, it is vital to acceptance of the system (Bobko and Coella, 1994; Jawahar, 2007; Keeping and Levy, 2000; Levy and Williams, 1998; Murphy and Cleveland, 1995)

The most frequent measure of employees’ reaction to appraisal is satisfaction (Keeping and Levy, 2000; Cawley et al. 1998; Giles and Mossholder (1990). This may be because research demonstrates that satisfaction of employees with the process of performance appraisal can affect other variables such as motivation, productivity and organisation commitment. Then Cawley et al. (1998) indicated that due to the importance of employee satisfaction with performance appraisal, it follows that organisations try hard to increase employee satisfaction. Also as pointed out by Cardy and Dobbins (1994) dissatisfaction may lead to lower motivation and turnover as well as difficulty in linking performance to reward, since appraisees will not accept performance assessment. Also

they said, “With dissatisfaction and feeling of unfairness in process and inequity in evaluation, any appraisal system will be doomed to failure” (p. 54). In this respect Keeping and Levy (2000) assert that assessment of employees’ reaction to performance appraisal is extremely important for two reasons: “a, the notion that reactions represent a criterion of great interest to practitioners and b, the fact that reactions have been theoretically linked to determinants of appraisal acceptance” (p.708).

Cardy and Dobbins (1994) indicated that the satisfaction with appraisal is a critical factor that determines appraisal effectiveness. In this respect Ilgen et al. (1979) assert that when employees are not satisfied or have low satisfaction with appraisal or they believe that the appraisal process is unfair, that will lead rates to display a negative reaction, reject their feedback and refuse to improve their performance. Shrivastava and Purang (2011) emphasised the importance of employee reaction to the process, which will reflect the effectiveness of the process itself. They said, “The success and effectiveness of any appraisal system largely depends on employees’ reactions to important aspects of the appraisal process” (p.633). This comes from the fact that perceptions of fairness influence employees in many ways, such as how they feel, think and act on the workplace. Therefore, they said, “Perception of fairness of the performance appraisal system would influence positive affective reactions like performance appraisal satisfaction” (p.633). The procedure used to evaluate or appraise employees, as well as the way of communication with employees in respect to performance-related issues, play an integral role in shaping employees’ satisfaction, which in turn contributes to perceptions of fairness (Shrivastava and Purang, 2011).

Despite the importance of reaction to PA, as the main outcome of the appraisal process (Brown and Benson, 2005), there is a lack of a reaction literature framework. Folger et al. (1992) focus on due process as a performance appraisal characteristic, while Levy

and Williams (2004) focus on the social context of appraisal, and Erdogan (2002) focuses on perceptions of justice in appraisal. Cawley et al. (1998) and Keeping and Levy (2000) focus on overall reaction to the process of performance appraisal. The majority of research in respect of appraisal effectiveness focuses on rater error and rating accuracy. Cardy and Dobbins (1994) show three criteria of appraisal effectiveness which are rater error, rating accuracy and qualitative aspects; however, Cawley et al. (1998) argued that “these three specific criteria may not appear to be related to one another and in fact may conflict at times. Thus research typically has focused on these criteria as separate issues rather than taken a more holistic approach” (p.615). In respect to the above quotation, there is an argument that these criteria have been mentioned by scholars as important elements in assessing the effectiveness of appraisal. Cawley et al (1998) argue that research in the field of performance appraisal in its investigation concentrates on and is concerned about rating accuracy and rater error. On the other hand, they and other scholars such as Murphy and Cleveland (1995) and Cardy and Dobbins (1994) mentioned that less attention has been paid to qualitative aspects or criteria of appraisal, such as employees’ reaction. Murphy and Cleveland regarded reaction as a neglected issue. Cawley et al. (1998) emphasise that reaction has an impact on the effectiveness and success of the appraisal system. Moreover, Bernardin and Beatty (1989) cited in Cawley et al. (1998) suggested that reactions of employee toward appraisal are usually a good indicator of the overall viability of the system. They meant that reaction is a better indicator than psychometric indices, for example halo and leniency Pichler (2012) supported this view. Also Hedge and Borman (1995) emphasised that employee attitude toward appraisal may play an important role in the system process.

As mentioned earlier, scholars have noted that the psychometric approach or model (rating accuracy and rater error) is limited in its capacity to consider contextual factors

in the appraisal system (Pichler, 2012; Cawley et al., 1998; Murphy and Cleveland., 1995; Arvey and Murphy, (1998). As the traditional approach to improve appraisal process (e.g. the psychometric approach) has been found less successful, therefore an alternative approach to improve the appraisal process is appraisal reaction (Pichler, 2012; Roberson and Stewart, 2006). Cawley et al. (1998) and Murphy and Cleveland (1995) indicated that qualitative criteria are the major component of employees' reaction to appraisal. Levy and Williams (2004) in their model of appraisal effectiveness replaced qualitative criteria with employee reaction, and they list nine elements to measure employees' reaction toward appraisal, which are, "System satisfaction, session satisfaction, perceived utility, perceived accuracy, procedural justice, distributive justice, interactional justice, motivation to use feedback, and finally acceptability" (p.890). Keeping and Levy (2000) addressed the same components except interactional justice and acceptability, while Cawley et al. (1998) addressed the same components except the three types of justice.

There are contextual variables related to employee reaction to appraisal. The following are some explanations of each reaction. Accuracy is about the subordinate or employee's perception of how accurately his / her evaluation reflects his / her actual performance. Fairness is employees' overall assessment or evaluation of the fairness of the appraisal process. Motivation is about improving employee perception so that employees are motivated to increase their performance based on appraisal. Satisfaction is about the overall satisfaction with appraisal. Utility is about the perception that appraisal is effective and worthwhile in its evaluation of work performance. Finally, procedural, distributive, and interactional justice are types of organisational justice which are about perceptions of fairness in the overall appraisal process. These types will be discussed in more details in the next chapter.

Levy and Williams (2004) reviewed performance appraisal literature between 1995 – 2003 and they identified “distal factors” or variables constructed as contextual factors which influence many functions of HR systems including performance appraisal. They indicated that the distal factors are not necessarily related to PA but have an consequence on the appraisal process. They believe that such factors influence both rater and ratee behaviour.

Reviewing the literature of employee reaction to performance appraisal shows that one of the main factors related to employees’ reaction is the social context of appraisal (Pichler, 2012). As Levy and Williams (2004) said, “Performance appraisal takes place in a social context and that context plays a major role in the effectiveness of the appraisal process and how participants react to that process” (p.883). This model is mentioned by Ferris et al. (1994) and developed by Levy and Williams (2004). Many scholars suggested that social context is an important feature of PA, such as Murphy and Cleveland (1995), Erdogan (2002) and Levy and Williams (2004), while some scholars indicated that social context is the key context of employee reaction. Literature of social context has been reviewed by many scholars and they indicated that the most important factor is the relationship between rater and ratee, which includes supervisor trust, support and satisfaction (Pichler, 2012).

Relationship quality has been known as a working relationship between rater and ratee, characterised by high quality or social exchange such as social support and trust (Pichler et al., 2008; Levy and Williams, 2004). Many scholars have emphasised the supervisor employee relationship and Levy and Williams (2004) provide a useful framework to understand this concept. Also there is interference between the social context aspects of appraisal (for example, satisfaction, social support and trust) which represent the quality of the relationship between supervisor and employee. Mayer and Davis (1999) proposed

three factors of trust which are “ability, benevolence, and integrity” (p.123). In other words, if an employee or subordinate believes that their supervisor is properly skilled to appraise them, and believes that the supervisor upholds values and standards, and has at heart the best interest of the employee, then the employee is likely to trust the process. High quality relationships are characterised by increased levels of trust and satisfaction and vice versa (Schyns and Day, 2010). Another point of supervisor trust is that, when supervisors treat employees with fairness, this generates a positive feeling that in turn contributes to a positive reaction (Jawahar, 2007; Kinicki et al (2004). Moreover, Levy and Williams (2004) indicated that trust has a strong relation with satisfaction and they said, “If ratees have low levels of trust for their supervisor, they may be less satisfied with the appraisal and may not as readily accept feedback from that source” (p.892). Similarly Mani (2002) examined employee attitude toward appraisal and found that supervisor trust is extremely important for determining satisfaction with the system of appraisal. Byrne et al. (2012) argued the importance of supervisors in the employees’ perceptions of fairness, when they said, “Supervisors are critical sources of employees’ justice perceptions” (p.129). They particularly emphasised supervisors’ support in performance appraisal and feedback. They also emphasised that trust in supervisors contributes to high levels of fairness perception of the performance appraisal process, and is an essential component when judging the usefulness and effectiveness of PA.

Supervisor support is also another aspect of the social context of appraisal. As Dorfman et al. (1986) said, “Supervisory support and consideration are associated with employee satisfaction” (p.582). Other aspects are information support from the supervisor as feedback (Jawahar, 2010), and finally supervisor satisfaction, which is about ratees’ satisfaction with their supervision. Many studies and researchers have examined employee reaction to appraisal and they found various variables related to employee reaction. A model developed by Folger et al,(1992) , concerning the due process of

performance appraisal, was developed for the purpose of increasing the fairness and effectiveness of appraisal through positive reaction to the appraisal system. The due process model, however, has been criticized by Thurston and McNall (2010) because it does not consider the social aspect of appraisal and also ignores fairness perceptions associated with appraisal outcomes, both of which are important in fairness perceptions. The appraisal system can be valuable to employees, in order to enhance appraisal effectiveness, but this potential is sometimes unrealised because of employees' negative reaction to the system (Jawahar, 2007).

2.10 Fairness in Performance Appraisal

Employee rating, evaluation, or appraisals are extremely significant tools that help both organisations and employees; organisations to accurately judge their decisions toward their employees, and employees to develop their skills and as a result improve organisations' overall performance. Generally PA can impact positively or negatively on organisation performance, depending on the procedure of appraisal, and whether employees perceive the system as fair or unfair (Jawahar, 2007).

Organisational psychology literature in the last few decades has paid much attention to justice and fairness in the workplace (Boyd and Kyle, 2004). Scholars recognise that fairness is a significant task of organisations; they should employ justice in the workplace as it directly improves employee satisfaction with their jobs and in turn will increase the overall organisation efficiency. In contrast, many scholars and empirical studies emphasise that employee dissatisfaction caused by perceptions of unfairness can destroy the appraisal system (Jawahar, 2007). De Cremer (2005) and many others emphasise the importance of perceiving fairness, as it influences employee attitude and behaviour. Therefore, it will impact on the performance of employees and as a result will affect the success of the organisation. In this respect Roberts (2002) concludes that participatory PA is an essential component of fairness and said that "when employees

possess a meaningful role in the appraisal process, employee acceptance and satisfaction with the appraisal process is strongly enhanced” (p.95).

Recently scholars and researchers have argued that employees’ perceptions and emotions are extremely important to determine the effectiveness of an appraisal system (Levy and Williams, 2004; Pichler, 2012). Therefore, literature has developed on the perception of fairness or justice of PA. Many scholars and researchers have studied fairness in appraisal systems and their findings show that fairness has a direct link with satisfaction with the appraisal process (Cawley et al., 1998; Cook and Crossman, 2004; Jawahar, 2007; Thurston and McNall, 2010; Williams and Levy, 2000). Bretz et al. (1992) and Ilgen et al. (1979) support this argument. They stated that the perception of fairness in the appraisal system is the most important matter facing organisations. The findings of their study indicate that most employees perceive their appraisal process as inaccurate and unfair. Skarlicki and Folger (1997) and Sabeen et al. (2008) indicated that when employees suspect that the process of appraisal is based on political considerations or irrelevant, that could affect employees’ satisfaction with the process and they will perceive unfairness or injustice. As Latham and Wexley (1994) said, a problem faces leaders when employees perceive the system as unfair or inaccurate. Barr et al. (1981) in respect to fairness in PA said, “Such attitudes play a major role in the validity of performance ratings” (p.156).

The perception of fairness in PA has been examined by Landy et al. (1978) and they stated “frequency of evaluation, identification of goals to eliminate weakness, and supervisor knowledge of a subordinate’s level of performance and job duties were significantly related to perceptions of fairness and accuracy of performance evaluation” (p.751). They emphasised that these elements have to be in the appraisal process, for it to be seen as fair by subordinates. Ikramullah et al. (2011) indicated three elements

related to perceptions of fairness; two of them were mentioned by Landy et al (1978). above and the third, they said, is that employees should be given a chance to express their feelings related to appraisal. Barr et al. (1981) argued that “trust in supervisor” is the most important feature that employees care about in order to perceive accuracy and fairness in the appraisal process. As mentioned in the previous section on “relationship quality”, supervisors should work with their subordinates in order to evaluate them correctly and accurately. Greenberg (1986) studied the perception of fairness in PA among a sample of 217 workers from three different industries, in order to discover the main factors that contribute to make the appraisal process fair or unfair. He found that there are three main factors that have direct influence on fairness: Two of them are “ability to challenge/rebut evaluations and consistent application of standards” (p.341). In this comment, he highlights that when employees are able to appeal the procedure used in the process and application practices are consistent, employees are more likely to see the appraisal system as fair. The third factor is two-way communication, which is about process control, “the opportunity to influence the information that will be used to make decisions” (p.341). He identified that these factors are related to distributive and procedural justice (see chapter 3) and he argued that these types of justice reflect fairness perceptions.

Thurston (2001) cited in Shrivastava and Purang (2011) has defined the perception of fairness in performance appraisal with nine elements: first, setting performance expectations, which refers to setting of objectives and what is expected from the employee at the end of the performance period, second; rater confidence, which refers to the supervisor’s level of knowledge about the system itself, subordinate job and performance levels; third; clarify expectations; this refers to the need for the superior or rater to clarify expectations and evaluative standards to subordinates or ratees before and during the appraisal, fourth; feedback; this refers to raters’ or superiors’ ability to

provide clear, frequent, timely, constructive and sufficient feedback to their employees or subordinates, fifth; accuracy of evaluation; this is about the appropriateness of evaluation, which should be based on subordinates' effort and measure the quality and quantity of their performance, sixth; explaining rating decisions; which is about supervisors' or raters' ability to clearly explain decisions to subordinates; seventh; seeking appeals; which is about the amount of freedom given to employees to appeal against unfair ratings, eighth; concern over ratings; "It refers to the concern that ratings should be a true reflection of employee's performance that ought to be based on the employee's effort and contributions rather than on his/her personality" (p.363), and finally treatment by rater; this is about the quality of interpersonal treatment from raters to their rates.

Boswell and Boudreau (2000) found that there is a significant relationship between the procedure of appraisal and employee attitude. In this respect Konovsky (2000) indicated that the reality of fairness lies in the values of organisations and their understanding of the consequences and costs the organisation will incur through employee perceptions of unfairness. His study demonstrates that the perception of fairness in PA results in improved behaviour and attitude among employees. Many scholars emphasise that the perception of fairness in PA requires accurate procedures to be used in the appraisal process, to enable employees to perceive fairness (Erdogan et al., 2001; Giles et al., 1997; Goodson and McGee, 1991; Jawahar, 2007; Lee and Son, 1998). Organisational justice literature provides a theoretical understanding and framework for explaining factors that affect perceptions of fairness in performance appraisal and improve fairness perceptions as well (Giles et al., 1997; Thurston and McNall, 2010). Justice literature identifies three types of justice, distributive, procedural, and interactional, which will be discussed in the next chapter.

Chapter Three: Literature Review Part II; Organisational Justice

3.1 Introduction

The central question to changing work life is organisational justice (Colquitt et al., 2001; Konovsky, 2000; Linna et al., 2012), because it is about the study of fairness at work (Byrne and Cropanzano, 2001) also it shows organisations that the idea of justice or fairness has begun to be considered at the workplace (Greenberg, 1990). Justice or fairness is seen as “a basic requirement for the effective functioning of organisations and personal satisfaction of the individuals they employ” (Greenberg 1990:p.339). In the areas of organisational behaviour, over the last two decades, the topic of organisational justice has become one of the most popular for research. It shows that justice or fairness perceptions influence people’s performance, motivation, attitude, well-being and other outcomes related to organisations and their members (Fortin, 2008). The meta-analyses of justice conducted by Colquitt et al. (2001) and Cohen-Charash and Spector (2001) changed the face of organisational justice.

This chapter reviews the literature of organisational justice theory, namely, distributive, procedural, and interactional justice, of which the latter has two sub-dimensions, interpersonal and informational justice. In the last section, the application of organisational justice to performance appraisal will be discussed.

3.2 Organisational Justice

The notion of justice in organisations is significant; as Daniel Webster said, “Justice, Sir, is the greatest interest of man on the earth”. Because of its importance and significance Cropanzano et al. (2007) said, “Organizational justice has the potential to create powerful benefits for organizations and employees alike” (p.34). From this statement, the literature of organisational justice will be reviewed and its association with and effect on employee perceptions of performance appraisal will be discussed. Regarding

the notion of justice, Cropanzano et al. (2007) argued that the work of managerial scientists, attorneys and philosophers pays less attention to what is just, and more attention to what people believe to be just. Researchers following a descriptive agenda seek to understand or try to find out why people see a specific event to be just, and the consequences that follow from this evaluation. Fortin (2008) indicates that definitions of organisational justice in social science are based on peoples' perceptions, which may be different from the philosophical concept of justice. Moreover, Cropanzano and Stein (2009) stated that "Very loosely, a workplace event is "fair" or "unfair" because an individual or individuals believes it to be so" (p.195). Therefore, the concept of justice is descriptive and subjective because it captures what individuals consider or believe to be just or right, rather than objective perspectives or the reality of the moral code. It is defined by Cropanzano et al.(2007) as "a personal evaluation about the ethical and moral standing of managerial conduct" (p.35). Therefore, achieving justice or fairness in organisations requires management in organisations to consider employees' perspective. That means management need to understand what sort or kind of events generate subjective feelings of fairness or justice in organisations.

Aryee et al. (2002) described organisational justice as "the individual's and the group's perception of the fairness of treatment received from an organization and their behavioural reaction to such perceptions" (p.267). Byrne and Cropanzano (2001) stated that organisational justice is about perceptions of justice or fairness in the workplace. Other scholars said organisational justice is about employee perceptions of fairness (Beugre, 2002; Cropanzano et al., 2007; Cropanzano and Konovsky, 1995; Greenberg, 1990). Beugre (2002) states that the importance of organisational justice comes from the fact that when employees perceive fairness, it leads to positive employee behaviour and attitudes, while perceptions of unfairness or injustice lead to negative behaviour and attitudes.

In respect of “why employees care about justice” Cropanzano et al. (2007) considered and stated three reasons why justice matters to employees. First, *Long-range benefit*; employees often sign contracts for a long time; therefore, they are concerned how they will be treated over time. As they said, “People want fairness because fairness provides things they like” (p.35). Second; *Social consideration*; this is about being valued and accepted by important others in the workplace, not harmed or exploited by decision-makers. In this “group-value model” which was later named the “relational model” (Fortin, 2008), treatment in a just manner tells people that they are respected by the larger group. People become more distressed when the organisation treats them unfairly. As Cropanzano et al. (2007) said, “When we treat workers unfairly, we may end up doing the most harm to those who are most loyal” (p.36). Third, *Ethical consideration*; another reason employees care about fairness is “because they believe it is the morally appropriate way others should be treated” (p.36). When an employee or individual witnesses an action or event he / she believes or considers ethically inappropriate, even if they are not personally wronged, they are most likely to take considerable risk. Researchers have conducted many studies about fairness or justice perception in the context of performance appraisal (Thurston and McNall, 2010).

Scholars of organisational justice have identified three components or dimensions of justice, which are distributive, procedural and interactional justice; the latter is divided into interpersonal justice and informational justice (Beugre, 2002; Bies and Moag, 1986; Colquitt, 2001; Cropanzano et al., 2007; Greenberg, 1990; Moliner et al., 2008; Narcisse and Harcourt, 2008; Vasset et al., 2010). Greenberg (1990) argued that interactional justice should be treated as a social aspect of procedural justice, but recent research in the field of organisational justice deals with interactional justice as a separate dimension of justice (Beugre and Baron, 2001; Colquitt et al.,

2001; Cropanzano et al., 2007). These dimensions will be discussed in the following sections.

3.2.1 Distributive Justice

Social scientists describe distributive justice as the first type of justice dimensions, which is about fairness of the outcome that one receives (Cropanzano et al., 2007; Folger and Konovsky, 1989; Greenberg, 1990) or perceptions of fairness in the distributions of the outcomes (Adams, 1965; Leventhal et al., 1980). Nurse (2005) said, “Distributive justice deals with the perceived fairness of the outcomes or allocations that individuals in organizations receive” (p.1177). Some employees receive certain outcomes and others do not. In this respect, Cropanzano et al. (2007) said, “Distributive justice is concerned with the reality that not all workers are treated alike; the allocation of outcomes is differentiated in the workplace” (p. 37). That makes workers concerned about whether they receive their “fair share” or not. For example, political relationships such as relationship with management may lead to an employee who is less qualified or less competent to accomplish his / her job being promoted receiving or a salary increase, while others who are more qualified do not.

In the literature of performance appraisal, distributive justice is extremely significant. Selvarajan and Cloninger (2012) defined distributive justice in the context of performance appraisal as “related to the perceived fairness of performance ratings received by employees” (p.3). Thurston and McNall (2010) said, “Fairness perceptions are directly associated with performance appraisal outcomes”(p.203). In the context of performance appraisal, distributive justice is associated with Equity Theory, developed by Adams (1965). Adams viewed the relationship between workers or employees and their organisations as a social exchange. Equity theory is about “input and outcome”, in other words, how much each individual gets (outcome) relative to how much they contribute (input) as the employee makes his contribution to his / her organisation in

exchange for his / her expected return (Adams, 1965). The contribution or inputs are, for example, time and effort, and the outcomes include benefit and compensations. When employees give input to their organisations, they expect some sort of consideration from their organisation. DeConinck and Johnson (2009) said that “employees’ perceptions of equity or inequity are based on a social comparison with a reference person or group” (p.334). For example, the individual expects to get the same outcome, such as promotion or pay, as another employee who has equal input with the same seniority and education. When employees feel that they are not receiving an appropriate outcome, such as decision, recognition, or money, compared with the input or contribution that they give to work, that may affect them and they may perceive inequity and inequality (Boyd and Kyle, 2004; Williams, 1999). As Thurston and McNall (2010) argued, “the difference between expected and received outcomes is the driving force for attitudes and behaviours in the performance appraisal context.”(p.207). Adams (1965) said, “When an inequality between the proportions exist, the participants to exchange will experience a feeling of injustice and one or the other party will experience deprivation” (p.273). Greenberg (1986), in the performance appraisal context, identifies two factors that influence perceptions of distributive justice: first, the extent to which the performance rating matches the employees’ actual performance; second, the extent to which subsequent outcomes such as promotion and pay match the appraisal rating. Hence Roch and Shanock (2006) state that distributive justice is related to an economic exchange relationship

Scholars of distributive justice emphasise that inequity in the workplace creates many problems for organisations, such as low employee productivity, theft, sabotage etc (Ambrose et al., 2002; Cropanzano et al., 2007; Greenberg, 1993b). According to Cohen-Charash and Spector (2001), because distributive justice focuses on outcomes, it is predicted to be mainly related to affective, cognitive and behavioural reactions to

those particular outcomes. Therefore, they indicated that when such particular outcomes are perceived by employees as unfair, it influences employee emotions such as happiness, anger etc. Subsequent to the rule of equity presented by Adams, other rules related to distribution were introduced, such as equality and need (e.g. Deutsch, 1975). Cropanzano et al. (2007) stated three main rules for identifying the terms of the outcome in distributive justice “Equity; Rewarding employees based on their contribution. Equality; providing each employee roughly the same compensation; and Needs; providing a benefit based on one’s personal requirements” (p.36). A similar view was taken by Colquitt (2001). Fortin (2008) stated that friends often use the equality rule, while the rule of need is “more likely to be used in close relationships” (p.95), where people in this respect have empathy with each other.

Studies emphasised that distributive justice has a strong relation with performance appraisal because employees use rating as a basis on which to distribute outcomes (Boyd and Kyle, 2004; Sholihin and Pike, 2009; Tang and Sarsfield-Baldwin, 1996). According to Bowen et al. (1999), in respect to PA, distributive justice has three principles which are: “ratings should meet employees’ expectations, outcomes should be based on ratings, and outcomes should meet employee expectations” (p.141). Therefore, distributive justice is concerned with justice or fairness involved in the process of the appraisal system.

3.2.2 Procedural Justice

This dimension of justice has been seen by scholars as the centre of perceived fairness (Boyd and Kyle, 2004; Cropanzano et al., 2007; Greenberg, 1990). Procedural justice is concerned with fairness or justice in the decision-making process, or fairness of the process that leads to outcomes, or the process of distributing the outcomes (Beugre, 2002; Fortin, 2008; Suliman, 2007). Cropanzano et al. (2007) in their article, “The Management of Organizational Justice”, said, “Procedural justice refers to the means

by which outcomes are allocated, but not specifically to the outcomes themselves. Procedural justice establishes certain principles specifying and governing the roles of participants within the decision-making processes” (p.38). This dimension was introduced by Thibaut and Walker (1975) when they did their study in a courtroom and distinguished between process control and decision control. They viewed dispute resolution procedures such as arbitration and mediation as having both aspects, process and decisions. Control refers to the amount of influence that each disputant contributes in each stage, process and decision. The effect of process control is often referred to as the voice affect, which is one of the most replicated findings in organisational justice literature (Colquitt et al., 2001; Folger, 1987). Scholars such as DeConinck and Johnson (2009); Douthitt and Aiello (2001); Folger et al. (1992) and Greenberg (1990) reported that employee participation or voice has a positive impact on procedural justice. They are cited by Konovsky (2000), who stated that the theory of procedural justice is based on two types of control: “the amount of control over procedures used to settle grievance (process control) and the amount of control over determining the outcomes (decision control)” (p.493). Employees require a procedure that enables them to participate in the decision process. Voice has a strong effect on perceived procedural justice;

Although the concept of procedural justice was introduced by Thibaut and Walker (1975) in the context of law and legal procedures, Leventhal et al. (1980) extend this concept to non-legal contexts, e.g. organisations. They extend the concept of procedural justice far beyond process control, producing six criteria that a procedure should meet in order to be perceived as fair. They stated that procedure should:

“(a) be applied consistently across people and across time, (b) be free from bias, (c) ensure that accurate information is collected and used in making decisions, (d) have some mechanism to correct flawed or inaccurate decisions, (e)

conform to personal or prevailing standards of ethics or morality, and (f) ensure that the opinions of various groups affected by the decision have been taken into account” (Colquitt et al., 2001: p.426).

Many other scholars have emphasised the above, indicating that in order for organisations to have their decisions perceived as fair, they should not skip any of these characteristics (Beugre, 2002; Boyd and Kyle, 2004; Fortin, 2008).

In respect of performance appraisal, procedural justice is defined as “the fairness of the evaluation procedures used to determine the ratings” (Greenberg, 1986: p.340) which is underpinned by two theories; control theory, and the group-value model (Boyd and Kyle, 2004; Erdogan et al., 2001). In the control theory, Thibaut and Walker (1975) make it clear that individuals prefer to recognise the situation around them and to control things that happen to them. That means individuals want to be involved or to be part of the decision-making process, rather than have it controlled by the decision maker, or being passive (Erdogan et al., 2001).

As for the group-value model, Boyd and Kyle (2004) indicated that it is about being respected by other members and they said, “Individuals want to be respected and valued members of groups and individuals perceive higher procedural justice when they feel valued and accepted by group members” (p.253). That means individuals will perceive fairness if they believe that they are accepted by their group members. The findings of Douthitt and Aiello (2001) show that the various forms of control in both process and decision determine perceptions of fairness in appraisal systems. Therefore, procedural justice is an important and sensitive element in perceptions of fairness of appraisal system practices. Hence, Thurston and McNall (2010) noted that three specific procedures are shown importance in appraisal research “assigning raters, setting criteria and seeking appeals” (p.205).

Erdogan et al. (2001) in their study of procedural justice in the context of PA indicated two dimensional perspectives on procedural justice. One is system procedural justice, which they defined as “the perceived fairness of the procedures and policies of the performance evaluation process adopted by the system or organisation” (p.208). The second is rater procedural justice, which they defined as “the perceived fairness of the procedures that the rater uses to evaluate the ratee’s performance, regardless of the system’s formal procedures” (p208). Rater procedural justice differs from interactional justice, as it is about the extent of the subordinate’s perception of the degree to which supervisors or raters evaluate his/her performance in an objective and fair way. Greeberg (1986) indicated that fairness in appraisal systems and procedural justice are concerned with justice of the appraisal process. Byrne et al. (2012) strongly emphasised that how fair decisions are in practice influence fairness perceptions. As they said, “Fair decision-making practices increase compliance with authority because fair decisions enhance their legitimacy and convey respect and concern for others” (p.131).

Folger et al. (1992) developed the procedural justice model in respect to performance appraisal and identified three elements of the due process model (because this model allows employees to influence the process) and they emphasised that all these elements must be present to obtain high perceptions of fairness. These are; adequate notice, fair hearing, and judgment based on evidence;

3.2.2.1 Adequate notice

Folger et al. (1992) defined it as “due notice given via the publication, distribution, and explanation of standards for performance” (p.143). Organisations should publish and explain performance standards for their employees to increase their understanding and awareness. More specifically, organisations should develop appraisal goals or objectives and appraisal standards before the appraisal period commences. Those objectives and standards must be well documented and fully understood by subordinates Narcisse and

Harcourt (2008). Then they will understand they are responsible and accountable for obeying the rules of their organisation (Taylor et al., 1995). In this respect, Folger et al. (1992) said, "Employees should not be held accountable for their ignorance of performance standards unless sufficient efforts have been directed toward making these standards known and understood" (p.143). Nasser and Harcourt (2008) in this regard indicated that employees can only be held responsible for goals that are properly communicated to them. Folger and his colleagues emphasise that adequate explanation and proper understanding are required not only of what employees have to do, but also how and why.

Moreover, they insist that feedback should not only be given to employees in the PA process but should be given on a regular basis, since feedback has been found increase motivation and satisfaction (DeNisi and Kluger, 2000; Jawahar, 2010). Also they said, "It is possible that a poorly implemented feedback program could actually hurt, rather than help performance" (p.129). Jawahar (2006) said that from an individual point of view, feedback "satisfies a need for information about the extent to which personal goals are met" (p.213). According to Jawahar (2006) feedback is the primary purpose of formal performance appraisal. The raters should communicate with ratees prior to the appraisal session and inform them of the areas that need to be improved, to allow adequate notice for ratees to achieve a positive rating. That will contribute to the reaction and employees will react positively to PA. Keeping and Levy (2000) found that the perception of accuracy in appraisal is related to satisfaction with appraisal feedback.

Feedback about performance is defined by Aguinis et al. (2012) as "information about an employee's past behaviours with respect to established standards of employee behaviour and result" (p.105). They mentioned that managers share intuitive understanding about the role that feedback plays in improving individual performance,

but the problem lies in delivering feedback to employees effectively. They said, “Managers quite frequently provide feedback in a manner that is excessively focused on employees’ weaknesses” (p.106). Several studies conclude that when managers focus their feedback on employees’ weaknesses, this induces negative consequences such as employees’ dissatisfaction, and defensive reaction (Jawahar, 2010). Aguinis et al. (2012) said, “Negative feedback is also frequently perceived as being inaccurate, and unlikely to be accepted by the person receiving it” (p.106). In contrast, strength-based feedback increases employees’ satisfaction and perception of fairness (Jawahar, 2010). Aguinis et al. (2012) indicate that in giving feedback, supervisors should not only mention weaknesses, but also be involved with subordinates in forming developmental plans and help subordinates to improve their weaknesses. Also, they recommend that feedback should be accurate and specific and based on real information. Further they advised that supervisors should “avoid making general statements such as ‘Good job’” (p.109) because they said the lack of specificity will result in failure to get the message to the subordinate.

3.2.2.2 Fair Hearing

As Folger et al. (1992) indicate, a fair hearing in PA implies “informing the party of the tentative assessment of the facts.... and allowing the affected party to present his or her own version of the facts” (p.144). Therefore, employees should know how the process of appraisal has been conducted and how decisions have been made, and subordinates be allowed an opportunity to challenge the appraisal decision when they perceive it as unfair. Also Folger et al. (1992) said, “Employees should not only be told about the appraisal rating itself but also told how the rating was derived. Likewise, they should be allowed raise questions about an appraiser’s version of the facts and justification for the process”(p.145). Nassier and Harcourt (2008) stated that fair hearing in the context of performance appraisal means several things, such as giving subordinates a chance to

influence the rating decisions and provide evidence of their performance, ability of access to the rating decision, and ability to appeal against the evaluation. Erdogan et al., (2001) stated, “Employees must be allowed to present their explanations of certain events and provide input before the appraisal decision is made” (p.210). Landy et al. (1978) listed several points that must be met in order for appraisal to be perceived as fair by employees, one of which is ability to appeal rating decisions without negative impact on employees.

Other studies called “fair hearing” employee voice or employee participation in the appraisal process, for example Cawley et al. (1998), Levy and Williams (1998:2004) and Williams and Levy (2000). Cawley et al. (1998) said, “Allowing employee to participate in the appraisal process is associated with positive employee reaction toward the appraisal system” (p.616). They emphasised that voice can lead to positive reactions such as perceptions of fairness and satisfaction. In addition, they found that employee participation is strongly related to satisfaction with the appraisal system and indicated that participation is the key to reaction. Erdogan et al. (2001) stated that “employee participation in the appraisal process before the final decision is made is a critical determinant of fairness perception” (p.210). This supports previous findings that highlighted the importance of employees’ participations in the appraisal process in the perceptions of fairness (Greenberg 1986; Korsgaard and Roberson, 1995; ALhawamda, 2004 Tang and Sarsfield-Baldwin, 1996). Moreover, Campbell et al., (1998) indicated that increased chance of employees to participate in the process increases the acceptance of the system among employees.

DeConinck and Johnson (2009) stress that the main component of procedural justice is “voice” and they argued, “Allowing participants a voice in the proceeding can mitigate the outcome” (p.334).They emphasised that even when the outcomes meet with

dissatisfaction of those who participate, allowing them a voice in the process of reaching the decision can alleviate the dissatisfaction. The findings of Korsgaard and Roberson (1995) also support the effect of voice in perceiving procedural justice.

3.2.2.3 Judgement Based on Evidence

This is the third dimension of due process. Folger et al. (1992) indicated that “judgment on the basis of evidence presented, has its parallel in the role that PA assigns an appraiser as a decision maker” (p.145). This means the final decision should be free of bias, and made with judicial integrity, “including freedom from external pressure, personal corruption, and the more evident sources of bias” (p.146) Tayler et al. (1995) assert that this dimension emphasises that raters should apply appraisal standards consistently and fairly among all subordinates, and should not make their decision under any pressure, personal prejudice or corruption. Therefore this dimension has several aspects, such as rater bias, rater training and rater knowledge about employees’ job, raters’ honesty or transparency etc, which are needed in order to make a fair and accurate evaluation. As Prowse and Prowse (2009) stated, employees want to be confident that “judgments by appraisers are value-free from political agendas and personal objectives” (p.72). That means raters should devote their effort to making reasonable decisions based on employees’ actual performance. Also, the appraiser must explain and discuss with employees the process of decision-making itself.

Judgement based on evidence does not imply that the appraisal outcome will be more favourable to the employee. If an individual performs poorly, this requires fair action to be taken (Folger et al., 1992). As mentioned in the previous section, however, supervisors tend to avoid or have trouble with providing employees with negative feedback (Armstrong and Baron, 1998). Folger et al. (1992) indicated that when employees perform poorly, however, due process helps the supervisor. If the supervisor gathers evidence about employee performance and properly informs the employee of

the organisations expectations, then the supervisor will be more comfortable about the fairness of negative feedback.

Greenberg (1986) found that evaluations based on recorded information are more likely to be accepted than ones that are not. Leventhal et al. (1980) also emphasised the importance of recording information subordinates' performance. Narcisse and Harcourt (2008) indicated that ratings based on recorded notes appear to be unbiased and objective, whereas, when such evidence does not appear in the rating, evaluation would be seen as subjective. Bol (2011) emphasised that in order for managers or raters to make unbiased subjective evaluations, "managers need to invest time and effort in gathering information on employee performance" (p.1552). This means managers or raters must dedicate their time to observing and monitoring employees, as the lack of sufficient information gathered about subordinate performance leads to "centrality bias". In this respect Bol said, "Since the probability that an employee is extremely good or bad is statistically low, managers are likely to compress ratings when they possess incomplete information, as compression increases the probability that their estimation based on imperfect information is close to the true performance level" (p.1552). He went on to indicate that the lack of sufficient or complete information about subordinate performance also leads to "leniency bias", which happens when subordinates are dissatisfied with their evaluation. In this situation the subordinate will probably ask their rater to justify their rating, is time consuming. Erdogan et al. (2001) found that training raters increases the accuracy of evaluation. As Roberts (1998) argued, when raters are not trained properly, this raises many issues in performance appraisal, such as not providing good feedback, not being able to keep proper records etc.

The due process model has been tested by Taylor et al. (1998) and they found that employees appraised with the due process approach present positive perceptions such as

satisfaction with the system and high perception of fairness. Also, more recently, Erdogan et al. (2001) supported the due process model, as they found it produced high satisfaction and perception of fairness.

3.3.3 Interactional Justice

Interactional justice is the third dimension of justice. Bies (2001) indicates that this type of justice is about employees' concern for the quality of interpersonal treatment in the workplace. Cohen-Charash and Spector (2001) stated that interactional justice focuses on practice of the interpersonal side in the workplace, that is, special treatment relations and communication between supervisors and their employees. Cropanzano et al. (2007) said interactional justice refers to "how one person treats another" (p.38), while DeConinck and Johnson (2009) commented that interactional justice focuses on interpersonal treatment that employees receive from management.

According to Cropanzano et al. (2007), the core focus of interactional justice is the exchange between subordinate and supervisor. Suliman (2007) supports this argument and notes that the relationship between employee and manager or supervisor entails three sub-factors. First, fairness in the workplace has a great influence on the relationships between employees and their supervisor or employees with each other. He argued that when employees perceive fairness in the procedure and process, it is assumed to influence the relationship, because fairness has an impact on employees' behaviour and attitude. The second sub-factor is communication between supervisor and employee; Suliman emphasised that it is essential to develop communication between subordinate and supervisor, since it is assumed to have an impact on loyalty and performance. The third sub-factor is trust, which is an important element in work life. Trust plays a significant role in employee interaction and action.

Interactional justice has been classified by Greenberg (1993b) as a social form of justice with two dimensions, and he emphasised that these types are concerned about

sensitivity in dealing and information about decisions. Highly valid information reduces perceptions of unfairness and highly sensitive interpersonal treatment also reduces unfairness perception. He said, "Perceptions of fair treatment and outcomes depend not only on the level of one's outcomes, but also on the explanations given for those outcomes" (p.82). This argument has been supported by Colquitt et al. (2001), who named these dimensions interpersonal justice and informational justice. They stated that interpersonal justice reflects the degree to which employees are treated with respect, dignity and politeness by a third party or authorities. Thurstson and MacNall (2010) mention that interpersonal justice in the appraisal context "concerns fairness perceptions that related to the way the rater treats the person being evaluated" (p.205), while Greenberg (1986) provides evidence sensitivity that shown by the supervisor influences individuals' behaviour. Moreover, Erdogan (2002) states, "Performance appraisal requires substantial amounts of communication between raters and ratees" (p.558); therefore, employees during these communications expect dignity and respectful treatment from their raters.

In contrast, informational justice is about the explanation and justification provided to employees, meaning why outcomes are distributed in a certain way or why the procedure of the process is used in a certain way. Shaw et al. (2003) indicated that decisions that influence employees' interests demand some sort of explanation, and they define the explanation as "the act or process of making something clear or understandable" (p.445). This it about exposing the reason for, or the cause of, something unclear. The importance of explanation to perceptions of fairness of informational justice is also highlighted by Greenberg (1991), who said, "By enhancing the perceived fairness of formal summary evaluation, explanations may serve as a useful mechanism for generating adaptive discussions facilitating the acceptance of feedback leading to improved performance" (p.57). He found that the explanation of

rater decisions has consequences such as improved performance and enhanced fairness perceptions. He particularly noted that explanation is required in the cases of low evaluation, and reported “the extreme perceptions of unfairness that resulted when no explanations were forthcoming” (p.75). Fortin (2008) emphasised that communication should be clear and sufficient, since “clarity, adequacy and sincerity of communications regarding a decision are important antecedents of informational justice” (p.96). Shaw et al. (2003) in respect of the adequacy of the explanation, indicate that explanations should be reasonable, detailed and clear. As Robenson and Swerat (2006) indicated, explanations that are characterised as timely, reasonable and clear or specific, influence fairness perceptions.

However, problems occur from raters’ side, as Folger and Skarlicki (2001) argued. For example, when employees receive bad news or decisions, managers distance themselves from them and a result fail to provide them with adequate explanations. Moreover, Folger (1993), cited in Holbrook (2002) indicated that employees expect an explanation of any decision that may affect them, and appraisal decisions surely affect them, Holbrook added, “Explanations not only let employees know the basis for their performance rating, but also increase the chances that the evaluation process will be viewed as fair” (p.111). Greenberg (1991) suggests that raters present an explanation to their ratees even if the evaluation is positive. In line with this principle Sparr and Sonnentag (2008) indicated that informational justice refers to “the truthfulness and adequacy of explanation of the decision” (p.200). Bies and Shapiro (1987) indicated that explanation increases the chance that the procedures for determining decisions are viewed by recipients as fair; they found that an explanation led to a higher fairness perception in evaluation than no explanation. Folger (1993) offers a typology that distinguishes between external focus explanations and internal focus explanations. The external focus explanation denies responsibility for the decision; for example, the rater

says that the decision comes from top management. An internal focus explanation admits responsibility for the decision, but with reinterpretation of the action. For example, the rater may defend the decision by pointing to the record of employee performance since the start of the appraisal period. Folger (1993) highlighted the importance of explanation because of its ability to influence counterfactual thinking. Folger (1993), cited in Holbrook (2001) defined counterfactual thinking as “imaginable alternatives and involves mentally undoing a sequence of events to see if the end results might have differed with another alternative” (p.108). Both external and internal focused explanations block counterfactual thinking. Holbrook (2002) suggested that external focus explanations may be a signal that employee voice is inappropriate, which affects perceptions of fairness.

Informational justice in the performance appraisal context concerns perceptions of fairness, clarification of performance goals, objectives, standards and expectations, feedback that employees receive, and justification and explanations of decisions (Thurston and MacNall, 2010). Informational justice is socially rather than structurally determined. This means that information that the supervisor or rater provides to ratees it require sincere, logical explanations and honesty about all processes that determine the outcomes (Thurston and MacNall, 2010). Also, in a performance appraisal context, Bies (2001) indicated that it concerns the quality of interpersonal treatment between supervisors and their subordinates in the appraisal period. In this regard he identified four kinds of unsatisfactory treatment that affect employees’ feelings. First, “derogatory judgement” (p.102) which is about wrong judgements or decisions that supervisors take on their employees’ performance, such as when the supervisor is not dissatisfied with a task completed by the employee, even if the supervisor does not provide adequate resources to helps employees to achieve their assigned task. Second, “deception”, occurs when there is inconsistency in the supervisor’s words and actions, such as

promising to increase payment if the employee enhances his work performance, then when the employee does so, refusing to keep this promise. This makes employees withdraw their trust in their supervisor. Third, “invasion of privacy” (p.103) occurs when supervisors disclose their employees’ information to other people. Fourth, disrespect occurs when supervisors are abusive in their action towards their employees or disrespect them.

Greenberg (1991) indicated that when raters do not provide convincing explanation of decisions it may reduce the acceptance of the outcomes, and also leads to dissatisfaction with appraisal since it is perceived as unfair. He went on to say that an explanation that is believed by employees to be incomplete or biased also reduces the acceptance of outcomes. He concluded, “What is fair is what is explained and accepted as fair” (p.59). Bies and Shapiro (1987) indicated that raters or decision-makers provide explanations to manage employees’ perceptions. As Greenberg (1991) concluded, “Explanations may be thought of as marketing aids, verbal comments that facilitate efforts to manage impressions of fairness” (p.59), as his findings emphasised that the perceptions of ratings fairness depend on explanations. Interactional justice plays a significant role in perceptions of fairness of appraisal systems, as Vasset et al., (2010) said: “The quality of communication between supervisor and employees during PAs is important in ensuring perceptions of fairness” (p.31)

3.4 Applying Organisational Justice to Performance Appraisal

The first application of organisational justice to performance appraisal was by Greenberg (1986). He raised one research question: “What makes a performance evaluation be perceived as being fair?” (p.340). In his study he considered whether how the decision was made or what one received, or both, make an appraisal system seem fair. He found seven categories contribute to perceptions of fairness. His study did not consider interactional justice as a separate dimension but treated it as a social form of

procedural justice. His results indicated that five categories were related to procedural justice and the other two, to distributive justice. His findings supported the earlier findings of Landy et al. (1978; 1980) who indicated that when the appraisal system uses a certain condition correctly, employees are more likely to accept the system and believe their evaluation was fairly rated. Their findings indicated that there are conditions that help in perceptions of justice or fairness in the appraisal process, which include frequently appraising employees and providing them with feedback, supervisor familiarity with the performance level of the employee being appraised, giving employees chance to express their feelings during the appraisal session, helping subordinates to eliminate their weaknesses and goal setting for new performance.

A due process model was developed by Folger et al. (1992) who applied it to the concept of fairness in performance appraisal. Narcisse and Harcourt (2008) indicated that the due process model is a development of procedural justice theories. This model involves three essential factors: adequate notice, fair hearing and judgement based on evidence. These factors were discussed above in section 3.2. Subsequent research done by Taylor et al. (1995) emphasises that the due process model is consistent with procedural and interactional justice as they concluded from their findings that “due-process features, including elements of procedural and interactional justice, can increase employees’ sense of fairness about organizational processes” (p.518). Also their findings indicate that employees who are involved in due process evaluation of their performance display positive reactions and fairness perceptions. More recently criticism has been raised concerning the limitation of the due process model because due process is limited to structural determinants of appraisal, and does not consider the social aspect of appraisal, which is important in perceptions of fairness. Also the model ignores the fairness perceptions of the outcomes (Thurston and McNall, 2010).

The literature on organisational justice and its three dimensions provides a robust framework for improving and explaining fairness perceptions in performance appraisal. The root of organisational justice is deeply linked with social exchange theory (Thurston and McNall, 2010). Social exchange theory makes two assumptions regarding human attitudes and behaviour, which are: “social relationships are viewed as an exchange process in which people make contributions for which they expect certain outcomes; and individuals evaluate the fairness of these exchanges using information gained through social interactions” (Thurston and McNall, 2010: p.204). The suggestions of social justice theory, that fairness perceptions of social exchange occur when people feel that their contributions balance with their outcomes, refer to Adams’ (1965) equity theory, later known as the first dimension of organisational justice theory, “distributive justice”, because it is about allocation of outcomes. Subsequent studies explored that possibility that people may accept some unfair outcomes allocation if they perceive that the procedure that led to the allocation of those outcomes was fair (Leventhal, 1980). This view was later known as procedural justice. Hence, the Leventhal model shows two justice dimensions; distributive justice concerned with outcomes allocation and procedural justice, concerning the process used to determine the outcomes.

Bies and Moag (1986) introduced their dimensions of organisational justice, related to the quality of interactions at the workplace. They argued that interpersonal treatment is important in organisation processes in perceptions of fairness. Some disagreement exists among researchers in relation to this dimension, in terms of whether it is distinct from distributive and procedural justice or not. However, Cohen-Charash and Spector (2001) and Colquitt et al. (2001a) view the three dimensions as distinct. Roch and Shanock (2006) applied social exchange theory with all three dimensions of justice. They found that procedural and interactional justice are related to social relationships, with

procedural justice related to the process and procedures of the appraisal system, and interactional justice to supervisor treatment, while distributive justice is related to economic exchange relationships.

Literature shows several empirical tests and frameworks have been used. Holbrook (2002) said, “Comprehensive justice models and empirical tests have been aimed at designing fairer performance appraisal” (p.105). The above studies show the importance of justice dimensions for determining fairness in performance appraisal. Several studies of organisational justice focus on performance appraisal. Most of these studies focus on either distributive or procedural fairness or both (Colquitt et al., 2001; Erdogan et al., 2001; Greenberg, 1986). Most recent studies used the three dimensions of justice, which are distributive, procedural and interactional fairness perceptions in performance appraisal (Narcisse and Harcourt, 2008; Thurston and McNall, 2010). This study will use the three dimensions of justice as a framework to determine employees’ perceptions of fairness in performance appraisal, since Fortin (2008) said, “The organizational justice framework helps to investigate individuals’ experience of different aspects of their employment” (p.94).

Chapter Four: Methodology

4.1 Introduction

Just as distance can be covered with transport, research also requires to achieve its destination by using an appropriate methodology. The purpose of this research is to explore employees' perceptions of fairness. The research paradigm, approach and methods need to be fit for this purpose. As justice perceptions are subjective and individually constructed in people's minds, a huge volume of data needs to be collected, in order to gain deep insight and develop a holistic understanding of the complexity of this phenomenon. A qualitative approach is most suitable for this research, to seek holistic details and deep understanding.

Methodology is about the process and descriptions of how researchers carry out their research, considering all the steps that should be taken in order to achieve the research goal (Collis and Hussey, 2009). Therefore, this chapter explains the philosophical assumptions, research approach, and methods used to investigate employees' perceptions of fairness in the practice of their performance appraisal in SABIC. The chapter starts with a discussion of the philosophical basis of social science research, and research approaches, then the research strategy and data collection method. Sampling will be discussed and the procedures of collecting and analysing data will be documented in detail. Finally, reliability and validity or assessment of the research quality will be presented.

4.2 Research Paradigms

Many scholars have defined paradigms as "sets of beliefs". Guba and Lincoln (1994) stated that "a paradigm may be viewed as a set of basic beliefs that deals with ultimate or first principles. It represents a worldview that defines.... the nature of the world" (p.107). Denzin and Lincoln, (2011) defined it as a "basic set of beliefs that guide action" (p.91); they are used to explore what the appropriate technique would be for exploring

the world (Punch, 2006). The research paradigm shapes the whole research process, providing direction for the research path such as approaches and techniques or methods of data collection within a given philosophical setting or framework. Collis and Hussey (2009) said that a research paradigm is a “philosophical framework that guide how scientific research should be conducted” (p.55). There are two main paradigms in social science, positivism and interpretivism-phenomenological (Collis and Hussey, 2009; Punch, 2006).

The positivist paradigm is underpinned by a belief that reality is independent of us. Collis and Hussey (2009) defined the positivist paradigm as “a paradigm that originated in the natural sciences. It rests on the assumption that social reality is singular and objective, and is not affected by the act of investigating it” (p.56). The positivist paradigm emphasises that the reality can be explored by observation or experiment. The findings will be tested in order to find cause-effect relationships between study variables (Collis and Hussey, 2009; Creswell, 2007). Saunders et al. (2009) distinguish between fact and feeling. They stated that the positivist paradigm is concerned with fact. A positivist researcher relies on existing theories to produce hypotheses, then after data collection and analysis the hypotheses will be confirmed or rejected. From the above discussion, it is assumed that the social reality of phenomena can be measured; therefore, the positivist paradigm emphasises quantitative methods.

On the other hand, interpretivist-phenomenological inquiry developed from criticism of positivism. Researchers who criticise positivism argue that positivism focuses on measuring phenomena, whereas interpretivism focuses on exploring the complexity of social phenomena, by gaining interpretive understanding of the phenomena (Bryman and Bell, 2007; Collis and Hussey, 2009; Neuman, 2006). Interpretivism requires

researchers to grasp or understand subjective constructed meanings of social action (Bryman and Bell, 2007).

Collis and Hussey (2009) indicate that the interpretivist paradigm “rests on the assumption that social reality is in our mind and is subjective and multiple” (p.57). Therefore, interpretivism emphasises that an understanding of the social world can be gained through examination of the world in participants’ mind (Gummesson, 2003; Bryman and Bell, 2007; Bevir and Rhodes, 2001). Consequently, to understand social phenomena, it is necessary for the researcher to understand people’s beliefs that shape the phenomena, Creswell (1998) said that “phenomenological study describes the meaning of the lived experiences for several individuals about a concept or the phenomenon” (p.51). The researcher explores the structure of human experience. As Patton (2002) indicated, the phenomenological approach focuses on individuals’ experience and “how they perceive it, describe it, feel about it” (p.104). Often this type of research is conducted via a qualitative approach (Creswell, 2007).

There are philosophical assumptions involved in research that guide researchers’ view of the world, and underpin research methods and strategies (Marshall and Rossman, 2011; Creswell, 2007; Saunders et al., 2009). Creswell (2007) stated, “These philosophical assumptions consist of a stance toward the nature of reality (ontology), and how the researcher knows what she or he knows (epistemology)” (p.16). The terms epistemology and ontology used in research denote philosophical assumptions that allow researchers to examine how human beings gain knowledge of the world (Creswell, 2007). Ontology tries to answer, what is the nature of reality? (Creswell, 2009; Neuman, 2006). The ontological assumption of the positivist paradigm is that the social reality is objective and external to the researcher or independent, whereas in the interpretivist paradigm, “social reality is subjective because it is socially constructed. Therefore, each

person has his or her own sense of reality and there are multiple realities” (Collis and Hussey, 2009: p.59). On the other hand, epistemology is concerned with “what constitutes acceptable knowledge in a field of study” (Saunders et al., 2009: p.112). it seeks to answer “What is the relationship between the research and that being researched?” (Creswell, 2007: p.17). The epistemological assumption in the positivist paradigm is that phenomena that are measured and observed are regarded as knowledge, as researchers maintain independence and objectivity. On the other hand, the interpretive paradigm attempts to decrease or minimise the distance between the researcher and the phenomena being researched. That means the researcher gets closer to participants to understand their feelings and experience and to find out what they know about the phenomena (Bryman and Bell, 2007; Creswell, 2007; Guba and Lincoln, 1994; Neuman, 2006).

4.3 Justification for Adopting Interpretive Paradigm

The selection from different paradigms is guided by the research aim or what the research is trying to find out. As this research seeks to understand meaning, an interpretive paradigm was applied for this study. The reason for adopting the interpretive paradigm is the belief that the employees’ perceptions of fairness in their performance appraisal are generated from their interpretations of their appraisal experience. Therefore the research adopted the interpretive paradigm, assuming that, as Narcisse and Harcourt (2008) said, “The social world is mostly what individuals perceive it to be, and that reality is socially constructed as individuals attach meaning to their experiences” (p.1156). From the above, therefore, this approach is appropriate for this research because it provides deep insight into the phenomenon. Hence, the understanding of employees’ meaning and feelings about their perceptions of justice require the researcher to be close to individuals where they live and where their experience is generated in the work environment.

4.4 Researcher's Role in the Research

Qualitative research requires researchers to give honesty to their research by stating their own values and views about the researched topic. Researchers' values and beliefs contribute to shape the research directions and process. For this reason, it may be useful here to give some brief history about my academic study and experience. My first degree was in engineering, and I then studied for a Master degree in business and management. During this time, I developed an interest in HRM and Organisations Behaviour. The selection of this topic was based on my own interest in fairness, which led me to read the literature and find a gap in the study context. I originally planned to collect the data by mixed methods, but after some reading and studying a module on philosophical issues in business and management, I decided to adopt a purely qualitative approach, in order to explore employees' insights about their practice of PA. Moreover, I wanted to conduct research that would help management practice in Saudi Arabia as Saad (2002) indicated the management practice in Saudi Arabia suffers from both behavioural and structural problems. This research was designed to explore processes and practices of performance appraisal, as perceived fairness in performance appraisal helps to improve employees' skills, motivation and productivity. Also there is a lack of fairness research in the Middle East and Saudi Arabia particularly (Suliman, 2007). Moreover, there is a lack of empirical studies related to PA.

In relation to my own experience and its impact on this research, I had two years work experience in Saudi Arabia before I started my first degree. This was in two different organisations. From this limited experience and reviewing the literature on organisational justice and appraisal, I found many issues with the practice of performance appraisal, especially fairness related issues, that made me wonder why unfairness exists, in relation to how I conceptualised the fair practice in appraisal (discussed in the following paragraph). Moreover, lack of previous studies researching

fairness in performance appraisal also attracted me to conduct this research and reflect employees' experience of appraisal practice in Saudi Arabia.

It is important here to reflect my own values about the fairness in practice of performance appraisal. When I started to transcribe the interviews. I thought about codes, labels and themes, then in the analysis stage I gave them names; I was aware that these codes or names were based on my understandings and beliefs. These understandings and beliefs came from my own personal experience and reviewing of justice and appraisal literature. My own beliefs about fairness in the practice of performance appraisal are that managers should evaluate and reward employees based on their achievement or what they deserve, without bias or subjectivity and in a consistent manner. Fair appraisal involves setting goals and objectives for employees at the commencement of the appraisal period, and these objectives should be explained by the supervisor or manager. The latter should also provide regular feedback, discuss the appraisal with employees, allow employees to participate and raise their voice in their evaluation, sit with employees in a formal meeting. Employees should be allowed to appeal the rating result. Appraisers should apply appraisal standards accurately and consistently with no external pressure influencing ratings, treat employees with respect and dignity, and clearly explain and justify the rating result. In my view, these are widespread beliefs, since by nature people want to be treated with fairness. Therefore, these beliefs influenced the research process, as the practices and findings were sometimes slightly different.

In relation to ontological and epistemological positions, as a researcher I had a role to play, in which my values, feelings and thoughts were expressed in the research process Bryman and Bell, (2007) & Cresswell, (2007). Researchers who engage in research are active participants, throughout the research process, for example, from selection of the

research topic to drawing the conclusion. Therefore, during the interpretation of the data, while I sought the meaning from the texts by spending time with the data, however, during these times my own thoughts and views were inevitably involved. Bryman and Bell (2007) stated that value-free research is difficult to be achieved; all research in business is influenced by researchers' values. Thus I believe that the research values permeated the research. For instance, I adopted an interpretive position as I believe that social realities are individually constructed so meanings of fairness would differ among employees. As the nature of qualitative research is subjective, this type of research requires researchers to be honest in all stages of research (Saunders et al., 2009). As the relationship in interpretive approach between researcher and researched is subjective, thus, interpretations of the data or findings involve some sort of bias or subjectivity, as the results or findings in qualitative research are not independent or more objective as in the positivist or quantitative approach. Thus, subjectivity exists within the experience in the researcher's mind and influences the research process. As indicated above, the researcher's interests, desires and experience are involved in the process. Therefore there is no purely objective research; even quantitative research has some subjectivity, but less than in qualitative research. As our values shape our knowledge about the world, so subjectivity is involved in every research. My role as a researcher in this research was to interpret the subjective experience of participants to readers, to enable them to understand their meanings, This process involves subjectivity, related to the researcher's values and beliefs, as well as objectivity whereby the researcher tries to reflect what was happening by conveying participants' experiences. This section will reflect my own values, personal thoughts, and interests in relation to this research. Due to the nature of this study, such values without doubt influence this research and could be said to introduce bias, for instance, selection of this topic and selection of the case (SABIC).

My skills in qualitative research were limited. For example, I was aware at the outset of limited skills in interviewing and analysis of qualitative data. To develop these skills, from when I started this research in 2010, I was dedicated to developing these skills by taking modules such as The Research Interviews and Qualitative Research in Management and Business. I also attended seminars and workshops related to qualitative research. Moreover, I read extensively to familiarise myself with the reflections of previous researchers about interviewing and data analysis.

4.5 Research Approach

Research has two types of approach, deductive and inductive, which are attached to different research philosophies (Collis and Hussey, 2009; Ormerod, 2010). The deductive approach is concerned with theory testing, by starting with existing theory, producing hypotheses, then after the data analysis these hypotheses will be confirmed or rejected based on the findings. Collis and Hussey (2009) said, “Deductive research is a study in which a conceptual and theoretical structure is developed and then tested by empirical observation; thus, particular instances are deduced from general inferences” (p.8). Thus, in deductive research the researcher starts with theory then moves to the field to collect data then tried to test the theory through the findings. Ormerod (2010) indicated that this approach is used to examine relationships between universal theories and collected data, “by employing the hypothetico-deductive (H-D) method” (p.1209).

On the other hand, the inductive approach is about theory building Collis and Hussey (2009) said, “Inductive research is a study in which theory is developed from the observation of empirical reality; thus general inferences are induced from particular instances” (p.8). This approach emphasises that the researcher should get close to participants to understand their experience and feelings about the phenomena, Creswell (2009) indicated that researchers get into the participants’ setting in their collecting of the data to make interpretation of the meaning. Also in this approach theory develops

after data collection and analysis. The following table highlights the differences between the deductive and inductive approaches:

Table 2: Major differences between deductive and inductive approaches

| Deduction emphasises | Induction emphasises |
|--|---|
| <ul style="list-style-type: none"> • Scientific principles • Moving from theory to data • The need to explain causal relationships between variables • The collection of quantitative data • The application of controls to ensure validity of data • The operationalisation of concepts to ensure clarity of definition • A highly structured approach • Researcher independence of what is being researched • The necessity to select samples of sufficient size in order to generalize conclusions | <ul style="list-style-type: none"> • Gaining an understanding of the meanings humans attach to events • A close understanding of the research context • The collection of qualitative data • A more flexible structure to permit changes of research emphasis as the research progresses • A realisation that the researcher is part of research process • Less concern with the need to generalise |

Sources: Saunders et al. (2009: 127).

The table above shows that the inductive approach aims to gain understanding of the meaning, which is appropriate for this research, as it aims to understand employees' perceptions of fairness about their appraisal practices. Therefore this research takes an inductive research.

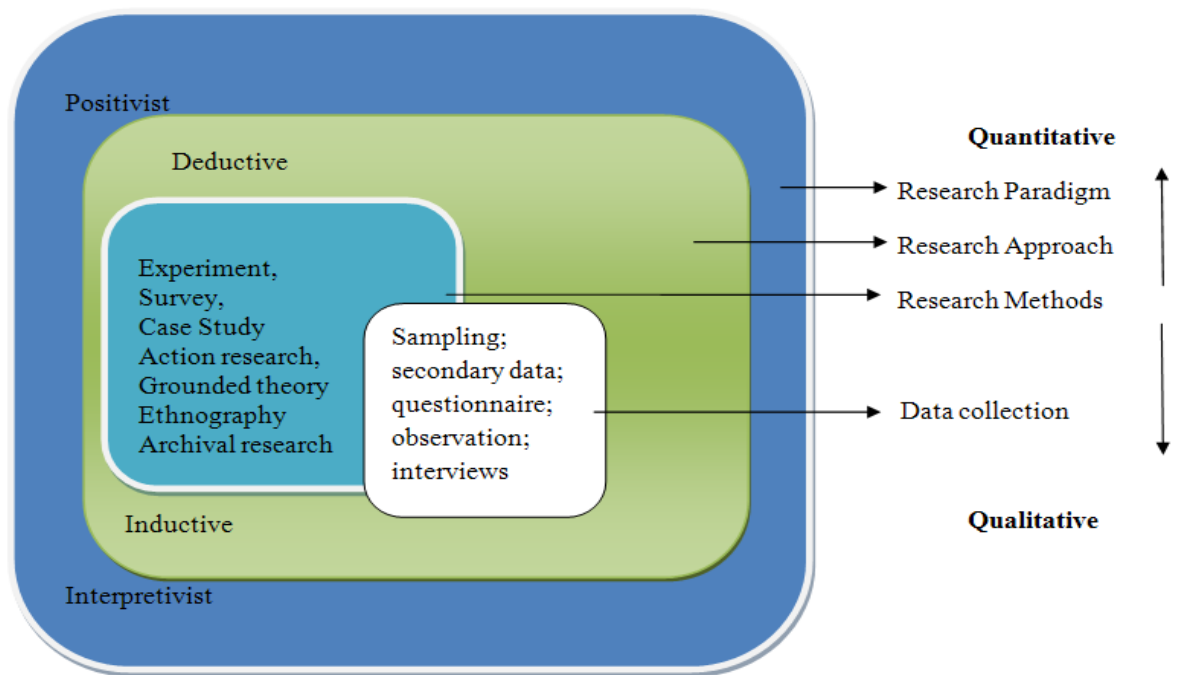


Figure 1: Holistic view of research process

Source: Saunders, et al (2009)

Figure 1 illustrates that the positivist paradigm adopts a quantitative and deductive approach to test a theory or hypothesis, whereas the interpretivist uses a qualitative and inductive approach in order to understand human behaviour. As a result, many scholars refer to the positivist paradigm as quantitative and the interpretivist as qualitative.

Therefore, the difference between the quantitative and qualitative approaches is fundamentally based on their ontology, epistemology, and methodology. In quantitative research, social and human behaviour is explained through objective measures and the data analysed statistically. Therefore, this method is based on the positivist paradigm, which believes reality is “over there” and the social reality or facts are objective and independent from the researcher (Neuman, 2006). The epistemology of in positivism treats the social world as natural, as the positivist stand is objective. Methodology in the quantitative approach contains a deductive relationship between theory and research. On the other hand, qualitative research or methods are based on the phenomenological perspective, which views the world as socially constructed by individuals. Phenomenology focuses on individuals’ experience, how they feel it, describe it and

perceive it (Patton, 2002). It is interpretive, allowing researchers to capture meaning from individuals. It is designed to help researchers understand the cultural and social context in which people live (Silverman, 2005), and communicate to the audience to allow them to understand the situation as living actor. Therefore, this method requires researchers to inductively immerse themselves in the reality to understand the phenomena. Denzin and Lincoln (2011) defined qualitative research as “a situated activity that locates the observer in the world” (p.3). Another definition provided by Creswell (2009) views qualitative research as “a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem” (p.4). They said that qualitative research involves an interpretive, naturalistic approach. Therefore, researchers who use this approach study things in their natural setting. This is because researchers seek to make interpretations or sense of the phenomena. Silverman (2005) stated that qualitative researchers believe that this approach can capture more understanding about situation, and is meaningful, than quantitative research. However, as its data is soft, compared with the hard data of quantitative research, it is inherently subjective, which makes research credibility open to any criticism. To gain deep insight, collect rich data, and develop understanding of employees’ perceptions of fairness or justice, qualitative methods are more appropriate.

4.6 Research Strategy

Research strategy is a significant part of each research that provides structure and pulls all the parts of the research together, (Trochim, 2007). As this research is a qualitative research, there are several qualitative research strategies available, such as case study, grounded theory, action research, ethnography, and narrative research (Creswell, 2009; Patton, 2002). The most important point in choosing one of these strategies is an appropriate fit to the research purposes, meaning that research questions and objectives guide researchers in selecting their strategy. Also the nature of the research, and time

are important to be considered, and the philosophical assumptions that underpin the research; the research strategy should be clear and precise about the role that should be followed by researchers. Collis and Heussy (2009) emphasised that research strategy should be properly developed to ensure that research meets its objectives. Research strategy is presented by Cresswell (2009) as a part of research design.

Of the strategies listed above, most are inappropriate to fit this research purpose, except for case study, which is considered as the most appropriate to fit the research aim; Appendix A shows a comparison between grounded theory, ethnography and case study, which shows that case study is appropriate in its focus discipline, data collection and data analysis. Therefore, this research used a case study to address the statement of the problem and answer the research questions. Collis and Hussey (2009) indicated that case study is “a methodology that is used to explore a single phenomenon (the case) in a natural setting using a variety of methods to obtain in-depth knowledge” (p.82). Yin (2009) defined case study as “an empirical inquiry that investigates a contemporary phenomenon with its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (p.17).

Stake (2003) indicated that case study is widely used in qualitative research, because of its epistemological position that what can be learned and understood from the case optimises understanding of the phenomenon in question. There are several reasons for adopting case study, first, because case study offers a rich and holistic understanding which is required in this research, to find out how far employees’ perceive fairness in their performance appraisal. The purpose of using case study according to Patton (2002) is to “gather comprehensive, systematic and in-depth information’ about a phenomenon” (p.447). Yin (2009) recommended using case study to answer ‘how’ and ‘why’ questions. Second, case study is one of the primary research strategies, as well as

suitable for the interpretive paradigm. Third, case study is also appropriate with inductive research. Finally, case study is also suitable when the researcher requires inductively to explore, explain or describe the phenomenon in its real life context, to develop or add to theory in the area of the research. Therefore, qualitative case study is appropriate for this research because it seeks to determine how dimensions of justice which are distributive, procedural and interactional are related to employees' feelings and experiences about performance appraisal in a particular context. Hence this study focused on a single case, SABIC.

4.7 Data Collection Method

In consideration of the above, as the interpretive paradigm, qualitative methodology, and case study strategy have been selected, in this section the technique that would be appropriate for collecting qualitative data will be determined. Yin (2009) indicated that case study evidence comes from six sources, which are “document, archival record, interviews, direct observation, participant-observation, and physical artifacts” (p.98). As explained above, the aim of this study was to gain meaning from individuals, that is constructed in their minds. Therefore, the only possible way to get the meaning is by interactions with individuals. Silverman (2011), stated that the reality of the social world can be gained and obtained from interview, “because the interview is obviously and exclusively an interaction between the interviewer and interview subject in which both participants create and construct narrative versions of the social world” (p.132). Indeed, Stake (1995) stated that qualitative researchers attempt to explore and discover multiple views of the case; therefore, he said, “The interview is the main road to multiple realities” (p.64). In the next section the interview will be discussed.

4.7.1 Interview

Interview involves the interviewer asking questions for a particular purpose and seeking to receive an answer or response from interviewees (Collis and Hussey, 2009; Gillham,

2000; Patton, 2002). Interview is defined by Hussey and Hussey (1997) as “a method of collecting data in which selected participants are asked questions in order to find out what they do, think or feel” (p.156). Arksey and Knight (1999) said that interview is a conversation between people, whereas Denscombe (2007) argued, “Interviews are actually something more than just a conversation. Interviews involve a set of assumptions and understandings about the situation which are not normally associated with a casual conversation” (p.173).

Social science widely uses interview (Robson, 2002). This research used the interview method for data collection, because interview is considered as one of the primary methods of data collection in qualitative research, and a robust instrument for the study of human beings (Stake, 1995; Collis and Hussey, 2009; Denscombe, 2007; Creswell, 2007; Patton, 2002). Also Collis and Hussey (2009) emphasised that the interview is a powerful data collection method that allows researchers to achieve their target by collecting important data. It helps to collect reliable and valuable data relating to research objectives. The interview allows researchers to go below the surface, and allows respondents to provide explanations for their viewpoint. Moreover, a technique of asking people about what is going on through interviewing them is a short cut to answer research questions (Robson, 2002). Cues that may be produced from interviewees during interview may give a message that aids in understanding verbal answers.

There are three types of interviews, structured, semi-structured and unstructured interviews (Robson, 2002). Structured interview is also called closed question or standardized interview, Denscombe (2007) mentioned that this type of interview emphasises tight control over interview format, such as questions used fixed words. In this type, interviewees are given the same questions and the interviewer should to ask

them in the same order as scheduled. This type is called fixed choice because respondents are required to answers from a fixed range of answers. Also the interviewers should used the same prompt words and tone of voice with each respondent (Alston and Bowles, 2003). Cunliffe (2010) mentioned that structured interview is often associated with objective ontology and positivist epistemology, where it is used to discover fact, and often data is analysed statistically. Therefore, in view of the purpose of this study explained above, this type was inappropriate.

Unstructured interview, also called in-depth interview, is the opposite of structured interview, with very general questions asked to interviewees, who are free to talk and direct their answers. In this type the interviewer has a general area of concern and interest, then the conversation between interviewer and interviewee develops within this area (Robson, 2002). Hesse-Biber and Leavy (2006) define it as “a particular kind of conversation between the researcher and the interviewee that requires active asking and listening” (p.119). Saunders et al. (2009) noted that this type of interview is informal, using unstructured questions in order to explore in-depth information and understanding about the research interest. Because the investigation of the target phenomenon in this research required focus on specific issues and questions, this type was inappropriate for this study and so was not be used.

Flick (1998) stated, “The object under study is the determining factor for choosing a method and not the other way around” (p.5). Therefore, the study employed semi-structured interview as it was the appropriate method to fit the research purpose, because it starts with a predetermined set of questions used to guide the interview. According to Patton (2002) this types employs an interview guide or topic approach, and uses open-ended and probe questions to allow participants to express their feelings and experience. Patton (2002) indicated that “the open-ended responses permit one to

understand the world as seen by respondents” (p.21). Also Alston and Bowles (2003) stressed the strength and benefit of this technique and its aims to “see the world from the eyes of the respondent as much as possible to explore with them their thoughts and feelings and to thoroughly understand their point of view” (p.118). The use of this method gave participants opportunities to articulate their feelings and fairness perceptions about performance appraisal practice in SABIC. Cunliffe (2010) indicated that in subjective ontology and Interpretivist epistemology, semi-structured interview is used to “explore different meanings, perceptions, and interpretations of organisational members” (p.13). The advantage of this kind of interview is its ability to investigate complex situations by allowing participants to reveal their beliefs and feelings about their experience. Another advantage is its flexibility in asking questions, as by asking probe questions, the researcher or interviewer can get more information.

4.8 Sampling

Sampling in qualitative research can involve various strategies, but the concern of qualitative researchers is generally agreed, as Neuman (2006) indicated: “The primary purpose of sampling is to collect specific cases, events or actions that can clarify and deepen understanding” (p.213). According to Neuman (2006) and Bryman and Bell (2007) qualitative researchers tend to use a non probability sampling strategy. Neuman (2006) said, “Purposive sampling occurs when a researcher wants to identify particular types of cases for in-depth investigation.....to gain a deeper understanding of types” (p.222). This was the case in this research as respondents were required to have experience of SABIC’s PA process.

The criterion for this research was to select respondents who had worked in the organisation for five years and more, and at employees level, not supervisors or managers, meaning employees who were evaluated by their manager and not doing any evaluation of anyone else. It was assumed that such individuals would possess rich

information about the practice of performance appraisal. The understanding of the factors that shape employees' perceptions of fairness about their performance appraisal can be obtained from employees who participate in the appraisal process. The experience criterion was set to make sure that the employees possessed sufficient knowledge about the actual practice, to ensure the reliability of the data. A purposive sampling strategy suited the purpose of this study as it involved selecting respondents who were able to provide information and answers that met the demand of the research questions, and based on the criteria, it is believed that the selected sample could provide sufficient and reliable information the help in understanding the phenomenon.

The population of this research is Saudi Basic Industrial Corporation (SABIC). More details about the context of the study can be found in Chapter One, section 1.6. SABIC was selected because it is recognised as a successful company in the region, as it the largest petrochemical company in the Middle East and sixth largest petrochemical company in the world, and has a high reputation for successful. Jobs in the organisation are classified on six levels; Level one, Vice president, level two General Manager, Level three section head, or supervisor, levels five and six are employees who are evaluated and do not evaluate anyone else. Therefore, the target sample were level five and six employees.

Literature on sample size in qualitative research avoids specifying the appropriate number of interviewees needed to fulfil the study aims. The number of respondents in qualitative research depends on many factors, such as what the researcher wants to know, the purpose of the research and what can be done with available time and resources (Marshall and Rossman, 2011; Silverman, 2005; Creswell, 2007; Patton, 2002; Saunders et al., 2009). Also Patton (2002) said, "There are no rules for sample size in qualitative inquiry" (p.244).

Qualitative methodologists also suggest that researchers should carry out interviewing until they reach saturation or no more new information can be obtained from more interviewees (Creswell, 2007). However, Perry, (1998) discussed the appropriate number of interviews for a PhD thesis and stated, “Our experience and anecdotal evidence suggests that a PhD thesis requires about 35 to 50 interviews” (p.794). SABIC company is the primary unit of analysis. The headquarters of SABIC has seven central units, which are finance, resource and technology, shared services, human resource, strategic planning, public relations, and legal and auditing. Based on the above criteria of this research in sampling, the company provided the researcher with a list of all employees who satisfied these criteria, and the researcher selected respondents randomly from the list. Six employees were selected from each units, then two further employees were added to make sure that no more information could be gained from respondents. All participants were men, because the employees in the company were only men; when a list of employees who satisfied the research criteria was provided to the researcher, all those on the list were men. Please refer to section 2.5 for more details about the influence of Islamic and cultural values in HRM.

4.9 Data Collection Procedure

Data of this study were collected from one source, face to face interviews with SABICs’ employees. The interviewer used probes to ensure he understood the situations clearly and to give respondents chance to articulate their perceptions. The interviewees were 44 employees and interviews were conducted with 43 employees on-site and with one respondent off-site at his request, so he could express his feelings freely. Following previous sections about the justification and clarification of the research design, the following sections will explain the actual design of the interview and data collection.

4.9.1 Structure of the Semi-structured Interview

The interview has to fit the research purpose. As the research explored employees' experience and feelings about fairness in the practice of their performance appraisal, the main questions of the semi-structured interview were accompanied by probes and prompts to guide the flow of the conversations and help in clarifying interviewees' answers (see Appendix B for a copy of the interview). Gillham (2000) indicated that interview questions need to be separated or distinct from each other, which means each question should deal with part of the facets of the research topic.

The schedule of the interview questions was developed from issues identified in previous studies, from the framework of the study and also from a pilot test. The interview questions started with open questions about performance appraisal in order to create a more comfortable, atmosphere. In other words, interviewees were first asked about performance appraisal generally, such as its concept and usage of appraisal in their company. These questions led employees to reveal their perceptions about the process. The interview included nine sections, with an introduction and conclusion. The following is an explanation about these sections;

At the beginning, the introduction section started by thanking the participant for his time, and letting him know that the interview would not take more than an hour, then asking him for permission to record the interview, with the assurance that his answers would be anonymous and treated with strict confidence. It was confirmed to participants that the data would only be used for academic research, and finally it was explained to respondents that the interview would be about the practice of appraisal in their company and their perceptions about this practice.

Sections One: This was about the respondents' background, including their position, qualification , and number of years working in SABIC.

Section Two: was about the concept of performance appraisal. It asked respondents to explain the appraisal concept as they understood it, and how they understood the sense of performance appraisal.

Section Three: In this section respondents were asked about the purposes for which their company used performance appraisal, such as to develop employees, identify weaknesses, enhance performance, distribute rewards etc.

Section Four: was about the process and practice of performance appraisal in their company, including their knowledge of the process and decisions, the accuracy of the process, and their ability to participate in the appraisal session or decisions.

Section Five: was about the feedback that raters provide to ratees, such as the frequency and regularity of feedback, sufficient of the information provided, identifying weaknesses, raters' knowledge about the ratees' jobs, and the ability of employees to appeal raters' decisions.

Section Six: was about clarification of employees' expectation, and explanation of appraisal objectives and appraisal standards.

Section Seven: was about fairness of performance appraisal, including some elements related to distributive, procedural and interactional justice, and satisfaction with the appraisal process.

Section Eight: This section was about cultural factors that influence the practice of performance appraisal.

Section Nine: The last section was about satisfaction with supervision, and about the support and guidance that employees receive from their supervisors.

At the end of the interview schedule there was a conclusion section in which the participant was thanked for his time and information and asked if he felt there was anything related to the subject uncovered by the interview that he wished to add, and informed that if there was a gap in the collected data, it might be necessary to ask for a follow-up interview.

4.9.2 Interview Translation

The interviews were conducted in Saudi Arabia, where Arabic is the native language. Therefore, the interviews had to be translated. Marshall and Rossman (2011) stated, "Translation is the transfer of meaning from a source language...to a target language" (p.165). In this process, the translator has to be careful to generate a meaningful version from the source language. Back translation was used for the interview schedule, in which as Newman (2006) stated, "Written material is translated into a second language, translated back to the original language by a different translator, then the original writing and the translated versions are compared" (p445). The interview questions were translated by the researcher and given to a PhD student at the University of Hull, Education department, who had experience in translating the Saudi Curriculum. A few corrections were made in the translated version, then the translated version was given to a translator who translated it back to the original language. Comparison and a few corrections were made by the researcher. Then the translation was given to two other translators for checking, after which the pilot test was conducted. The next section will explain the pilot test procedures.

4.9.3. Interview Pilot

The literature defines a pilot study as "a small-scale version of the real thing" (Robson, 2000,p.185). It emphasises the importance of piloting interviews, to improve the interview schedule, as it helps the researcher in many ways, for example to improve the interview questions, to help researchers arrange interview time, and to help researchers

avoid mistakes during interview sessions (Gillham, 2000). Also it helps researchers to make the actual interview more focus. As Marshall and Rossman (2011) said, “ Pilot interviews help in understanding oneself as a researcher... also help researcher find ways to eliminate barriers” (p.96). Gillham (2000) emphasised the importance of the piloting as he said it is a “dress rehearsal” (p.55). Pilot interviews help researchers detect unclear and ambiguous questions, and difficult questions that respondents cannot understand (Saunders et al. 2009).

Three different stages were used in piloting the interview after the research supervisor checked it and provided helpful comments. First, a few copies were distributed to PhD students at Hull Business School, who had finished their data collection stage, and they were asked to provide feedback on the schedule. This was done only with students who had done their fieldwork because the researcher wished to benefit from their experience. The second stage involved three Saudi people at Hull. Two of them had worked at SABIC, one of them had just retired from the company with 28 years experience, and one was studying at Hull Business School with twelve years experience at SABIC, these two pilot interviews were useful in adjusting some of the questions. The third interviewee had worked in the private sector for ten years. These three pilots helped the researcher to ensure that the interview schedule was clear and all questions were understandable, and most important, that they covered the research aims and questions. The last stage was conducted with two employees in the field three days before the actual interviews started. This was beneficial for final preparation, such as making sure that the schedule was clear for them, checking the length of questions and the time of each interview. The first interview took an hour and ten minutes, and the researcher received one comment, about the length of the interview schedule. The second interview was for almost an hour and no comments were received. Moreover, the researcher did

not take for granted that all the questions were clear for all participants and was prepared for any comments or questions in all the interviews.

4.9.4 Actual Interview Sessions

The actual interviews were conducted in SABIC headquarters as indicated above, from 11 June 2011 to 05 Sep 2011. Previously, an access permission letter was obtained from SABIC management confirming that they agreed access for conducting the interviews in their company (see Appendix C). The access letter and an official letter from the University of Hull indicating that the researcher was collecting data at SABIC (Appendix D) were presented by the researcher when he went to the company.

At the beginning of each interview, the researcher introduced himself and briefly explained about the interview. He assured participants that their information would be anonymous, and the information would be used for academic research purposes Bell (2010). Many researchers emphasised the importance and significance of recording respondents' words in qualitative interviews for (Flick, 1998; Patton, 2002). Bell (2010) also emphasised that the researchers should inform respondents about the purpose of the recording and then ask permission. All interviewees refused digital recording. Some of them said, "If you record, the information will be different", meaning that they would not provide accurate information. They explained that they considered the research subject as sensitive for them. Therefore, the researcher documented their answers in separate memos. Bell (2010) recommended that if use of a recorder is refused by interviewees, researchers should do their utmost to write what they remember. In this research, the researcher typed what the interviewee said in answering each question. Also, after each interview, notes were made. There are advantages and disadvantages of note taking. The advantages are that the researcher can avoid writing data that are not necessarily related to his topic. Problems caused by fault in the recording device are also avoided. Disadvantages are that it can lose important information, and if the

interviewer has his head down while writing, he may miss clues and gestures that would aid understanding.

In all, 44 respondents participated in this study. Whereas the initial target was 42, two more interviews were conducted, as explained above, to make sure that saturation had been reached and that no more new information emerged. All interviews were conducted in respondents' offices, except two. One was held in a reserved meeting room because the participant shared an office and the respondent preferred to talk freely. Another respondent whose office was similar to the above asked me to meet him in the evening, outside the company, so he could talk freely. Most of the interviewees were pleased about this subject and they talked freely about their own experiences. All respondents declined to review their answers with the researcher, indicating that they were comfortable with the information they had provided during the interview.

4.10 Data Analysis

The process of analysing qualitative data involves immersion in the collected data. That process comes through identifying and interpreting the feelings and experiences of the research participants. It is a process of discovery in which the researcher remains close to the data and so gains more understanding of the research issues. When the researcher is immersed in the data, it will enable him/her to identify and recognise the unique perspectives and perceptions of participants and to understand the cultural and social meanings attached to participants' behaviour (Hennink et al., 2011).

The analysis of qualitative data is explained in a variety of ways in the literature. Boeije (2009) stated, "Data analysis is the process of systematically searching and arranging the interview transcripts, field notes and other materials that you accumulate to increase your own understanding of them and to able you to present what you have discovered to others. Analysis involves working with data, organizing them, breaking them into

manageable units, synthesizing them, searching for patterns, discovering what is important and what is to be learned, and deciding what you will tell others” (p.76). Therefore, qualitative data analysis refers to interpretation of human experience, which requires the researcher to uncover personal, cultural, and social meanings that underlie participants’ attitudes and behaviour.

With regard to the analysis process for qualitative data there is no fixed linear approach to data analysis (Creswell, 2007). However, Creswell (2007) said the analysis of qualitative data falls into three I’s: “insight, intuition and impression” (p. 150). The first step of the analysis is “data management”. The researcher starts by organising the data in files and folders. As well as organising data, researchers start to convert the data into appropriate text units, such as words and sentences etc. Patton (1980) cited by Creswell (2007) said, “The data generated by qualitative methods are voluminous. I have found no way of preparing students for the sheer massive volumes of information with which they found themselves confronted when data collection has ended. Sitting down to make sense out of pages of interviews and whole files of field notes can be overwhelming” (p.150).

Following the process of organising data, researchers continue the analysis by reading the data over and over to get a sense of the data. Agar (1980) cited in Creswell (2007) suggested that the researcher “... read the transcripts in their entirety several times. Immerse yourself in the details, trying to get sense of the interview as a whole before breaking it into parts” (p.150). During reading of the data, researchers may write memos in the margins of the transcripts. This helps in the initial process of exploring and gaining more understanding of the database. Memos are in the form of short phrases such as key concepts or ideas (Creswell, 2007).

Then from the reading and memoing process, researchers will move to the phase of classifying and interpreting. In this process, researchers will start to code and categorise data, describing it in details and developing dimensions or themes and providing interpretations. At this stage Creswell (2007) said, “Authors employ descriptive details, classification, or interpretation or some combination of these analysis procedures” (p.151). During this stage the researcher engages in the interpretation of the data, which involves making sense of the data. In this study the interpretation was in the form of individual insights about the practice and perception of justice in the process of performance appraisal. In the final step the researcher presents the data to readers.

Other authors, such as Saunders et al. (2009), indicated that although that there is no standardised procedure for analysis of qualitative data, it is still possible to group the process into three main aspects:

- Summarising of meaning;
- Categorisation of meaning;
- Structuring of meaning

Marshall and Rossman (2011) presented the analysis procedure in more details and they indicated that the procedure of qualitative data analysis falls into seven phases:

- (1) Organise data
- (2) Immersion in the data
- (3) Generate categories and themes
- (4) Code the data
- (5) Offer interpretation through analytic memo
- (6) Searching for alternative understanding
- (7) Write report or presentation of the study

Each of the above phases initially follows data reduction and interpretation, which is about bringing insight and meaning to the words and acts of the participants. The acts of interpretation remain mysterious in qualitative analysis, because the process involves bringing meaning to raw data and displaying it to readers in a written report. As Patton

(2002) said, “Qualitative analysis transforms data into findings. No formula exists for that transformation” (p.432).

In this study, all interviews were considered in Arabic. the interviews were transcribed by the researcher to ensure accuracy, transcriptions (in Arabic) were done after each interview, then after the transcriptions the researcher translated all the data into English, to ensure that the meaning was still the same between original language and second language. For clarification, as an example, rater, or ‘*Moqim*’ has two meanings; one is “the person who evaluates employees’ performance”, the other one means “resident” and there are many other words that pose similar problems. For this reason, the researcher performed the translations, then both Arabic and English versions were given to two translators to check. After their return from the translators, the researcher checked them one by one to ensure accuracy. Although the process of transcription and translation of transcripts was tedious, it helped the researcher in analysis, to understand important themes. The process took approximately three months.

In this research the process started by organising the data, as the researcher spent some time in reading and organising the collected data, by reading the Arabic version and reviewing it with the English version, interview by interview. Then researcher read and reread the English version and wrote key points in the margins. This process allowed the researcher to be immersed in the data, to make sense of the data and become conversant with its themes. Also he reviewed notes taken of respondents’ actions during the interview, such as when respondents used a particular expression or gesture while telling their experience. During this process, the researcher coded the data by giving labels to key words in text or meaning that employees expressed for perceiving fairness or unfairness in appraisal practice. After the understanding of the data, the researcher began to summarise and reduce the data. In this step, sentences that were not related to

the subject were excluded (please note, as the data were collected through note taking and no recording was involved, the researcher only wrote the answers related to the research topic. Nevertheless, it was found some information was not related and was excluded). After reduction and summarising the data, the important step in data reduction is coding and classification of the text into different patterns or themes (note; the research questions were kept in mind during the coding process). From coding the researcher started to look for the closest relation in meaning and generate themes then subthemes were generated on the basis of amounts of codes related to theme that needed to be highlighted. For example the cultural factor contained twelve sub-factors coded from the data. These factors were grouped into four subthemes, whereby social factors were grouped together and manager factors similarly.

After themes and subthemes were identified, then these themes were grouped into categories to make the whole picture more clear. These categories were generated from the flow of the themes. For example, category one was about the process of performance appraisal; all themes that discussed the appraisal process were put under this category, As Patton (2002) describes it, the process of inductive analysis involves “discovering patterns, themes and categories in one’s data”(p.453). Marshall and Rossman (2011) stated that “the analytic process demands a heightened awareness of the data, a focused attention to those data, and an openness to the subtle, tacit undercurrents of social life. Identifying salient themes, recurring ideas or language, and patterns of belief that link people and settings together is the most intellectually challenging phase of the data analysis—one that integrated the entire endeavour” (p.214). Therefore, the technique used for the study analysis was thematic analysis, which helped to investigate SABIC’s employees’ perceptions of fairness in the practice of their performance appraisal. This was articulated by quotation from the interview

transcripts, which represented the employees' voice about their lived experiences and feelings.

After all the above procedures came the process of interpretation of what had been found. Patterns that were found linked with the research questions were interpreted for meaning and to build and to confirm theory. Patton (2002) said, "Interpretation means attaching significance to what was found, making sense of the findings, offering explanation, drawing conclusions, extrapolating lessons, making inferences, considering meanings, and otherwise imposing order" (p.480). Newman (2006) indicated that the interpretation of qualitative research is by giving understandable meaning to data, a process that involves creating a meaning to data from respondents' point of view, then how respondents view the world from their interpretations, and how they define these perceptions or situations, and the meaning of the lived situation to them.

4.11 Reliability and Validity

Validity and reliability are traditionally associated with quantitative research (Newman, 2006), as these concepts were initially created from the quantitative tradition, while in the qualitative approach, studies are concerned about the quality of the research and qualitative researchers rarely use these terms. Patton (2002) emphasised that qualitative researchers should pay more attention to these two factors while designing and analysing their data in order to judge the quality of qualitative research.

Reliability in qualitative research suggests that when another research is conducted under very similar or identical conditions, the same result will be found (Newman, 2006). Reliability means dependability or consistency (Lincoln and Guba, 1994; Newman, 2006). Cresswell (2009) indicated that in qualitative reliability, "the researcher's approach is consistent across different research and different projects" (p.190). This

research was concerned with perceptions of employees toward their practice of performance appraisal, and the appraisal practice may not be expected to be static. However, some other authors on qualitative research provide criteria for assessing reliability in such research; for example Guba and Lincoln (1994) and Collis and Hussey (2009) propose the criterion of trustworthiness, which consists of dependability and confirmability, to assess the quality of qualitative research. Collis and Hussey (2009) stated that dependability is concerned with whether processes are “systematic, rigorous and well documented” (p.182). Confirmability is concerned with whether the research process is fully described. Seale (1999) indicated that trustworthiness is as significant in the quality of qualitative studies and is like reliability and validity, as it represents the idea of discovering truth.

The validity of qualitative research means truthfulness, according to Neuman (2006). However, he indicated that qualitative researchers are more concerned about authenticity than “truth”, meaning the honest, fair and accurate reporting of findings that represent the real situation from the viewpoint of the people concerned. Cresswell (2009) indicated that qualitative validity means, “the researcher checks for the accuracy of the findings by employing certain procedures” (p.190). Lincoln et al. (2011), in discussing the validity of qualitative research indicate that the question, “Are these findings sufficiently authentic?” (p.120) has to be answered. They indicate that the findings must give a trustworthy account of how others construct the world.

Based on the above, it is important for this research to establish for the reader or research audience the trustworthiness of the results of this study, obtained by making sense and understanding of the constructed realities of SABIC employees’ experience and interpreting their perceptions of the practice of their performance appraisal. Their

interpretations of appraisal practice, evolved from the actual practice in their company, are vital to provide valid, trustworthy empirical results from SABIC.

On the other hand, in qualitative research trustworthiness also increases reliability which is about minimizing bias. This deals with the reputability and consistency of the research results, in exploring the feelings and lived experience of SABICs' employees with regard to their appraisal practice. These were considered by the researcher when dealing with issues of this research, by not using probes to direct respondents, but to investigate deeper understanding. Also, respondents were given time to articulate their meaning. Moreover, questions were asked in different ways or other probes used in order to validate respondents' previous responses. All this was done in order to minimize bias and error. Also these issues were taken into consideration by the researcher from an early stage of this research and throughout. In other words, in constructing the interview schedule, in piloting the interview, in the translation of the interview schedule, in the interview sessions, in translating the transcripts from Arabic to English and in the analysis; in all stages of this research, issues of quality of the research were considered.

4.12 Research Ethics

Ethical issues in social science research are extremely important in the research process, in two ways; first to satisfy the university requirements and to produce good work. Ethical issues can influence the validity and reliability, or quality assessment of the research. This research is qualitative, and as Creswell (2007) said, "A qualitative researcher faces many ethical issues that surface during data collection in the field and analysis and dissemination of qualitative reports"(p.141). Neuman (2006) indicated that field researchers should look to five ethical issues. First, deception. Many issues arise related to deception, as researchers must not be covert and not use a false role such as identity or name or mislead respondents. This is to gain trust from society or

respondents. The second issue is confidentiality; this is about the obligation upheld by researchers to maintain the confidentiality of data collected from respondents. This includes respondents' names, such as not disclosing their name to anyone else or in the report. Also confidential is their involvement with deviances, where participants of the research are engaged in immoral, or unethical behaviour or illegal activity (this was not applicable for this research). The fourth issue concerns power. Neuman said, "Many field researchers study those without power in society" (p.413), such as children, the poor, street people, or workers in lower levels in bureaucracies. In this regard two criticisms may face researchers, first for ignoring powerful people, who may have a wider view of the situation; second for bias in favour of less powerful people. Finally, publishing field reports; this is about the information that researchers obtain from the field, the report may create ethical issues or dilemmas "between the right of privacy and the right to know" (Neuman, 2006; p.414), because researchers cannot harm or damage reputations, violate privacy, or disclose respondents' secrets, yet if researchers cannot report anything that may harm respondents, this means what researchers learn from the field will be hidden, and therefore, if some information is omitted from the data, it will be difficult for readers or others to understand or believe the report. Therefore, some researchers recommend that researchers verify the respondents' answers by asking them to look at the report to confirm its accuracy.

Researchers must be aware of the above issues such as confidentiality of participants, non-disclosure of sensitive information and protecting the identity of participants. As the research topic was viewed as sensitive to participants, interviews were not recorded, as all participants refused. The purpose of the research was understood by each interviewee, and no names were taken from respondents. These procedures were applied to ensure anonymity, as the introduction to the interview schedule indicated that the respondents' information would be used only for research purposes and the researcher

assured them verbally of this. Also the researcher took responsibility to report findings accurately based on the reality lived and experienced by respondents. Two forms were filled by the researcher at the Business School one about ethics and the other a consent form. Therefore, the researcher was aware of all these issues and carefully followed ethical procedure to produce good work and satisfy the Business School, University of Hull's requirements.

4.13 Conclusion

This chapter has discussed the research philosophy and methods appropriate to the research paradigm. The research adopted the interpretive paradigm as a main philosophy and an inductive approach, as these were appropriate to achieve the research aim by answering its questions. As the aim of the study was to explore employees' perceptions of fairness about the practice of their performance appraisal, data were obtained through semi-structured interviews, with forty-four employees who received evaluation from their managers and did not evaluate any other employee. The findings obtained from the collected data from the field are interpreted and analysed in the next two chapters (chapters 5 & 6) and discussed in relation to previous literature in chapter 7.

Chapter Five: Findings and Analysis Part I

5.1 Introduction

This chapter presents and analyses the findings of semi-structured interviews conducted in SABIC in Summer 2011. As discussed in Chapter Four (Methodology) section 4.9, themes were identified through the analysis process, then grouped into categories. Five categories were found from the study data. Part I of the findings present and analyse category one, which is about the appraisal process, and contains nine themes.

In order to maintain confidentiality of respondents' identity, the letter (P) will be used as an abbreviation of Participant, followed by the assigned transcript number, from 1 to 44.

The respondents' qualifications and experience in the company were as follows; there were 44 participants, of whom three held a high school certificate, and ten had a Diploma. The majority of the participants (25) held a Bachelor degree, and six participants held a Master degree. Regarding work experience, as mentioned in Chapter Four, this research targeted only participants who had at least five years experience in SABIC. Twenty-five of the participants had experience of five to ten years, three participants had eleven to fifteen years, thirteen had sixteen to twenty years, and finally just three participants had more than twenty years experience. The table below presents the demographic characteristics of respondents more clearly;

Table 3: Demographic characteristics of participants

| Qualifications | No of participants | Length of service | No of participants |
|-----------------------|---------------------------|--------------------------|---------------------------|
| High school | 3 | 5 – 10 years | 25 |
| Diploma | 10 | 11 – 15 years | 3 |
| Bachelor | 25 | 16 – 20 years | 13 |
| Master | 6 | 20 years and more | 3 |

The findings of this study were grouped into five general categories, each of which includes themes and sub-theme which emerged from the data according to the responses of participants. The following table shows this more clearly;

Table 4:Key themes of the study findings

| No | Category | Themes & subthemes |
|----|---|--|
| 1 | Process of performance appraisal | Theme 1: Employees’ knowledge about the process Subtheme 1.1; the process is hidden. Theme 2: Accuracy in the process of performance appraisal. Subtheme 2.1; manager’s efficiency Subtheme 2.2; supervisor Knowledge about subordinate performance Theme 3: Employees’ participation in the process of performance appraisal. Theme 4: Fairness in the process of performance appraisal Subtheme 4.1; implementation of the process Theme 5: Relation between employee contribution and outcomes Subtheme 5.1; Procedure of allocating outcomes Subtheme 5.2; Equality of employee treatment in distributing company benefits Theme 6: Supervisor’s treatment Theme 7: Justification of the outcomes distribution Subtheme 7.1; fake justification Subtheme 7.2; budget Subtheme 7.3; higher management Theme 8: Role of relationship in the process of performance appraisal. Theme 9: Integrity in the process of performance appraisal Subtheme 9.1; Interference of higher management |
| 2 | Providing feedback to employees | Theme 10: Frequency of supervisors providing feedback to their employee Themes 11: Ability to appeal against evaluation result Subtheme 11.1; Reflexive reaction from management when employees appeal |
| 3 | Clarifying task to employees | Theme 12: Objectives setting and understanding the objectives Subtheme 12.1; clarity of goals Subtheme 12.2; job description Theme 13: Explanation of the appraisal standard or criteria |
| 4 | Perceived satisfaction with the appraisal system | Theme 14: Accuracy and fairness in the appraisal system Subtheme 14.1 Managers’ focus on bad aspects of employees Theme 15: Satisfaction with the supervisor’s support |

| | | |
|---|-------------------------|--|
| | | Theme 16: Satisfaction with appraisal system. |
| 5 | Cultural factors | Theme 17: Role of cultural factors that affect the practice of appraisal Subtheme 17.1; Social factors Subtheme 17.2; Manager's subjectivity and personal interest Subtheme 17.3; Criticism of the manager Subtheme 17.4; Manager Threat |

5.2 Category one: Process of Performance Appraisal

This category is about the process of PA in SABIC, and includes nine themes that emerged from the data. All the emerged themes discuss the process of PA in relation to perceptions of fairness in the process as follows:

5.2.1 Theme 1: Employees' Knowledge about the Process

The first theme concerns employees' knowledge of the PA process, such as when it will take place, and how it will be carried out. As indicated in the literature, employees should be informed about the process, and should be told about the appraisal itself and how the rating was derived (Folger et al., 1992). Individuals prefer to recognise the situation around them, so individuals want to know the process of appraisal (Boyd and Kyle, 2004).

A number of respondents indicated that they had no knowledge of the PA process. For example; Participant 6, with 18 years experience stated:

'I don't know the procedures in the SABIC and I don't discuss them with the manager, because there is no way of changing the result even if you discuss it' (P6).

This participant indicated that he did not know how the process was conducted and he showed little interest in finding out, in his perception it seems that the only reason for discussion would be to change the result, which he saw as impossible. Another participant indicated that he knew the process (although he did not explain it) but again

he would not discuss it with his manager as he was only concerned with the result, which was only released after approval. He said:

'Yes, I know how the process of appraisal is conducted. There is no discussion with the manager. I only wait to see the result after it is approved by the manager. It is something ambiguous' (P21).

The word 'ambiguous' reflects the view that the process is not entirely transparent. In fact, only a minority of the participants claimed clear knowledge about the process of PA. As P1 said:

'Identify the goals, you receive a message through the existing system in the company, asking the employee to set his goals and review it with the supervisor or general manager (GM). Agree with the Director on the goals and how to determine the measurement of goals. Then to work in your annual performance. Evaluation will be at the end of the year. At the end of the year, each employee states his achievements against each of the objectives laid down the first year. Supervisor or GM will identify areas for improvement. According to that, the evaluation is confirmed with the signature of the employee' (P1).

The above participant described in detail a process of goal setting and agreement, and claimed that at the end of the year employees were evaluated against these goals and the form will be signed by the employee, indicating his understanding of the outcomes. Another participant said:

'Yes, the supervisor meets the employees and tells you about the points that used for assessment. The head of the department makes the assessment and sits and discusses it the employees individually and you can explain if there is any notice; it is a

flexible procedure. Moreover he highlights the points that need improvement' (P27).

This participant agreed with P1 in suggesting PA starts by identifying the goals that employees will be evaluated by, but differs in suggesting the manager allows employees to discuss their evaluation. However, significantly, he uses 'discuss', not 'participation'; this will be discussed in more details in theme 3. Another participant claimed to know the system, but what he went on to describe was not consistent or transparent:

'Sometimes it depends upon the manager and his style. Some managers rate you excellent if you accomplish 80% of the work, others may view 80% as normal.

For example; if you are in a department and all employees are excellent in their work, you will get a grade in the evaluation lower than them, while, if you are in a department and all the other employees' performance is lower than yours, even if your performance is weak you will get "Excellent" in the evaluation' (P35).

This participant suggested that outcomes could be vary from one manager to another, and that ratings were determined relatively, rather than according to clearly specified criteria. This may be why an emerging sub-theme was the 'hidden' nature of the PA process.

5.2.1.1 Subtheme 1.1: The Process is Hidden

As indicated in the literature, if employees do not know about the process, they will not accept the system and they will perceive unfairness (Folger et al., 1992). This is important because the reactions of employees influence the system's effectiveness, which determines the ultimate success and effectiveness of the appraisal process. Perceptions of accuracy and fairness in turn affect other variables such as productivity,

motivation and organisation commitment. If employees feel the process is unfair then the appraisal system will be doomed to failure (Cardy and Dobbins, 1994).

However, in SABIC the majority of participants indicated that the process of PA is hidden and they knew nothing about it. For example P2 said:

'The supervisor does not inform employees of the result of the evaluation till final approval from the authorized manager. The supervisor sends the evaluation of his employees to the Chief Executive and he will approve it. Then supervisors will tell their employees about the assessment adopted by them' (P2).

This participant expressed his experience of more than 20 years in the company. He indicated that their supervisor does not inform them about the appraisal process, but does the evaluation himself, reflected in the participant's words "adopted by them", and it is approved by management. This means that employees do not know about the process and only the supervisor controls the evaluation, which employees have to accept. This process does not satisfy employees and they will perceive inaccuracy in the process. Another participant supported this view and said:

'The process of appraisal in SABIC is invisible and hidden from employees. It should be shown to the employees and reviewed it with them. Also, there should be operational review. It's supposed to be an evaluation form filled by the supervisor and he sits with the employee and shows it and reviews it with him, while in SABIC they do not show the form to the employee' (P5).

This participant used 'invisible and hidden' to demonstrate his feeling of exclusion from the process. At the same time he expressed a clear sense of how the process should be conducted and safeguards maintained against bias. His claim that the employee does not

see the appraisal form at all was supported by P6 who said, “I don’t know, and I don’t see anything”. Another participant said:

‘I don't know about them because they are done in strict confidence. It's supposed to be that the supervisor comes at the beginning of each year and sets targets and goals for employees, and every three months the supervisor should sit down with each employee and define the employees' goal to develop the employee and his performance’ (P8).

Again this participant suggested the secrecy of the process; he used ‘strict confidence’ and like P5 contrasts this with the more open procedure he expected to see, with clear goals and criteria. Another participant claimed not even to know when the appraisal was being conducted, suggesting that there is no regular time-table:

‘I don't know at all, only when I see the evaluation on the system I see they gave me good (C), or very good (B) and I don't know for what reason. I do not know. Until the email message comes or a message via mobile phone or it says that you are being assessed for administrative reasons and I only know that’ (P9).

P11 indicated the same problem, saying he only knew that appraisal had taken place when outcome was reflected in his salary and annual increment:

‘I don't know about them, and I do not know till I get the annual allowance in the salary. After that I know the result of the manager's evaluation’ (P11).

Also another participant said:

‘The supervisor does not say how the performance evaluation process is done. Also there are no task expectations we work to be complete; what the manager has in his mind is what must happen’ (P12).

He faced the same problem and he expressed it in another way, and he added that there is no specific task assigned to him to complete. Also he implied that assessment criteria are subjective, and used 'must' which means that the evaluation is subject to the mind of the manager. Another participant said the 'the policy followed by managers in the company is to work in silence on the performance evaluation' (P13), not only using the word 'silence' to express lack of transparency but also suggesting a deliberate policy of excluding employees, which would generate dissatisfaction and perceptions of unfairness among employees.

Other comments received included the following:

'I do not know how the procedures are conducted, and you can ask about them, but the answer will be oral, also I do not know how the decision is made' (P24).

'I know the formal procedures and company policy which are written in the regulations of the company, but they are not applied. Employees are surprised by the result of the evaluation, and they do not know how they were assessed or how this assessment was made' (P25).

'I have no idea, the manager doesn't tell you any information because of the intervention of other factors, such as the percentage is already determined by the manager. You can ask the manager, but his answer is not clear, he can put you in endless confusion' (P26)

These three participants also experienced the same problem, and each one expressed his view about the process of appraisal. P24 said employees can ask the manager about the process and he will answer orally, to avoid putting himself in trouble in the evaluation period. P25 said that it is written in the company policy that the supervisor should tell the employees about the process but it is not implemented. "Implementation of the

process” will be discussed in more details in subtheme 4.1. P26 said that there are other factors out of the manager’s hands which is why the manager does not explain the process. He went so far as to suggest that the manager is not clear about the process and it is a matter of confusion, which will produce dissatisfaction and perceptions of unfairness.

Participant 33 said:

‘The manager does not tell us about evaluation. We do not ask about evaluation because we know that it is not based on just measures’ (P33)

He explained that he does not ask his manager about the process, although the literature asserts that managers should tell employees about the process, because he and his colleagues (he used ‘we’) already had bad experience of appraisal and knew that the process of evaluation is not based on just measurement. This indirectly reflects practices such as bias or political consideration, which as indicated in the literature produce dissatisfaction. Another participant said:

‘In my case he never tells me, always he sends the evaluation without informing me of the basis of the evaluation. He makes his own evaluation and sends the evaluation without informing me because he lacks the self-confidence to be convincing and for the purpose of avoiding any clashes, especially if I have rich experience, or in case he grades me “good” while I deserve “Very good”. In these situations he doesn't tell me and sends the evaluation directly’ (P34).

This participant, who had more than 30 years experience in SABIC, insisted that he had never been told about the process. Also, he said that his supervisor lacked knowledge about what the employees do. As a reason why the manager does not discuss the evaluation with him, he suggested it was due to the employee having more experience,

so the manager lacks confidence to review the evaluation. Finally another participant said:

'I do not know about the procedures in SABIC, it's supposed to be that evaluation should be done with the participation of employees themselves as well as the customers and colleagues, but this does not exist. Also the 360 degree system should be applied, but this does not exist as well...The problem is the ambiguity in the evaluation process.... The procedure totally depends on the manager, so it is subjective to a great extent. You can ask the manager, but the answer is ambiguous. The manager may say, "Forget the grade (excellent) because this grade needs amazing performance". This amazing performance is not defined and is unclear' (P42).

This participant also expressed ignorance of the process. He thought 360 degree appraisal should be implemented instead of forced distribution, because he said there is some work that employees do that their supervisors are not aware of, but peers and customers are, so for this reason their evaluations should be given to cover those areas that the supervisor does not know. Also he raised another problem which is ambiguity in the process and of the rater as well. He said the process is subjective and based on the manager.

5.2.2 Theme 2: Accuracy in the Process of Performance Appraisal

The literature explains that if the rater has insufficient information about individual performance or if he fails to keep a record of individual performance, this may result in employees perceiving inaccuracy in the process. Accuracy is also about how accurately individuals perceive their evaluation reflects their actual contribution or performance. Also, the literature presents many dimensions related to accuracy in the process, such as identifying goals to eliminate weaknesses, frequency of evaluation, and trust in the supervisor or rater, which is the main feature that contributes to perceived accuracy.

The majority of participants did not perceive accuracy in the process, for various reasons. P1 indicated that the process is inaccurate and said:

'No, not accurate and unfair. It depends largely on job evaluation, but the job evaluation is inaccurate. Decisions are not based on accurate information. Often there's no mechanism to correct an inaccurate decision, a lot of politics' (P1).

He claimed that information used for the decisions is inaccurate, and raised the issue of lack of a mechanism to correct inaccuracies. His cynicism was reflected in the words “a lot of politics” which indicate how personal interests affect the appraisal. Another participant expressed his perception of inaccuracy and said ‘There is discrimination between employees based on benefit or relationships’ (P3). Another participant thought managers are casual about evaluation because ‘no one asks the manager about the evaluation’ (P4.). Another participant agreed with them and said:

'It is not accurate, never at all. Because it is subject to the employee's relationship with the manager, and based on personal things not for the job interest, and it is a weapon that the manager uses for revenge for those he doesn't like, because it involves money distribution. Not based on the performance or achievement or interest of the work. Based on personal interest' (P5).

This participant supported his answer by providing the researcher with a copy of his evaluations from 2004 to 2010 to show that the evaluation is improperly practised. Also P3, P32, P34, P39, and P42, all agreed that the appraisal process is based on personal relations, while other employees explained inaccuracy in other terms. P5's used of the word ‘weapon’ suggests an abusive use of appraisal to threaten or control employees,

since distribution of money depends on the result of appraisal. Also P15 raised another issue when he said:

'The accuracy is zero. The supervisor sees what you got in the first two years you worked for the company and gives you a similar grade in the evaluation' (P15).

This participant attributed inaccuracy to managers' lazily repeating previous grades rather than assessing the current year's performance; P37 agreed indicated the same issue. P16 saw inaccuracy in terms of the outcomes because some employees work hard and deserve A and they do not get it:

'The mechanism the manager uses in the evaluation is not clear and subject to estimated authority [subjective judgment] by managers, because he gives grades such as excellent, very good and good as he likes' (P18).

This participant feels that evaluation mechanism is not clear; employees do not know how managers evaluate them, also he went on to say that managers evaluate them subjectively, and distribute the evaluation as they like, although the literature indicates that subjective judgment in the appraisal will generate perceptions of inaccuracy and unfairness. Participant 22 similarly said, 'We do not know how the manager allocates the result' (P22).

'It is not accurate and unjust in limiting proportions. For example if an employee gets (A) excellent this year, then (b) very good is the next year, then (C) good for the following year, this may delay his promotion. In this case, the manager is forced to distribute proportions among employees, this year give so and so (A), next year he'll give it to another two employees and so on. Also the information used in the evaluation is not accurate or the evaluation based on inaccurate information, because the managers concentrate on

the last two or three months, and leave the effort of the ten or nine month. Moreover, there is no mechanism to correct mistakes or faults' (P22).

This respondent revealed that supervisors rotate A and B grades among employees every year, which indicates that the supervisor is incapable of evaluating employees, or does not take the evaluation seriously. Another problem is the lack of records of individual performance, as the above respondent said that the evaluation concentrates only on the last few months, and there is no mechanism to correct mistakes. Also P29 agreed on the same point and added that the manager said, 'Last year I gave you A, this year stay and rest, I will give A to another employee, and so on'. P28 said the system is theoretically accurate but it is not practised and added, 'It is written but not applied for the purposes of satisfying the higher administration'. P32, P39 and P42 mentioned the same issue. Another issue was raised by P31:

'The accuracy is not enough, it is considered as inaccurate. Because there are no clear and known standards for the assessment process. The lack of standards to evaluate the performance and achievement of employee. The system is not clear. The matter is taken personally by the manager; unfortunately all Arab countries face the same problem on assessment' (P31).

This participant was unhappy with the accuracy of the process, because of the absence of clear standards, so employees do not know which standard will be used to evaluate their performance. He perceived this as a common problem in the Arab nations. Also P33 said, 'There are some employees who do not work and get A every year' (P33), which reflects the interference of benefits, personal interest or relationship in the process, which will be discussed in more details in theme 8. P34 made a similar accusation. Another participant said the process is 'inaccurate because the top

management interfere and change the result of employee which are allocated be direct manager.....also you can't get (excellent) unless you have connection with your manager ... and favouritism prevails widely in SABIC' (p43).

The above finding reveals that the majority of the employees who participated in this research did not perceive accuracy in the process of appraisal practised by their company. On the other hand there were some employees, a minority, who perceived accuracy in the process. Only 6 participants expressed such a view. The following are their feelings about accuracy:

'Yes, it is accurate, according to the system set by the company. Because the supervisor provides employees with feedback every three months, which means the supervisor has accurate information to take decisions' (P2).

The above participant indicated that his perception was based on trust in the supervisor, consistent with literature saying that when employees trust their supervisor, they will perceive the accuracy of the process. Another participant said:

'In my view the accuracy is almost 70%, but you can meet dissatisfied employees. My supervisor discusses with me and points out my weaknesses and he tries to help me, but generally supervisors don't apply the system of the company and don't follow the procedures. I think he is forced by the percentage system which is forced distribution. Some employees are aggrieved with the supervisor' (P30).

This participant's perception of accuracy was based on his supervisor discussing his weaknesses and trying to help him to improve. However, he saw this experience as an exception rather than the rule. Another questioned the process, despite being satisfied with the outcome:

'For me, the result is fair and I am satisfied, but the mechanism which is used is not accurate. The manager has a little budget to be distributed. If they follow the written system of the company, many of them will get "good". But the managers must distribute the budget that they have. So, they help the employees' (P35).

The above respondent was satisfied with the process of appraisal, but he mentioned that the mechanism used is inaccurate, which means he was satisfied with the grade he received, but the problem is with the mechanism, and that the managers are forced to distribute outcomes constrained by a small budget. When he mentioned that the managers try to help employees, he implies the exercise of discretion.

5.2.2.1 Subtheme 2.1; Manager's Efficiency

A subtheme that emerged from the data concerned how capable the supervisor or manager is to evaluate subordinates. The literature indicates that if subordinates believe that their supervisor is properly trained and has the skill to evaluate them, and upholds values and standards, they will be more accepting of PA. Some participants perceived that the process of appraisal is inaccurate because raters are not competent to carry out this task. For example P1 commented:

'But the problem is in the efficiency of supervisors and managers, not with the system, because the supervisors or raters are not trained to use the system. For example; the supervisor sits down with staff and explains to them that the number of "Excellent" is limited, also "Very good" so I will distribute them among employees on a regular basis (this year two employees will get A and the next year I'll give A to another two and so on) without linking it to the actual performance, because of the supervisor's desire to satisfy everyone. That means supervisors are not trained to monitor the employees' performance and give every employee what he deserves' (P1).

This participant thought that the problem of inaccuracy in the process of the appraisal is linked with raters not being trained properly to evaluate their staff, so they use inappropriate criteria for grading. Participant 4 similarly questioned the competence of managers to evaluate staff. Another reflected the importance of training by saying, ‘Managers need rehabilitation in order to be able to evaluate the employees’ (P12). When he expressed his feeling he showed anger with the appraisal in the company. Another participant said:

‘The problem is that the manager assesses your performance for the last three months, and knows nothing about the whole year’s performance. Sometimes you will be assessed based on last week’ (P25).

A number participants (e.g. P8, P26, P23, and P39) similarly indicated that managers sometime evaluated on recent performance, and ignoring the rest of the year. In some cases, managers’ perceived inability to evaluate employees appropriately was held to be due to their lack of field-specific expertise. For example:

‘The problem in SABIC is assigning on unqualified manager to a specific post, such as one who holds Arabic language certificate but is assigned to the information technology department’ (P30).

P30 indicated his observation that the problem lies with posting an unqualified manager to a position that he doesn’t know about.

5.2.2.2 Subtheme 2.2; Supervisor Knowledge about Subordinate Performance

Supervisors’ perceived knowledge about subordinate performance is an important factor in their reaction to the process, as it is indicated in the literature that one of criteria needed for the process to be perceived as accurate and fair is that supervisors should have high job knowledge about subordinates (Landy et al., 1978; Murphy and

Cleveland, 1995). However, a number of participants thought their supervisors lacked such knowledge:

'He does not know anything about my job, he only knows my job title, that's all, but doesn't know the nature of the job and does not understand the procedures' (P5).

This participant indicated that his supervisor only knew his job title, and did not know the nature of his work, which contravenes the requirement of accurate appraisal, and fairness in the process. Another respondent said:

'According to the nature of my work, he does not know everything, but it's necessary to be in on the view. In some work, sometimes, he knows some difficulties and problems. The manager is only aware of half of my work, not all the work. It would be better if he involved in the evaluation other parties such as customers' (P6).

This participant recommended that other parties should be involved in his evaluation such as customers, because most of his job was dealing with customers. He therefore recommended the company to use 360 degree evaluation. Also P12 said, 'The manager does not have relevant knowledge of my work, because he was appointed in a managerial position by meditation (Wasta)' (P12). Another issue is presented by P23:

'If the manager is not a specialist in legal work, how can he know the nature of the work? Before, my manager was an engineer, and I have been a lawyer for seven years. This manager gives work to the old employees and he gives no work to new employees because he does not know how to explain the work to them. There should be a neutral body to take responsibility for the evaluation' (P23).

On the other hand, there were some participants who indicated that their manager or rater possessed full knowledge about their work and performance, as follows:

'He has full knowledge of my job as he was doing this job before he was promoted to be supervisor. Yes, full knowledge about everything in my work, also the difficulties' (P1).

The above comment expresses appreciation of the supervisor's prior experience as a factor that enabled him to make an informed judgement on the subordinate's performance. Similarly, P7 and P11 said that their managers had been doing the same job as themselves, before being promoted. Another participant said:

'He has a good knowledge of my work, also, he knows all the difficulties and not all managers know but mostly the managers know' (P16).

This respondent while satisfied with his own manager's knowledge, thought that most managers in SABIC did not have sufficient job knowledge to evaluate subordinates' performance. Participant 17 agreed with them and added, 'My supervisor exerts extreme effort to help when any problem arises'. And P43 said, 'Yes he has full and comprehensive knowledge because his goals depend on your goals'. In this dimension of job knowledge these participants perceived that their supervisor or rater knew their performance, and to this extent, they perceived accuracy in the process of appraisal.

5.2.3 Theme 3: Employees' Participation in the Process of Performance Appraisal

The literature reports strong evidence that employees' participation in the evaluation process is strongly related to satisfaction and perceiving accuracy (Colquitt et al., 2001; Erdogan et al., 2001), while other writers indicate that participation is by 'voice', and if managers allow individuals a voice in the process, it will mitigate the outcome (Cawley et al., 1998; DeConinck and Johnson, 2009; Greenberg, 1990; Levy and Williams, 2004).

The majority of respondents indicated there is no participation in the process, although instead of participation they referred to "discussion". However, when asked about

participation, all replied in terms of discussion, which is different from participation, implying that even those who claimed to engage in discussion did not actually participate in the process. All respondents cited here said that they did not know about the appraisal until the result had been approved; at this point, some said they went to the manager and discussed it with him, but there was no point since the result cannot be changed after being approved by the higher management. It is because of their involvement only at this late stage that they used the word discussion instead of participation. Some respondents said the manager alone took the decision, and the manager's opinion is always correct from the management point of view. For example P4 said:

'I cannot discuss with my manager to amend or correct mistakes; if the result is approved no one can change it. Examples - the employee can't discuss with managers about the results of the evaluation and always the supervisor or manager thinks that he is right' (P4).

The above respondent said there is no discussion to correct mistakes, and managers do not let them know the result until it is approved, when employees are not able to change it. He also clearly indicated that the manager's decision is subjective. Another respondent said:

'I am not allowed a chance to contribute or raise my voice in evaluation. He and his colleagues process the evaluation and you come and are surprised by the final outcome or result, which cannot be modified once it's been approved by the President of the Board of Directors of the Company, and if there is way for discussion, to be possible for me to discuss and modify it but there isn't' (P5).

This respondent agreed with those who said the evaluation is not communicated until it is approved, then it cannot be changed. The following participant made it more clear and said:

'You can discuss, no one prevent you from discussion, but you can't change anything in the results and everything is finished. The allowances due come in my bank account, and I don't know anything about it' (P6).

Again he used 'discussion' to show there is no participation in the process, and he highlighted the even discussion will not change anything because 'everything's finished'; he means the evaluation and also the distribution of allowances accordingly. P11 said, 'I can discuss and speak with the manager but I cannot change the result'. The reason is because the evaluation is hidden, which agrees with subtheme 1.1 in which the majority of employees said they did not know anything about the process. Another employee said, 'I can discuss with the manager but without result' (P12). Another respondent said:

'Unable to participate: if you discuss that matter with the manager, it will be considered in preparation of the evaluation for the next year, but the last evaluation I cannot do anything about it because the result has been approved and everything is settled' (P18).

This respondent made a different point, that discussion with the manager might affect the next year's evaluation but agreed that nothing can be done about the current result. P13, and P35 mentioned the same point. P19, however, suggested that even the promises to consider employees' concerns next year were reneged on because actually the manager lies to the employees. Another danger is that promises for better grades next year may not materialize due to change in managers, as P34 pointed out. P22 said the direct manager did not control the evaluation, as it was controlled by higher

management, and the standards they applied were not clear. This was another issue that caused frustration among employees. Another respondent said, 'I am not able to participate in the process, as some managers only care about punctuality; one of the managers changed the evaluation because the employee was just five minutes late' (P24). Other respondents mentioned this point, which will be discussed in more details later in this chapter. Another respondent said:

'Participation does not exist. Basically you know the results only after the declaration. Discussion is useless, when you discuss with the manager after declaration of the result, the manager's justification is that the problem is the forced distribution or the general manager changed the results and it is impossible to change it again unless other parties are convinced of such change, which is impossible' (P41).

He saw discussion as useless, because nothing would change. The manager would blame the problem on forced distribution. This point brings us back to the subtheme 2.2, on the competence of managers, as if managers were competent to use this system, they would not blame the system.

On the other hand, a few respondents stated that they could participate in the process, although some of them said, like those quoted above that they could not change the result if it once it had been approved. Others said changing the result depended on convincing the manager, but in any case this reflects that they do not know about the evaluation until it is approved, because if they participated in the process, they would not need to change the result, because they would already have agreed it. The sole exception was P2 whose statement was completely different from those of all other participants, as he claimed he was able to participate in the process of appraisal and was able to correct mistakes if any:

'I can contribute and take part in the evaluation of job performance. Also if there are any mistakes I can correct it freely' (P2).

Another respondent said:

'I can take part in the evaluation and explain to my manager if there is a breach or mistake in the evaluation' (P3).

Also this respondent indicated that he could explain to his rater if there was any mistake in the evaluation, which means he was able to see the appraisal form and, if he noticed any mistake he could explain it to his supervisor. Another respondent said:

'The discussion is open, so if you are able to convince the manager you can make a change, since you have a point of view that is different from that of the manager. So, the matter depends upon whether you are able to convince him or not' (P19).

This respondent too, referred to discussion; also he spoke of convincing the manager. If he could do so, then the result could be changed, but he highlighted that the views of himself and his manager were different, because his manager saw some points that he did not see [in the evaluation]. Another respondent said:

'I can discuss and correct the mistakes to the extent of 70%, but only before the release of the results. If the result is approved and released I cannot change it' (P30).

5.2.4 Theme 4: Fairness in the Process of Performance Appraisal

This theme is about fairness in the process of appraisal. There are many dimensions indicated by the literature that can contribute to fairness in the process of appraisal, such as quality of feedback to employees regarding their performance. It is indicated in the literature that if the quality of feedback is high, it will contribute to a perception of fairness. Another factor is accuracy, as mentioned in the previous theme. Also, if the

process is based on personal interest or subjective it will be seen as unfair. Other dimensions such as objective setting, clarity of appraisal standard, trust in supervisor, equality in distribution of the outcomes, procedure of the process and employees' treatment have all been mentioned in the literature as indicators of perceived fairness in the process of appraisal. The following data will present how far participants perceived fairness and the main factors of concern within their perceptions of fairness.

The majority of participants perceived unfairness in the process of appraisal, whereas a minority of participants perceived fairness in the process. The following are the participants' experiences and feelings regarding fairness in the process;

The first participant said, 'There is favouritism or bias and it is not consistent among staff' (P1) but he did not explain more; he said he had an example but could not report it. His use of 'favouritism' clearly indicates differentiation among staff, and his claim of inconsistency also connotes unfairness. A similar point was made also by P34 who said, 'It depends on favouritism'. Another issue was the lack of monitoring of the process to avoid bias or other sources of unfairness, as noted by P4 as follows:

'Unfortunately, supervisors do the evaluation with no one watching, them or questioning them, so they may be subjective or involve personal interest, so if another party oversaw the evaluation, we would be happy, in order to maintain fairness. Also there is no transparent relationship between the employee and the manager, the employee is always afraid of the manager'. (P4)

This participant mentioned that raters perform evaluation without being watched whereas participants would prefer the evaluation to be monitored by another party to ensure fairness. Lack of transparency led to perceptions of unfairness, which in turn made employees afraid of the manager or rater.

Other issues that made participants not perceive fairness in the process are subjectivity of managers or raters, personal relationship or interest, lack of clarity of goals and evaluation standards. As P24 said:

'No, it is unfair. Because the personal aspect (subjectivity) plays a big role and there is no neutral point of view' (P24)

The above participant highlighted that the subjective view of managers plays a role in the appraisal process; P36 and P42 made a similar point. The issue of personal interest was raised by a few participants. One of them said:

'It is only useless filling papers, the whole matter is deception, fraud and inappropriate. There are personal interests in the assessment. Some managers tell their staff, "Every year we'll give one of you the grade "excellent"' (P25).

Personal interest and circulation of grades among employees each year were also supported by P33, and P39, who mentioned that the evaluation is based on budget and said:

'No, because it does not depend on the objectives or goals but on the budget. For example, two years ago my performance was amazing and the manager gave me C "good", I asked the manager. He said, "Last year you got A "excellent" and this year we will give it to another employee' (P39).

A similar point was made by P25, who commented:

'The assessment is based on wrong implementation of the forced distribution procedure. The company lacks the culture of applying such a model; in addition, the managers are not capable of applying this model' (P25).

Also he blamed the incapability of managers to implement forced distribution and criticized the culture of the company, as reasons that made him perceive unfairness in the process.

P5 and P12 both reported that some employees whose performance was bad still got A (excellent) every year. As P12 said:

'No, no, it is unfair; because I see some employees whose performance is weak and they deal poorly with their colleagues yet they get excellent' (P12).

Also some participants perceived an unfair process because they said there are no clear objectives or goals in which work is evaluated (P10, P18, P29, P30, P33, P35 and P44). For example:

'Unfair; there are not clear objectives or goals set for employees' (P10)

P29 added another issue, saying:

'No. It is unfair. There are no plans or goals to follow or to implement, you follow an unclear plan. If the performance of an employee is the same as others but he talks sweetly, he gets the grade "excellent" every year because he is cheating and talking too much with a sweet tongue with the manager' (P29).

This respondent alleges that flattering the manager can lead to getting an A grade, because the manager is not concerned about the performance, or outcome, but evaluates the talk of employees. P30 added to the absence of clear goals or objectives a lack of integrity when he said:

'The manager didn't keep his word when he promised to grade me "excellent" if I finished what he requested' (P30).

A few participants blamed the forced distribution for their perceptions of unfairness. For example P19 said:

'There is justice to an extent of 75%. Because here in SABIC, the employees are evaluated according to forced distribution. For example if there are 5 employees in the department and the manager sets the goals with them at the beginning of the year and at the end of the year, all those employees have achieved the goals, the manager cannot give an excellent grade to all of them. This is the problem of the injustice because the percentage of those who can get an excellent grade is limited and grades are distributed among the employees' (P19)

P17, P29, P30, P36 and P44 all agreed that the problem is with the system of forced distribution.

Another issue highlighted by P18 and P35, was the lack of clarity of evaluation criteria, that made them not perceive fairness. This will be discussed in theme 13, in Chapter Six.

P18 explained in more details why he did not perceive fairness, noting several points:

'It is not unfair and not fair, the percentage of fairness is 35% and it is a bad one. The reasons for its unfairness are as follows: A. The mechanism used in evaluation is ambiguous for the employee and lacks transparency. B. The criteria used in the evaluation are not clear for employees. C. The standards adopted by the manager depend directly or indirectly on the manager himself, because he is the only person who can pave the way for the employee to get an excellent grade in the evaluation' (P18).

The participant went on to explain the latter point, saying:

'For example the manager may give another employee. 70% of the work and give me 30% of the work, then he thinks that

employee is better than me, while really he is given a better chance than me' (P18).

Other participants did not perceive fairness because top management interfere in the evaluation and change it, or they are evaluated by higher management who know nothing about their actual performance. P32 said:

'No, I think it is unfair. For example, mostly the employees are evaluated by the higher manager, who does not know the nature of their work, not by the direct manager' (P32).

Another participant perceived the process as unfair because the rater bases the evaluation on the ratings for the first two years. As he said:

'Unfair, because they depend on the initial evaluation for the first two years. After that period your evaluation will be the same for ten years, and the manager doesn't evaluate you on your effort, but based on previous evaluation and this is a very, very big problem, because if you had problems in the first two years and got a bad evaluation, the subsequent evaluations will also be bad' (P15).

On the other hand there were a few participants who perceived fairness in the appraisal process, such as P2, who thought forced distribution helps employees to improve their performance and develop the company, and makes employees add value to the company:

'Yes, it's fair. Forced distribution has a big role in its being fair, because it is necessary to be excellent in your performance, such as developing the company system or creating something new that serves the company. Such an employee should add Value to the company' (P2).

P3 supported the above point. Also another participant thought the process is fair to some extent and said:

'Most of them are fair but not 100 percent. Abnormal cases exist such as an employee evaluated based on his relations or his closeness to the manager. Depending on what is prevailing in the company, I've noticed there is bias and favouritism toward some parties even on promotions; they promote those who are close to them' (P41).

The above participant perceived that the process had been fair in his case, but he supported the previously-quoted participants who did not perceive fairness in the process and mentioned some cases that can exist, such as the cases mentioned by the majority of participants above, which are bias and relation.

5.2.4.1 Subtheme 4.1: Implementation of the Process

This sub theme emerged from the data because some participants attributed their perception of unfairness in the appraisal process to its not being implemented in the right way, in their opinion. P5 said the process is not reviewed with employees and said:

'Two years ago, the manager met with us and said that he would review the process of appraisal with us individually, and then, he did not show or tell or review the process with us; we only see the result in the system. [The process] is theoretically appropriate, but in practice in SABIC it's just a formality and appearance. In practice it is not employed and is inappropriate' (P5)

The above participant's point in the discrepancy between theory and practice was supported by another participant, who said:

'It is stated in the company's policy that the employee can see the evaluation and discuss with his manager, and sign the evaluation form, but it's not implemented in reality' (P8).

Other participants such as P18, P21, P28, P30 and P43 said that the raters do not apply the forced distribution correctly:

'The employees say that the fault resides in the forced distribution system, and I say that the fault resides in the way this system is applied and implemented. So, the manager should apply a monthly evaluation in order to be fair and accurate. Once a manager came in the last three months of the year and he evaluated the employees depending on their performance during that short period (three months)' (P18).

The above participant meant that the system requires the rater to assess the performance of subordinates every month and keep a record of it, while in practise the rater only assesses the performance of the last three months, which is an inappropriate implementation of the process. Also another employee said, 'Managers break some of the system basis for their own interest or to favour certain employees' (P21). Another participant said:

'If the manager identifies the goals and you achieve these goals, the manager can't give you the proper grade. The whole thing is unsatisfactory and is not applied in the correct way' (P30).

Another participant thought the process was applied inappropriately because it did not achieve its intended purpose:

'The objective of appraisal is to raise the level of work quality, and raising the benefits. But these criteria are not applied in SABIC because of subjectivity' (P36).

This participant said the process of appraisal is not applied because of subjectivity of raters. Another participant gave an example of why the rater does not follow the appraisal form, saying:

'In the form used for assessment, attendance accounts for 5% but it is not implemented. My attendance was very bad, but my performance was excellent and I was graded C (good). When I asked the manager he answered, "Your attendance is very bad", I told him, "Attendance is only 5% of the evaluation; you can remove the attendance and assess me based on my performance" but he refused. That indicates that they do not follow the appraisal form' (P42).

Finally P43 clearly asserted, 'The Company has a system, but the problem is the implementation of this system which is unfair'.

5.2.5 Theme 5: Relation between employee contribution and outcomes

This theme is about how employees perceive that their outcomes are reflect their input to their company. The majority of employees had a negative perception, believing that their evaluation did not reflect their contribution.

One participant said that the manager did not evaluate intangible contribution and said:

'No, not based on what I am doing. It has some things that can be evaluated because they are tangible and can be counted, but other things are intangible but have significant impact' (P6).

Another participant said that managers exercise discrimination:

'No, I do not think the evaluation reflects what I am doing, because managers distinguish between employees' (P8).

Another issue that was strongly highlighted is subjectivity. P12 illustrated it with this example:

'No, not based on my actual contribution or performance. If I performed excellently at the end, the manager has in his mind the one who will get excellent and who will get very good, and who will get good and so why should I work hard and put in all my effort and get tired, as I know there is no recognition for this effort' (P12).

The above participant had worked in SABIC for more than two decades and perceived that managers do not recognise employees' work. Also P39 and P14 made a similar point, but P39 added that 'It is the Saudi culture', meaning that subjectivity is rife in this culture and people are used to it. P16 said promotion is based on the evaluation 'but the problem is the evaluation doesn't reflect your effort and is unfair'.

Another participant mentioned that the evaluation only reflected a little of his effort, and the rest of the evaluation depended on the budget:

'They are unjust and do not reflect the real contribution to the company. The evaluation reflects little of my contribution and the rest are based on the department budget' (P32).

This participant stated that each department has a specific budget allocated by the higher management, which affects the money available for salary increases and similar rewards, so each manager sets the evaluation based on the budget. Also P44 made a similar point and added the claim that since managers exercise their own discretion, relationship is over everything;

'If you have strong relations you will get "excellent". This example proves that the employee is not assessed based on his work' (P44).

Similarly P 40 said:

'No it does not reflect my actual work, because I am working between 15 to 16 hours a day, and I do not get what I deserve. It only reflects relationship' (P40).

The above participants mentioned that relations can change the result, as evidence that the process or the outcomes does not reflect the employees' input. This will be discussed in more details in theme 8.

On the other hand only one participant positively perceived a correspondence between his actual contribution and outcomes or appraisal result. As he said:

'I don't feel that evaluations are based on special consideration by the supervisor, as I think that the evaluation is totally based on the actual performance' (P3).

The above participant perceived that there is no special consideration and the supervisor was totally fair and gave him what he deserved.

5.2.5.1 Subtheme 5.1: Procedure of Allocating Outcomes

This subtheme emerged from negative views of the way outcomes are allocated; participants who perceived their outcomes did not reflect their contribution indicated that the problem is with the procedure that raters follow in their evaluation.

A few participants perceived that the procedure of allocating the outcomes is unfair. P1 blamed raters who are incompetent to evaluate them accurately, and said:

'Not fair because of the forced distribution, because the supervisors or raters are not able or qualified to use this system' (P1).

This issue was discussed in subtheme 2.1, where it was suggested that the capability of managers has many consequences in the evaluation, which this participant felt. Another participant indicated that the outcomes of appraisal such as compensation and promotion are affected by the mood of the rater:

'Because promotions and compensations are based on the evaluation. If this evaluation is unfair, then these compensations will be unfair, because some points in the evaluation depend on the mood of the manager' (P20).

The above participant blamed the subjective stand of managers. Another participant supported P20 and added:

'Absolutely no, promotion is affected by subjective factors and Wasta. Also compensation depends on emotion and relations. For example I have worked in SABIC for ten years and I am still in the same position, and most of my colleagues are in higher positions, and the reason is "relations"' (P39).

The above participant indicated that promotion is one of the appraisal outcomes affected by subjectivity and relations, and also raised another issue, that emotion has an effect on other outcomes such as compensation. This will be discussed in more details in theme 17.

5.2.5.2 Subtheme 5.2: Equality of Employee Treatments in Distributing Company Benefits

This subtheme is about equality of treatment among employees in terms of distributing organisation benefits such as training and compensations, and whether other benefits distributed to staff are distributed equitably among them or not.

From the data collected, the majority of participants did not perceive equality in the distribution of organisation benefits, and half of the participants mentioned that relationship is the most important factor in the distribution. As P1 said, 'They're not distributed equally. Relationship plays a role in promotions'. The following are some other examples of their feeling, or experience:

'No, not equally. There are people who make less effort and get a higher result in the appraisal, which results in higher pay and higher posts. Because of relationship and favouritism' (P3).

Another participant said the treatment among employees is different because it depends on relations:

'Employees are not treated equally; this treatment depends upon the relationship with the manager. For example, I see some colleagues have good relations with managers and they get (A) excellent in the evaluation, although some other

employees whose performance is better get a lower grade in the evaluation' (P22).

Another participant pointed to the same issue, which he expressed as follows:

'The outcomes are not distributed equally among employees, in terms of both monetary benefit or moral benefits. For example, on (B) very good, the allowance is 4-7%. If he gives three of the employees "very good", you will be satisfied morally, but not monetarily as the manager will give his friends 7% and the rest will get 4%' (P21).

The above participant explained that in terms of the annual allowance, there is no standard for allocating it, so managers give their friends the highest rate within the permissible range; also P28 and P36 agreed on the same point and P36 added, 'There is no mechanism for these matters, and the majority of employees in SABIC suffer from this issue' (P36). Another issue is that training is not allocated by need, based on weakness revealed in the appraisal, but on subjectivity, because training is treated as a reward or perquisite. This is because if the training course is outside the country or abroad the trainee will get benefits such as being paid more money and receiving tickets and hotel costs. For these reasons, employees want to go for training abroad, but the allocation of the training depends on relations as P7 said:

'For courses outside the country, money will be paid to trainee, and anyone who has power will go anywhere he likes' (P7).

Also P34 supported the above and gave a clear example for why employees prefer training abroad and only those who have power will get it. He said:

'No, it is unequal, there is no justice or fairness. For example an employee was offered training or a conference in Holland, whereas other employees get the same training in Riyadh and

do not receive anything (he means money). Relationship plays a considerable role with inequality in treatment' (P34).

The above participant drew a clear example, by explaining that the same course could be supplied in the headquarters of the company, whereas some employees were sent to Holland to get it there. Another issue raised regarding inequality of benefits distribution is that the grades differ from one department to another; so, employees in one department get fast promotion while others do not:

'The financial and moral benefits differ from one department to another. The same employee may have a different grade if transferred to another department. Some departments are not preferred by employees because their grades are lower. It is inaccurate and unjust because there are promotions in some departments and no promotion in others' (P32).

P28 and P30 supported the above point. Also P9 raised his concern that there is little difference in allowances for employees who work in the heat and sun and others who work in the offices, and he thought this is unfair:

'No, not distributed equally. If I got a (B) very good I will get an increase of 7% as I am working as a representative and go to companies outside the company, while employees located in the office get an increase of 5-6%. This is unfair. The difference in the allowance is only SR 100, and if I'm sitting in the office, it's better than the jump in the street with the heat and sun' (P9).

He said the difference in the allowance is only SR 100 which makes it not worth going outside and facing the heat of the sun.

In contrast, only three employees indicated that the company benefits are distributed equally among staff:

'There is equal distribution among staff, and I do not think that relationships with managers play a role in the distribution of company benefits' (P2).

The above participant indicated that all employees get similar benefits and disagreed with those who said relationships play a role in the allocation of outcomes; another participant supported the above and said:

'The supervisor treats the staff equally, there are no special relations; the company's benefits are distributed equally' (P27).

5.2.6 Theme 6: Supervisor's Treatment

This theme is about the way the supervisor treats his subordinates, throughout the year.

A few participants indicated that their manager sometimes treated them in a good manner and sometimes not; P9, P13 and P29 said the manager's treatment depended on his mood:

'Sometimes his treatment good, and sometimes he raises his voice and often he raises his voice to the staff' (P9).

P25 said his manager's treatment of him was good, whereas with his colleagues it was not good and he said:

'Yes, in my case he treats me ok. But for others not. Sometimes the manager tells you, "If you don't improve your performance, I will move you from your office and put you in a partition". Some managers focus on managing work, while others are direct or manage people. Most managers in SABIC know nothing about administration' (P25).

The above participant indicated that managers threaten employees with moving them from their offices. Also he raised another issue, that the basis on which some managers in SABIC manage people, is not related to work, but to personal interest. Also he highlighted the issue of the capability of managers, which supports the discussion in

subtheme 2.1, suggesting that the majority of managers in SABIC are not qualified for administrative positions. Another participant thought his manager treated him well, simply because he wanted to exploit and benefit from his experience (this participant had more than 30 years experience):

'Some of them and because of your perfect performance respect you for the purpose of exploiting you and benefitting from your experience to continue the work' (P34).

On the other hand the majority of participants were happy with the manager's treatment;

'The manager treats me with dignity, kindness and respect' (P2).

Another participant said that an employee can force his manager to respect him, by treating the manager in a good way:

'You can force the manager to treat you with respect, that means if you treat him with respect he will do so with you' (P12).

Another said,

'The treatment in SABIC is the best thing there is no difference between the Chief Executive Officer to the smallest employee' (P17).

5.2.7 Theme 7: Justification of the Outcomes Distribution

This theme is about whether the manager or rater explains to subordinates the results or appraisal outcomes if they are unhappy with the result. The majority of participants indicated that their raters did not convince them in their justification. Others said raters give no explanation at all, which they perceived as a negative aspect in their appraisal process.

Several participants agreed that their managers' explanation is always that the forced distribution made them to give a certain result, as follows:

'The excuse is always the forced distribution. The manager will say: "Your work is excellent and so is your punctuality, but the problem is in this forced distribution", and I know he is lying' (P20).

The participant claimed his rater lied to him, which means he suspected there were other reasons for giving him a result that he did not deserve and his rater did not explain to him. P25 said 'this excuse [is used by] all managers' and another participant supported their view, saying:

'They do not provide real examples in their justification, but most of managers say that the problem stems from the forced distribution' (P36).

Another participant said:

'Justification exists at the end of the year, but they explain very generally and there are inaccuracies and a lack of honesty and bias towards some employees' (P1).

The above participant indicated that the manager did not explain in detail. Also he referred to inaccuracies and shortage of honesty, which may show a perception of unfairness.

Another participant raised another issue:

'There is an explanation, but it is not clear and confused me, the manager explains, just to say that he has explained; there are tricks by managers' (P19).

This participant suggested that the manager explained to protect himself or to appear to adhere to the rules. Also P35 said managers explained but gave an unsatisfactory

explanation. Another participant also mentioned another issue, that raters put employees in a critical position, forcing them to accept an unsatisfactory result for social reasons:

‘The justification is “You deserve “very good”, but somebody else is being promoted to a higher position, and he needs “very good”, and this “very good” was for you this year. Do you accept to give it to him?” asking my opinion to give him “very good” instead of me? Putting you in a critical situation’ (P25).

The above participant indicated that his supervisor embarrassed him, because his colleague would be promoted if he got B ‘very good’ so the employee did not want to prevent his colleague from being promoted, yet he also wanted to get what he deserved. Another participant said, ‘Mostly he [the manager] ignores the employee because he has no convincing explanation’ (P30).

The above few participants, in one way or another, said that there is some sort of explanation, however unconvincing, while other participants said there is no explanation at all. For example:

‘There is no explanation about the result at all, and it has not happened to me ever, it’s only ink on paper (only written in the policy) and not applied. According to the company policy, the manager should explain everything to employees, but the manager has never explained that’ (P24).

This participant said the company policy requires raters to explain the results to their employees, but the manager did not do it.

On the other hand, only one participant was positive in this theme as he said:

‘Yes, the rater provides clear explanation about the result. To clarify the situation he should explain to the employee’ (P27).

From the comments in this theme another point emerges about the justification of results, which constitutes another subtheme: fake justification.

5.2.7.1 Subtheme 7.1 Fake Justification

The above theme leads to this subtheme, which emerged because several participants agreed that their raters gave them fake excuses or justification of the result of their evaluation:

'He never justifies, or he will give you not a false and unrealistic example' (P5).

Other participants supported the above and said the managers will not explain unless asked, and if confronted. As P6 said, 'He will give you flimsy excuses and lying'. A colleague said, 'he tries to get off the point and change the subject' (P12). Another participant said:

'He will give you justifications that are baseless, such as "You completed your work in the best way and you get thanks from your colleagues', but the manager's justification will not convince me, it's an unsatisfactory justification and is far removed from the work, or he says things like "Your colleague's salary is low and we need to improve his salary". Ok, so where has my effort gone? Also he gives you fake excuses, such as "We will compensate you next year and so and so", and next year he will bring another lie' (P15).

As shown in the above quotation, the rater tries to convince the employee in different ways, which indicates that the rater is not confident about what he gives his employee in the evaluation. As P22 said, 'My supervisor does not convince me, then I leave his office very frustrated'. Other explanations lead to another subtheme, which is 'budget'.

5.2.7.2 Subtheme 7.2 Budget

P6, P33, P34 and P39 said their manager's justification for rating decisions is that the department's budget is limited, which is why their evaluation was low. For example:

'No, not satisfied, because there are restrictions for evaluation such as limited budget for employees' (P6).

Also P39 expressed his dissatisfaction with this rationale and said:

'It is not appropriate for the work, because if the employee achieves the agreed goals he should get Excellent, but the problem is that the evaluation system does not grant Excellent because it depends on the budget' (P39).

5.2.7.3 Subtheme 7.3 Higher management involvement

Also the data lead to emergence of this subtheme in which P6, P32, P34, and P42 indicated that the higher management such as GM intervene and change the evaluation made by the direct manager, although they do not know the nature of employees' work:

'Most managers explain, "I gave you "Excellent" and it got changed to a lower grade by the interference of higher administration' (P32).

Also P34 elaborated on the same point:

'His interpretation is to, say, "I assessed you in the proper way but the general manager or the vice president is the one who changed the results". He knows that you can't go and discuss with the high level of management and if you go and ask them they will send you back to him. The same story exists every year' (P34).

The above participant shows that the only chance for him to get a fairer evaluation was by appealing to the GM or top management, but they surprised him by referring him back to the direct manager. P42 indicated that having a mediator (Wasta) enables employees to get a better evaluation:

'Last time he [direct manager] said, "I graded you (very good), but the result was changed by the top managers" so the employee remains in this confusion unless he finds any mediator (Wasta) to help him get his right' (P42).

5.2.8 Theme 8: Role of Relationship in the Process of Performance Appraisal

This theme is about the effect of relationships in the PA process, which in turn finally determine the result of the appraisal, which means an employee's relations with the manager could affect or change the grade. All except two participants in this research said it had an effect. The majority of participants said the level of relations determines the appraisal grade. As P40 said: 'One must have good relations with the manager in order to get a better grade'. There was much evidence provided for this theme, with claims that sitting in the evening and socialising with the manager, performing external services for managers, establishing relations with the GM or having a father who knows the GM or owns real estate, and obeying the manager in anything he needs, lead to higher ratings. Some examples will be presented below:

'Relationships play a role in changing the result of the evaluation; the weak may get an excellent grade' (P19).

Also P39 added:

'Relationship plays a big role. If the employee does not have good relations with the manager, he will not get the thing that he wants, even if his performance is amazing. Relations are a problem in Saudi Arabia' (P39).

Another participant said:

'No doubt, it plays a significant role, that is what is clear in reality. For example if the relation is good the evaluation will be good and vice versa' (P6).

The above participant emphasised the role of relationship when he said it is 'clear in reality'. Other participants gave examples of employees performing extra services or helping the manager, such as:

'One employee went with the manager to the tile store to change his home furniture' (P9).

Also:

'An employee who knows someone in the bank or does a service for the manager, he receives an excellent evaluation and gets promoted quickly' (P12).

Another participant said:

'One of the managers asked an employee to help him with the admission of his son to university' (P23).

An employee could also ingratiate himself by means of family connections:

'If your father knows so and so or the general manager your status in the company will be ok from the evaluation to anything you desire. If your father has real estate your status at the company also will be good (P15).

Another participant indicated that the evaluation in SABIC was based on relations, not on performance; evaluation is based on personal relationships, and “Who knows who” (P5). Also P15 gave a detailed and clear example of the role of the relationships in the evaluation process:

'Employees are evaluated by three managers, first the direct manager or supervisor and this is considered as the fairest evaluation for the employee, and then the general manager will evaluate you. When the evaluation of the direct manager reaches the general manager, it depends on your relation with general manager, which means that for the evaluation to be good, you must establish the necessary relationship with the general manager. That means you should say good morning and tell him, “Order me if you need anything” and so on, you should play politics to get a better evaluation' (P15).

The above participant emphasised that employees have to establish good relations to get a better evaluation, while another participant supported this idea saying, ‘you should be

clever to know what the manager wants' (P23). Another participant claimed that the manager likes employee who chat and play politics, while those who do their work properly but do not or cannot gain favour by connections or in ingratiating behaviour do not get the grade they deserve:

'Because some managers love those who chat with them and give them an excellent grade. But, those who do their work, and are always engaged with their work, they call them "complicated people"' (P21).

Another participant illustrated the extent to which relations play a role when he said:

'Certainly. 350 % Example: One time a chief executive changed the evaluation of some employees from excellent to good. The result was changed for those who lack mediation and relations (P41).

Another participant who had suffered in this way said, 'I am very depressed and frustrated because of the [impact of] relationship in the evaluation' (P38), and finally P31 indicated that company practice cannot be separated from the customs of the community: 'Definitely in the Arabic community. They are the experts on relations, "Who is close to the eye is close to the heart"' (P31).

On the other hand, two participants claimed that relationships do not affect the evaluation.

One said:

'Relationship with the supervisor doesn't play a role in the performance appraisal' (P3).

The other asserted:

'Relationship does not affect or change the performance assessment' (P27)

5.2.9 Theme 9: Integrity in the Process of Performance Appraisal

Participants were asked, ‘Do you feel that the decisions of the supervisors are made with judicial integrity?’ with prompts such as freedom from external pressure, personal corruption, bias, and personal objectives. All participants in this theme agreed that there was no integrity in the evaluation, except one participant whose answer was mixed; as he said, ‘To some extent yes, but not free from pressure but it tends to Integrity’ (P3). The rest of the participants said there is no integrity at all. Several of them gave a variety of reasons for this, such as bias, favouritism and lack of clear standards, while the majority ascribed the lack of integrity to involvement of higher management, which will be discussed in subtheme 9.1. The following are examples of participants’ answers:

‘I do not see judicial integrity in decisions. There is favouritism and bias, it is not visible but we feel its existence. Also there is discrimination between employees, such as is an employee who has a relationship or friendship or business relations with a manager will get a better evaluation’ (P1).

The above participant supported theme 8, indicating that relationships involved in evaluation, and for this reason he did not perceive integrity in the decisions. Another participant saw a lack of integrity because employees are not evaluated on their work:

‘Never, ever. There is no integrity and nothing. In fact the employee is not evaluated on his work, so how can we say there is integrity?’ (P5).

The above participant indicated that employees are evaluated based on other factors such as relationships, which indicates an absence of integrity. Another participant viewed the process as lacking in integrity because there is no standard for the evaluation; this issue will be discussed in theme 13, in Chapter Six.

'No, impossible. In the judiciary there are clear rules and standards, but in SABIC there is no clear system, standards or rules. How can employees be evaluated without clear standards?' (P31).

He viewed clarity of standards as essential to the integrity of the process; without it, integrity was undermined. P42 agreed with the above and added other two issues, subjectivity and ambiguity, that are involved in the appraisal process:

'No, there is no integrity, it is subjective. In addition to the ambiguity and the lack of clearness of standards' (P42).

5.2.9.1 Subtheme 9.1: Interference of Higher Management

The majority of participants did not perceive integrity in the appraisal process, because direct managers evaluate their employees and higher management such as GM or senior manager intervene, either by changing the result, or asking the direct manager to take something from so and so and give it to someone else:

'The problem also is that higher managers do not take the evaluation of the direct manager into consideration, and they change his evaluation without referring to him[direct manager], which puts the supervisor or direct manager in an unsatisfactory situation in front of his staff. Example/ Once the manager told me that he had given me Excellent, but I was surprised with the final result, because the result had been changed by the senior manager' (P6).

A similar example was given by P16. Another participant said that the GM changes the result, although he does not have knowledge about employees' performance or effort:

'There is external pressure, such as the GM interferes in the evaluation without knowing the employee's performance' (P8).

The same point was made by P13 who emphasised:

'My direct manager knows my work actually and gives me my right, but the top manager does not know my work and they reduced my right in the evaluation. I see the manager such as the senior manager has access to the evaluation and changes the result' (P13).

Another point made was that the GM or senior manager requests the direct manager to give certain outcomes to or take them from a particular individual:

'Mostly there are pressures from the general manager to the direct manager to give so and so, Example; once the chief executive called the direct manager and told him to give someone (B) very good and I heard it. The direct manager was forced to give it [to that person] because he can't argue with the chief executive' (P17).

Another participant supported the above and said in such a case the direct manager cannot refuse what his manager asks him to do: 'The direct manager has to obey the general manager' (P26). Also P40 supported this claim and said, 'If the direct manager refuses to change a result if a higher manager requests it, he will be fired'. In this regard P30 expressed anger and said, 'If they don't trust him why did they appoint him?'. In his view, if someone was considered suitable to be appointed as a direct manager, the company should accept his evaluation. Finally, another participant linked such practice to the Arab culture and said:

'They may say that a certain employee must be given a certain grade because he is important to us. This phenomenon is found in our culture' (P35).

5.3 Conclusion

This chapter discussed the first category of the findings, which includes nine themes related to the process of performance appraisal. These themes emerged from the data revealed by respondents, who highlighted these patterns or themes as important to them

in relation to process of performance appraisal. These include, employees' knowledge about the process, and accuracy of the appraisal process which includes the efficiency of supervisors or managers, also their (managers') knowledge about subordinates' performance. Another theme was employees' participations in the appraisal process. In this regard, respondents highlighted the unfairness in the process, which emerged as a separate theme, which included the implementation of the appraisal process. The ratio between input and output was highlighted by respondents, including the procedure of allocating the outcomes and equality in distribution of the outcomes. Theme six was about dignity and respect accorded to employees, and theme seven concerned justification of the outcome decisions. From the above, a new theme emerged, that respondents strongly indicated, which was the influence of relationships in the appraisal process. Finally, supervisors' integrity in the appraisal process was raised and called into question. The next chapter, part II of the findings, will discuss the other four categories that emerged from analysis of interview responses.

Chapter Six: Findings and Analysis Part II

6.1 Introduction

Part I presented findings related to the process of performance appraisal. In this chapter, four categories are discussed. Category two is about feedback and contains two themes. The third category, task clarification, also contains two themes. The fourth category, about overall perception of satisfaction with the appraisal system, contains three themes; and finally, category five is about cultural factors that affect the practice of performance appraisal; this contains one theme and several subthemes.

6.2 Category two: Providing Feedback to Employees

6.2.1 Theme 10: Frequency of Supervisors Providing Feedback to their Employees

This theme is about how often the supervisor or rater provides employees with feedback about their performance in the work they are doing and identifies their weaknesses to allow them to improve. Feedback is one of the dimensions that leads to employees' reaction and perception of fairness.

The majority of participants indicated that no feedback was provided by their supervisor. The answers of respondents can be classified into seven groups. The majority, 16 participants, said there was no feedback at all, 5 participants said that the feedback was only once or twice a year, 4 participants said that the feedback was only at the evaluation time, three participants said the feedback is sometimes, not always, and is general, not detailed, one participant said there is a communication problem between supervisor and employee, one participant said feedback is received only when one first enters the company, and finally one participant said the manager only criticizes, instead of giving feedback. These will be discussed in more details below:

Participant 8 indicated that he wanted their manager to provide feedback so he would know about his performance but this did not happen:

'No, no one tells you about your performance during the year. That's what I've been requesting from managers for a long time, to tell me about my performance, but they do not do anything' (P8)

Another participant viewed this as a problem that he suffered from and said:

'This was the problem that faced SABIC because there is no feedback and no comment on the performance of the employee in order for the employee to improve his performance' (P10).

The above participants realised that feedback would help them to improve their performance, but the rater did not provide it. P16 expressed his frustration and said, 'There's no feedback and nothing said regarding performance, I am frustrated'. Another participant also was not happy with the absence of feedback; he mentioned that his manager behaved badly in the evaluation, so this participant kept a record of his performance and sent it to his manager and his manager did not reply to him. The participant thought this was because the rater wanted to avoid the employee showing him evidence in the evaluation:

'The manager is not open, and does not tell us about our performance, and behaves badly during assessment. Why? I do not know. I have a plan that I assess myself every three months, recording my work and performance and I send this assessment to my manager by e-mail. The problem is the manager doesn't reply to my mail, for the purpose of avoiding any evidence during final assessment. Once he replied with an empty message. This is silly' (P25).

The above participant scorned the action of his rater. Also P40 emphasized the lack of feedback and explained it from a different angle:

'The managers do not sit with the employees, the manager is supposed to sit with employees every month. My manager does

not know anything about my strengths and weaknesses, and [given] no feedback at all' (P40).

Another group of participants said that feedback happened only once or twice a year;

'I'm not often informed about the evaluation. But he gives advice once or twice a year; also they don't inform you how to develop your weaknesses' (P3)

The above participant indicated that even in this feedback, which was given once or twice, the rater or manager does not help employees to overcome their weaknesses.

Another participant also said:

'The feedback only happens once a year which I think is insufficient, it should be throughout the year, not once' (P38).

Also this participant was unhappy with the manner of feedback in SABIC. Similarly, P35 indicated that the feedback is not continuous and said, 'The direct manager identifies weaknesses but not always and not regularly'. Another participant made the problem clear and said:

'There is nothing routine, formal, continuous and fixed. I wish it was every two or three months, to enable the employee to improve his performance' (P43).

Other participants indicated that their supervisor only provided them with feedback after the evaluation. P1 wanted their manager to provide them with regular feedback, as required by the company policy:

'He does not help to improve performance in the middle of the year or on a regular basis, also he does not provide feedback, only at the time of the evaluation. Whereas the policy and procedure of the company require it of supervisors and managers, they do not follow it' (P1).

The above participant expressed his experience of 20 years in the company, and he found that the feedback was not provided in sufficient ways. Another participant expressed the same point in a different way:

'The manager does not inform me about the level of my performance and does not provide feedback during the year, but he gives feedback or tells us once a year at the evaluation, after the result is approved by the GM and vice president and everything is finished' (P6).

This participant explained that their supervisor only provided employees with feedback after the result is approved. Other participants said that the manager sometimes gave feedback, but provided a general overview, not details:

'Sometimes, but not often, and the manager only gives a general impression, not in details, As for the feedback, he only says, "You are doing well in your work", or "Your performance is not good" without mentioning the weak points, or how I can improve the weakness, and at the end of the year you find the grade weak, and not satisfactory' (P21).

The above participant was dissatisfied with his manager's feedback because there was no mention of specific weak or strong points. Another participant said:

'Sometimes. We rarely get feedback. In my opinion this is very bad, the manager should provide proper guidance, not as he is doing now' (P22).

This dissatisfied employee, like his colleagues, wanted feedback more often and regularly. Another participant thought feedback was ambiguous to employees because it was unrealistic and he said:

'It is very ambiguous. Through the year the manager says you are excellent, but at the end of the year the assessment is bad' (P42).

Another participant suffered from the same issue and perceived the manager was lying to him, because in the last evaluation, his manager had identified his weaknesses and the employee worked hard to overcome the weaknesses, but in the next evaluation the result was the same:

'But the problem is you will be informed or get feedback after the decision is taken, so you can't change anything. Even if I stay and next year work as hard as last year and improve the weak points that the manager mentioned after the evaluation, I will get the same result because the manager doesn't understand and is deceiving and lying to me. The result is the same even if I improve the weak points' (P31).

This participant mentioned that the problem is that the manager did not understand the process and gave untrustworthy feedback that did not recognize his hard work and improvement. Finally, P44 mentioned that there was a communication problem between the manager and his employees:

'Mostly he does not inform me. There are communication problems between the manager and the employees. The identifying of weaknesses and strengths does not exist, and there are no clear comments or feedback about performance. We are working in ambiguity and without information' (P44).

On the other hand, there were four participants who indicated that feedback is regular and their supervisor helps them to develop themselves:

'Yes, he gives feedback every three months, and the supervisor or manager always tries to help employees to develop their

performance, by informing employees of their weaknesses’
(P2).

The above participant reflected his experience of 20 years that the supervisor provided regular feedback and mentioned the weaknesses of employees. Similarly P19 agreed with P2. P9 mentioned the same point, that the manager reviewed employees’ performance monthly, but said he reprimanded them if their performance was weak;

‘He reviews monthly work requirements with employees and motivates them if they achieve excellent performance and reprimands them and gives warnings if their performance is weak’ (P9).

This theme shows that the majority of participants do not get feedback about their performance, while a minority get feedback but not on a regular basis. Only four participants indicated that their supervisor provided them with regular feedback.

6.2.2 Theme 11: Ability to appeal against evaluation result

This theme is about appealing, which means whether employees are able to appeal if they feel that the evaluation result is biased, inaccurate or unfair, and also, if they appeal, whether they can get a fair evaluation. Their answers reflected the practice that SABIC used in the evaluation. The majority of participants indicated that they were unable to appeal, because they did not know the result until it was approved by higher management and then it could not be changed:

‘I cannot appeal because the result has been taken and approved by high authority, and cannot be changed’ (P7).

P5 said, ‘Not allowed a chance at all’, which indicated that his manager did not give him a chance to appeal. Another participant said the company would not consider an appeal:

'You can't appeal because you do not know until after the results are announced and confirmed, so it's difficult to change or almost impossible; even if you appeal they will not consider it' (P10).

P18 did not think that he would appeal because he could not change the result:

'I do not think so, because the result is final and incontestable' (P18).

P23 said that in the company policy, employees are able to appeal, but their supervisors do not practise it:

'I am unable. There should be a mechanism, because the policy of the company says that every employee has the right to appeal, but actually this is not applied' (P23).

P26 agreed with them and said, 'The result can't be changed, whether you are satisfied or not', P4 supported P26 when he said:

'I can't appeal and I can't argue with the manager, because what the manager did is right and no one can do anything about it, and we have to accept it' (P4).

He indicated that the manager's decision is final and cannot be challenged, so employees have to accept it, while P29 said it is possible to appeal but under such conditions that in practice employees would not appeal, as he said:

'You can, but in two ways: Appeals, and get yourself calm, but the manager lies and gives us fake excuses you will not change the result. There is no solution even if you appeal, and the manager makes you hate the appeal' (P29).

The above participant indicated that an employee might appeal to satisfy himself, to vent his anger, but nothing would change, because managers make the process so

difficult and unpleasant one would be reluctant to appeal again. This was supported by P34, when he said, 'If you appeal and go to higher management they will send you back to the direct manager and the direct manager says go to the higher management, till you hate the appeal'. Other participants, when the researcher asked about appeal, laughed and said, 'Forget it', which reflected their experience that they could not appeal (e.g. P39). Also P16 said, 'There is no hope; while P12 reported how his supervisor dismissed thoughts of appeal:

'Unable to appeal and he says, the manager said, "You should thank God that you are an employee here or in such a company' (P12).

The above participant indicated that his manager's view was that the employees were lucky to work in SABIC, and had no right to expect or want anything more, suggesting employees are powerless. Another participant noted the issue of power, when he said that if an employee has power, he will appeal and get his right, otherwise not:

'No, I am not able to appeal. You can appeal if you have supporting power, but you get nothing if you don't have such power. It is extremely bad' (P25).

The last words of his answer, 'extremely bad', are very strong words, but the researcher heard such expressions from many participants, which reveals the participants were very unhappy with their appraisal.

On the other hand, three participants said they were able to appeal, and two of them said they could get a fair evaluation if they appealed. They said:

'I can appeal at any time if I think the result is unfair. Yes, I get a fair evaluation if I request it' (P2).

'I can appeal, if the decision is unfair, I can have a fair decision and the right of appeal is there at any time' (P37).

The above participants said that they are able to appeal and get fair evaluation, whereas another participant said that although he could appeal, he did not always get a fair evaluation if he did so:

'I can appeal, but you don't always get a fair evaluation if you appeal' (P11)

He carried on to give an example:

'Because the employee who speaks, and discusses or defends his rights always gets his rights from managers. They can't take anything from him as they are afraid of him, that he may pose a problem to them, whereas the employee who doesn't speak, they reduce his rating. You have to push' (P11).

P11 recommended employees to push and fight to get their rights from their managers, and clearly claimed that otherwise, the manager would be unjust. The argument in this theme shows that the majority of participants felt unable to appeal against the result of PA. This leads to a subtheme, which is the reflexive reaction from the manager.

6.2.2.1 Subtheme 11.1 Reflexive Reaction from Management when Employees Appeal

This theme reflects claims that when employees made an appeal, their managers or higher management would react negatively toward them. For example, P36 said, 'The manager will not accept the appeal'; 12 participants gave responses linked to this subtheme. Some of them expressed the same feeling and words, while others gave another side of the picture, as will be discussed below:

'It's possible to make an objection to the result of the evaluation, but they don't take it into consideration. Even if you make an appeal you will not get a fair assessment, and you will be hated, by the General Manager and management, they will get a bad impression about you. Also the appeal procedures do not exist in SABIC' (P1).

The above participant, with 20 years experience, indicated that no fair assessment would be gained by appeal, and the appellant would incur the wrath of the management. He also mentioned that there is no procedure for appeal in SABIC. Another participant said:

'I can appeal, but a reflexive reaction will come from the management, and you will be hated by the manager, then the employee will be affected if he appeals. Example\ Once one of the employees went to senior management to appeal against the evaluation. The senior manager contacted the direct manager and said, "Why did your employee come to me?"' (P8).

This participant said it would put employees in a bad situation if they appealed and asked for fairer evaluation. Another participant raised another issue if he appealed:

'Here some managers have a false belief, and strange thinking, and strange points of view about many concepts. For example if I appeal and win the case and change the evaluation, he'll consider it as if I have disobeyed him. An employee who appeals will not be accepted in the company' (P20).

This participant was unhappy with the manager's irrational way of thinking toward employees, and felt that managers would not accept any challenge. Another participant linked appeal with culture, suggesting that appealing is not practised in the Saudi culture or society. He referred to following or obeying managers:

'If you appeal, they consider that you are objecting against the manager's instruction. I am not objecting but expressing what I am suffering. The idea of appeals takes time because the Saudi culture expects you to follow the manager's instructions, whatever they are. Objections will affect you in the coming years and you will be in a critical situation' (P30).

The above participants expressed the point that an employee who appealed against unfair evaluation would make himself unpopular in the company, P43 made the same point, while P40 claimed making an appeal leads to many problems:

'You cannot appeal, if you do so you will face many problems, and you will have negative points, and you will be outcast. For these reasons, employees will be silent and accept any result. Here in SABIC the small will be small and the big will get bigger (if you have strong relations you will get bigger and if not you will stay small). There is a lot of corruption' (P40).

The above participant said that because of these problems, employees are forced to be silent and accept injustice. Also he gave an example that those with “connections” can get their rights and be big in the company, which was discussed in theme 8 and will be discussed in theme 17 as well.

The above findings in this subtheme indicated that employees are not able to appeal, and if they do so, they may lose other benefits and rights in the company.

6.3 Category three: Clarifying Task to Employees

This category is about employees' tasks, which they perform during the year, and which should be the basis of the appraisal practice in SABIC. This category has two themes which will be presented below:

6.3.1 Theme 12: Objective Setting and Understanding Objective

This theme is about setting goals or objectives for employees each year, that allow them during the year to focus on their objectives in order to achieve them. The majority of participants indicated that there are no specified goals for employees. As P28 said, ‘This is what we are seeking from the supervisor, to tell us of the required objectives, but unfortunately it doesn't exist’, while P7 said, ‘This is very advanced and not used at the

headquarters of SABIC'. This reveals that the company does not evaluate on the basis of present goals. Also another participant said:

'No, at all, because there are no targets or goals set for the employee, and the employee does not know the required goals to be achieved' (P9).

Another participant agreed that there is no goal-setting and went on to give an example:

'One year I asked the manager to help me and write the required goals for the purposes of getting 'very good', but he provided me with nothing and there was no answer from the manager'(P26).

Even when the above participant explicitly asked his manager to set objectives for him, his manager did not give him any answer, and P40 made a similar point.

Another participant indicated that there are no goals for specific employees, but goals for the whole department and the work is routine:

'No, they do not set goals for the employees. The department has goals, because the work is routine. The goals are generally for the administration and not for specific employees. The manager is not certain about the employee's responsibilities, and he does not make sure that we are aware of our goals' (P27).

The above comment shows that the manager is not sufficiently aware of the duties of subordinates, to make sure that the employees are aware of their goals. Another participant blamed the nature of the company, in respect of goal setting, and argued that evaluation is based solely on the manager's opinion:

'No, because the nature of the company is like this, it does not give goals. There is no setting of goals and no explanation of what we have to do, they leave the employee to work without

guidance and at the end of the year he will be evaluated based on the manager's opinion' (P36)

Another participant indicated that if goals or objectives are set it is only for show, to give higher management the impression that the direct manager was implementing the management's plans, whereas in reality, clarity of goals does not exist:

'No, the goals are not defined, the managers identify the goals in the system for the purposes of just convincing the top managers and chief executives that everything is going as planned, the staff have been informed about the goals and they implemented the system of the company. Whereas in fact they are not doing all the above. It is all lies and hypocrisy' (P43).

This participant had worked for the company for 7 years, and in that time perceived that the managers did not implement the company's official process in respect of goals and objectives, and did not provide top management with an accurate picture about the employees' situation.

P13 and P37 indicated that goals are defined once, when employees are first recruited:

'No one tells us about what is required at the beginning of the year. They keep it secret. The objectives are prescribed at the time of recruitment' (P37).

The above participant perceived that if the managers were aware of goals, they did not inform employees.

P10, P25 and P31 indicated that managers do not care about objectives or goals, but only concentrate on attendance:

'No. You will be informed about the importance of attendance only, nothing else. The share of attendance in the assessment is

65%; we are not the armed forces! Attendance is monitored by the manager' (P25).

The above participant showed the disproportionate weight attached to attendance in appraisal. Another factor affecting appraisal related to goals and objectives is that managers do not distribute the work equally among employees:

'The manager should distribute the work among the employees equality. But some employees are given hard work and others are given less work. He should give me a certain work and then evaluate me depending on that criterion. It is not just to give someone more work, then say, "He does more work than others, therefore I have awarded him "excellent"' (P23).

The above participant wanted his manager to evaluate his performance on the task he was given, not compared with other employees who were given more tasks; if he wants to compare, he should distribute the work or goals equally.

From another perspective P30 and P 32 said the goals are set by employees and the manager approves them:

'There are no goals set. Only the employee sets the objective and the manager approves it. The manager never sits with the employee to discuss the goals or to set the goals and he does not make sure that I am aware of my responsibilities' (P32).

On the other hand, four participants indicated that there are goals and objectives. However, although their answers to this question indicated that there is identification of goals, they had different points of view:

'To a large extent yes, you will know the expectation in bullet points, not in much details' (P1).

The above participant indicated that his manager set general objectives for him but not detailed objectives. P11 agreed with P1 and said:

'Yes, there an individual developmental plan, the manager sets it with me. Then it's signed by the employee and the manager, and there are also goals determined for the employee, and evaluation at the end of the year is based on the goals and behaviour. But the manager does not explain to you how to achieve these goals, but he gives them to you and you carry them out in your own way' (P11).

The above participant mentioned a similar point, that the manager does not explain the objectives to employees. However, P24 indicated that goal-setting depends on the individual manager:

'It differs from one person to another. For example last year the objectives were not clear, but this year everything is clear' (P24)

6.3.1.1 Subtheme 12.1 Clarity of Objectives

While the majority of participants in relation to theme 12 indicated that there is no goal-setting, a subtheme emerged, indicating that even if there are goals, they are not clear for employees. The majority of the participants in this subtheme agreed that the goals are ambiguous:

'The goals are not explained very clearly; there is some ambiguity' (P1).

Another participant said:

'Here in SABIC we have a problem that the job description is not clear. So, the employee works without clarity on his job description, so how can the supervisor evaluate his performance? This problem will bring other problems such as

unfairness in the evaluation. How can he assess my work if I do not know my real job in details? ' (P39).

The above participant wondered how his supervisor could evaluate his performance when the employee did not know his duty or task. Another participant agreed and indicated that most employees in SABIC suffer from such ambiguity. He provided this example:

'There is ambiguity in the goals; most employees complain of such ambiguity. For example you can find 5 goals, but one or two of these goals are not clear and you cannot understand exactly what are the objectives of these goals' (P43).

P6, P13, P18, and P21 raised another issue claiming that the managers deliberately do not set specific goals or objectives for them, because they fear employees will involve them to challenge managers at evaluation time, if the manager does not keep his promise:

'There are objectives and goals but they are not clearly effective and there are no specific objectives or goals for every year. There is no clear explanation; the manager only gives generalities which lack credibility. Everything is ambiguous, so you can't challenge the manager at the end of the year or at the evaluation, because they are afraid that employees may claim that the manager told them clear goals and they achieved them, so why don't they give them A in the evaluation?' (P18).

Another participant agreed, and added that managers manipulate goals in their own interest:

'The goals are not clear because they magnify and lessen these goals at whim, for their benefit and against the employee' (P44).

Participants in this subtheme were not satisfied with goal and objective-setting, because they perceived no clear goals are defined for them, and suspected that failure to define goals is because managers are not able to keep their promises if employees achieve what has been set for them, or set goals to serve their own purposes, not for employees' benefit.

6.3.2 Theme 13: Explanation of Appraisal Standards or Criteria

This theme is about whether managers, supervisors, or raters explain the criteria used in the assessment or evaluation of employees' performance. The majority of participants said there was no explanation of the standards used in the appraisal. One participant said, 'There are no goals or objectives, so how can the manager explain the standards?' (P4).

Another participant said:

'They do not explain the criteria that they will use to evaluate our performance, and do not explain anything. We are working and we do not know how they will evaluate our performance' (P7).

The majority of participants agreed that they suffered from the lack of explanation of the criteria. P16 said:

'No they do not explain. One thing that I know is if you do your normal job you will obtain a (C) Good grade, and if you are distinct you will get (B), Very Good and if you are superior you will get (A) Excellent' (P16).

The above participant mentioned that his rater did not explain the standard to him, but he had found his own impression of how grades were awarded. Another participant thought that the manager is not confident to explain the standard:

'I don't know the standard on which the manager concentrates in the evaluation; also I do not know the standard on which the evaluation is based. Actually, the manager does not tell you

about the standards he adopts in order not to be embarrassed at the end of the year, because managers do not have confidence in their evaluation' (P20).

Another participant stated the same issue and elaborated on why managers do not explain the criteria for their employees. In fact, this issue was mentioned in the previous theme (theme 12), but this participant perceived the same reason why managers did not explain the evaluation criteria:

'No, the manager does not explain the standard on which the evaluation is based, because if he explained he would put himself in a critical situation with employees, because if employees know the standard and meet it at the end of the year, the manager is not able to grant them the deserved grade in the evaluation. I am evaluated based on the goals they set at the beginning of the year, but there are other factors that interfere, such as the budget and bias, the higher manager' (P32).

Another participant said, 'There is a great ambiguity in the standards' (P42). Another participant said the employees have to think about different possibilities for the standard, which means they have to interpret the standards:

'He doesn't tell us about the tools that should be used in the evaluation; the matter is open for more than one possibility, and the employee has to make the interpretation' (P25).

Another participant raised another issue, that the manager himself does not know the standards:

'No, he did not, because the manager himself does not know the criteria and standards. The standards are obscure' (P30).

P24, P35, P36, P37 and P41 said that the manager did not explain the standards or criteria to them, but they knew that the appearance, quality of work and punctuality were some of the appraisal criteria:

'No, he does not explain. I know some points such as punctuality and appearance. But other criteria used by the manager are not clear to me' (P35).

On the other hand, a minority of participants (four participants) indicated that appraisal standards and criteria are explained to them clearly. The following are two examples:

'Yes, he explains the criteria that he will use to evaluate our performance' (P3).

'Yes, the supervisor explains the standard or criteria that he will use to evaluate our performance' (P27).

In this theme the majority of participants did not know the standards used by raters in the appraising of their performance, while only a few participants claimed to know the standards.

6.4 Category four: Perceiving Satisfaction with Appraisal System.

This category is about perceiving fairness in the appraisal system as a whole. This category is divided into three themes, which will be presented below:

6.4.1 Theme 14: Accuracy and Fairness in the Appraisal system

This theme is about the accuracy and fairness of the overall appraisal system. literature indicated that the perceptions of accuracy and fairness in appraisal system leads to satisfaction with appraisal system (Cardy and Dobbins, 1994; Cawley et al., 1998; Keeping and Levy, 2000; Pichler, 2012). Therefore Smith and Rupp (2003) indicated that the success of the appraisal system depends on employees' satisfaction with the appraisal system. There is some overlapping between accuracy in the process and fairness in the process, which were discussed in themes 2 & 4, and perceiving

accuracy and fairness of the appraisal system (this theme). Therefore, the perceptions of accuracy and fairness of the appraisal system will be discussed under this category.

The majority of participants did not perceive fairness in the appraisal system and gave many reasons why not: lack of goals and objectives set for employees, managers or raters unqualified to evaluate their performance properly, the impact of relationships on evaluation grades, lack of explanation of outcomes, not seeing the appraisal form, no standard or criteria for the evaluation, lack of accountability, lack of transparency, ratios not distributed equally, manager subjectivity, ambiguity of the appraisal process, interference of higher management to change the evaluation, no discussion with manager about the evaluation, lack of honesty on the manager's part, lack of feedback, evaluation depending on budget rather than performance, and managers or raters focusing on the performance of the last three months and ignoring the rest of the year. These are the reasons that participants indicated for perceptions of unfairness of the appraisal system; the following are examples of participants' feelings:

'No, it is unfair because there are no clarity in the expectations and the managers or supervisors are not trained to use the system of forced distribution, and bias or relationships play a role in the final result of the evaluation' (P1).

Another participant indicated that the rater should evaluate employees' performance every three months and keep records for the final evaluation:

'No, it is unfair and inaccurate. Because it is unclear, and there are no clear goals and there is no clear plan and there is no time-table. It should be every three months in order for them to remember your work' (P23).

Another participant who had 16 years experience in the company agreed and indicated there is no standard for the appraisal; if the manager is pleased with the employee he

will get grade A, this participant expressed his dissatisfaction by summing up the whole process as “silly”:

‘No it is unfair, because it is not based on goals. It would be fair if there have clear goals at the beginning of the year, and if the manager identified the strengths and weaknesses, it would be fair. But the assessment is done without standards and goals. For example if the manager is pleased with you, in this case you will be graded with “excellent”. It is really silly’ (P28).

Another participant showed how frustrated he was when he said:

‘No, it is inaccurate and unfair, because the manager or supervisor does not give us any explanation for the result that he grants us, or gave us, they do not justify why they evaluate me like this. Also I cannot see my evaluation form; they evaluate me without telling me. Therefore I see that the evaluation as not important to me, because of frustration and contradiction and not giving everyone his due and right, because from what I see, I cannot do anything, so I keep silent about what managers do’ (P6).

The above participant, with 18 years experience in SABIC, indicated that managers do not give employees what they deserve, and they cannot do anything about the evaluation, so he felt forced to accept what result or grade the manager gave him.

Another participant raised another issue:

‘Yes, it's accurate in terms of the evaluation form, but unfair in the process, because some employees get more than they deserve, there is favouritism and racism and the manner of treatment is different strange, some people are lying to others and some flatter others’ (P11).

The above participant indicated that the form is accurate but the implementation, of the process is inaccurate; this point was discussed in subtheme 4.1. Also he indicated that

the raters treat employees differently when he alleged ‘favouritism and racism’, which reflects inequality in the treatment. Also several participants indicated unfairness of the appraisal system because of ratio distribution:

‘No it is unfair, because of distribution ratios. Because 70% of the problems between managers and staff are due to ratio setting’ (P17).

The above participant was unhappy with ratios, because managers do not distribute grades in a way that makes employees perceive fairness. Another participant, with 18 years experience, made it clear with the following example:

‘It is unfair. The method of distribution, because every year the manager tries to give one of the employees an "excellent" grade’ (P38).

This issue brings us back to theme 4, when participants did not perceive fairness in the process because as they said, the rater circulates the A & B grades between employees every year. This may occur because the raters do not keep records of employee performance through the year. Another issue is the subjectivity of managers:

‘No, No, No, because if I achieve what is required, I will get (C) "good"; whether I work hard or I work normally I will get C, which is unfair. The matter as a whole depends on the mood of the manager’ (P20).

Another participant indicated there is a lack of transparency:

‘Unfair because, evaluation is ambiguous for the employee and lacks transparency’ (P18).

Another participant agreed with the above and indicated that managers are subjective always:

'No it is unfair, because there is subjectivity from the direct manager: the manager is subjective all the time. The manager can do what he likes; there are no ethics' (P24).

The above participant's reference to 'ethics' in describing his feeling about the appraisal system shows his perception of a lack of integrity in the evaluation.

Another issue that made employees not perceive fairness is the involvement of higher management such as the General Manager, who might change the grade assigned by the direct manager (discussed in subtheme 9.1). As one participant explained:

'No, it is inaccurate and unfair. Because sometimes there is higher intervention in the assessment process' (P27).

Another participant was unhappy because in his view there is no honesty in the part of the rater:

'Unfair, because lack of clearness on duties and goals and the absence of honesty. The manager didn't keep his word when he promised to grade me "excellent" if I finished what he requested' (P30).

And finally, another participant perceived unfairness because the evaluation depends on the department's budget, and the raters do not evaluate performance regularly, but only focus on the last two months before the evaluation:

'No it is unfair, because the evaluation does not depend on the efforts but on the budget, relations play big role in this respect, and the evaluation sometimes concentrates only on the last month or the last two months' (P39).

The above participant again mentioned that relationships affect the evaluation. He meant that because of the limited budget for each department, only one or two people

will be given the higher grades (and hence, bonuses or salary increments) so employees try to exploit relationships to make sure they are the ones rewarded.

On the other hand, seven participants perceived fairness in the appraisal system. Four of them said there is fairness to some extent, but generally they perceived fairness:

'It is accurate and fair, as I see it, because managers provide us with feedback and highlight the weaknesses and help to develop and improve employees' skills' (P2).

The above participant was happy with his rater because he provided him with feedback on his weaknesses and helped him to improve performance. Another participant perceived fairness, to some extent, because the rater or manager helped employees to improve their performance, but he was unhappy with the forced distribution:

'To some extent yes, I think it is accurate and fair. The main problem with the appraisal is the forced distribution, only; the rest, such as supervisor and management, are very good and they always help employees' (P3).

Another participant defined fairness in the appraisal in percentage terms, and he conceptualised the process as 'good treatment'; he meant that if the employee treats the manager well, he in turn will respect the employee and treat him well:

'To 80 to 90% fair. In most cases, the errors happen from the employee , because I consider it as [a matter of] good treatment; if you treat the manager or supervisor in a good manner he will be embarrassed in front of you and respect you, because good treatment enables you to impose your opinion. Also some errors in dealing of employees can affect the evaluation' (P7).

The above participant thought a margin of between 10 % to 20 % of error was caused by employees' and managers' relations in the evaluation. Also P10 said, 'It is fair by

95%; the 5% is the different views between manager and employees. Another participant was happy:

'Yes it is fair, because it matches the efforts I exerted, and I get what I deserve. As I give to the company, so it gives to me' (P35).

The above participant perceived fairness, because the result of his appraisal was commensurate with his effort or input. Another participant was happy and perceived fairness because of the result he obtained, but he did not perceive fairness in the clarity of goals:

'Yes it is fair to some extent. I think it is fair for me, but the problem is the job description or goals it is unfair, because they do not define certain goals' (P41)

Another issue that participants mentioned that made them not perceive fairness in the appraisal was that their managers concentrated on bad attitudes or behaviour and took such instances as an excuse for evaluating employees with poor grade. This will be discussed in the following subtheme.

6.4.1.1 Subtheme 14.1: Managers Focus on Bad Aspects of Employees

This subtheme emerged from the data because 11 participants agreed that their managers only concentrated on bad actions or attitudes of employees, and neglected their good actions. Consequently, whatever efforts employees make, or intend to make they will be under pressure because always managers or raters remind them of previous bad performance or actions or behaviour. This makes them frustrated and shows how first impressions last. One participant said:

'The supervisor mentions the weaknesses of the employee and does not mention the strengths, because he needs to protect himself and justify why he gave you a bad evaluation' (P1).

Another participant was unhappy with managers because he thought they are looking for employees' mistakes as an excuse to give them a bad evaluation:

'Mostly in SABIC managers look for faults or mistakes for the employees, to give them a (C), "good". The manager should help employees to avoid mistakes to let them get a better evaluation, but unfortunately this doesn't happen' (P16).

The above participant wanted managers to help employees to avoid mistakes, but he said this is not practised. Another participant confirmed the above and added that if employees do not make any mistake, the managers try to manipulate them into inappropriate behaviour in order to justify the low evaluation they want to give:

'They look for your mistakes, to give you a weak evaluation, because here [the distribution requires] 10% excellent and 10% poor, and they try to allocate employees. If you do not have a weakness the manager provokes insults and mistake from you to give you a weak evaluation. In the last two months they count a fault if you are late one second or leave one second before the office hours, you will get a caution for it' (P15).

This participant also mentioned the issue of focusing on the last two months discussed in theme 14. This participant reflected his experience of 15 years, when he claimed that managers give cautions for the most trivial infringements. Also another participant indicated that the manager only concentrated, in the last two months, on mistakes for employees he did not want to reward:

'In the last three months, the manager looks out for your mistakes and he will put employees (who he does not want) under the telescope, to prevent you from saying, "That's why I get weak evaluation"' (P12).

The above participant used the word 'telescope' to illustrate that the manager pays excessive attention to every single action performed by employees. This issue was emphasised by many participants; as P25 said:

'If the manager doesn't like a certain employee, he tries to find any mistakes for the objective of firing him or grading him weak during assessment' (P25).

He went on to provide an example:

'If you exert excellent performance in a job, the manager doesn't record such effort, but if you make an unintended mistake it will be recorded for the purposes of reminding you of the bad things when you ask about the assessment, and he never mentions the good things you did. Such behaviour frustrates the staff and managers always do it' (P25).

The above participant mentioned that such behaviour is annoying because employees are frustrated by lack of recognition of their merits. Another participant with 16 years experience mentioned that because his direct manager was afraid of being replaced, he looked for mistakes to hold his rival back:

'There was a head of department who was afraid I would replace him so he always waited for my mistakes, especially during assessment' (P28).

Finally, another participant indicated that in 18 years experience with appraisal, managers were not consistent with him, and he gave a clear example:

'The manager and supervisor at the evaluation time mention many weaknesses to the employee and say you are weak in specific points and weak in such and such, so as to justify his attitude in the evaluation decision, which does not match your performance, and he undervalues your right, and I said ok, and I accepted it. When development time came and I needed

training and guidance to improve the weakness that he mentioned in order to improve my performance, the supervisor gave some fake excuses that he needed to cut cost, to improve his image with top management, at my expense' (P6).

The above comment shows that the manager denied the employee an opportunity for training and guidance, even though he had himself claimed to have identified weaknesses in his performance, leading to the conclusion that his comments could not be trusted and he was concerned only for his own position, rather than employees' improvement and development.

6.4.2 Theme 15: Satisfaction with supervisor's support

This theme is about how far employees were satisfied with support and guidance received from their manager or supervisor. The majority of participants were dissatisfied with supervisor support:

'I am dissatisfied. Because the supervisor does not direct us toward the desired goals, he does not identify weaknesses, during the evaluation he does not discuss, he does not give explanation' (P23).

Another participant said, 'I am dissatisfied because the manager lies to me' (P42). Many other participants agreed with the above, and indicated that managers do not have time for employees. Another said the managers try to avoid employees, accusing them of wasting time:

'There is no support, there is nothing. The managers try to avoid employees because they think that the employees are wasting his time. He is originally a manager because of the employee. It is strange thinking' (P28).

The above participant, with 18 years experience, was dissatisfied with manager support, and pointed out that the managers were appointed to take care of employees, yet seemed

not to recognise this role, which he considered 'strange thinking'. Another participant said that the manager thinks only about his own benefit:

'No, there is no support. He doesn't help because he is busy on his personal benefits, thinking how to exploit the upper level manager by trying to get training and other benefits. He is thinking whether a manager from the same rank has a higher salary or gets promotion, etc....or whether he will get a long mandate or be in charge of a country' (P34).

The above participant, after 30 years experience, perceived that there was no support at all. Also P5 indicated that there is no concern from managers about the real purpose of performance evaluation:

'It's just paperwork, There is no concern about achieving the goal of performance evaluation' (P5).

Another participant indicated that if an employee tried to consult his manager about a problem, he would be angry. He said:

'No. not satisfied. You don't explain any problem to avoid the manager's anger. He will give you complicated explanations if you try and explain the problem, which indirectly means, "Don't come and bother me again"' (P29).

He illustrated what he meant with this example:

'The situation is the same as if your child asks permission to play with friends, but instead you ask him to do some chores for the purpose of stopping him asking again' (P29).

The choice of this example articulates a perception of the abuse of power relations between managers and employees.

Another participant indicated that the manager or supervisor, instead of giving advice and support, looks for mistakes as a reason to award a low grade:

'No, not satisfied. There is no support, while the manager is looking for negative things to give a negative evaluation' (P12).

P6, P7, P9 and P38 indicated that if the work stopped the manager would get involved and give support, but otherwise not:

'Divided into two divisions; first, if a problem happens and the work fails or is stopped there will be guidance and support. Second, regarding providing the training or allowances or promotions, there is no support and I am dissatisfied because the manager provides the training and deputations to those he favours for personal reasons' (P6).

The above participant mentioned that training is treated as a reward and provided to those who are favoured and have personal connections with managers, as discussed in subthemes 5.1 and 5.2.

However, a minority of participants were satisfied with supervisor support; a few of them expressed full satisfaction whereas the others expressed satisfaction, but with reservations. The following are examples:

'I am very satisfied, because the performance evaluation is based on transparency, and I get help or my supervisor when I need it' (P2).

The above participant was satisfied because his supervisor was transparent and gave full support. Another participant said:

'There is sufficient support, and I am satisfied' (P17).

Another said:

'Yes, it is excellent, he gives feedback through the year and helps in improving my performance and he supports the employees to enhance their effort' (P41).

However, another participant said that he was satisfied with his current manager, but not with the previous one:

'I am satisfied with the present manager who has spent only 3 months in this position. With the previous manager, I wasn't satisfied' (P22).

This manager had been transferred to his department three months before this interview. Also P24 agreed with P22, that he was dissatisfied with his previous manager. Another participant, contrary to P22 and P24, said his current manager gave only superficial advice, whereas his previous manager was better in terms of support:

'It is acceptable to some extent. In the previous administration there was strong support and a lot of advice. Now it is only superficial advice' (P25).

Another participant said that he was satisfied with the support, but his concern was that the support was 'not continuous, or not on a regular basis' (P27). Another participant was dissatisfied in general, but happy with the current situation:

'Generally dissatisfied, but I am happy with the existing situation and I see it as fair' (P35).

Another participant mentioned that he was satisfied with his manager's support, but thought such a situation was not generally prevalent in the company; this is consistent with the finding that the majority of participants were dissatisfied:

'I am satisfied with the support provided by the direct manager, but generally it doesn't prevail in SABIC' (P31).

The majority of participants in this theme were dissatisfied with their supervisors' support; only a small minority were satisfied, suggesting that much depended in the attitude of the individual supervisor.

6.4.3 Theme 16: Satisfaction with Appraisal System

This theme is about overall satisfaction with the appraisal system. The majority of participants were dissatisfied with SABIC's appraisal system, and most of their reasons for dissatisfaction were mentioned in previous themes; however, each one of the previous themes discussed a single issue, whereas this theme represents satisfaction with the system as a whole.

One of the main issues that participants were dissatisfied with was the system of forced distribution, because they felt that this system was unduly restrictive; therefore the grades awarded, they thought, did not reflect what they deserved. One participant indicated that this has negative impact on staff:

'No, not satisfied. Because if there are four employees who deserve excellent, only two get it, which has a negative impact on staff' (P8).

Another participant thought the system leads managers to be unfair 'because it's restricted by percentages which leads to managers' injustice' (P14). Another participant felt that this system denies employees' their right to get what they deserve:

'No. I am dissatisfied. The matter of percentage is unfair. It should be changed to give everyone his rights, without disparaging people' (P26).

Another participant recommended that the company stop using forced distribution and instead use the 360 degree system:

'I am dissatisfied; the company should use the 360 degree system. They should cancel the forced distribution' (P42).

Another participant, reflecting his experience of 16 years in the company, explained that each department has 100% for the evaluation, and this is divided between managers and employees. This participant indicated that the percentages of A and B grades are limited and the managers take them for themselves and leave C for the employees:

'No, unfair, because of the ratios, because each administration in the company has 100% for the evaluation, and the ratios are distributed among the general managers, managers, department heads and employees, and the ratio to be allocated to each, such as 15% of all departments to obtain excellent and 35% very good and the rest good, so managers will take the excellent and very good for themselves, and leave good for ordinary employees and this is problematic, so I'm not satisfied' (P16).

The second issue that participants raised that made them dissatisfied with the system was goal setting. They indicated that there are no goals or the goals are unclear, therefore they could not predict the appraisal outcomes:

'No, not satisfied. Goals are not identified for the employee' (P36).

Another issue that participants raised is the absence of standards or criteria for the evaluation:

'I am not satisfied, and it needs improvement. They have to explain to the employee the mechanism applied in evaluation' (P35).

Another participant said:

'Dissatisfied because it is very bad. The evaluation is not based on standards' (P33).

Also, another issue that made participants dissatisfied is the capability of managers or raters to evaluate the staff:

'I am dissatisfied, because there's a lack of proficiency in applying or implementing the forced distribution system. In order for this system to give a positive result, it should be handled completely. One of the most important factors that would help that, is to make the evaluation weekly or monthly at least' (P18).

The above participant wanted raters to assess performance on a weekly or monthly basis, in order to be fairer and make employees satisfied.

Another issue that participants highlighted as a cause of their dissatisfaction is that relationships influence the appraisal result. For example P14 said, 'Relationship with the director plays a role in the evaluation'.

Another participant said:

'I am dissatisfied because there is a secretary who became a manager by mediation (Wasta) yet I've been 23 years in the same position' (P12).

Another issue is the subjectivity of raters or managers:

'No I am dissatisfied. Because the evaluation should be objective, not subjective' (P42).

Another participant made the same point, indicating how in his experience of ten years in the company the situation had changed:

'I have been here 10 years and I was satisfied for 5 years, but now I am not satisfied because it is illogical and unfair and the biggest problem is that the manager takes the evaluation as a personal matter and subjective' (P23).

Finally, some participants indicated that managers only focus the evaluation on the last two months and neglect the effort of the rest of the year:

'Dissatisfied because they only focus on the last two or three months of the year and evaluate you based on it' (P22).

On the other hand, a few participants were satisfied with the appraisal system:

'I am satisfied, the main advantage in satisfaction results from the responsibility of the manager, because the manager or supervisor will be accountable to the GM and has to justify to the GM their staff performance assessment' (P2)

The above participant was satisfied because he thought since the GM could ask the direct manager how he allocated a grade, this guaranteed fairness. Another participant was satisfied because he thought the appraisal followed prescribed procedures, a view that contradicts other participants who perceived differently:

'I am satisfied. The primary features are: the performance appraisal works according to company procedure, the supervisor follows it, it's mutual between the employee and the supervisor, clear vision, clear structure, and clarity in goal setting' (P3).

The above participant motioned a variety of features, indicating clear setting of goals, on which the majority of participants disagreed, as shown in other themes.

Another participant was satisfied because his grade in the first year was good and then subsequent evaluations were the same:

'I am satisfied, because my performance in the first year was strong and distinct and it continues up to now' (P13).

In other words, he was satisfied because the outcome was favourable in his particular case. However, he supported the issue raised in theme 4, that the participants perceived

unfairness of the process because managers or raters look at the evaluation of the first year or two and automatically award the same grade subsequently.

Another participant expressed qualified satisfaction:

‘To some extent, because my performance for 7 years has been excellent, I work faithfully and my performance is the same for the whole period, but sometimes I get “excellent”, while at other times I get a lower evaluation because of the percentage system. Some years I got a satisfactory assessment, other years not’ (P31).

Again, this participant blamed the fixed ratios employed under forced distribution.

Another participant was satisfied because he got what he deserved, but mentioned that some employees do not:

‘Yes, I am satisfied because I got [a grade reflecting] what I do, but there are some other employees who do not get what they deserve’ (P32).

The majority of participants in this theme were dissatisfied with the appraisal system, while a minority were satisfied, but those who were satisfied seemed to base their view more on their own personal outcomes rather than the integrity of the system in general.

6.5 Category five: Cultural Factors

6.5.1 Theme 17: Role of Cultural Factors in affecting the Practice of Appraisal

This theme is about how far cultural factors affect the practice of performance appraisal and the ways in which it contributes to that effect. All participants agreed that cultural factors affect the practice of appraisal, except P27 who said, ‘It does not affect or change the performance assessment’. One participant indicated that cultural factors completely govern the practice of appraisal:

'It plays a role to a great extent, 100%. This subject should be treated strictly' (P19).

His concern for this matter to be solved is reflected in the word 'strictly', implying his concern for accuracy and integrity in the process. Another participant indicated, 'I have not faced it, but it exists in the company' (P3), while a colleague elaborated, explaining:

'Actually the performance evaluation is based on the relationship between the employee and his manager. The manager does not follow the company's procedure and criteria but he evaluates based on the personal relationship, and "Who knows who"' (P5).

Another participant suggested that the effect was an inevitable part of Saudi society:

'You are in the society, this is their habit' (P16).

The suggestion that the values of the Saudi people were influential was expressed in this comment:

'As we are Saudi, we are trying to seek personal concerns that focus on the short term period' (P25).

Another example of cultural factors that contribute to perceived unfairness was as follows:

'The evaluation is based on a falsehood, such as relations, friendship and mediation, that has a major role in injustice' (P17).

Relationships, friendship and other factors will be discussed in the subtheme, social factors. P32 said 'Sure it has an effect', but he refused to give any example, saying, 'I have examples, but it is difficult to give you any examples'. Another participant was demoralized by the unfairness caused by cultural influences:

'In SABIC it has an effect. For example some employees got an "excellent" grade but the situation changed after the general

manager left, they got good every year. I am very depressed because there is subjectivity and relationship' (P38).

The above example shows that the grades depend on relations with the GM, a powerful individual, so when the person concerned was replaced, a new set of personal considerations applied. The importance of such considerations was emphasised by P41 who claimed:

'The assessment in SABIC is very difficult for those lack intermediaries and relations, because mostly you can't get your rights without these factors' (P41).

The above participant thought that employees who do not have influential people to help them may not get what they deserve in the appraisal. This leads to the subtheme of social factors.

6.5.1.1 Subtheme 17.1 Social Factors

This social factors subtheme emerged from the data because respondents identified how the value attached to social relations affects the practice of performance appraisal. Factors such as political relationship, emotion, friendship, family relationship and regionalism, were mentioned by participants as involved in the practice of PA. The meaning of regionalism in this study reflects the geographic and demographic features of the kingdom. The government in Saudi Arabia has divided the country for administrative purposes into regions. People living in the same region are sometimes kin, or they share the same habits, customs or characteristic, or are loyal to the interest of their region. They might share characteristics of a particular region, as even if they are not kin, they know each other through family or tribal connections. In other words, regionalism refers to a group of people living in a region, who share distinctive identities in within the same state boundaries, or might share a feeling of collective identity. In appraisal terms, regionalism means that managers (direct manager or

supervisor general manager) and employees from the same region invoke this connection to give the employee a better grade. When an employee and his manager are from the same area or region, they feel a sense of loyalty to each other, which influences the evaluation.

The following are some examples:

'Mediation (Wasta) affects the evaluation (who a person is, or from which family he comes, and so on)' (P1).

The above participant argued that mediation is important in order to get a higher grade in the evaluation, while another participant indicated that, conversely, relationship may influence the evaluation (an employee being given less than he deserves), because if a manager is a relative, he might avoid giving a good evaluation, for fear of being accused of bias:

'Sometimes relations cause injustice. If you know a manager from the same tribe, he will give you a bad evaluation even if your performance is good, because he doesn't want to appear to people to show bias' (P6).

Another participant indicated that promotion is not based on evaluation, but based on relations:

'All the high positions to which employees are promoted, in 80% of cases there is a supportive power to the employee to get these positions, yet promotion is supposed to be based on the evaluation and work, and not on the supporting power' (P9).

Another participant indicated that an employee who has strong relations with the manager will be given adequate notice of the evaluation, whereas those who do not have such relations will not have adequate notice:

'There is not sufficient notice to employees before the evaluation, but it can happen to an employee who has a strong relationship with the manager that he can give him sufficient notice' (P13).

Another participant emphasised the role of 'Wasta' or mediation, whereby influence and connections are used to curry favour with a person who in turn has influence with top management:

'Only personal relations with managers. Or those who have Wasta and help managers in external service. If the manager evaluates you when he does not know you or he has not seen you, the reason behind that is that the employee's father is a businessman or has a good position in the government' (P31).

He gave an example:

'There is an employee supervising the construction of a manager's house and every year he gets "excellent"' (P31).

Another participant also emphasised the role of relationship, with a clear example:

'It is just relations, For example, if the manager has to choose between two employees who have the same performance, the one who's close to the manager will get the best evaluation' (P41).

Another issue that participants said is involved in the evaluation is emotion, whereby the manager's personal feelings change the result of appraisal. As P16 said, 'Among Arabs in general, emotion plays a role'. Another participant said:

'Emotions play a role. Such as if one has money or he was born wealthy, they are unjust to him in the evaluation because he is financially comfortable compared with other colleagues' (P14).

The above participant indicated that wealthy employees received unfair evaluation because raters think that, since they are secure financially they do not need the annual increment, which will be used to help someone perceived to be in more need. The next participant presented an aspect of collectivist culture as he was unhappy and did not perceive fairness because of the manager's emotion in the evaluation:

'This year the appraisal is completely unfair. The problem is as follows: sometimes the manager will be relatively weak or behave emotionally. For example when somebody is going to be promoted in the next year, the manager grades him at excellent level or gives him a considerable percentage for the purpose of promoting him. Emotion here plays a considerable role' (P25).

The above participant indicated that if a manager wants to support an employee's promotion for personal reasons, he will give him a high result in the evaluation, even if the employee's performance does not deserve this grade. Another participant explained how such considerations were used to differentiate between employees, regardless of performance:

'Because if I got 'good' and another employee also got 'good', he will get 5% increment, and I will get 3%; that is because his salary is lower than mine. They don't consider the performance or the period of work, they just look for the humanitarian side' (P26).

The above participant, with 18 years experience, was unhappy because he thought managers should make decisions based on performance rather than personal considerations. P34, with experience of 30 years, provided further evidence of the same practice, reporting that a manager said, 'We want to help new employees whose salary is low'. Another participant provided further clear examples:

'Some managers say, "I have given you such a grade this year to raise your salary, but next year I will give the best grade to another employee to raise his salary" or "That employee is getting married this year so I will give him an excellent grade to increase his salary" Unfortunately, these things are too far from evaluation and its methods' (P36).

Another issue involved in the evaluation is friendship:

'He evaluates his friends properly, because the system of the company determines a specific percentage for each level (excellent, very good and good), accordingly [he saves] the better evaluation for his friends' (P34).

The above participant said that managers care about their friends and favour them in allocation of the higher grades. Another issue raised by participants that affects the evaluation is bias; one participant indicated that there are problems in the culture of Saudi society that conflict with work principles:

'It is inaccurate and unfair. There are many factors in our community that affect the evaluation, such as bias to a certain party. For example if the manager is satisfied with you for personal reasons or something in his mind, even if your performance is weak, then you will get an excellent grade. In SABIC, there are the problems of tribe, regionalism and Wasta. All these affect the evaluation, in addition to the culture of the community. The culture of society has problems that contradict and conflict with work principles' (P16).

The above participant, during 16 years in SABIC, had found many problems, such as the examples he gave. When he claimed cultural factors conflict with work principles, he meant that such factors take precedence and people change the work principles to suit prevailing cultural practice.

Another issue that participants raised is family relationships. One participant indicated that even if an employee's performance exceeds expectation, if his family name is unknown, he will not get what he deserves:

'The name of the family and where he comes from. Such as the ordinary person who does not know anyone or doesn't have a family name that has strong power, it's difficult to get a good position even if his performance exceeds expectation. Family relationship is very important' (P1).

Another participant said:

'A number of close relatives of officials of the decision-makers are excused and they get more than they deserve in the evaluation' (P4).

Another participants claimed that in SABIC, the majority of employees are relatives, although they have different names, and this allow them to do what they want:

'The majority of employees here have family relations but they have a different family name, so nobody knows that, and they do whatever they want in evaluation and other things' (P40).

Another issue raised by participants was regionalism, meaning that when an employee and his manager or rater are from the same region or area, this has a role in the evaluation:

'Such as the employee comes and says, "I 'm from Hail or Qassim", that will invite sympathy by the manager to evaluate him with a high grade' (P9).

Another participant gave an example:

'My manager is from the same area as one of my colleagues. This colleague was unfamiliar with many tasks in the company and did not know how to perform them, so I taught

him certain tasks and in the evaluation all of us got very good'
(P14).

The above participant felt that his colleague, who was unfamiliar with the work, should not receive the same grade as the person who taught him, just because he was from the manager's area or region. P21, similarly said, 'Some managers are loyal to those who come from their region, which is evident in the company'. Another participant gave a clear example:

'For example, one employee is from Qassim region and his manager is from Qassim too, so he will give him a good evaluation' (P35).

Finally another participant indicated that some people from the South and West of the country are disadvantaged in the evaluation, because the company is in the capital, which is in the central province of the country, and close to the East and North, so the majority of their employees in the company are from the capital or East or North. As P5 said, 'The majority of the employees are from Qassim and from the Bin Salama family, because one of the Bin Salama was chairman of the board of directors of SABIC, and he came with his people and appointed them as employees at the company' (P5). Also he showed the researcher that in the company's website, where the company policies are stated, there is a declared preference in appointment for relatives of SABIC employees.

P39 said:

'Some tribes from South and West are marginalized, and in the evaluation they depend on where this one and that one are from' (P39).

6.5.1.2 Subtheme 17.2: Managers' Subjectivity and Personal Interest

A subtheme that emerged from the data concerned raters' or managers' subjective stand in the evaluation, and their use of the evaluation for their own personal benefit. The

majority of participants in this subtheme were unhappy with managers' or raters' practices of appraisal, and gave many examples to support their views, as indicated below:

'The evaluation is done according to the person's relation with his manager or according to love of a certain person by the manager. Do you come to the manager every morning and say "Good morning" to him, "Order me to do any service you need", and talk with him according to his mood? If you do so, you will get (A) excellent' (P5).

The above shows that if the employees want to get the highest grade, A, in the evaluation, they should carry favour with the manager by adopting an obsequious manner. Another participant gave an example of such a case:

'One of my colleagues got C every year, I told him, "You can get (B), very good, in the evaluation". He said "How"? I said to him, "You must go to the manager's office and say to him, "Give me your instructions, dear manager' and greet him every morning and sit with him in his office and say to him, "I know so and so, in such a place". Even if he insults you, you can say to him "ok" or accept it, and you will get very good. He did this and in the evaluation he got B' (P12).

P42 made a similar point. Another participant mentioned that the manager's mood affects the evaluation:

'If the manager is angry with you he will change the result and if his mood is good we will be ok. That means that we will sit at the mercy of the manager. In most cases, the manager forgets everything that happened during the year, and evaluates you on the last month or two and never thinks about the things that have gone on through the year' (P9).

The above cases indicate that as, discussed previously, managers rely on subjective moods because they do not keep record of employees' performance and evaluate them only on the impression of the last few months. Another participant mentioned that the manager bases the appraisal on his personal evaluation:

'You can ask the manager and he will give you information about the goals, but the process is completely different, there is no clarity of goals; the manager tells you some things about work, but at the end it's subject to his personal evaluation' (P13).

He went on to claim:

'Something may happen spontaneously from you, you don't mean it, but the manager will take it into account in some dealings such as evaluation' (P13).

The above participant indicated that managers or raters take the matter personally if an employee says something he does not mean; the manager allows it to influence the evaluation. Another dimension of subjectivity, as P13 indicated, is that when the manager grants an employee an A grade he treats it as a personal favour to be reciprocated. Another participant gave another example of benefits that managers or raters get from an employee:

'Personal interests between the manager and his staff, such as completing private tasks for the manager, or giving the manager advice on private commercial matters. For example; there was a manager who was speaking to an employee to make designs for houses or build houses for him and sell them for him' (P17).

The above participant, based on 16 years in SABIC, gave an extreme example of private arrangements between employees and managers or raters being taken into account in

performance appraisal. P20 and P41 indicated similar points, that managers seek help from employees for external tasks or benefits. Other examples were given by P18, P20, and P23, who claimed that managers are helped by employees in their duties or in the administration:

'Some managers use evaluation for personal purposes. For example; an employee who helps the manager in the administration with approximately 30% of his duties, the manager will say that this employee deserves an excellent grade in the final evaluation' (P18).

He went on to indicate:

'The majority of the managers in SABIC are helped in their administration by the employees in the same department. So, the manager will say, "This employee does more work so I have to give him A"' (P18).

Another example given by P25 was that if the manager does not like the way an employee talks, he will take it personally and it will affect the evaluation. P28, with 16 years experience and P34, with 30 years experience, both claimed that when employees are older, managers or raters give them a bad evaluation to get rid of them. Another form of subjectivity and bias is to give work to one employee and leave the rest:

'The manager is looking for one employee to do the job and grade him "excellent", and ignores the rest of the employees. I am frustrated' (P29).

It was also claimed that when an employee complained to the manager about his evaluation, he would promise him a better grade next year, but during the year put pressure on the employee, making him regret raising the issue:

'When you discuss or argue with the manager about his assessment, he will promise you that he will give you a better

grade next year, then he puts you under psychological pressure until you hate the matter. An example of such pressure is [asking you] to attend meetings not related to your work and writing reports not related to your job, or humbling you and you can't express your opinion. The treatment gets very difficult and they don't consider your situation. It depends on the manager. If he is honourable, you will like SABIC. But if the manager is dishonourable like most of the managers in SABIC it will make you hate SABIC, you can't express your opinion' (P29).

Another participant indicted that it is difficult to change this situation, as it part of Saudi culture:

'It needs some modifications. But it is difficult to be modified because it is part of our culture. For example, a manager says "I do not want so and so to be angry" or "I need to help so and so"' (P36).

He concluded:

'Performance evaluation in SABIC depends largely on subjectivity not on performance. There are some excellent employees who get a bad grade in the evaluation, because of subjectivity and bias' (P36).

Another issue highlighted by 11 participants was that employees must obey the manager if they do not want to suffer in the evaluation or any other administration work:

'The manager bases the evaluation on the administration of his own property for those who obey him' (P5).

The above participant indicated that the manager thinks that the he owns the administration, and grades the employees who obey him higher than other staff.

Another participant thought this issue has its roots in the community, as members are socialized to obey father and manager and so on:

'The problem comes from the community. Since our childhood, we have to obey our father and our grandfather, and now the same discipline is applied in the company; what the manager says is correct... managers like those who keep quiet' (P19).

Another participant agreed with him that managers do not like those who disagree with them; an autocratic style was said to be prevalent among in Saudi managers in SABIC:

'The "Manager's say is a holy say". You are not allowed to disagree with the manager, or break his word; this is the principle that prevails among Saudi managers in the company' (P21).

Another participant indicated that top managers seek the obedience of line manager, so 'the centralisation of management prevents him from being fair' (P25). Another participant indicated, 'The employees behave with hypocrisy for the purpose of avoiding the manager's anger and seeking his satisfaction' (P26). Another participant indicated that employees must do what managers ask them to do:

'Because you are an employee under his management you must do whatever he wants, not what the management want, even if you make tea for him. The manager wants you to do what he likes' (39).

On the other hand, one participant indicated that evaluation is mostly based on the performance, but nevertheless, he admitted that in some cases it is not:

'An employee may be given a bad result as a punishment for bad conduct that he has committed. Mostl;, the evaluation is based on performance, but there are cases in which it is based on subjective reasons such as personal relations' (P35).

This leads to another subtheme, which is managers' threats, discussed below.

6.5.1.3 Subtheme 17.3: Managers' Threats

This subtheme that emerged from the data was the claim by several participants that the manager threatened them. They indicated that the managers emphasised weaknesses for the sake of giving a bad result in evaluation:

"The manager does not help to improve the performance because the manager, a short period before the evaluation, attempts to remind you of weaknesses such as saying "You are a minute late on the shift" or "I passed by the office and didn't find you" and gives you apologies to excuse himself and gives you a poor evaluation or weak evaluation' (P12).

The above participant indicated that instead of helping employees to improve performance, managers try to intimidate them. Another participant also indicated that the manager threatened him with a low grade:

'Managers pay great attention to punctuality only three months before the end of the year or before the evaluation. For example, the manager comes to you and says you have a problem or weakness in attendance, make an effort and come in on time, or otherwise, you will get less than (C) good' (P20).

Another participant indicated that his manager threatened that if he did not improve his performance, he would take him out of his office and place him in a partition (i.e. in a partitioned part of a general office, representing a demotion in status):

'Sometimes the manager tells you, "If you don't improve your performance, I will move you from your office and put you in a partition". Some managers focus on managing work, while others direct or manage people. Most managers in SABIC know nothing about administration' (P25).

The above participant indicated that some managers are more concerned to exercise control over employees instead of managing task performance. Finally P38 made it clear:

'When the time of evaluation approaches; the manager starts to frighten the employees' (P38).

Another aspect of culture is Saudi managers' reluctance to not accept criticism, which will be discussed in the next subtheme.

6.5.1.4 Subtheme 17.4: Criticism of Managers

This subtheme emerged from the claims by several participants that managers do not want to be criticised, and if an employee does criticise a manager, that will affect the appraisal and he will be given less than he deserves. One participant compared between managers from developed countries and managers from developing countries, as he thought this trait was linked with the Saudi culture:

'But the thing is a cultural problem. In the developed countries the manager will be happy if you criticize him, but here in Saudi, if you criticize the manager, the manager thinks you are insulting him. The employees are cowards, and afraid to challenge the assessment in front of the manager' (P25).

The above participant indicated that Saudi managers see criticism as a personal affront and challenge to their status.

Similarly, another participant commented:

'In our culture managers do not like to be criticized. If you criticize the manager, he will take the matter personally and he will be against you' (P30).

Another participant indicated that managers will fight those who express their point of view:

'Freely and respectfully expressing an opinion is regarded as going against the manager, because the manager does not accept criticism. It is presumed that the employee should tell the manager in a respectful way, but the manager will fight you if you express your opinion' (P26).

Another participant indicated that managers take criticism personally:

'If I criticize something for the benefit of the company, the manager takes this criticism personally' (P36).

This attitude is a common response to any difference of opinion:

'If conflicts happen, such as in the meetings between an employee and his manager, for example the employee mentions his point of view and the manager is not happy with it, it will be taken into account and negatively affect the employee's evaluation' (P10).

Another participant indicated that this included attempts to discuss the appraisal process:

'If I ask about the process I will get into conflict with the administration, because they do not want anyone to confront them' (P14).

The above participant indicated that if an employee asks about the appraisal process, it will provoke conflict with manager and he may be penalized in the appraisal. Another participant made this point explicitly:

'If I argue with the manager, this will create other problems that will affect me in the next year's evaluation, and the circle keeps running' (P36).

A few participants thought such behaviour depended on the manager. They compared departments that managed by European or American managers, which they said were managed with fairness and equality, and those managed by Arabs, which they claimed

were the ones where unfairness prevailed. A participant with 19 years experience in SABIC commented:

'Departments which are managed by foreign or European or American minds are managed in a fair and equitable way, but the departments that are managed by the Arab minds, often there's no justice, so the European managed departments are better than Arab departments' (P9).

Another participant made a similar point saying:

'Some colleagues who are working under foreigners are very happy, because these foreigners are just and they set goals for their employees and everything is clear in their department, while Saudi managers do not set goals, they focus on relations' (P33).

The above participant indicated that Saudi managers allow personal relations to take precedence over work procedures and performance. Another participant said that responses to queries about the appraisal result differ according to the nationality of the manager:

'You can ask the supervisor about your evaluation. As for the answer, it differs depending whether the manager is Saudi or a foreigner. Foreigners are willing to discuss with employees, but if the manager is Saudi he will not discuss and does not give a clear and sufficient answer. In our culture there are no expectations, also, in SABIC it doesn't happen that the manager tells employee about his expectations' (P36).

The above participant linked the lack of clearly specified expectations with the culture, which may reflect that policies objectives and performance are treated as subordinate to personal considerations.

6.6 Conclusion

This chapter highlighted the employees' feelings and perceptions about the practice of performance appraisal in SABIC, in four categories including several themes. Category two was about providing feedback to employees about their performance, and included two themes about irregularity of the feedback and employees' inability to appeal against the appraisal result. Category three was about goals and objective setting and clarification by managers or supervisors. In its two themes it was indicated that objectives are not clearly set or understood and that there is a lack of explanation of the appraisal standards and criteria. Category four was about perceptions of satisfaction with the appraisal system, including three themes, reflecting inaccuracy of the evaluation, dissatisfaction with supervisors' support and the appraisal system. Finally, cultural factors that influence appraisal practice were presented in category five, which included one theme which highlighted these factors and four subthemes that discussed social and managerial factors. The findings of this and the previous chapter will be discussed in relation to previous literature in the next chapter, based on the three research questions.

Chapter Seven: Discussion

7.1 Introduction

This chapter discusses the research findings based on the research questions. The first question investigates the aspects or factors of national culture in Saudi Arabia that influence the appraisal process. The findings disclose that two main sets of national cultural factors influence the appraisal practice. These are social factors and managerial factors or the position of the managers. These factors include some sub-factors. Question two concerns the extent of employee's perceptions of fairness in the process of their performance appraisal. The findings are discussed based on the three dimensions of organisational justice: distributive, procedural and interactional justice, while the due process model is related to procedural justice as well. Question three was about the extent of employees' satisfaction with the overall appraisal system in SABIC. The last section of this chapter presents the contributions of this research.

7.2 Research Question I: What are the key aspects of national culture that influence practice of Performance Appraisal (PA) in Saudi Basic Industrial Corporation (SABIC)?

Budhwar and Mellahi (2007) found that in the Arab and Middle East, national cultural factors have influence and put pressure on the practice of the HRM function. This study's findings are consistent with them; they reveal that there are cultural factors that influence the practice of performance appraisal in SABIC, and indeed have a strong role in influencing the practice of appraisal. All participants except one (P27) admitted that cultural factors have an effect on PA practice, and went on to explain their experiences. From their accounts, ten national cultural factors were identified that affect the practice of appraisal and in turn shape the fairness perception in employees' minds. These factors have been classified into two dimensions, social factors and managerial factors or position of managers' role in Arab business practice, which comes from cultural values.

7.2.1 Social Factors

The findings in this dimension reveal seven factors perceived to influence the practice of performance appraisal in SABIC. These factors are classified as social factors, which means the society practices these aspects in everyday life in and outside the organisation, they are: relationship, friendship, family relations, regionalism, tribe, personal interest (subjectivity), and emotion. The first six factors (i.e. all except emotion), are generally aspects of what (in Saudi culture) is called *Wasta* or mediation (Hutchings and Weir, 2006) because in one way or another an employee benefits by mediation or *Wasta* as a result of his relationship or his tribe and so on. This influences the appraisal results, as these factors will produce bias towards the party who shares these characteristics with the manager or rater. These will be discussed below.

Many scholars such as Alanazi and Rodrigues (2003) and Curry and Kadasah (2002) found that collective thinking and cultural traditions strongly affect the practice of business in Saudi Arabia, while Mellahi and Wood (2001) emphasised that the Saudi culture is more collectivist than other Arab countries. This is reflected in the first factor, political relationships and their effect on PA, as a high quality of relationship between employee and his supervisor is required for employees to perceive fairness. This is consistent with Schyns and Day (2010). Pichler (2012) indicated that when the quality of relationship between rater and ratee is high, then employee will perceive trust and satisfaction. However, political relationships (such as findings of this study as it revealed this are practised in SABIC) with management may lead to a situation where an employee who is less competent or qualified gets a salary increase or promotion whereas others who are competent or qualified do not. Participants expressed that such relations affect the evaluation result, as an employee who has relations with the supervisor (who appraises) or the general manager (who approves the appraisal) can get a higher grade. This can be interpreted in terms of Mellahi and Wood's (2001) finding

that group relations are placed above personal concerns (Branine and Pollard, 2010), so raters do not implement company procedure accurately, as their concern for the relationships is greater than their concern for the company's benefit and employees' rights. This gives insight into the subjectivity of managers, which will be discussed later.

The majority of participants admitted that political relationships helped them to get a better grade, meaning a higher one than they deserved for their performance, or to get what they deserved in case a rater was inclined to give a low grade, because respondents indicated that the level of relationship determines the grade. Ample evidence was presented in Chapter Six of the impact of this kind of relation. This is consistent with the literature. It has been indicated that the relationship can come from family, tribe, personal interest or helping the manager in anything he wants, or any other cause, but there is an exchange of benefit between them on a personal level.

A strong finding emerging in the data was that employees try to gain or build a relationship with their supervisor or manager and the GM by finding out what he wants and doing it. This was very clear in the examples of some respondents who tried to provide help or services to their manager outside the job (Al-Faleh, 1987). This point was made clear when P23 said, 'You must be clever to know what the manager wants'; then when employees know, they will establish a relationship with him in order to get a high grade in the evaluation, as respondents admitted directly, consistent with the literature (Branine and Pollard, 2010). Branine and Pollard (2010) indicated that if an employee has a relation with his manager or higher management, it does not matter what he knows (about the job), the matter is, who is this employee? As P5 said, performance appraisal in SABIC is about "who knows who". Another finding highlighted by the respondents is that this is the society's habit and custom, which is carried into the organisation and practised there, so it cannot be separated from society,

as cultural values and norms influence the practice of management (Giangreco et al., 2010; Assad, 2002).

Based on the above, political relationships affected procedural justice, which means supervisors or raters did not implement an accurate process of appraisal. In addition, the data reveal that adequate notice to ratees prior to the appraisal session, and advice about areas for improvement, are not practised in SABIC except for those who have strong relations with management. In contrast Folger et al. (1992) emphasised that the supervisor should communicate with subordinates and provide them with sufficient notice.

Another factor that influences the appraisal result is that it is not based on the actual performance of employees, as managers' personal feeling towards the employee will change the result. This is the role of emotion, which some participants admitted plays a role in Arab business practice. In SABIC managers sometimes prioritised humanitarian considerations. Three types or forms of emotion were ascribed to managers in SABIC. First, when an employee is born wealthy or from a wealthy family, the manager may be unfair to him, because he thinks that this employee does not care about or need an increment, so the manager gives it to another employee whose salary is low in order to help him. Another form is when the promotion of an employee is due next year, so the manager will behave emotionally and grant him an A, even if his performance does not deserve it, in order to ensure his promotion, because if the manager does not give the employee this grade, the employee will not be promoted, and the manager will feel guilty, even though the guilt should lie with the employee, because he did not perform well enough to get A. The third form is if an employee is about to get married, then the manager will grant him the highest possible grade and increment in order to help his salary, again even if his performance does not deserve this increment, because the

manager feels an obligation to help him. Similarly if the employee's salary and status are low compared with other employees, the manager will feel an obligation to improve his position, as Branine and Pollard (2010) indicated. They also indicated that friends are favoured over the out-group, which is also verified by this study, as it was reported that the manager's friends get better grades in the appraisal than those who are not friends of the manager, supporting previous findings by Al-Faleh (1987); Branine and Pollard (2010) and Mellahi (2007). From a cultural perspective, literature links emotion to high uncertainty avoidance, which is characteristic of Saudi culture (Bjerke and Al-Meer, 1993).

Family relations was also found to be one of the factors that has influence on the appraisal process. Respondents indicated that the name of the family has a strong effect; a person from a renowned family is likely to be appraised higher than an "ordinary person", who does not have a strong family name. This, again supports Branine and Pollard's (2010) claim that "who you are" (p.722) is influential in Arab culture and also supports Giangreco et al's (2010) finding that family relations affect the process of appraisal. It was found in the present research data that "who you are", means which family, tribe or region you are from. It was repeatedly asserted in this study that managers are loyal to those employees from the same region and grant them better grades than their colleagues. Respondents indicated that when an employee finds out that a manager is from the same region or tribe, he will exploit this, introducing himself as from this region or city, to elicit the manager's sympathy toward the employee, which may be reflected in the process of appraisal. This behaviour is called by Maas and Torres-González (2011) unethical behaviour. This finding supports (Arvey and Murphy, 1998) study when they refer to the phenomenon that certain employees who have certain demographic characteristics get systematically higher or lower grades in the evaluation. Also this finding supports the finding of AlDalan (1995), who studied

the appraisal system in Saudi Arabia and found that relationship, friendships and other types of relations have an effect on the process of performance appraisal, and concluded that it is difficult to control these factors, although they might be mitigated, by specialist courses to train raters on how to evaluate employees. This will be discussed in more detail in relation to question II.

Another factor is a subjective stand by the supervisor or manager, when managers use appraisal for their own benefit. Many examples were given by respondents, of different forms of subjective practice, although the practice of appraisal should be objective and subjectivity leads to bias and unfairness (Murphy and Cleveland, 1995). For example, managers are very sensitive towards their status, so if employees greet the manager every morning, offer help or services to the manager and visit his office to talk with him when he is in the mood, the employee will get what he deserves or more, because his flattery and attentiveness make the manager feel important. Another type of subjectivity occurs when the manager is angry or his mood is unstable, and his evaluation relies on recent impressions. This is in a line with Hofstede and Hofstede's (2001a) claim of uncertainty avoidance in Arab culture, as it shows that the managers do not separate between work and their personal values and norms. It is also consistent with the findings of Moran et al. (2011), who compared between Japan, the United States and Saudi Arabia in the context of performance appraisal and found that in Saudi Arabia appraisal is more subjective than objective, and that connections are important in the appraisal, which this study confirms.

Another example of managers' subjectivity in SABIC is asking employees to help them in their administrative duties, or even with external tasks not related to the work, and to take these into consideration in the evaluation, where managers reward employees for such help with good grades. Another form of subjectivity occurs in the distribution of

tasks to employees. Managers may assign more (or more important) tasks to one employee, ignore the rest, and in the evaluation grant the favoured employee an A and the rest lower grades, although they have not had a fair opportunity to demonstrate their ability and commitment. Equally, when employees do things they do not mean to do, the manager keeps it in his memory and uses it against him in the evaluation, although this conflicts with Islam, as Islam says no one should be punished for unintentional mistakes (Branine and Pollard, 2010). Also, Islamic teachings emphasise justice for everyone, whether manager or subordinate, as indicated by Branine and Pollard (2010): “In Islam, justice is never to be affected by personal interests and other considerations” (p.719). In terms of fairness and equal treatment, Islam emphasises treating all people with fairness, but what is practised by managers in SABIC does not comply with this. The above findings support previous findings in the same context, Ghulam (1993) found that appraisal are influenced somewhat by interpersonal relations with raters or managers.

7.2.2 Managerial factors or position of manager

Findings on Arab managers are classified into two types: those that consider them as authoritarian, as found by Yucelt (1984) and Al-Faleh (1987) and those that consider them as consultative (Ali, 1990). A recent study by Branine and Pollard (2010) indicated that studies generally agreed that most Arab managers are authoritarian with their subordinates. The findings of this research reveal three aspects of managers that affect the practice of performance appraisal: managers’ expectations that subordinates will obey them all the time; their tendency to threaten subordinates, and finally their unwillingness to accept criticism.

The first aspect is managers want to be obeyed by their subordinates. Respondents indicated that if an employee does not want to suffer in the appraisal he ‘must’ obey the manager, which means compliance with every request. This is in a line with the

literature as Bjerke and Al-Meer (1993) found that employees fear to disagree with their manager and Al-Faleh (1987) indicated that Arab managers require their subordinates to obey them. This is a cultural factor, as generally in Arab and specifically in Saudi society, a son has to obey his father and this concept is transferred to the workplace, where subordinates have to obey managers. An example was given by P21 when he said, 'What managers say is a holy say'. This example reflects the arbitrariness of managers, and their authoritarian style (Ali, 1990; Branine and Pollard, 2010). Managers do not want their word to be contravened, and if a subordinate does so, this can be interpreted as disrespect for the manager. Another interpretation is that the manager sees his position as high, and if an employee does not obey him, that will lessen his status as a manager and in society as well. Bjerke and Al-Meer (1993) found that managers in Saudi Arabia like status symbols and see them as very important to them, which supports Hofstede and Hofstede (2001a) on power distance.

Another aspect of authoritarianism and arbitrariness by managers is threatening subordinates with weak grades in the evaluation. It was reported that supervisors, shortly before evaluation (from a month to three months) start to focus on the subordinates' punctuality and threaten them with appraisal, because managers do not keep records of employee performance during the year and focus on the last month or two or three by using their memory. This is a line with Hofstede and Hofstede (2001a) about uncertainty avoidance, and also supports the findings of Bjerke and Al-Meer (1993) about Saudi managers.

The last factor is that Saudi managers do not want to be criticised. When a manager is criticised, he feels his status as a manager is undermined and as he thinks that he, as a manager, does not have any faults or he is perfect, he will perceive criticism as insult and take it personally. Such feelings in turn have been found to affect the appraisal

when the manager takes revenge (or reasserts his status) by awarding a low grade. This is consistent with literature Yucelt (1984) stated that Middle Eastern managers are highly sensitive to face-to-face criticism.

SABIC has Saudi and foreign managers, and respondents preferred to work under foreign managers from developed countries as they thought that Saudi managers were influenced by cultural values and norms such as collectivism, power distance, etc, whereas foreign managers were not. Respondents reported that foreign managers set goals for employees and evaluated them fairly based on their performance and actual contribution, whereas in departments managed by Saudis this was not the case, which is clear evidence that the national cultural factors indicated above come from the society. This is consistent with Giangreco et al. (2010), who did a study on performance appraisal and compared between two Eastern cultures, which they called culture-bound, and a Western culture, which they called culture-free. Similarly, this study's findings indicate that the Saudi managers are influenced by national cultural norms and values, so their appraisal practice is culture-bound. This has many consequences in the appraisal, such as lack of employee participation in the appraisal process (which is a major source of fairness perception according to Levy and Williams (2004) and refusal to allow appeal if employees are not satisfied or think the result is unfair (another source of fairness perception, according to Murphy and Cleveland, 1995). When the managers do not accept criticism, that means decisions are made without employee participation; even the expression of employees' point of view is not accepted by managers, especially if it conflicts with managers' direction or style. Whereas ideally managers can learn from criticism to improve their work, and continue improvement, these findings indicated that managers do not like to be criticised. This raises many obstacles for managers and employees, one of them being that employees do not perceive fairness in appraisal, as the managers control the process and do not allow subordinates to

contribute and raise their voice. This is in line with Bjerke and Al-Meer's (1993) findings that Saudi managers make decisions autocratically, without subordinate involvement.

Another point worth indicating here is that during the data collection many participants refused to give examples about cases that they faced in the appraisal. They indicated that they had examples but they were not willing to share them with the researcher. This is open to a number of interpretations. One is that they were afraid that these examples would reach their manager or supervisor and affect their evaluation. Another point is that all participants refused to allow recording of the interview, and they said if a recording was made their answers would be different, meaning they would not freely express their perception. This, too, suggests they were afraid of their managers, which indicates a lack of integrity in the process of appraisal. These issues will be discussed in more detail in relation to question II.

Based on the above, the problems arise from cultural values and norms, because managers were well educated and well trained, as Weir (2000) found; he said, "More Gulf managers hold university degrees than their counterparts (Arab) in the US, UK, France, Germany, and Japan. Gulf managers receive more management training per year than American and British managers" (p.505). This provided clear evidence that managers' practice reflects their culture rather than their education. In addition, it is clear from the above discussion that there is a gap between what Islamic principles emphasise in theory and what is practised in reality.

Finally this study findings support previous studies that indicated that cultural factors such as subjectivity, family relations, relationship and many other factors influence the practice of performance appraisal (AlDalan, 1995; Idris, 2007), as Giangreco et al. (2010) conclude that culture plays a role in the used of PAS. A new factor that has not

been mentioned by previous study is regionalism, which influences the practice of PA in SABIC.

7.3 Research Question II: How do employees perceive fairness in the process of PA in SABIC?

It is important here to start with an overview of SABIC's policy of performance appraisal. The policy indicates that the process helps employees to understand what they are expected to achieve and how they can achieve it and sets a plan to develop employees in order to help them to achieve what is expected. Supervisors work with employees to provide them with ongoing feedback. Also the policy emphasises that an employee and his supervisor should share ownership in the performance and each year develop a performance plan, using the "Performance Agreement and Review Form". This form emphasises that the supervisors review employees' role and responsibilities, specific and measurable performance objectives, assist employee with areas that need development, hold periodic discussion throughout the year, then evaluate employees based on the agreed goals, and quotes from the policy, "Reaching a fair and consistent rating that reflects actual results against your objectives, goals, behaviours and competencies". Finally, performance results are intended to be linked to appropriate rewards, such as merit increase and recognition of promotion.

The policy also indicates that in the individual development plan; the supervisor should define areas of weakness and support subordinates to develop them. Moreover, it provides for interim performance reviews that allow subordinates to review performance with the supervisor and reach a better understanding of the process toward performance targets, to prevent any last minute surprises. The policy acknowledges that there may be influences in unexpected circumstances, that may affect the result either positively or negatively, without mentioning examples of such circumstances.

The surprising statement in the policy is “You [means employee] will not be informed about your Performance Rating until it has been reviewed thoroughly by your supervisor and the next level of management. Once this review process is complete, the performance rating is final and not subject to change. Then you will be told your performance rating along with discussing the basis of rating” (SABIC, 2012). At the end of the appraisal form there is a space for the employee’s signature, but there is a discrepancy between the above statement and the appraisal form. One suggests that employees can see their result and discuss it with the rater before it is approved by the top management, sign it in the specified place and add their comments if any, while the other indicates that the employee will not be informed about the appraisal until it is approved by top management, which nullifies the instruction of appraisal form. Also, the policy mentions merit increase based on ‘SABIC’s Compensation Administration Guidelines’ and these guidelines suggest that the percentage awarded is influenced by three factors: the annual budget for each department , the employee’s last performance rating and the employee’s position in the salary range of their current grade. However, this is not fixed, but varies. For example, there are four slots for grade A of which first slot provides for an increment of 8-10% the second slot is from 7-8%, the third slot is from 5-6% and the fourth slot from 0-4%. Similar provisions apply for other grades such as B & C. This means that within wide boundaries the rater can determine the increment, which gives the rater wide discretion.

To answer the question about perceptions of fairness in this process, the main findings will be linked to the research framework, distributive justice, procedural justice, and interactional justice. Each aspect of the framework will be discussed separately.

7.3.1 Distributive Justice factors

A minority of respondents (only three) indicated that the distribution of the outcomes is fair according to their contribution in the organisation, and reflects actual performance

or effort that employees contribute in their job, and the organisation's benefits (outcomes of appraisal) are distributed equitably among employees. They considered that the appraisal rating reflects their actual performance, which is consistent with Greenberg's (1986) argument that there are two factors of distributive justice: first, the extent to which the performance rating matches the employees' actual performance; second, the extent to which subsequent outcomes such as promotion and pay match the appraisal rating. Where employees were satisfied with these, this indicates their perception of fairness in terms of distributive justice.

On the other hand, the rest of the respondents expressed anger about their appraisal in relation to their perception of actual performance. In other words, they thought that the appraisal rating did not reflect their contribution or input to their organisation and they expressed their dissatisfaction in terms of distributive justice, because they felt that the outcome was less than their input. In addition, they expressed their perception that the distribution of the outcomes is unfair. They stated that raters in SABIC discriminate among employees, and that the rating does not reflect the actual performance or contribution of the employee and they perceived this as unfair. This conflicts with the literature, as Cropanzano et al. (2007) indicated that the main concern of distributive justice is that employees are not treated alike in terms of allocation of the outcomes, while participants revealed that the outcomes in SABIC discriminate among employees, which is why they were angry.

Another issue raised concerned salary increments, and the absence of a standard for allocating them. For example, two employees may get a B grade, yet one of them will get a 3% increment while the other one gets 7%. This is inconsistent with the rule of equality that emphasises equal distribution of outcomes for all (Fortin, 2008; Deutsch, 1975). No clear consistent rule or standard appeared to be applied in this matter;

participants indicated that the relationship (*Wasta*) with managers plays a role in the allocation of the annual increment, supporting Narcisse and Harcourt's (2008) finding. Also, respondents indicated that this (relationship) is the most important factor in the allocation of outcomes in SABIC. Other participants indicated that the manager's subjectivity and emotion play a role as well (as discussed in research question I). This reveals that pay rises are awarded inconsistently among employees without a clear and precise standard, and that practices are influenced by cultural factors such as relationships, emotion etc. Evidently, the inconsistency of such outcomes of appraisal affected perceptions of distributive justice. Such inconsistencies conflict with equity theory. Adam's (1965) equity theory indicated that employees formulate perceptions of fairness by comparing their perceived outcomes such as promotion or pay to their perceived input such as time and effort. They will compare their appraisal rating to their performance or inputs, and also compare this ratio with those of other individuals who have the same job and same qualification and put forth the same effort. If an employee perceives inequality in the outcome distribution, this affects the perception of distributive fairness in the appraisal. As Thurston and McNall (2010) indicate, the perception of fairness in appraisal is directly related to perception of fairness in distributive justice. When respondents compared input to outcomes and found the outcomes were not distributed equally among them, meaning that the annual increments were inconsistent, this led them to feel the distribution was unfair.

Another finding concerned training, as one of the appraisal outcomes. Some employees get trained abroad, which in turn entitles them to a substantial financial grant, while other employees are sent on similar courses in the headquarters or in the same city where the company is allocated, and no money is allocated for them. According to SABIC's policy, any employee who is assigned for training abroad receives double salary for each month of the training. Respondents revealed that an employee who has a

strong relationship with top management will get training abroad while others do not. This represents bias and unfair distribution of the company's benefits. This is a violation of Greenberg's (1986) second factor of distributive justice, the perceived fairness of appraisal-related benefits. The perception that the more lucrative overseas training opportunities are given to employees who have good relations with top management led employees to form unfair perceptions of distributive justice. Also this reveals inconsistencies in the allocation of the organisation outcomes. Boyd and Kyle (2004) stated that when employees feel that they do not receive appropriate outcomes compared to their input they may feel inequality, and Adams (1965) confirmed that when the input-output ratio is unequal then employees will perceive injustice and one or other party will feel deprived. Also Thurston and McNall (2010) indicated that employees can perceive fair or unfair appraisal from rater goals; if they perceive that the raters use favouritism, as found by this study, they will not perceive fairness. Roch and Shanock (2006) found that distributive justice is related to an economic exchange relationship, and respondents in this study, in their comparisons, strongly emphasised monetary benefits, which supports Roch and Shanock's finding.

Respondents also declared that they did not perceive fair outcomes because they viewed raters as not trained to evaluate employees properly, which in turn influences the distribution of the outcomes. This is a new link. Participants indicated that if the rater is not trained to evaluate employees it will contribute to inequality in the distribution of company benefits because he does not possess the required skills to minimise subjectivity and to allocate grades fairly and in turn these grades will determine the outcomes for employees. Greenberg (2004) indicated that procedural justice and interactional justice influence judgements on distributive justice, and this was the case in this study, because raters' training is viewed in the literature as a factor of procedural

justice. Other writers such as Thurston and McNall (2010) emphasised that there is interaction between distributive and procedural justice, which determines the outcomes.

Another finding that influences the perception of distributive justice is that according to respondents, outcomes in SABIC are based on the budget instead of employee performance. Each department has its own budget assigned by the top management and according to what raters have in their hand, they will distribute the appraisal grades, which in turn determine the outcomes. This is consistent with the company's policy, as it states that the rating is affected by the budget. This angered respondents, because they wanted their supervisor to evaluate them on their actual performance and in turn distribute the deserved outcomes for each employee, but in practice, supervisors evaluate employees and distribute the outcomes, i.e. pay rise or annual increment, based on the budget, not on employees' actual performance. Several respondents reported being told by their supervisor, "I have a limited budget and grades, so I will circulate the grades among you, so this employee will get A this year and next year another employee will get it". This provides evidence that raters do not understand how to apply the process properly. Also respondents indicated that those who have relations with managers will get the higher percentage, consistent with Narcisse and Harcourt's (2008) finding, raised earlier, that pay rises are not handled consistently.

7.3.2 Procedural Justice Factors

The model of Folger et al. (1992) on due process of performance appraisal, indicates that procedural justice contains three elements adequate notice, fair hearing and judgement based on evidence.

The first important element of adequate notice is setting objectives and goals for employees, on which employees' evaluation is based. This research, however, revealed three different experiences by respondents. The first, revealed by the majority of participants, was that no goals were set for employees at the beginning period of

appraisal, supporting AlDalan's (1995) findings that 82% of employees do not know what is expected of them during the appraisal period. Participants expressed anger about this, because they needed to be informed of objectives and goals. This finding is consistent with a recent finding in a similar culture, Jordanian private and public organisations; which indicated that setting goals prior to the appraisal period is not common practice (Abu-Doleh and Weir, 2007). These findings are contrary to the advice in the literature that objectives must be well documented and understood by the people who are evaluated (Narcisse and Harcourt, 2008). It is also inconsistent with company policy, which states that objectives must be clear and measurable for all employees. On this matter Erdogan (2002) indicated that when an organisation develops an appraisal procedure, such as when a company's policy requires goal-setting, and it is not implemented, rater procedural justice is not fair, even though system procedural justice is fair. This is the case in SABIC, since the policy emphasised goal setting, but raters did not apply it.

Respondents' views on fairness are consistent with the literature, as reflected in their answers to questions about setting goals and objectives for employees. For example, one respondent said, "This what we are seeking from the supervisor, to tell us of the required objectives, but unfortunately it doesn't exist" (P.28).

The second experience, revealed by some respondents, was that goals were identified when the employee was first recruited in the company, but not every year or at the beginning of every appraisal period. In other words, goals were part of their job description. This conflicts with good practice as described in the literature; Foleger et al (1992) indicated that the objectives should be defined before the appraisal period commences. The third experience, reported by a number of respondents, was that goals were not clearly explained, there was ambiguity in the goals, and job descriptions were

not clear; in other words, there were goals, but they were not explained clearly for employees. For example a few of them said the goals are set but not in details only in bullet points, and managers do not explain them clearly. Similar problems have been found by many scholars such as Shore and Strauss (2008), and Tziner et al. (2005). They viewed goal ambiguity as a political strategy used by raters and managers to achieve a certain agenda, because it maximizes the discretion provided to raters. The findings of this research support these prior studies and conflict with advice in the literature, which indicates that goals should be clearly explained to employees (Narcisse and Harcourt, 2008). Literature indicates that all the above three experiences would contribute to perceptions of unfairness in the procedural justice of appraisal.

The absence of clear goal-setting reflects on the criteria and standard of appraisal, since respondents indicated that as there are no goals or objectives, supervisors or raters cannot explain the standards; supervisors do not tell employees clearly what they rely on in the evaluation. When employees ask their supervisor about the evaluation standard, he answers them orally, with nothing in writing and no evidence for employees. Respondents thought that supervisors did this, to avoid difficulty at the end of the year when employees met the standard but could not be recompensed accordingly. Supervisors keep the standard open to avoid employees' complaints, by retaining discretion (Shore and Strauss, 2008). Respondents recognised that standard setting is a source of fairness perception and their recognition is consistent with literature, whereas what is practised in the company is not, as Foleger et al. (1992) stated that organisations should publish, distribute, and explain performance standards, which should be clear for every employee. Additionally, they emphasised that there should be an explanation of how and why these standards are met. Managers in SABIC do not adhere to such practice. In addition, respondents suspected that the managers were not confident

enough about their evaluation to explain a standard and follow it, so they acted subjectively without guidance or standards.

On the other hand, four respondents out of 44 indicated that raters explained the criteria and standard of appraisal very clearly, and they perceived fairness in it. This is consistent with good practice as described in the literature, such as adequate notice (Folger et al., 1992) and also the finding of Tang and Sarsfield-Baldwin (1996) that the clarity of appraisal standards and explanations of process are important in perceiving fairness in procedural justice.

In terms of feedback, respondents reported four types of experience of practice SABIC. The first group of respondents indicated that there is no feedback and strengths and weaknesses are not identified. This practice conflicts with both company policy and literature. This means the problem is with the implementation of the policy. Folger et al (1992) indicate that employees should receive continuous feedback, which is supported by the empirical finding of Narcisse and Harcourt (2008). In the second group, some participants indicated that even if there is feedback, raters do not help employees to overcome their weaknesses, which again is inconsistent with both theory and SABIC's policy. Theory indicates that supervisors should develop subordinates' weaknesses and provide them with guidance, to let employees know how to improve (Brown et al., 2010) and the company policy indicates that supervisors support individuals to develop their weaknesses.

A third group of respondents experienced feedback, but not continuously. Folger et al. (1992) indicated that feedback should be on a regular basis in order for employees to perceive procedural justice. To say "good", or "not good" without more details is insufficient, according to the literature. For example Aguinis et al. (2012) said managers should avoid general overview and the feedback should specific and accurate. However,

the finding of the present study is consistent with AlDalan's (1995) finding that 80% of raters provided feedback to their ratees only once. Finally the fourth group, six respondents, revealed that supervisors provide them with feedback every three months. This practice is consistent with the literature, but it is a matter of concern that only six respondents reported such experience, while the majority of respondents were not happy with the current practice of feedback. This can be interpreted as indicating that they recognise the importance of feedback and its contribution to their improvement and their satisfaction, consistent with theory (Jawahar, 2010).

Several respondents were not happy with once a year rating, and wanted the appraisal conducted frequently (every three months). This finding is consistent with a recent finding by Narcisse and Harcourt (2008). They indicated that the respondents in their study perceived fairness in appraisal if appraisal was conducted frequently, not only once a year. SABIC's respondents similarly felt that once a year rating does not help employees to perceive accuracy in the appraisal process.

The second of Folger's et al (1992) dimensions is fair hearing. One of the main findings was that the respondents claimed not to have knowledge about the process, as managers hide the process from them and conduct it without informing them until the result is approved by top management. This is inconsistent with the principle of fair hearing (Folger et al., 1992) which requires formal meeting between rater and ratee and explanation by rater to ratee of how the outcome was derived by the rater. This does not happen in SABIC, based on the company policy that ratees are not informed about their appraisal until it is approved by top management. In terms of Erdogan's (2002) distinction between system procedural justice and rater procedural justice, this falls into the category of system procedural justice, as raters in SABIC follow the company's appraisal policy, but the policy conflicts with literature because it does not require the

rater to communicate the evaluation to the ratee. Respondents were not happy with this process and wanted the process to be known. This means respondents' recognition is consistent with theory.

Only two out of 44 respondents who participated in this study indicated that they could participate in the evaluation by expressing their views, which according to the literature is important for perceptions of fairness in the process (Erdogan et al., 2001; Folger et al., 1992; Greenberg, 1986; Korsgaard and Roberson, 1995; Narcisse and Harcourt, 2008; Taylor et al., 1995). However, the claims of these two respondents are at variance with the company's policy statement, which asserts that the appraisal is not disclosed to employee until it is approved by top management, at which point it is not subject to change. Another two said they were able to discuss (not participate in) the appraisal and change the result if there was a mistake before the result was approved. Again, this contradicts company policy. This is a sign of inconsistency in process, as discussed earlier. However, the two respondents added that once the rating was approved by top management, they could not change it, which is consistent with policy. Not allowing subordinates to challenge the appraisal or raise an appeal against perceived unfair evaluation (this will be discussed later) conflicts with the principle of fair hearing. Erdogan et al (2001) said "Employees must be allowed to present their explanations of certain events and provide input before the appraisal decision is made" (p.210). This is important as subjective evaluation by raters may affect perceptions of fairness; previous studies emphasised employee participation and its contribution to fairness (Alhawamda, 2004; Greenberg, 1986; Korsgaard and Roberson, 1995).

In contrast to the experience of these four employees, the other respondents declared that the process is hidden and they did not know about it until the result was announced by supervisors and supervisors, which did not take place until the result was approved.

They could not participate in the process and only raters were involved in the evaluation, which is consistent with company policy and conflicts with theory. This finding is similar to AlDalan's (1995) finding that 83% of employees did not discuss the appraisal with their raters. Inability to participate in the process means there is no appraisal session. This finding supports Ghulam's (1993) finding that Saudi civil service employees have no voice in their evaluation, although Cawley et al. (1998) found that employee participation in the appraisal has a strong influence on their satisfaction with the appraisal, while Tang and Sarsfield-Baldwin (1996) found that employees perceive fairness if they are allowed a chance to express their feeling. Lack of participation means employees could not accept the appraisal result. Campbell et al. (1998) advised that to increase employee's acceptance of the evaluation, raters should involve ratees in the process. SABIC employees said that after announcement of the result, if employees challenge raters, asking why they were given a lower grade than they deserved, the supervisor would promise a better grade next year, which means the company does not have a serious appraisal system or it is not implemented accurately by raters. The literature emphasised that employees should be informed about the appraisal process so they have the needed knowledge to challenge unfair assessment (Taylor et al., 1995).

It has been found that in SABIC, no appeal procedure is available, because the employees do not see the result until it is approved and as respondents explained, after the approval of result, it cannot be changed. This in a line with company policy (SABIC, 2012). However, it is inconsistent with literature (Conlon, 1993), because fair hearing requires employees to be allowed to freely challenge the appraisal result if they think it is unfair. As Folger et al. (1992) emphasise, empowering employees to challenge the appraisal is important in their perceptions of procedural justice. However, one exceptional situation claimed by respondents was that if an employee has power or a

strong relation with top management, he can appeal and win the case. This recalled the earlier discussion related to question I, where the role of relationships in the process of PA was highlighted. Consistent with theory, two respondents claimed that they could appeal and get a fair evaluation, although this contradicts the company's policy as indicated above. Given what respondents generally said about the ability of those who have relationship to appeal and win the case, this suggests those two respondents did not follow the company procedures or system and they may have had relationships with top management that could allow them to make an appeal and win the case.

Landy et al. (1978) listed several conditions that should be met for appraisal to be perceived as fair, one of which was ability of the ratee to appeal the result of appraisal without this negatively affecting the relationship between the rater and ratee. However, the findings of this study suggest this condition was not met in SABIC, because when employees appeal, managers take it personally and treat them badly in consequence. If an employee appeals, the manager will consider it as a challenge to his authority or a sign that the employee does not respect him. This is not logical; if an employee appeals he has to defend his appeal and the rater has to defend his evaluation and then one case will prevail, but the data reveal that in SABIC, the ideology is different and managers try to control employees. Respondents claimed that managers will hate anyone who appeals, and even take action against those who appeal. At worst, an employee who appeals will be 'outcast' (P40). For this reason, employees have to accept what they perceive as unfair appraisal, and keep silent, to avoid a clash with management, which would result in loss of other benefits. This phenomenon conflicts with the theory of procedural justice, and specifically fair hearing, which states that in order for appraisal to be seen as fair and not get a negative reaction from employees, managers should allow employees to freely challenge appraisal and raise their voice about perceived unfairness (Conlon, 1993; Erdogan et al., 2001; Folger et al., 1992; Narcisse and

Harcourt, 2008). Respondents wished to appeal, because they felt that if they appealed they could provide evidence and more details about their performance, but the management reaction rejected their wishes, and made them frustrated.

Judgement based on evidence of due process requires “the organisation and its agents to apply performance standards consistently across employees, without yielding to external pressure, corruption, or personal prejudice” (Taylor et al., 1995: p.497). Therefore, this factor has several sub-factors; appraisal should be based on accurate data, consistency in applying appraisal standards, rater training, rater bias, rater knowledge about ratee performance, and external pressure. Respondents gave indication that evaluation is not based on evidence, so the decision does not rely on fair process and procedure.

The first thing that respondents revealed was bias in appraisal. They gave examples, such as raters’ subjectivity, relationships affecting the process of appraisal, and favouritism, all of which conflict with the literature asserting the need for an unbiased process (Folger et al., 1992). Taylor et al. (1995) emphasised that supervisors should apply standards consistently among employees without bowing to external pressure, or corruption. The influence of relationships can be seen as a kind of external pressure. Respondents who declare that their rating was biased, perceived their evaluation used unfair means; and their response was consistent with literature indicating that appraisal can cause extreme dissatisfaction and frustration when employees perceive it as biased or irrelevant (Skarlicki and Folger, 1997; Thurston and McNall, 2010). Another issue that due process emphasises is honesty of the supervisor in order for appraisal to be perceived as fair, but respondents saw raters as not transparent in terms of explaining the appraisal process to them, contrary to Taylor et al’s (1995) emphasis on the effort of organisations in evaluation “to use principles of honesty and fairness” (p.497).

Yet another issue that upset respondents is that evaluation is not based on accurate information. Respondents revealed that evaluation is based on the evaluation of the first two years employees were employed in the company, i.e. the rater looks at the record of previous evaluation and gives the employee a similar result. This practice conflicts with theory and the principles of procedural justice, which emphasise keeping records and monitoring individuals' performance in order to be accurate in decisions (Mabey et al., 1998). More surprisingly, raters were said to distribute or circulate the A & B grades between employees every year, as explained in the previous chapter. This indicates lack of record keeping of performance, which leads to inconsistency in allocating grades and also may lead to the situation that some employees work hard and do not get what they deserve. This too is inconsistent with literature (Folger et al., 1992; Narcisse and Harcourt, 2008; Taylor et al., 1995). In these situations, respondents declared that employees have to push to get their rights in the appraisal; otherwise, they will lose many benefits.

Moreover, some respondents revealed that since raters do not keep records of employees' performance during the year, they [raters] evaluate them based on the effort of the last two or three months. That means raters relied on their memory of recent performance, which is inconsistent with procedural justice, and causes the process to be seen as unfair (Folger et al., 1992). Greenberg (1986) found that evaluation based on recorded information is more likely to be accepted than one not based on recorded information. Also Leventhal et al. (1980) argued that perceptions of fairness in appraisal are enhanced when appraisal uses information that is accurately recorded. The practice in SABIC contravenes these principles, and leads to perception of unfairness in the appraisal process.

Another issue that made respondents perceive unfairness in the process, and which led to grades or appraisal results not being based on evidence, is supervisors or raters not being trained and not possessing the skills to evaluate employees. Respondents in SABIC claimed that their raters were not trained to evaluate them, which is highly inconsistent with theory and could cause damage to the organisation. The findings of this study are similar to those of AlDalan (1995) who found that the majority of raters were not trained, and this affected many aspects such as providing feedback. Also many scholars emphasise the need for rater training to reduce rating error and improve their observation and mentoring skills (Wiese and Buckley, 1998) minimize bias (Taylor et al., 1995), and minimise subjectivity (Alhawamda, 2004). This finding supports the assertion of Erdogan et al. (2001) that rater training is important to promote fairness and ensure accuracy of the result. Similarly, Roberts (1998) argued that when the rater is not trained to evaluate employees this raises problems. He stated that raters require training to provide feedback, conduct the appraisal interview, set employees goals and standards, avoid rating errors, cultivate employee participation, keep a diary and know how to use the appraisal form. The above presents the importance of rater training, which allows links to be made with issues raised in distributive justice and procedural justice. For example, some employees blamed Forced Distribution for injustice, while other respondents blamed the implementation of Forced Distribution, because this system needs frequent appraisal and record keeping to ensure fair evaluation. This is linked with the issue of “rater training”, because if raters are trained, they will be able to apply the process more accurately.

Another finding revealed by respondents was that raters possess poor knowledge about their subordinates' performance. They claimed that managers are unqualified as they were posted to their positions through mediation (*Wasta*) and lack knowledge about subordinates' jobs, then make a unfair evaluation. Here, a cultural factor arises, as

practices related to appointment of managers result in poor fairness perception, as employees do not trust their supervisors to evaluate their performance. Even where Wasta is not an issue, supervisors may not be specialist in the field of the job. For example, in the department of Information Technology, the manager held an Arabic certificate, and the law department's supervisor or manager is an engineer. This raises many problems such as the supervisor not having information about the subject. For example, one respondent, a lawyer, declared that his supervisor for seven years was an engineer who distributed the work to older employees, ignoring new employees, because he did not possess the knowledge to explain the job to them. The above issues indicate unfamiliarity of the supervisor or rater with subordinates' duties and responsibilities, which conflicts with Folger et al. (1992), who emphasised that supervisors should be familiar with their subordinates' job, but is consistent with Narcisse and Harcour's (2008) finding. It is also consistent with Landy et al. (1978), who found that perceptions of accuracy and fineness of performance appraisal positively correlate with managers knowledge about subordinates' job performance and job duties. Also Greenberg (1986) found that rater familiarity with subordinates' performance is positively correlated to fairness perceptions of procedural justice. In contrast, some respondents indicated that their supervisors have full knowledge about their jobs, which is consistent with the theory that the accuracy of appraisal results increases when the rater is familiar with subordinates' job (Folger et al., 1992).

Finally, respondents revealed that raters in their rating focus on punctuality as the most important factor to determine ratings. Similarly AlDalan (1995) found that raters in public organisations in Saudi Arabic rely heavily on punctuality in their rating. It also supports Ghulam's (1993) finding that attendance is an important factor in determining the appraisal result in the Saudi Civil Service. Respondents revealed that the appraisal is

'bad' in SABIC and the vast majority of them did not perceive fairness in the process, for the reasons discussed above.

7.3.3 Interactional Justice Factors

Interactional justice concerns the quality of interpersonal treatment between rater and ratee during the appraisal period (Bies, 2001). Two sub-factors of interactional justice exist: first, interpersonal justice, which refers to respect and dignity in the decision process and implementation of the decision; second, informational justice, which reflects the extent to which employees feel that adequate information or explanation is given to them about how the decision is implemented or how the outcomes are determined (Colquitt et al., 2001; Greenberg, 1993a).

With regard to interpersonal justice, the majority of respondents were happy, saying that managers treat them with kindness, dignity and respect. This is consistent with the basis of interpersonal justice. Ghulam (1993) indicated that in performance appraisal, Saudi managers are expected to treat subordinates with respect and dignity to avoid violating societal norms. Indeed, dignity and respect conferred by the rater will contribute to fairness perception of interpersonal justice, in line with Bies (2001) and Colquitt et al. (2001). In contrast, a few incidents revealed that managers' treatment was not balanced, sometimes good and at other times bad. Respondents declared that this depends on the rater's mood. One respondent declared that his supervisor sometimes raised his voice, which shows disrespect to the ratee, and spoke in a harsh manner, which hurt the subordinate's feeling. This is inconsistent with interpersonal justice (Bies, 2001).

Another respondent with 30 years experience felt the rater treated him with respect not for his personality, but to get the benefit of his experience and let the work continue because, as he said, "I have long experience and work hard" (P.34). This may mean deceiving the subordinate, and eventually the employee will recognize the insincerity, which affects his feelings and makes him frustrated. According to Bies (2001),

deception occurs when a rater's words and actions are discrepant. Another respondent indicated that managers in SABIC manage people, not work. This perception came from this respondents' experience of disrespect from the rater as Bies (2001) indicated that raters' abusive actions and words show disrespect to their employees. Obviously, this has an impact on employees' feelings, and they perceive unfair treatment.

In informational justice, the findings of this research show that the vast majority of respondents thought that raters are not good at explaining their decisions. A few respondents said there were no explanations at all, and indicated that the policy of explanation exists only in the policy document and is not practised. This conflicts with theory, which requires raters to explain decisions to ratees (Bies and Shapiro, 1987; Colquitt et al., 2006; Greenberg, 1991; Shaw et al., 2003; Erdogan, 2002; Holbrook, 2002). Greenberg (1991) found that when no explanation is provided the employee will perceive unfairness. Also respondents revealed that raters ignore employees because they do not have convincing information about ratings and cannot give a proper justification; one respondent indicated that when a rater is approached for explanation, he "tries to get off the point and change the subject" (p12). This is consistent with Folger and Skarlicki (2001). This may be because raters do not base the rating on complete information, which as Greenberg (1991) indicated, may reduce acceptance of the outcome, leading to resistance and dissatisfaction with appraisal and unfairness perceptions. In this regard Bies and Shapiro (1987) stated that when a decision-maker provides explanation, then he/she attempts to manage perception. However, the findings in this study suggest that raters attempt to avoid explanation, so there is no sign of attempting to manage employees' perceptions of fairness. Also respondents perceived a lack of honesty in the quality of explanations provided by raters, contrary to good practice as described in the literature (Bies and Shapiro, 1987; Colquitt et al., 2001). Another issue that caused respondents not to perceive accuracy and

fairness is that explanations are not clear, contrary to theory (Shaw et al., 2003). Indeed, respondents claimed that their raters deceived them and gave them unclear and unconvincing explanation just to prove to themselves or to the GM that they had explained to them, in order to protect themselves. When such behaviour is detected by employees, it arouses anger and dissatisfaction. The behaviour described is inconsistent with Fortin's (2008) assertion of the need for clarity and sincerity of communication in explaining decisions, and the advice of Shaw et al. (2003) that explanation should be reasonable, clear and detailed.

Greenberg (1991) made a useful point about informational justice, arguing that an explanation which is believed by employees to be based on incomplete information or biased may actually reduce acceptance of the outcome or result, and he concluded, "What is fair is what is explained and accepted as fair" (p.59). This advice was not followed in this study as respondents in this study, complaining that raters do not keep a record of their performance, said if they did so, then explanation would be easy, and may satisfy employees. Respondents' anger about unclear or insincere explanation is consistent with Greenberg's view; they believed information about their rating to be biased or incomplete, therefore, they did not perceive fairness in informational justice.

Respondents revealed that their raters used externally focused explanations in regard to their rating decisions or outcomes. Several participants revealed that raters' explanations typically blamed Forced Distribution (FD), arguing that FD limits the number of A and B grades awarded. This is consistent with the report submitted by Saudi Aramco to a Symposium in 1995 (AlDalan, 1995) which found that raters blamed the appraisal system. Respondents perceived that raters were lying to them, which means they did not perceive this as a valid justification, whereas, if raters had evidence of employees' performance, such as records, then the explanation would be more

realistic, but as P36 said, “They do not provide real examples in their justification”. The respondents viewed the FD as internally focused, whereas raters viewed it as externally focused, because they blamed it to improve their image in front of subordinates. Erdogan (2002) called such behaviour *job-focused tactics*, whereby the rater tries to reduce his responsibility when employees are negatively affected by ratings. However, respondents viewed this as an issue of lack of raters’ training, because if raters were trained they would possess more evidence and be able to explain it to employees, which as Greenberg (1991) found, mitigates negative reactions. Another externally focused explanation was revealed by four respondents, who indicated that raters claimed the department’s limited budget forced them to award low grades. Employees were dissatisfied with such excuses, although they are consistent with SABIC’s policy which states that the evaluation might be affected by the annual department budget.

Another externally based explanation given by raters, according to four respondents, was that the fault lay with top management; raters would say, “I gave you A grade and the GM or higher management changed it to a lower grade”. One of them indicated that raters say this because they know that the employee cannot question top management, or if they did, they would be referred back to the direct manager. This finding is consistent with Folger’s (1993) view that externally focused explanations block counterfactual argument. Holbrook (2002) suggests that external explanations may signal that employee voice is inappropriate, which leads to unfairness perceptions.

On the other hand raters also used internally focused explanations that made respondents perceive unfairness. For example when the rater told an employee, “You deserve a B grade, but your colleague is due for promotion this year, and in order for him to be promoted he must get B grade in the evaluation, so will you agree to give him your B grade?”, this embarrassed the employee, because he did not want to prevent his

colleague from being promoted but wanted the grade he deserved. In other cases the rater said, “Your colleague’s salary is low, I gave him your grade in order to improve his salary”. This type of justification, where the rater admits responsibility for the lower grade, but justifies it in terms of a colleague’s salary or promotion, is an example of what Folger (1993) called reinterpretation of the act. Scott and Lyman (1968), cited in Shaw et al. (2003) recognized the same phenomenon giving the example, “A soldier might justify killing others by asserting that his or her side is fighting for the cause of freedom” (p.445). This is exactly what happened in SABIC, when raters used an employee’s need for promotion or salary increase as a justification for lowering another’s rating.

The other internally focused explanation that respondents revealed was when employees were angry with unrealistic explanations provided by raters, and the rater then promised a good grade the next year. As respondents said, the next year, the rater comes up with another lie. In other words, the rater tries to convince the employee, and if his attempt does not work, he will adopt another strategy, of making promises for the next year, to mitigate circumstances (Bies and Shapiro, 1988) for employees who are affected by the rating. This is a clear example of unconfident rating, which may come from untrained raters as discussed above under procedural justice. This is a way of deceiving employees in line with deception described by Bies (2001) that occurs when raters’ words and actions are inconsistent.

Only one respondent indicated that there is enough explanation of rating outcomes and decisions. This respondent in turn perceived fairness in informational justice, showing a link between the two perceptions which is consistent with Colquitt et al. (2001); Greenberg (1991) and Shaw et al.(2003).

To summarise the findings of how employees in SABIC perceive fairness in the process of performance appraisal, the above discussion shows that employees' perceptions of distributive, procedural and informational justice are very low, whereas their perceptions of interpersonal justice are high. This finding is consistent with Ghulam's (1993) finding in the Saudi Civil Service, although he only tested procedural justice and distributive justice, and did not examine informational justice. In his study, he considered interpersonal justice as a social factor of procedural justice, while in this study, as explained in Chapter Three, interpersonal justice is seen as a separate factor of organisational justice. He found perceptions of dignity and respect treatment (here classed as interpersonal justice), were high and that employees' perceptions are more affected by procedural justice. These findings support that of Alajmis (1998) cited in ALhawamda (2004) that employees perceived interpersonal justice as high and distributive and procedural justice as low.

7.4 Research Question III: To what extent do employees perceive satisfaction with overall PA system in SABIC?

It is clear from discussion of the two research questions above that many problems were perceived in the practice of appraisal in SABIC, some of them related to the system itself and the vast majority related to the raters. The majority of respondents in SABIC did not perceive fairness and accuracy in the process of appraisal, and this in turn affected their satisfaction with the appraisal system. Literature links the influence of unfair perceptions of appraisal process to satisfaction with appraisal system, as indicated by Thurston and McNall (2010) who said, "Faults in the performance appraisal practices will likely be related to increased employee frustration and dissatisfaction with their appraisal system, rater and appraisal" (p.208). According to Thurston and McNall, dissatisfaction and frustration come from faults in appraisal practice, from the rater or appraisal. Mount (1984) concluded that overall employees'

experience with the system was mainly related to their satisfaction with the performance appraisal system.

The findings of this study revealed that seven respondents claimed satisfaction with the performance appraisal system. One respondent who expressed satisfaction with the appraisal system indicated that he was satisfied because his rater provided feedback, highlighted his weaknesses, and was transparent, which is in line with Roberts and Reed (1996). Another respondent perceived satisfaction in appraisal because the outcomes matched his contribution, which confirms that distributive justice contributes to appraisal satisfaction (Jawahar, 2007; Sweeney and McFarlin, 1993). Another respondent was generally satisfied, but not entirely, because he raised a matter that he perceived as unfair, namely, unclear goal setting. Finally, a few respondents were satisfied with the appraisal system because it was conducted according to the company procedures and they were satisfied with those procedures, they perceived clear vision, clear structure and clear goal setting, and they felt they got what they deserved as an outcome of their input. This is consistent with literature that indicates that an effective procedure and process of appraisal increases employees' satisfaction with the appraisal system (Boyd and Kyle, 2004; Cardy and Dobbins, 1994; Cook and Crossman, 2004; Ilgen et al., 1979; Keeping and Levy, 2000).

Respondents, when asked about their perceptions of overall satisfaction with their appraisal system, kept repeating the reasons that made them perceive unfairness and inaccuracy in the process, which shows that satisfaction with appraisal system is based on perceptions of fairness in the process itself. This supports Tang and Sarsfield-Baldwin (1996) and Skarlicki and Folger (1997), who suggest that when employees suspect the appraisal is based on bias or politics that may lead to dissatisfaction. Skarlicki and Folger (1997) stated that when an appraisal system uses an accurate

measurement, then the system will meet employees' satisfaction. Levels of satisfaction with appraisal systems are clearly related to perceptions of fairness in the system (Cook and Crossman, 2004) and the notion of fairness in organisations has been defined as organisational justice by Greenberg (1986). Cook and Crossman (2004) assert that dissatisfaction with appraisal systems occurs among employees when the system starts with an ineffective process and procedure.

Literature on employees' reaction to performance appraisal emphasises that if there is unfairness in the process of appraisal, ratees will display negative reactions (Ilgen et al., 1979). The reaction focuses on perception of accuracy, fairness and satisfaction with the system (Brown and Benson, 2003; Cawley et al., 1998; Jawahar, 2007; Keeping and Levy, 2000). Levy and Williams (2004) link the effectiveness of PA with employees' reaction to the appraisal system, and they measure the reaction. The findings of this study show that employees have a negative reaction to appraisal, because low satisfaction was displayed and low fairness and accuracy were perceived in the appraisal process. Jawahar (2007) stated that dissatisfaction with an appraisal system caused by unfairness perceptions can destroy the system. Also, Keepin and Levy (2000) stated that the perception of fairness in appraisal is a significant factor in employees' acceptance of and satisfaction with the appraisal system and Walsh (2003) supported this.

In the present study, the vast majority of respondents who participated were dissatisfied and frustrated, and they presented negative reactions that reflected their low satisfaction with appraisal system. Their dissatisfaction can be divided into three dimensions. First, the majority of them accused raters of inaccurate and unfair practice of appraisal; second a few of them blamed the appraisal system adopted by SABIC, while the third dimension is that a few respondents criticized top management for changing ratings

assigned by raters or direct managers to subordinates without contacting their rater and without full knowledge about the subordinate's performance. Even worse, no explanations were provided as to why they changed the evaluation of the direct manager. An example was given by one respondent who said that the GM or deputy president said, "I saw that employee one day, and I do not think that he deserves that grade" (P32). That means the GM or deputy president reaches a conclusion from seeing employees briefly or infrequently and on this basis decides which grade is appropriate for the employee.

The first dimension that caused respondents in this study to be dissatisfied was their raters. SABIC employees criticized the lack of clarity of goal-setting, setting of appraisal standards, raters' training, raters' bias, raters' subjectivity, relationship with rater, absence of frequent appraisal during the year, and the lack of feedback. They pointed to a lack of record keeping about employees' performance, which caused raters to rely on the last few months. Raters were said to give no explanation of the result or outcomes, employees did not see the appraisal form, and evaluation was not discussed with employees. Grades were circulated among employees every year, raters lacked transparency and honesty, they abused their authority, and did not support employees unless the work stopped. They would either ignore employees' problems or propose very complicated answers or solution that respondents said indirectly meant "Do not come to me again." They thought raters or supervisors focused on their own benefit such as comparing their salary with those of manager in the same rank and thinking about promotion and training, but were not concerned about their employees, or involving them in the process. Raters were accused of deceiving employees when they asked for explanation of unfavourable appraisal results, listing many weaknesses yet refusing training to remedy these weaknesses, for the reason of cutting cost, and finally focusing on bad aspects or actions of employees, which made them frustrated. With

regard to the latter point, respondents said that raters do this as an excuse to give them a bad evaluation, as good grades can be awarded only to a few personnel. Even when an employee exhibits excellent performance in his job during the year, if he makes an unintentional mistake, this will be recorded against him for the purpose of reminding the employee of it. This happens especially in last two months of appraisal period; raters start to count employees' faults or mistakes, to present them to employees when they ask for justification of a low evaluation. Respondents recognised that raters should evaluate them accurately and fairly, and should help them to overcome bad performance instead of looking for it to lower their appraisal rating. Failure to adhere to these principles made them frustrated and not perceive satisfaction with the appraisal system. The above provides sufficient explanation of low satisfaction with appraisal system. The major cause of dissatisfaction among SABIC employees is raters' subjectivity and bias. It has been indicated by many scholars (Cook and Crossman, 2004; Folger et al., 1992; Keeping and Levy, 2000; Murphy and Cleveland, 1995; Shrestha and Chalidabhongse, 2006; Skarlicki and Folger, 1997) that subjectivity and bias decrease the level of satisfaction. The employees recognised the importance of objectivity in evaluation; as one put it, "Evaluation should be objective, not subjective" (P.42). SABIC employees believe that the rater is the key to success of the system. This finding is consistent with Longenecker and Nykodym (1996). Also Thomas and Bretz (1994) in their study of 100 US companies found that the immediate supervisor is the most influential.

The second dimension that made SABIC's employees dissatisfied with appraisal was the system of appraisal itself. Three issues were raised in this dimension. The first is that evaluation depends on the budget. Here participants indicated that the evaluation does not rely on employees' effort but is constrained by the budget, in line with company policy. Second, respondents were not satisfied with appraisal because of the

Forced Distribution (FD) rating system, which limits their grades. For example, five employees may deserve A but only two can get it because of FD. Hence, they viewed that FD leads raters to be unfair. This view contradicts the literature, as Boyle (2001) indicated that FD forces raters to be more honest with their subordinates, whereas respondents perceived the complete opposite. Their view is consistent with Fletcher (1997) who indicated that, because the system of FD serves the purpose of making raters differentiate among employees in cost, subordinates may perceive unfairness. This was an issue that made SABIC's employees dissatisfied with the appraisal system and the majority of respondents blamed raters, as mentioned above. SABIC uses the FD system, but seems to have neglected the point that scholars such as Guralnik et al. (2004) and Stewart et al. (2010), emphasised, that this system requires adequate training and ongoing support for raters, to enable them to differentiate among employees on high, average and low grades, evaluate subordinates accurately, and increase the satisfaction of employees. Cook and Crossman (2004) found that manager training contributes to employees' satisfaction. SABIC raters' lack of proper training to use FD is reflected in their failure to adhere to the suggestions of Stewart et al. (2010) that FD should entail accurate and honest feedback and be linked with standards or criteria, and goals and objectives set at the beginning of each evaluation year; the vast majority of respondents denied the accuracy and honesty of feedback, and the setting of criteria and goals. Respondents wanted FD to be replaced with another system that allowed them to get what they deserved; they favoured use of 360 degree appraisal. Third, there is no control body to watch and monitor raters' evaluation. Respondents' criticism is consistent with Curtis et al. (2005), who found that ratees want raters' evaluation to be monitored by higher management.

The third dimension that made SABIC's employees dissatisfied with the appraisal system is the involvement of top management in the evaluation. For all these reasons,

respondents indicated that performance appraisal has a poor reputation among employees in SABIC. This is consistent with Murphy and Cleveland (1995).

Linking the above with the theoretical framework, SABIC employees' dissatisfaction with the appraisal system was more related to procedural justice and informational justice; they did not mention any factor related to distributive justice. The interpretation of this finding is in a line with Jawahar (2007), who stated, "Ratees likely focus their attention on the fairness of procedures and interactions only when ratings are perceived as distributively unfair" (p.750), or interpersonal justice was related to their dissatisfaction. That means they would perceive satisfaction in the appraisal system if the procedural and informational justice were implemented in the proper way. Regarding employees' satisfaction with appraisal, the findings of this study indicated that procedural justice and informational justice are related to employees' satisfaction with appraisal. This finding contradicts previous studies, which found employees' satisfaction with appraisal is only related to distributive and procedural justice (Jawahar, 2007; Sweeney and McFarlin, 1993; Thurston and McNall, 2010). However, the findings partly support Ghulam's (1993) finding concerning employees in the Saudi Civil Service, whose satisfaction with the appraisal system was related to procedural justice. However, in his study he considered informational justice as a social factor of procedural justice, and did not examine informational justice as a separate factor.

To date, no previous studies have examined the influence of informational justice on appraisal satisfaction. Jawahar (2007) examined interactional justice and its influence on satisfaction with rater and satisfaction with appraisal feedback. Satisfaction with the appraisal system is about the contextual factors of the appraisal system. It provides a framework which includes where the appraisal session occurs, evaluation is given and appraisal information is given (Jawahar, 2007). The findings of this study revealed that

when employees are supplied with an adequate explanation of the outcomes which are missing, this influences their satisfaction with the appraisal system. It can be argued that such explanations should be provided by the raters, as informational justice is about justification of ratings, but the employees in SABIC blame the appraisal system, because they face the issue that the evaluation process conducted by raters is not monitored and there is no accountability by the management. That is why they are dissatisfied with the appraisal system, because of their suspicion of bias, politics, and subjectivity. Curtis et al. (2005) found that ratees want raters to justify their evaluations to superiors to increase their accuracy. Shore and Strauss (2008) conclude that a “potential way to reduce political influences in performance appraisals is to hold the rater accountable for their ratings” (p.608).

The findings in this study revealed that informational justice influences employees’ satisfaction with the appraisal system is because the rating is perceived as unfair, and procedures that are used to evaluate employees’ performance are also perceived as unfair. This interpretation is consistent with Jawhar’s (2007) comment in his direction and recommendation for further research. Also, Thruston and McNall (2010) indicated that when the practice of appraisal is criticised by the user as unfair, the likely result would be resentment of the system, the supervisors or raters. This is consistent with this study’s findings, because the resentment of procedural justice and informational justice became the source of dissatisfaction with the appraisal system.

Many scholars recommended that ratees as well as raters need training in the process of PA, to have a good level of knowledge about the appraisal process and thereby ensure that outcome expectations are more realistic (Bretz et al., 1992; Cook and Crossman, 2004). As Mount’s (1984) findings suggest, “Both managers and employees should receive orientation and training in how to use the appraisal system.” (p.279) This would

be an advanced step for SABIC employees, because as the data revealed, there is a shortage of training even for raters, on how to evaluate their employees properly.

To summarise the answer to this question, the above provides sufficient explanation that the majority of SABIC's employees were dissatisfied with the appraisal system, as their reactions toward the appraisal system were negative. Many scholars indicated that employees' satisfaction with the system is a key indicator of the system's efficiency (Cook and Crossman, 2004; Murphy and Cleveland, 1995; Roberts and Reed, 1996; Thurston and McNall, 2010; Walsh, 2003).

7.5 Research Contribution to Knowledge

Research in the field of fairness perception in performance appraisal has been conducted in developed countries, and so represents and reflects Western perspectives (Greenberg, 1986; Taylor et al., 1995; Thurston and McNall, 2010). In contrast, it is ignored in the region of the Arab Middle East (Abo Shika, 2005; Alhawamda, 2004). Researchers who write about the Arab region mention that this region is under-researched, and there is a gap in HRM literature (Abu-Doleh and Weir, 2007; Alhawamda, 2004; Common, 2008; Hutchings and Weir, 2006; Metcalfe, 2007; Rees et al., 2007) especially regarding the practice of performance appraisal and the research of justice (Suliman, 2007). This study was conducted in the Saudi context for several reasons, such as the appraisal practice's significance in organisation's success, the study of fairness in the appraisal process is a new target to improve the appraisal process and outcomes, as previous traditional methods or approaches failed to do so (Picher, 2012); Murphy and Cleveland (1995). This study helps in raising the importance of fairness in PA practices and how it contributes to the success of organisations. Also it aids understanding of the nature of appraisal practice by exploring how practitioners in Saudi conceptualise and operationalise the practice and process of PA. Also it is valuable to academic researchers in the Middle East, a region which suffers a lack of such studies,

As the findings demonstrate, appraisal practice suffers from many issues. Therefore, based on these findings, it can be argued that in the Middle East, organisations and management need to understand the significance of justice perceptions and their influence on employees' attitudes and behaviour. Hence, this research highlighted significance of justice at the workplace, and also explores how Western theory fits the gap between culture and business in Saudi Arabia. It helps to explain the investigated phenomenon and whether there are any other uncovered dimensions that influence employees' justice perceptions in appraisal practice.

To date there is a lack of empirical studies to explore employees' perceptions of fairness in the Middle East. This study contributes to knowledge in this field, by exploring the practice of performance appraisal and highlighting the main issues that challenge or face employees. Although research about employees' perception of fairness in PA was neglected and less attention has been paid to it (Cardy and Dobbins, 1994; Murphy and Cleveland, 1995), in the new millennium there has been increased interest in this regard. Many studies in the Middle East region indicated that performance appraisal in Arab countries has been discussed from a theoretical perspective, not empirical (Abo Shika, 2005; Alhamod, 1994; Alhawamda, 2004; Yousf, 2000). This research provides insights about the practice of performance appraisal, in terms of the perception of fairness, and how far employees perceive satisfaction and justice in the practice of their appraisal process. Therefore, it contributes to theory in terms of understanding the nature of the appraisal process and factors that influence it, whether cultural or otherwise. Therefore, this thesis contributes to knowledge on fairness of performance appraisal by providing empirical evidence from a Saudi Arabian perspective.

This research represents the first detailed empirical research in the field of appraisal fairness in Saudi Arabia. It is also the first study to extensively evaluate and clearly

define the challenges that face employees in the private sector. The findings present a more sophisticated understanding of the nature of the complex phenomena investigated. Interviews with employees provided useful information and explanations of the implementation of the appraisal process in this context, which fills the existing gap in the literature related to Saudi Arabia. This study used extensive investigation of the appraisal field to find out how the principles of performance appraisal are implemented in a developing country. The findings show that national cultural values and norms play a strong role in influencing the process. The findings revealed that national cultural factors influence the proper implementation of the appraisal process. Moreover, the findings reveal that social values and collectivist orientation influence organisational activities, including performance appraisal.

This is the first study conducted in the Saudi context using the framework of the three dimensions of organisational justice theory, distributive, procedural, and interactional justice, with interactional justice divided into two dimensions, informational and interpersonal justice. Previously only one study by Ghulam (1993) examined employees' perception of performance appraisal in Saudi Arabia. His study only used distributive and procedural justice to measure employees' perception of fairness and did not include interactional justice. Moreover, his study used a quantitative method, whereas this research used semi-structured interviews that captured employees' experience and perceptions about their appraisal practice. Therefore, this study provides a base for further research by exploring the employees' perceptions of fairness in PA, and showing that the main barrier facing the practice of PA is cultural issues. However, it appears from the findings that some employees, although they belong to the same culture as their managers, do not accept these practices, when some aspects of their culture affect them negatively in their benefits. This can be interpreted as meaning that there is an interaction between individual interest and social culture, such that individuals may

accept these practices if they gain from them, but when their interests are threatened, as in the case of those who do not have a connection or relationship, will see those processes as unfair.

Previous studies, when they discussed national cultural factors, listed all factors together and under the label, cultural factors (AlDalan, 1995; Idris, 2007). However, the findings of this study indicate that these national cultural factors can be classified into two dimensions of cultural factors. First, there are social factors; which are factors that come from the sociality, or characteristics of society members; these are in line with previous studies, which found that the appraisal process is affected by relationship, friendship, family relations, tribe, personal interest or subjectivity (AlDalan, 1995; Branine and Pollard, 2010; Mellahi and Wood, 2001). However, a new finding that previous studies did not find is the effect of regionalism on the process of appraisal. The researcher reviewed all published research on performance appraisal in the Middle East, in English and Arabic, and found no previous studies that mentioned that appraisal practices are influenced by regionalism, so this extends the literature related to performance appraisal in Saudi Arabia. The second dimension of national culture is related to the manager's position. This means that managers are influenced by cultural norms and values in their dealing with subordinates. The findings show no separation is made by managers between national culture and the workplace. For instance, managers want their subordinates to obey them at all times, and raters do not accept criticism of their work or evaluation, as they view it as an insult. The above two dimensions that influence the practices of PA contribute to classification of national cultural factors generated from society, that contradict theory and Islamic teaching (Ahmed, 1998; Metcalfe, 2007). The research highlighted these issues or factors related to Saudi national culture, either social or managerial, that influence the practice of appraisal. This contribution could change the practice of appraisal.

Moreover, the research contributes to understanding of the practice of PA, as it shows how the principles of PA are implemented in a context where social norms and values play a key role in practice, being transferred from society to people who run the appraisal. Their beliefs related to work are influenced by social norms and values, such as collectivism, family relations, tribes, emotion etc, and other obligations such as those to family and friends. Therefore, this research provides rich insights with explanation about appraisal practices and challenges that face practice at the moment. This understanding may help in forming the basis for future studies to build theory in the area of appraisal practices in the context of Saudi Arabia.

This study's findings contradict previous findings in Saudi Arabia by Ghulam (1993), who found that national cultural values do not influence employees' perception of appraisal system, as the findings of this study show that the perceptions of the performance appraisal system are highly influenced by national cultural factors such as relationship, friendship etc.

Methodologically, it contributes a qualitative understanding about employees' concerns regarding the practice of appraisal, in order to enter the employees' environment and understand their experience from their voice, instead of using survey questionnaires. Such an approach is rare in the Saudi context, all reviewed studies used a quantitative approach to measure employees' perceptions of fairness, except one study conducted by Narcisse and Harcourt (2008). That means, this is only the second qualitative research in this area, and answers a call for more research using qualitative methods, put forward by Thurston and McNall (2010), who recommended the use of interview in order to elicit employees' attitudes and perceptions about appraisal practices.

Also this thesis contributes to knowledge about appraisal practices in the workplace from ratees' perspectives rather than raters' perspective, because the ratees are the

people who are evaluated and if the evaluation is unfair, they will demonstrate their concerns. Hence, the findings can help practitioners to improve practice by trying to overcome the deficiencies identified.

Moreover, this study supports the value of organisational justice theory for exploring employees' perceptions of fairness in practice. It confirms that employees' perceptions of fairness in the process of performance appraisal are consistent with the basic dimensions: distributive, procedural and interactional. In addition, respondents' views and recognition support the previous literature on cultural factors and organisational justice. In addition, the study supports Folger et al's (1992) due process model of procedural justice. This support comes from the importance of these dimensions in determining or measuring employees' perceptions of fairness.

7.5.1 New emerged factors of justice

This study's findings support previous research regarding aspects of due process model related to aspects of procedural justice (Erdogan et al., 2001; Narcisse and Harcourt, 2008; Taylor et al., 1995). In addition, new factors emerged from the data as significant to participants, which have not been identified in the literature. One factor that emerged for procedural justice is consistency in distribution of goals or objectives. Complaints were raised that managers are not consistent or equal in the distribution of goals, giving some employees more work than others; thus, they have more opportunity to show their ability and in the evaluation, it is assumed these employees are working more and deserve higher grades. This can be related to adequate notice in due process model, which emphasises developing objectives before the start of the appraisal period. Objectives and goals should be communicated to subordinates well ahead of ratings (Narcisse and Harcourt, 2008; Taylor et al., 1995). However, previous researchers do not explain the equality of goal setting, meaning that employees who hold the same job and position should have job duties distributed equally among them, or if this is not the

case, raters should evaluate them based on the goals assigned to each individual. In the present study the distribution of objectives was inconsistent, yet in the evaluation raters used the same standards for all employees in their departments, irrespective of the different opportunities given to them. This affected employees' perceptions of procedural justice.

Also this study contributes to the knowledge in the emergence of a new factor related to satisfaction with the performance appraisal system. This study revealed that appraisal satisfaction is influenced by procedural justice and informational justice. As discussed on this chapter section 7.3, this finding contradicts previous studies (Jawahar, 2007; Sweeney and McFarlin, 1993; Thurston and McNall, 2010) showing that employees' satisfaction with the appraisal system was only related to distributive procedural justice. Finally this study found a strong relationship between informational justice and satisfaction with the appraisal system, which was not examined in previous research.

7.6 Conclusion

Addressing the above research questions provides insight about the practice of performance appraisal in SABIC. This chapter presented the study findings and linked them with previous literature. The findings mostly reveal similar answers or findings previous studies. Thus, they support existing theory. On the other hand, some new findings are presented in this chapter above. The following conclusion chapter will highlight the main findings of this study and its contributions.

Chapter Eight: Conclusion

8.1 Introduction

The Middle East region suffers from a lack of research in many fields, especially HRM and its related functions. This study explored fairness perceptions in the practice of performance appraisal in the Saudi Arabian private sector. Perceptions of fairness are individually constructed; therefore the data were collected by interviews with respondents from SABIC's headquarters. The aspiration is to contribute to theory by expanding, supporting or rejecting previous literature, and develop practice by presenting to practitioners and policymakers in the Saudi context issues that challenge the practice of performance appraisal.

This chapter presents the research conclusion. It is divided into three sections. First, the findings of the study are summarised, addressing the three research questions 1, 2 & 3 in turn. These concern national cultural issues that face appraisal practice, the extent to which these influence employees' perceptions of fairness in the appraisal process, and satisfaction with the overall appraisal system. Second, the research implications, including contributions to theory, practice, and methodology are discussed. Third, the study limitations are acknowledged and suggestions made for future research.

8.2 Role of Researcher in the Research

In qualitative research, the researcher's values are involved in shaping the research process. Thus, a qualitative subjectivist approach was adopted in this research in order to answer the research questions, because the research aimed to explore individual feeling, experience, and insights. As indicated in section 4.4, my own values, beliefs and thought inevitably influenced the research process. This started from my own interest in justice research, and continued as I read the literature on the Middle East, and found a lack of empirical research. The vast majority of justice and performance appraisal research was conducted in Western countries, adopting a quantitative

approach. In this research I used a qualitative approach as I believe that there are multiple socially constructed realities. Moreover, the criteria set for participants, i.e. more than 5 years experience in SABIC, and only employees who were evaluated by their manager and did not evaluate other employees, reflected my assumption that such experience would provide answer sufficient information about appraisal practices. At the analysis stage, since the literature on qualitative data analysis describes variety of methods, and indicates that there is no fixed linear approach to analysing this type of data (Creswell, 2007), and since, this type of research about involves interpretation of human experience, and reflects social meaning that underlie respondents' attitudes and behaviours, my own values, views and thoughts were involved in the analysis. For example, they were reflected in giving names or codes, in building themes and subthemes, in the categorisation of the data into five different categories, and also in the way that conclusions were drawn.

8.3 Summary of the Main Research Findings

The aim of this research was to investigate employees' perceptions of fairness in the process of performance appraisal. The findings of the research reported in chapters 5 & 6 and discussed in chapter 7 in relation to literature will be summarised in this section, to highlight respondents' experience of the practice of performance appraisal. The summary will be organized according to the research questions, for clarity.

Research question one was about the aspects of national culture that influence the practice of performance appraisal. Previous literature indicated that in the Arab world and Middle East generally, practices of HRM, and specifically performance appraisal as a function are influenced by national cultural factors. These factors can be classified into two dimensions. First, social factors, which are factors that characterise a society, that members practise in their daily life. Generally this refers to Wasta or mediation. Wasta is a broad phrase, and investigation of this research revealed that Wasta comes

from several sources, illegally influencing the practices of appraisal. These include relationships; respondents revealed different forms of relationship between the employee and his direct manager and 'rater' or the employee and top management such as the GM or vice president, who have authority or power to change the rating assigned by the direct manager. The main kind of relationship that respondents revealed is based on a common interest. The findings revealed that common interest occurs when employees support the interest of the direct manager or top management. Other influential factors include friendship, which has consequence on the practices although less than relationship. Another was family relations; where employees are from the same family as their rater or top management, it has an influence on the appraisal process. So does tribe, although less so than family relations, because even when employees and manager are from the same tribe, one may be from the east and the other from the west; regionalism, too, influences appraisal practices. Finally, emotion was found to have an influence on practices, for example, an employee due for promotion will be helped by the rater giving him a high grade, or an employee who is getting married will be given a high grade to increase his annual increment. For those who have a low salary, emotion plays a role in giving them a high percentage or high grade, in order to increase their salary.

The second dimension related to national cultural factors, is related to managers or their position, as previous research classified Arab managers into two types, and the findings of this study confirmed them. Three aspects were found related to managers' characteristics: a, managers want their subordinates to obey them all the time, b; when a manager does not like a specific employee, he threatens him and c, managers do not like to be criticised about their work or evaluation. These attitudes of Saudi managers were found to negatively influence ratings, and consequent benefits.

The second research question was about the extent of perceptions of fairness in the process of performance appraisal. Overall, the findings showed that practices contradict company policy, except two points, first that raters will not inform employees about their evaluation until it is approved by top management, and second the absence of an appeals procedure. Appeal is not mentioned in the company's policy and respondents indicated that they could not appeal, which means the company does not have an appeal process. Failure to address these issues in the process of appraisal contradicts the literature and good practice.

In relation to distributive justice, a minority of respondents perceived fairness and satisfaction, because they perceived that appraisal ratings reflected their actual performance and company benefits were distributed equally among staff. In contrast, the majority of respondents did not perceive that their ratings reflected their actual performance or contribution, as they felt that their outcomes were less than their contribution or input. There were several reasons for perceiving unfairness in distributive justice. First, raters distinguish among employees. Second; there was no standard for annual increments; where respondents indicated that relationship in the most important factor in allocating outcomes in the company, along with subjectivity and other cultural factors as indicated above. Third, there is no standard for employees' training, so some employees get training abroad accompanied by a financial allowance, unlike training courses in Saudi Arabia or in the headquarters. These are assigned by managers, and respondents revealed that employees who have strong relations with top management get training abroad. Fourth, respondents did not perceive fairness in distributive justice, because they thought raters did not possess sufficient skills in rating, which prevented them from distributing company benefits equitably. Fifth, the department budget influenced the distribution of outcomes, which may be one of the reasons why employees did not perceive that ratings reflected their actual performance.

In relation to procedural justice, the majority of respondents revealed that no goals are set at the beginning of the appraisal period, although a few respondents revealed that goals are assigned for employees when they join the company, as a job description. A few respondents indicated that goals are set but ambiguous, and job descriptions are not clear. Such ambiguities in turn influence the explanation of appraisal standards. In terms of providing feedback to employees about their performance, a low level of feedback, lack of help to employees to overcome their weaknesses, lack of continuity of feedback and low clarity of feedback were revealed by respondents, except for six respondents who perceived satisfaction and fairness in these areas. Conducting appraisal only once a year was seen as unsatisfactory; respondents wanted it three times a year.

Another finding highlighted by the majority of respondents was that the appraisal is hidden, as it is conducted by raters and approved by top management, and only then do employees find out the result, after the approval, not before. In terms of employees' participation in the appraisal process, only four respondents indicated that they could participate in the process and raise their voice; the rest of the respondents saw no such opportunity. The findings also revealed that no appeal procedure was available to employees. If an employee challenged his rating this would count against him as the manager or rater would take it as an insult and a challenge to their authority. For this reason, respondents revealed that employees prefer to keep silent and accept their rating, to avoid a clash with their managers, which could affect their job.

In terms of transparency, respondents did not perceive their raters as transparent in explaining the appraisal process to them, and thought the evaluation was not based on accurate information. Among the complaints were that mostly appraisal is based on ratings for the first two years that the employee was employed in the company; that raters circulate A & B grades among employees every year; and that raters do not keep

records of employee performance during the year, so have to rely on their memory of performance in the last two or three months of the appraisal period. Many thought that raters did not possess knowledge of employees' performance as they were not specialists in the field of employees' jobs, although some respondents indicated that their supervisors did possess full knowledge of their jobs. Another finding was that raters in their evaluation relied heavily on punctuality, as the most important factor that determined ratings.

Another finding was the interference of top management in the ratings. PA was conducted by the direct manager who had knowledge of the subordinate's performance, but several respondents perceived unfairness because when their evaluation was reported to top management, they changed it, despite lack of knowledge about employees' performance and lack of discussion with direct managers. This interference led to employees' perceptions of unfairness as they expressed the feeling that their effort was ignored by top management. Such behaviour confirms previous studies that indicate that Arab managers are autocratic.

In terms of interactional justice, it has two sub-dimensions, interpersonal justice and informational justice. In interpersonal justice, the majority of respondents were happy and perceived fairness, except for a few respondents who declared that their raters were inconsistent in their treatment according to their mood, sometimes being harsh and raising their voice. In terms of informational justice, the vast majority of respondents claimed that their raters were not good at explaining and justifying their rating decisions. A few said there is no explanation at all, while others revealed that raters avoided employees because they could not give a convincing explanation of their ratings; also, where explanations were offered they suffered from lack of accuracy and honesty. Also respondents revealed that their raters used externally focused explanations such as

blaming the Forced Distribution system or the limited budget of the department for grade allocations. Another externally focused explanation was to blame top management for changing ratings. Raters also used internally focused explanation to justify their ratings, which respondents found unconvincing, for example, that a colleague was due to be promoted or a colleague's salary was low, so he had been given a top grade. If an employee became angry, then rater would promise him a better evaluation next year, but respondents did not trust such promises and expected further lies. Only one respondent was satisfied and perceived fairness in informational justice because he perceived that his rater explained rating decisions to him.

The third research question concerned the extent to which employees were satisfied with the overall appraisal system. As indicated above, the majority of respondents did not perceive fairness and accuracy in the process of appraisal, and this highly contributed to dissatisfaction with the appraisal system. The majority of respondents expressed negative reactions to the appraisal system. The findings classified respondents' dissatisfaction with appraisal in three dimensions. First, the vast majority of respondents accused their raters of unfair and inaccurate implementation of the appraisal process. A second group blamed the system that SABIC adopted (FD). The third group blamed top management for interfering in the appraisal and changing the grades.

The findings revealed that dissatisfaction of SABIC's employees with appraisal system is related to procedural justice and informational justice. In expressing reasons for their dissatisfaction with the appraisal system, they did not list any factor related to distributive justice or interpersonal justice. In contrast to the majority feelings of dissatisfaction, seven respondents were satisfied with the appraisal system because their raters provided them with feedback and were transparent, they felt that their ratings

reflected their actual performance, and finally they felt that appraisal was accurate and fair.

8.4 Implications of the Research

8.4.1 Contribution to Theory

Contributions to knowledge will be summarised here, as they were stated in detail in the previous chapter (section 7.5). Previous researchers indicted that the Arab world and Middle East suffer from scant research related to HRM and especially performance appraisal. Therefore, this study contributes to fill a gap related to fairness perceptions of performance appraisal in the Saudi Arabian private sector. More specifically, hitherto, empirical studies of fairness perceptions in performance appraisal and challenges that face in the region are scant. The majority of studies in the Middle East and Arab region reviewed performance appraisal theoretically, without empirical evidence from the field. As this research provides insights about fairness perceptions of appraisal practices and understanding of the nature of the appraisal process and challenges that face employees, it contributes to knowledge of appraisal fairness by providing empirical evidence that may help practitioners in the Saudi context to improve appraisal fairness perceptions and practices.

National cultural issues are shown to influence appraisal practices. In this respect, a new contribution is in classifying national cultural factors in two dimensions. First, social factors, characteristic of society members, which influence practice and in turn perceptions of fairness. These were relationship, friendship, family relations, tribe, personal interest or subjectivity. Moreover, a new factor that emerged was regionalism. This extends the literature related to performance appraisal in the Saudi context. The second dimension is managers' position, meaning that cultural values and norms influence managers' dealings with their subordinates. For example managers demand obedience from their subordinates, and do not accept their evaluation being criticised by

employees. This research shows how appraisal principles and concepts are implemented in Saudi culture where people's values and norms such as collectivism influence their beliefs in relation to the workplace, and hence shape fairness perceptions. This finding contradicts Ghulam (1993) who found that cultural factors did not influence perceptions of fairness in the appraisal process.

A theoretical framework that includes three dimensions of organisational justice (distributive, procedural and interactional) was used for the first time in the context of Saudi Arabia. Therefore, this study demonstrates to what extent those Western-derived constructs apply in a different cultural setting. The study supports organisational justice theory as a basis for evaluating fairness perceptions, as it confirms that fairness perceptions in the appraisal process are consistent with the basic dimensions, distributive, procedural, and interactional. It also supports Folger et al's (1992) due process model of procedural justice.

Consistency of goal distribution emerges as a new justice factor that was expressed by respondents as significant to them in their perceptions of fairness. This factor, which is procedural justice, has not been indicated in previous literature. It emerged from data when respondents complained that their raters were not consistent in distribution of goals. Some employees are set more goals than others, and in the evaluation raters assume that employees who fulfil more goals deserve a high grade, whereas not all these employees are given the same chance to demonstrate their ability. This factor is related to adequate notice (as an aspect of due process) which emphasises setting goals and objectives for subordinates.

Finally, this thesis contributes to knowledge by highlighting a new emerged factor related to employees' satisfaction with the appraisal system. The findings contradict previous findings (Jawhar, 2007, Sweeney and McFarlin, 1993, Thurston and McNall.,

2010) which indicated that employees' satisfaction with appraisal is related to distributive and procedural justice; this study's findings revealed that satisfaction with the appraisal system was related to procedural justice and informational justice. In particular, the relationship between informational justice and satisfaction with the appraisal system has not been examined previously.

8.4.2 Contribution to Practice

This study provides important practical implications for organisations and policymakers in relation to practice of fairness in the process of performance appraisal. Perceptions of fairness in appraisal practices helps both employees and organisations, as Cropanzano et al. (2007) said, "Organizational justice has the potential to create powerful benefits for organizations and employees alike" (p.34). Empirical studies found that employees' perceptions of fairness lead to positive attitudes and behaviours, which helps employees for improve their performance. Moreover, when they perceive fairness in practices and when the organisation is fair towards employees, it helps to build a strong organisational culture. Therefore, the study provides evidence to the organisations that the employees' views on fairness are consistent with theory. However, when managers' practices conflict with the theory or company policy' then employees' attitude could be changed, and they could perceive unfairness. Therefore, to avoid these conflicts, managers and employees should be educated, trained and convinced about the importance of fair practice at both individual and organisation level.

The findings highlight that the main source of unfairness, inaccuracy and dissatisfaction with the appraisal process and practices was perceived to be raters' subjectivity. Therefore, the main issue that practitioners should focus on is rehabilitation of raters, by providing extensive training in appraisal, to minimize bias and subjectivity. Raters need to be trained in the appraisal process with specialist training courses, to allow them to develop skills and knowledge of the practice and proficiency in dealing with employees.

However, training alone will not be enough; top management should monitor raters' evaluations and ask them for justification, to minimize bias and subjectivity. Also, management should emphasise objectivity and move away from subjective evaluation, because this has been found to be main influence on the process.

According to SABIC's performance appraisal policy the central objective of performance appraisal is to maintain justice in the application of the appraisal process. The findings of this research suggest that the system fails to achieve its objectives. The appraisal system in SABIC shows many weaknesses in the application and practices, which results in employees not perceiving fairness in procedural, informational and distributive justice. Therefore these three dimensions of organisation justice and its sub-dimensions need to be considered by SABIC. Also SABIC should pay more attention and take serious actions towards proper application of issues raised in this study, as the findings shows disparity between rhetoric or policy on the one hand, and practice on the other. This needs to be done in order to improve appraisal practice and improve fairness perceptions in appraisal practice. For example, company policy emphasises goal setting, helping employees to understand performance expectations by knowing their role and responsibilities, giving employees a sense of their direction, feedback, and evaluating employees fairly based on their goals. However, the findings of this study provide clear evidence that these principles are not implemented properly. Organisations should devote their efforts to helping raters and ratees to implement the process in the right way, raters by providing them with required training on appraisal, and ratees by allowing them to challenge unfair ratings.

Another point that SABIC should treat seriously is discussing the rating with employees before approval the final result and allowing employees to participate and raise their points with their supervisors, as employees highlighted that lack of such opportunity is a

factor in this unfairness perceptions. The company policy contributes to the problem by stating that employees will not find out their ratings until they are approved by management, but at this point the evaluation is not subject to change. This policy was opposed by employees. Therefore, SABIC should change its policy to allow supervisors to involve employees in the evaluation, one, allowing employees to raise their voice in the appraisal, and allowing employees to appeal against unfair evaluation. These have been stated in the literature as main features in perceptions of satisfaction and fairness. They should be added to the performance appraisal policy, because this would help the organisation to reduce frustration and dissatisfaction, which were expressed by the majority of participants. As the literature states, the success of appraisal depends on employees' perceptions about the practice or process.

The study findings provide managers and decisions-makers with a clear image and explicit views about Hows in appraisal practices, based on their experiences and with the actual evaluation. Therefore this study helps managers and policy makers to understand weaknesses in the appraisal practice and what they need to take into account in their policies to tackle this issue and improve employees' satisfaction. SABIC needs to develop consciousness or awareness about the significance of just practice among managers at all levels. Adopting a 360 degree appraisal system is recommended to help in improving fairness perceptions, because employees' performance would be evaluated from more than one source or angle.

The study findings show that ambiguity in goal setting has great influence on employee perceptions. The company should follow up with their supervisors to ensure that employees have received their goals clearly and understand them. This could develop and motivate employees and increase their performance and satisfaction. Moreover, another important issue that this study found is that supervisors on the performance of

the last few months, ignoring the rest of the year's performance. This disregard of several months' effort and performance frustrates employees. The Company should emphasise to raters that records should be kept of employees' achievement and performance during the whole year, and the final evaluation should be based on this record, with justification for their ratings and with employees participation and discussion to set the final result. This could increase the trust between employees and their managers and certainly increase the level of fairness perceptions.

It has been revealed that Saudi Arabia suffers from cultural factors such as social interaction that are unavoidable in management practice, which contribute in influencing the practice of PA. Therefore, practitioners should devote efforts to addressing these practices because even if managers and employees are told not to use these practices, it they are still part of the collective thinking in Saudi society. In order to achieve successful appraisal practice, behaviour needs to be changed. Therefore, the traditional way of thinking prevalent in this culture needs to evolve, in order to make sure it does not change cause deviation from prescribed practices. This requires a high level of commitment, as it is very difficult to accomplish.

In addition, practitioners should try to find some ways to balance between traditional cultural factors such as Wasta, and business values and principles. This does not mean abandoning people's values and norms, but there are some traditions that influence appraisal practices, that contradict appraisal principles, and also contradict with Islam. For instance, Wasta or mediation contradicts with the principle of justice (*adl*), since Islam emphasises that justice should never be influenced by personal interest or any other consideration. It requires fair and equitable treatment, and that policies, regulations and procedures are followed and implemented effectively. Another example is truthfulness (*sedq*); Muslims should do and say what is right, to the best of their

knowledge. Hence, managers should not allow their feelings to drive them from the path of truth. Therefore, as the findings revealed, some of these practices need to be improve or consistent with the theory, and organisations should work hard to minimize them.

The findings indicate a huge gap between the principles of organisational justice theory (distributive, procedural, and interactional justice), and the practices of appraisal in SABIC. Moreover, the findings also reveal a huge gap between performance appraisal policy and actual practice by management. First of all, there were no specific standards for annual increment, so that if two employees get B grades, one can get a 7% increment and the other get 4%. Organisations should make the rules clear to employees to allow them to perceive pay fairness. Second, there were no specific criteria for training abroad. Again, well written and clear standards that should be published for all employees to know, would allow employees to perceive fairness in the distribution of the company's benefits. Third, the organisation should emphasise and follow up raters' communication of goals to employees at the beginning of the appraisal period, and provision of regular feedback, indicating employees' weaknesses and how to improve them. Fourth, the organisation should insist on appraisal meetings that allow employees to participate in the appraisal process and raise their concerns. Fifth, the most important point is that the rating assigned by raters should not be changed by top management. Finally, raters should provide realistic and convincing justification of their rating. These were the main issues that made the majority of respondents not perceive fairness and satisfaction with the appraisal system. Therefore; organisations and practitioners in Saudi Arabia should pay more attention to these issues and address them in a wise manner to help organisations to improve their practices of appraisal.

The findings have important practical implication for raters. Raters should expend maximum effort in assuring procedural justice during the appraisal process and

informational justice after the appraisal decisions. Organisations spend effort, time and money on conducting performance appraisal. Therefore, organisations should follow up the evaluation to ensure that process are conducted in a more fair way. Also it is important that raters allow and encourage ratees to participate in the appraisal process. This would allow employees to know the level of their performance, which in turn would have a positive reflection on their sense of fairness, and then employees could be satisfied with the system, which could influence their performance.

The findings of this researcher provide leaders with a clear image about issues in the practice of performance appraisal system. Management in organisations should take these issues into consideration to make their appraisal more fair. These results could be used by policy maker and HRM department to ensure the issues that arose in the findings are taken sensitively into consideration. For example, if raters do not provide regular feedback to their employees, then the organisation should provide them with training to practise how to deliver feedback with sufficient information about individual performance. Performance appraisal is an important activity in the organisations, which can potentially create huge benefits for both employees and organisations; as Thurston and McNall (2010) stated, “Just practices have the potential to allow managers to make tough decisions more smoothly” (p. 225). All the researcher can do is explain the performance appraisal phenomenon, then improvement of performance appraisal practices rests on the shoulders of organisations, when they understand flaws in practices.

In relation to transferability of the findings of this study cross-culturally or to other contexts. This study is subjective it adopted an Interpretivist positions, assuming that realities are multiple and individually constructed; thus, meanings of fairness differ across individuals. Therefore, transferring the meaning and findings of this study to

other Arab state or across nations or contexts is inappropriate, because cultural and social factors differ from nation or context to another. Moreover, this study used only one case study and with 44 participants; therefore the findings may or may not be applicable to another organisation. Generalisation needs a wide range of quantitative data with large samples.

8.4.3 Contribution to Methodology

Quantitative research dominates in the field of fairness perceptions in performance appraisal (Fortin, 2008). However, understanding employees' perceptions needs more detailed insights, such as can be attained via qualitative interviews. In this study a qualitative case study strategy was used to gain deep insights into how particular circumstances influence employees' perceptions of fairness. The current research contributes to methodology by applying the interpretive paradigm and inductive approach, because this paradigm provides an opportunity to explore the meaning of employees' experience, and the complexity of the reality constructed in individuals' minds.

The interview approach is significant for this type of study, because it provided respondents with a chance to express their experiences shaped in their minds about the practice of performance appraisal. Such an approach is rare in management studies in Saudi Arabia. It is only recently that qualitative research has been conducted to allow employees to express their feelings about the investigated phenomena. Respondents seemed enthusiastic about being interviewed, while showing caution, as they were worried about the consequences of expressing their concerns. For example, all respondents refused to allow tape-recording of interviews, as they feared reprisals from managers or even losing their job. The majority of them, when asked for permission to record the interview, said, "If you record, we won't give you the right answers". This demonstrates both the autocratic style of managers, and the interest of respondents in

raising their voices. In another case, where an interviewee's office was located in a room that had three offices divided with partitions, he did not feel comfortable to carry out the interview there and asked me to meet him in the evening at a coffee shop. That evening, the interview took two and a half hours; the interviewee wanted to express his feelings about the appraisal practice freely. Further insights were gained by informal conversation with employees during lunch breaks in SABIC's restaurant. This added to the richness of the data and research outcomes.

From the above, it can be argued that respondents perceived this research topic as a sensitive one, such that recording their voices could threaten their jobs. Therefore, they chose to share their experience freely, without recording, to safeguard their position. The researcher agreed to this, to give them freedom to participate with confidence. This experience demonstrates the value and feasibility of qualitative approaches in a setting where the research culture is relatively unfamiliar with such approaches, but also shows the importance of sensitivity to organisational culture when conducting such explorations.

8.5 Limitations of the Study and Recommendations for Future Research

This study focused on exploring fairness perceptions in the practice of performance appraisal in the private sector and makes important contributions, but still some limitations exist. One limitation is that all data of this study were collected from one source, ratees. Although this brought valuable insights, a fuller picture could be gained if raters, too, were interviewed. Future research is therefore recommended to collect data from both ratees and raters.

Second, data were collected only from the headquarters, located in the capital, in the middle region of the country. However, the company has factories in the East and West regions, so it may be better if data were collected from headquarters and factories in

other cities, as there may be differences in appraisal practices experienced by employees from other cities. This limitation appears because of the claims by some employees that regionalism influenced evaluation. This factor may or may not influence appraisal practice in other cities, so collecting data from headquarters and factories would help to clarify if any differences in practice or culture exist. Third, data were collected in summer, when many employees were on their annual holiday. More information may be available if research was conducted at other times. It would be preferable in future studies not to conduct research in summer. Fourth, the data were collected in June, July and August, while the evaluation in the company is conducted in December. In future, collecting data a short time after appraisal would be preferable, when employees have fresh memory to provide more precise answers and examples.

It seems from the findings that little awareness is paid to perceptions of fairness from top management. Therefore, it would be worthwhile to study the relationship between unfairness perceptions and productivity to provide field evidence to practitioners and management on the influence of fairness in the workplace. This may increase their awareness of the implementation of fairness in the workplace, and processes may improve.

Because of the importance of this topic in both academia and practice, it is highly recommended that such research be conducted in the public sector and other private sector organisations, to reach conclusions about the nature of appraisal practice and to verify or reject this study's findings. In addition, it is important in future research to study management style in relation to employees' participation in the appraisal process, and to investigate managers' perspectives on the recognition of objectivity and justice in appraisal systems. Such studies may contribute towards development of more effective appraisal policies and practices.

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Appendix A : Comparison Between Qualitative Strategies

| Comparing Research Traditions in Qualitative Research | | | |
|---|--|---|--|
| | Grounded Theory | Ethnography | Case Study |
| Focus | Developing a theory grounded in data from the field | Describing and interpreting a cultural and social group | Developing depth analysis of a single case or multiple cases |
| Discipline origin | Sociology | Cultural anthropology, sociology | Political science, sociology, evaluation, urban studies, many other social science |
| Data collection | Typically interviews with 20-30 individuals to 'saturate' categories and detail a theory | Primary observation and interview during extended time in the field | Multiple sources document, archival record, interviews , observations, physical artefacts |
| Data analysis | Open coding, axial coding, selective coding, conditional matrix | Description, analysis, interpretation | Description, themes , assertions |

Source: Robson C. (2002: 165).

Appendix B: Semi-Structured Interview Schedule

Introduction

Thank you very much for giving your time to participate in this research. Our interview will not take more than an hour; with your permission I will record the interview. I promise and assure you that your answers to the interview questions will be anonymous and kept with strict confidence. The data will not be related to any profit institutions and will only be used for academic purposes. The research focuses on the process of performance appraisal in SABIC.

Section One: Background of Respondents

1. I would like to start with your background and your job. Could you please describe your job?

| |
|---|
| Prompt; Job name, position, number of years working in SABIC, qualification |
|---|

Section Two: Concept of appraisal

2. Could you please describe the concept of performance appraisal as you understand it?

Prompt; meaning, aims, process and procedure

Section Three: Usage of performance appraisal

3. Could you please tell me for what purpose SABIC use performance appraisal?

Prompt; develop employees, identify weaknesses, enhance performance, distribute rewards,

4. Can you think of any administrative purposes for which SABIC use performance appraisal?

Prompt; promotion, salary increase, termination, transfer employee to other department

Section Four: Process of performance appraisal

5. How much do you know about how the process of performance appraisal is conducted and how the decisions are made?

Prompt; supervisor told you about the appraisal, are you able to raise questions about the process, do you have a chance to ask questions how can you meet your expectation?

6. To what extent do you feel that the process of appraisal used by your supervisor is accurate?

Prompt; follow the company procedure, how and why?

7. How do you perceive the process of performance appraisal in SABIC?

Prompt; match with your task, appropriate method to evaluate your work, why?

8. To what extent are you able to participate in the process of performance appraisal?

Prompt; discuss with your supervisor, correct mistakes if any

9. How fair do you think the performance appraisal system in SABIC ?

Prompt; could you tell me a example, how, why do you think?

10. Do you feel that the relationships between supervisor and subordinate play a role in the evaluation?

Prompt; example please

11. Do you feel that the decisions of the supervisor are made with judicial integrity?

Prompt; free of external pressure, personal corruption, free of bias, free of personal objectives

Section Five: Providing feedback

12. Does your supervisor frequently let you know how are you doing at your work?

Prompt; give you information, helps you to improve your performance, feedback to improve your work, weakness, work performance, how you can improve your performance

13. How often or regularly does your supervisor evaluate your performance?

14. How much do you think your supervisor or rater knows about what you are supposed to be doing?

Prompt; knows the nature of your job, has good job knowledge, difficulties and problems facing you, understands the procedure

15. Are you able to seek appeal against an evaluation that you think or feel is inaccurate or biased?

Prompt; relevant performance dimensions, can you get fair evaluation if you request, is the process of appeal available at any time ?

16. What measures are available in your company to deal with weak performer?

Prompt; provide training

17. Does your supervisor set performance expectations with you at the start of the evaluation and explain performance standards for you and make sure that you are aware of your responsibilities towards your job?

Prompt; explain what you have to do, how you can do it, why you should do it, regular feedback, give you adequate notice to achieve positive evaluation

18. Does your supervisor explain clearly to you what standard will be used to evaluate your performance or work?

Section Seven: Fairness in the performance appraisal

19. Do you feel that the appraisal process is based on political considerations or are those irrelevant?

Prompt; personal needs, how, not related to your job

20. Do you perceive the outcomes are fair, related to your actual contributions?

Prompt; evaluation based on how well you are doing your work, bonus, treated alike in the outcome with other employees

21. Are the outcomes of SABIC distributed equally in the workplace?

Prompt; training, bonuses, promotion, relationship with supervisor play any role, example, how and why?

22. Do you feel that the procedures for allocating outcomes, such as promotion or compensation, are accurate and fair?

Prompt; process consistent across employee, free from bias, accurate information used to make the decision, mechanism to correct inaccurate decisions

23. Does your supervisor treat you with dignity, respect and politeness?

Prompt; in everyday dealing, privacy, sensitive to your feelings, if yes how, if no why and how?

24. Does your supervisor explain to you why outcomes are distributed in a certain way or why procedures used in a certain way?

Prompt; explains decisions that concern you, lets you ask him about your rating

25. Does your supervisor or rater give you a real and clear example to justify his evaluation of your performance?

Prompt; if you receive negative feedback or outcome,

26. Do you think that performance appraisal in SABIC is accurate and fair to evaluate your work?

27. Are you satisfied with performance appraisal at SABIC?

Prompt; if yes tell me about the main aspect that make you satisfied, if not why and example please

Section Eight: Culture

28. Do you think that cultural factors affect or are involved in the process of performance appraisal?

Prompt; nepotism (Wasta), family, friendship

29. Do you think that tribe and relationships play a role in the process of performance appraisal?

Prompt; examples and how, positive or negative, how often

30. Do you know any other types of cultural factors that influence the practice of performance appraisal?

Prompt; example, what, positive, negative

Section Nine: Satisfaction with supervision

31. Are you satisfied with the amount of guidance and support that you receive from your supervisor?

Prompt; helps you to improve your performance, gives advice

32. Does your supervisor take appraisal seriously?

Closing

Thank you so much for the valuable time that you spent with me to complete this interview. You have given me very important information that will help in my study. If you feel there is anything that you wish to add or you feel that I have missed something that you want to add please feel free to express your feeling. I may conduct follow-up interviews later in order to fill any gaps in the data. At this point, thank you again for your time and contributions.

Appendix C: Permission for Data Collection

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Rcf
Date 23/05/2011

الرقم
التاريخ

Dear Mr. Saleh,

Reference to your letter dated 16th of May 2011, on behalf of SABIC Corporate Human Resources, I am pleased to inform you that SABIC is supporting your request and is willing to provide essential data required for your PhD thesis.

Please consider any information or data files that you may collect should be treated as strictly confidential and can be used for your PhD study purposes only.

Best regards,

Dalli K. Al-Shammari

Manager, Strategic Workforce Planning
Organization Development, Corporate Human Resources

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رأس المال المصرح به: ٩٨.٧٥٠٠٠٠٠٠ ريال سعودي
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مستوى برودة ٢٥
البريد ١١٤٢٢
المملكة العربية السعودية
الهاتف: ٩٦٦ (٠١) ٢٢٥ ٩٠٠٠
فاكس: ٩٦٦ (٠١) ٢٢٥ ٩٠٠٠
www.sabic.com

Appendix D: University Permission Letter for Data Collection



Hull University Business School
Research and Quality Assurance
T (+44) 1482 463598
E businessresearch@hull.ac.uk

16 May 2011

To Whom It May Concern:

Saleh H Alharbi – 20884877

Mr Saleh H Alharbi is studying on the PhD Programme at the University of Hull Business School. His topic is Employees' Performance appraisal: Saudi Basic Industrial Corporation (SABIC) as a case study. This requires Saleh to undertake a field based study in Saudi Arabia and he therefore needs to collect the necessary data for his PhD thesis.

Saleh needs to undertake the field work part of his PhD during the period June, July and August 2011. During this period Saleh is expected to collect data from SABIC by interviewing some employees at this company.

Yours faithfully,

Rebecca Conyers

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