

The Effect of the Performance Related Pay System on the Performance of the Employees in Saudi National Firms: Three Case Studies

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Abstract

Performance related pay (PRP) has been widely adopted across public and private organisations. However, the evidence for its impact on performance and other possible objectives remains contested, and further questions are raised where the concept is imported to contexts which are culturally different to those in which PRP was originally developed. The aim of this research was to investigate and analyse the impact of performance related pay schemes in the Kingdom of Saudi Arabia on performance in Saudi national firms, through a case study of three indigenous Saudi organisations, namely: The Saudi Industrial Development Fund (SIDF); The Saudi Electricity Company (SEC) and; the Saudi Telecoms Company (STC). This was based upon an extensive review of the related literature, exploring the theories which underpin PRP such as agency theory and expectancy theory, and studies in various contexts worldwide. The study was mixed methods and cross-sectional, and used survey questionnaire with employees and face to face interviews with managers. The findings reveal widespread dissatisfaction with the PRP schemes in place in two of the companies, and concerns among some management that the assessment processes and allocation of bonuses do not allow genuine assessment and reward for the best performing employees. There are also concerns about the underlying wisdom of differentiating between workers and providing different pay, in that it may go against the norms of working culture in Saudi Arabia. There was also evidence of moves to adapt what was being implemented in line with these norms. Further, in two of the case study organisations, it was felt that the proportion of pay related to performance assessment was insufficient to motivate, raising issues regarding how best to implement PRP. At the same time, there are also voices in support of the schemes at each company, and in SEC, overall satisfaction was expressed.

CHAPTER ONE: INTRODUCTION

1.1 Introduction

Pay is a central element in the employer-employee relationship, and the prospect of using pay as a lever to optimize performance levels continues to be of great interest to the employer. At the same time however, pay is influenced by elements which are external to the core relation of worker and employing organisation, whether in the private or public sphere. These influences include government, legal structures and legislation regarding employment and pay, competitors, and economic conditions at a country and global scale.

Notwithstanding the various forces which constrain the employer, pay for performance has emerged as a major route for shaping pay with the intention of influencing employee behaviour, being tried at various levels of the organisational hierarchy and in various formats. The development of pay for performance in the human resource management literature is viewed as largely based in principal-agent theory, and this is coupled with expectancy theory, which underpins the rationale for the employment of such approaches to pay (Liang, 2013). Payment by results first attracted wide attention in the 1980s but typical implementation of payment schemes in the countries in which this first developed have altered toward the newer concept of performance related pay (PRP), based on the available evidence, with a recent shift toward notions of team-based reward within PRP as opposed to individually based schemes which sought to identify and presumably influence performance at this level. As the body of research evidence has grown, the success of PRP has been disputed, as has its psychological, sociological and economic underpinnings.

1.2 Research Aims and Objectives

The main aim of this research is to investigate and analyse the role and impact of Performance Related Pay schemes in the Kingdom of Saudi Arabia on performance in Saudi national firms, through a case study of three indigenous Saudi organisations, namely: The Saudi Industrial Development Fund (SIDF); The Saudi Electricity Company (SEC) and; the Saudi Telecoms Company (STC). The main question which has been created to drive the research process is therefore as follows:-

What is the impact of PRP on employees' performance in Saudi national firms in Saudi Arabia?

An extensive review of the literature was firstly undertaken to inform the later research. This explored the theories which underpin PRP as well as research on implementation and impacts of pay for performance schemes across the globe. Based on this, the current research aims to explore the impact of the PRP system on individual and team performance under the influence of the particular culture of the organisation and country in question. This aim

informs the detailed research questions given below:

Performance	Q1: Does the introduction of the PRP system increase employees' performance? Q2: Does the introduction of the PRP system make employees work harder? Q3: Will employees be more highly paid if they work harder?
Team work	Q 4: Has the introduction of PRP helped in encouraging effective work as part of a team? Q 5: Has the introduction of PRP helped in unifying the goals of both parties within industrial relations?
Culture role	Q 6: How has PRP influenced organizational culture?
Fairness	Q 7: How fair is the PRP scheme from the employee's perspective?
Feedback	Q 8: How far are employees satisfied with the PRP system's approaches to the formal and informal feedback which they receive?

Through these questions, the research will provide a clear picture of the impact of PRP within each of the case studies undertaken, facilitating conclusions regarding the effectiveness of the organisations' use of pay as a lever for performance, as well as adding to the body of research about the effectiveness of PRP at a broader level.

This study aims to shed light on the implementation of PRP schemes within a Saudi Arabian cultural and organisational context, and to consider the impact of this introduction of a facet of Western human resource management on employees within such organisations. To this end, the study will collect data from employees and managers from three companies in Saudi Arabia, namely: The Saudi Electricity Company (SEC), the Saudi Telecoms Company (STC) and the Saudi Industrial Development Fund (SIDF). This project involves collection of primary data encompassing a range of aspects of and expectations regarding pay for performance schemes as based on a detailed examination of the available literature in this field, in terms of theoretical bases, practices, outcomes and perceptions. In seeking and analyzing primary data from the Saudi Arabian context and from three case study companies, a rich picture is drawn of implementation of PRP and responses to that implementation within discrete organisational cultures and within the wider context of the country studied.

The first chapter of this summary has provided an overview of the field, aims and context of the study, and the case studies which it uses. The next chapter will present a concise consideration of pay determination and more specifically, the development of pay for performance approaches, particularly in the international context, as well as presenting the background to the country under study.

FINDINGS AND ANALYSIS

This chapter will present and analyse the findings from original research carried within three case study companies in Saudi Arabia, Saudi Industrial Development Fund (SIDF), Saudi Telecoms Company (STC) and Saudi Electricity Company (SEC). The first part of the chapter provides a limited exposition of the pay systems in place at each company as taken from documentary sources. The remainder of the chapter is divided into sections by research theme, encompassing the pay performance link, perceptions of fairness and transparency, teamwork, organisation of work, feedback and recognition, amount of performance-based reward as a proportion of pay, and overall satisfaction.

4.1 Pay System at Each Company

The information available for each company's pay system was naturally restricted, but the following information has been gained for the organisations.

Saudi Telecoms Company (STC)

The pay system employed by STC involved a performance-based element as of the year 2014. Based on the documentation provided (see Appendix 2), the bonus awarded for performance is calculated as a percentage of base pay and ratings are subject to a capped percentage of employees who can receive this reward. Measurement of performance outcomes is made firstly by the development of a minimum of 4 individually-tailored SMART goals with the line manager, and then by assessment of the fulfilment of these, as well as evaluation of competencies, with each rated according to the following categories: Significantly Exceeds Expectations; Exceeds Expectations; Meets Expectations; Partially Meets Expectations; and Does Not Meet Expectations. The criteria seem to be assessed by the same manager following the performance period, with a requirement for ongoing feedback during this time. A bell-curve is then applied to determine the proportion of employees to receive a bonus. It is assumed from the evidence from interviews that this is applied by someone other than the line managers.

Saudi Industrial Development Fund (SIDF)

In common with the schemes in place at the other two companies, SIDF implements a merit pay scheme which uses a bonus as percentage of base pay, and in which a fixed proportion of employees are awarded a bonus. Assessment is via line managers, who submit an assessment form to the HR Department (see Appendix 1). Criteria from the form on which performance is measured for grades 11-14 are as follows: punctuality; supervision required; acceptance of direction; relations with other employees; knowledge and experience; enthusiasm; productivity and quality of work; general conduct; and physical aptitude. These are rated on a scale including the

categories; poor, acceptable, good, very good and outstanding. Meanwhile, higher grades are rated on criteria grouped in the following categories: job knowledge; job execution; administration; personal characteristics; relationship with others; and supervisory abilities, if applicable. It should be noted here that while these rating criteria have the arguable advantage that they can be applied to all employees across the company notwithstanding their role or department, they do not allow for ratings to reflect particular objectives of a specific role as it contributes to the company's goals. Equally, the reverse is true of the assessment criteria employed at STC, as described earlier in this section.

Saudi Electric Company (SEC)

In comparison with the other two companies, little could be gleaned from the primary documentation provided by the company regarding the criteria on which performance of workers is assessed (see Appendix 3). However the existence of pay bands with a two-tier system for Saudi and non-Saudi employees and the assessment of employees against expectations set by class level is ascertained. Employees' performance is rated in the following categories: much above expectations; above expectations; achieved all expectations; achieved the least of expectations; and did not achieve expectations. However, prescriptive percentages appear to be allotted to govern the proportion of employees assessed at each level, with 15% in the top category, 20% in the second, 60% in the third and 5% across the bottom two ratings. It is also shown that an employee achieving the second top rating at the same time as being promoted by 1 grade can achieve a bonus of 10%, which is an addition to the salary.

4.2 Pay-Performance Link

The first statement presented to respondents regards the importance of money as a motivator for work. All samples respond positively to this statement, as set out in the table below.

Table 1 Money as a motivator

	The most important motivator to work is money				
	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
SIDF	52	88	0	18	3
	32.30%	54.66%	0%	11.18%	1.86%
STC	69	82	3	20	11
	37.30%	44.28%	1.62%	10.8%	5.94%
SEC	76	56	0	12	4
	51.35%	37.84%	0%	8.11%	2.7%

The responses of the three samples would seem to support the intention to utilize financial reward as a lever to increase motivation, although the perception that money motivates does not in itself assist in evaluating the effectiveness of attempts to do this through PRP. While there is conflict in the literature as regards the potential for reward to affect behaviour or individual performance in a way which is meaningful for organisational performance (Yuan et al., 2013). The views expressed by each sample at the least suggest that employees would be receptive to schemes attempting to motivate through pay. One manager underscores the key place which money occupies: "If you have a better incentive please let us know about it, but from what I know, money is the most important incentive" (STC, respondent 7). However, this is qualified by another as important "alongside other things" (SEC, respondent 8).

In the second statement, participants were asked to agree or disagree that pay was linked to performance in their respective company. The responses are set out in the table below:

Table 2 Pay-performance link

	Pay is linked to performance:				
	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
SIDF	74	71	3	8	5
	45.96%	44.02%	1.86%	4.96%	3.1%
STC	56	72	7	40	10
	30.27%	38.88%	3.78%	21.6%	5.4%
SEC	44	84	0	8	12
	29.73%	56.76%	0%	5.4%	8.11%

An overwhelming majority of survey respondents therefore view performance and pay as being linked. Thus, the sample seems to support the basic premise that performance is linked to pay, although this type of information does not include reasons for views.

However, when data from management interviews is brought in, while many agree with the premise, a proportion in each case study cast doubt upon the true linkage of performance to pay. On the face of it, many of the respondents seem to agree with the notion of a clear and logical link, with statements being made such as: "Yes, the only way to motivate employees... you work more, you get tired, so your reward becomes more" (respondent 8), but this appears to link greater effort on the part of the employees to greater reward as a part of the

scheme, while not directly addressing the performance factor in terms of output but rather looking at input. Others express doubt: *“That’s in theory, but in practice and from experience it does not have a direct link to performance”* (SIDF, respondent 2). Meanwhile, from STC, the bell curve system is seen as hindering a true pay-performance link, and application even of this form of PRP is questioned:

“Well it’s supposed to be but you know you Arabian fellows, they don’t abide by the system”. This comment implies that the cultural context of the organisation does not allow for effective implementation of PRP, as it is perhaps not aligned with cultural preferences for ways of working within that context. However, many, and particularly within SEC, support the link more strongly. Further, a majority of survey participants in SEC and SIDF agree that the PRP system impacts on their individual performance, with STC results more divided. A modest of impact from PRP on the way in which employees conduct their tasks is seen in Kessler’s (1994) case study, and supported by Beer and Katz (2013) as a reasonable aim from implementing PRP. In this the results in SEC and SIDF are similar despite a considerable difference in the possible pay differential achievable through the bonus system. A difference between the findings here and those of Kessler (1994) however is that the scheme at the organisation investigated by Kessler was reported as not causing major conflict, and the same cannot be said from the findings here.

There is commonality among the case study companies, with only a slight majority perceiving an impact upon the way they do their job from the pay for performance scheme in two of the cases. This should inform assessments of the costs versus benefits of implementing PRP, if the intention is to have impact across the workforce, especially bearing in mind the evidence from interviews that PRP is having unwanted consequences also.

4.3 Perceptions of Fairness and Transparency

Two of the samples are fairly evenly split on the issue of unfairness in the PRP system, but with a large proportion of ‘do not know’ responses. Meanwhile, there are stronger unfairness perceptions in SEC. Reviewing the literature, it is proposed that the extent of the incentive being large enough to motivate may unintentionally result in an intervention which is also large enough to cause discontent. The results for each case are shown below:

Table 3: The PRP system is not fair

	The PRP system is not fair				
	Strongly agree	Agree	Don’t know	Disagree	Strongly disagree
SIDF	27 16.77%	35 21.74%	34 21.08%	39 24.18%	26 16.12%
STC	44 23.76%	33 17.82%	42 22.68%	51 27.54%	14 7.56%
SEC	75 51%	27 18.36%	12 8.16%	27 18.36%	7 4.76%

This is highly problematic in terms of the prescription in the literature that in order to be effective, any pay for performance system must be perceived as fair (Kang and Yanadori, 2011). There is an argument in the literature that this is a direct result of PRP type schemes, as colleagues naturally make comparisons terms of reward received, and may become dissatisfied with their pay as a result (Brickley et al., 2009). While Brickley et al. (2009) view the alternative approach of providing equal pay among colleagues regardless of performance outcomes as wasteful and demotivating to high performers, and thus outweighing the harmful consequences of this comparison. However, in the case of SEC at least the perception of unfairness is considerable, and thus if harm is connected to this, this might also be considerable.

Management concerns across each case point to a lack of transparency, which is supported by a further question from the survey detailed in the table below:

Table 4: The system cannot be understood

	The way the PRP system works cannot be understood				
	Strongly agree	Agree	Don’t know	Disagree	Strongly disagree
SIDF	61 37.89%	64 39.68%	11 6.82%	20 12.4%	5 3.1%
STC	75 40.5%	49 26.46%	8 4.32%	31 16.74%	22 11.88%
SEC	31 21.08%	48 32.64%	9 6.12%	40 27.2%	20 13.6%

This is worrying in light of Kang and Yanadori’s (2011) appraisal that transparency is a key element of effective pay systems. The results of the survey however by their nature cannot reveal the reasoning behind answers to questions, and it is unclear from this whether the employees who feel that the scheme cannot be understood would attribute this to a lack of adequate explanation of the pay for performance scheme, or to the

complexity of its workings. Both factors however are warned against by Kang and Yanadori (2011) as obstacles to effective implementation of pay for performance.

Management also criticise the use of percentage quotas for performance bands, for example saying that, *“it is not just and I can’t make a judgment on all employees freely”* (SIDF, respondent 10). Marsden (2004, in Bryson and Forth, 2006) warns that flawed performance measurement tools and lack of staff consultation over measurement criteria are major factors in leading PRP to be seen as unfair, and from the management responses, these two factors may fairly be considered to be at play within all 3 companies. Other issues arise concerning workload and the difficulty of applying a system to different departments and specialisms: in a ‘one-size-fits-all’ approach: *“for example technical support is different from maintenance but the form of assessment is the same”* (STC respondent 2).

Regarding favouritism, STC and SEC samples both show a considerable number more respondents agreeing than disagreeing that they perceive favouritism, and at SIDF, while the balance is more equal, the large proportion of respondents answering ‘don’t know’ is notable. Beer and Cannon (2004) suggest that the perception of favouritism may lead to negative impacts. The interview responses also support the contention that the ingrained cultural conditions may conflict with the aims of the scheme. Beer and Cannon’s (2004) case studies found that newly-implemented PRP systems led to a loss of the trust and commitment which firms have historically relied upon to succeed, and in light of this, the findings with regard to favouritism and unfairness should be viewed with concern.

4.4 Teamwork

The survey and interviews also covered the topic of teamwork, as there was some disagreement in the literature as to whether the requirement for team work was promoted or damaged by the PRP systems. This area also gave a mixed picture across the three companies surveyed in this study.

A question on impact on teamwork gained the following responses:

Table 5: system improves team work

	The PRP system helps to improve team work				
	Strongly agree	Agree	Don’t know	Disagree	Strongly disagree
SIDF	27 16.77%	59 36.58%	36 22.32%	29 17.98%	10 6.2%
STC	34 18.36%	69 37.26%	17 9.18%	48 25.92%	15 8.1%
SEC	20 13.51%	60 40.8%	8 8%	24 11.03%	36 24.48%

When considering the impact of PRP on teamwork, a significant number in the first two cases do not know, similar to the issue of fairness. This may indicate a lack of the tools to evaluate the system on the part of respondents. However, a slight majority of respondents agree or strongly agree that PRP enhances teamwork in each company. This is despite the fact that the set-up of the schemes do not appear to specifically target teamwork, and that reward is set at an individual level, contrary to the trend observed as described in the literature chapter for a move toward team-based reward (Larkin, Pierce and Gino, 2012). Some of the management interviewees have clearly not considered teamwork as a consideration here, saying for example: *“I have not thought about that before, but I think that it has no effect on team work because it does not evaluate that”* (SIDF, respondent 8); or *“I don’t see how it affects team work”* (respondent 2). Among others, opinion on the effects of the schemes appears to be mixed. in light of the move toward team-based reward (Larkin, Pierce and Gino, 2012), the failure to include teamwork in the performance indicators used for PRP may signal an issue not only in improving teamwork, but in failing to monitor the negative impacts which individually-based PRP may have on teamwork, in which it, *“makes more negatives for the relations of the employees even if it’s not obvious, but it’s still there and that definitely affects the work environment”* (SEC, respondent 5).

4.5 Organisation

This section first sought to test how far performance pay systems were being employed so as to enable improvements in work organisation. The responses are tabulated below:

Table 6: System helps organise work

	The PRP system has helped me to organize my work, and because of it I know exactly what I'm doing				
	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
SIDF	9 5.59%	34 21.08%	43 26.66%	50 31%	25 15.5%
STC	24 12.97%	73 39.42%	10 5.4%	50 27%	28 15.12%
SEC	12 8.1%	48 32.4%	16 10.81%	48 32.4%	24 16.2%

In terms of improvement to individual organisation, only STC returns a majority who agree that this effect occurs, suggesting that the scheme at STC is more clearly focused in this regard, and in each case over 40% are in disagreement. For SEC and SIDF, a large minority do not feel supported by the system in approaching work organisation and gaining clarity on job roles and tasks. This suggests a difficulty if the system is to be used to increase performance efficiency and/or effect change within the organisation. From this analysis, for many, the schemes do not contribute to enhanced understanding of job roles and in aligning the work of the employees with what is intended to be achieved through their efforts. On this basis, it would be difficult to argue that the scheme can contribute in aligning employee effort and the goals of the organisation.

Further, as reported by one manager at SIDF, *“there is no link between the goals of the employees and the company”* (SIDF, respondent 7). The system therefore appears to ignore detailed examination of the employee's work role and accomplishments, making it unlikely to be helpful in informing the detail of an individual's approach to and knowledge of required tasks. Forth, Bryson and Stokes (2014) suggest that pay for performance may negatively affect effort and cause effort or behaviour to be misplaced and not expended in the appropriate direction if the company's goals are not clearly embedded in the implementation of the scheme.

4.6 Feedback and recognition

The next theme explored in the research, and one which may be linked to those on the use of the pay system to clarify tasks, relates to the provision of frequent feedback for employees of the company and enabling them to feel recognised for the contribution which they make. To explore this issue, participants were first asked how far they agreed or disagreed that *“My supervisor informs me how good my work is on a regular basis”*. They were also invited to agree or disagree that, *“with the PRP scheme, my individual efforts are recognised”*. The results are shown in the tables below:

Table 7: my supervisor gives regular feedback

	My supervisor informs me how good my work is on a regular basis				
	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
SIDF	14 8.69%	52 32.24%	11 6.82%	48 29.76%	36 22.32%
STC	13 7.02%	43 23.22%	13 7.02 %	88 47.52%	28 15.12%
SEC	24 14.88%	62 38.44%	9 5.58%	40 24.8%	26 16.12%

The responses to this question indicate that respondents in general at SIDF and STC do not receive regular feedback from supervisors on the quality of their work. This is supported by management responses, in that, *“...some of the employees don't know what their assessment was, they only notice the change in the salary”* (SIDF, respondent 5), and that *“the employee if he likes he can come and ask about his performance and then his direct manager could provide him with an answer”* (STC, Respondent 5). It appears from this that there may be a lack in the provision of both formal and informal feedback within the two companies. Feedback may be considered essential in directing the performance of employees and in particular in helping them to target particular aims as set out in their performance targets: therefore, the apparent lack in this area can be considered a problem.

For SEC, the findings regarding frequency of feedback from supervisors is more positive than for the other two case study companies, with a clear majority who feel that feedback is regularly given. One managerial interviewee explains a structured quarterly system for feedback: *“we have a session every a quarter of a year called a session of recommendation. In this session I inform the employee about his work...”*. This may be seen as a strength of the system designed and implemented at SEC, and suggests that PRP schemes can be designed so as to ensure regular feedback.

Moving to consider individual appreciation, the responses from the survey are set out below:

Table 8: Because of PRP, my efforts are appreciated

	Because of PRP, my personal efforts are appreciated				
	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
SIDF	9	64	33	41	16
	5.58%	39.68%	20.13%	25.01%	9.92%
STC	31	77	4	44	29
	16.74%	41.58%	2.16%	23.76%	15.66%
SEC	25	54	19	29	21
	17%	36.72	12.92%	19.72%	14.28%

In each company, the survey shows that more respondents feel that PRP allows for appreciation of their personal efforts than those who do not. There remains however a sizable proportion of the sample who do not agree, and for whom equity theory would suggest a resultant withdrawal of effort (Lazear, 2000). The data does not show however how opinion is divided between those who have received a bonus and those who have not. Management are also divided, with some suggesting that those who do not gain financially may feel unappreciated, as *“the majority of the employees, will not be given the full rise, they will think that their effort is not appreciated”* (STC, respondent 10), while others feel that this happens whatever the system: stating for example that, *“everyone thinks that he is not given what he deserves, but that’s why we have a system in place to distinguish the best workers and to give them the rewards they deserve”* (SIDF, respondent 4).

4.7 Effect of proportion of pay as reward

In reflection of debate in the literature regarding the benefits and drawbacks of smaller or larger proportions of pay being linked to performance, the survey and interviews sought the perceptions of the study sample on this issue, with questions about satisfaction and effect of this proportion, which varied across the case study companies. The results are presented below:

Table 9: The level of PRP is satisfying

	The proportional level of PRP is satisfying				
	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
SIDF	2	23	18	61	57
	1.24%	14.26%	11.16%	37.82%	35.34%
STC	7	32	5	58	83
	3.78%	17.28%	2.7%	31.32%	44.82%
SEC	13	53	17	34	31
	8.84%	36.04%	11.56%	23.12%	21.08%

From this, the PRP systems at SIDF and STC are in general not considered by employees to offer a satisfying proportion of performance-linked reward. When viewed in tandem with the responses on the impact of the system on employees’ work, this could mean that the systems in place at the companies are neither satisfying for staff nor effective in directing staff behaviour. The literature mainly sets a minimum of 10% if PRP is to be an effective motivational tool (Lewis, 1997). There is mixed support from management data regarding this with one manager who *“would have wished the system were more rewarding”* (SIDF, respondent 5), while another states that *“it’s satisfying for some and not for others but what I see is that it’s not bad when you receive the full rise”*. Meanwhile, managers from each company highlight the percentage quota for allocating bonuses as a problem.

Meanwhile, the PRP system at SEC appears to divide employees on the question of whether it provides a sufficient proportional link to performance to be satisfying, while management support the sufficiency of this reward, stating for example that, *“...we have here a much higher percentage for the employees who are rated 1 2 3, which makes competition between the employees because everyone wants it”* (respondent 6). Again however, the percentage of employees in each performance category emerges as a prime concern: *“they should change the percentage of the category instead of changing the percentage of the rise.....this way I think it will be better”*.

In summary, there appears to be a clear correlation between the amount of reward offered and satisfaction with that offering, and yet even at SEC, where the reward is larger, the proportion of respondents who are satisfied with this does not reach above half. It would be interesting to understand the proportion of reward which would satisfy those who report not being so, although this data was not collected.

4.8 Overall satisfaction

The final statement aimed to gauge overall satisfaction levels with the pay for performance system in place at the company, and the results are shown in the table displayed below:

Table 10: I am satisfied with the PRP system

	In general, I'm satisfied with the PRP system we have here				
	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
SIDF	7	31	15	59	45
	4.34%	19.22%	9.3%	36.58%	27.9%
STC	5	30	7	42	101
	2.7%	16.2%	3.78%	22.68%	54.54%
SEC	13	44	4	52	35
	8.84%	29.92%	2.72%	35.36%	23.8%

While certain of the previous questions received generally positive responses, a majority of respondents for each case study do not agree that they are satisfied with the PRP system in place. This is an obvious problem, particularly for STC, and is indicative that the PRP system as it currently stands within the companies should be reviewed in light of the dissatisfaction it engenders in employees.

When evaluating the evidence from interview, it seems clear that many of the managerial staff interviewed for each company have criticisms in relation to the PRP system. One respondent comments that “*PRP is the best tool for increasing performance if you use it fairly and the worst destructive tool if you misuse it*” (SIDF, respondent 11), supporting the principle but not necessarily the implementation of PRP. Others suggest improvements to implementation: “*the evaluation should be more efficient... it's only three levels now it should be more*” (SIDF, respondent 3); and “*I wish they'd remove the percentages and allow supervisors more abilities to reward their employees*” (STC, respondent 2). One manager also states that the scheme “*should be something other than money*” (SIDF, respondent 3). This suggests perhaps a recognition of the role of intrinsic motivation and the need to support this in a way which PRP is not generally considered to do. Within SEC, a large minority of respondents were satisfied with the PRP scheme in place. This difference may be due to the larger proportion of bonus to pay on offer. However, the overall picture remains one of general dissatisfaction here also. This finding is supported in many of the comments made during interview with management at SEC.

The other view which emerges in the interviews at SEC is the idea that there are cultural issues which are at odds with the introduction of this type of pay system within Saudi companies, as two respondents take issue with the idea that such concepts can be transported across cultures. One respondent comments on the PRP system as follows:

“This system is making a huge problem in the company to say the truth, it's not applicable for us, maybe in the West where everyone is responsible for himself only and it does not matter to him, but here, no, it does not work like that” (SEC, respondent 3).

When considering the findings across the three case study companies, it must be borne in mind that the unique cultural conditions across those companies vary. Thus, important factors influencing the set-up of these schemes vary, and also the context in which PRP is implemented in each organisation is necessarily unique. Kessler (1994) states that the success of any PRP scheme hinges on basing the design and implementation of the system on the context of the company, but that decisions are also impacted by that context and by managerial aims in introducing the scheme. While there are notable differences in the design of the scheme in one of the three companies, difficulties for the researcher in accessing full information regarding the systems can make findings difficult to interpret. However, Armstrong and Murliss (2007) also point to political influence at a national level driving introduction of performance related pay, and the widespread move toward introducing PRP may also be impacted by this in the Saudi Arabian context, and in the case studies in particular. It is also reasonable to assert that there may be similarities in the way in which systems of pay which are similar in nature may be received in a similar way within the same broader cultural context, and also in general based on universal human response, although care must be taken when generalising out from these findings, as each case study is placed within its own unique context.

The next and final chapter will present conclusions and recommendations based on the findings discussed here.

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