

Evaluating Annual Bonus and Merit Increase (B & M) Policy

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Abstract- The research is based on enlightening the importance of employees as one of the major stakeholders of the company. It includes the methods of motivating employees for productivity and focus into the job described. Bonus and Merit increase policies motivate individuals for effective performance in order to achieve the desired goals. The B&M increase policy is theoretically being observed of great effectiveness, the study is made in respect to evaluate whether the company is actually benefitting its employees as communicated. The study conducted will majorly base on the mixed methodology which will be conducted through questionnaire and interviews. A certain evaluation process is charted in different stages which involves the search of opinions and then exploring employee's suggestion into practice to make the evaluation more resourceful. Moreover, the results are illustrated by different charts and techniques to get the better idea about policies made by companies and what could be the possible changes which can retain the performance of employees.

Index Terms- Bonus, Merit, Motivation, Appraisal, Evaluation

I. INTRODUCTION

Evaluation is the measurement of performance or contribution which leads to sustainability of the company in accordance with the goals set by the management (MacCaig and Dahlberg, 2017, p.5). It's been described as the application of reliable information in order to make improvements for the future performance of the company. It can also be described as the identification of strengths and weaknesses in a policy (MacCaig and Dahlberg, 2017, p.5). The purpose of the evaluation to take an insight about current policy of the organization which leads to identify the change in future policies. Therefore, the process of evaluation is considered to be the backbone of policy making in an organization.

This research intends to focus on evaluating the nature of bylaws related to B&M policy of companies in the region. The main focus of research will be on the firms whose policies are causing dissatisfaction of the employees who are one of the major stakeholders of the company. There are some important factors regarding demographics of the employees which needs to be considered for authentic results. For example, there are companies who have the majority of expats in their staffs who belong to different nationalities, age, gender, skill set and qualifications. All these factors will be focused to make a relation with the annual Bonus and Merit Increase policies. The major reason of selecting this policy for evaluating the performance of the employees because the researchers say "such

policy has more impact on a company's value than other aspects of Human Resources (HR) management" (Reiley and Brown, 2009).

The sustainability of the companies around the world is based on the policies and bylaws made for the effective performance and wellbeing of the organization. Human capital is considered to be the major asset of any company and this the reason why Human Resource is the major pillar for any company to achieve the desired goals. The bylaws are not right or wrong but they need to be visited periodically for amendments according to current situation in the surroundings. If bylaws get evaluated periodically then the flexibility can be maintained to match the ever changing circumstances. The companies make policies regarding Human Resource to cover all the issue related to employees because they are the real executors of plans made by upper management.

The researchers have done studies on incentive systems offered by the companies to their employees and there are some monetary and non-monetary sources of motivation been found. It's been found that the monetary bonuses have shown better results in terms of motivating employees for effective performance. Annual Bonus is one the monetary rewards which companies offer to their employees on the basis of periodic performance. Merit increase in basic salary is based on an employee's performance as reflected in the annual appraisal. Merit plans are quoted as to "tie employees' interests in with that of the company" (Sturman & Park, 2012, p. 4). There are metrics which is used to measure the performance of the company in accordance with the objectives set by the organization. The employees play vital role in achieving those objectives and this is the reason why the policies need be made to address the issues related to employees and evaluating their performance periodically. According to Navneet et al (2015) performance appraisal system can be defined as a method used to judge the performance of the employees.

Moreover, two factors have been identified in order to evaluate the eligibility of employees to receive the merit increase.

- Performance appraisal rating is an effective tool which can be categorized in to 5 rating. 1 (over exceeding), 2 (exceeding), 3 (acceptable), 4 (need improvements), 5 (unacceptable).
- The evaluation of position and salary of employees at their job levels.

1.1 Problem Statement

The main problem statement of this research is to examine the policies of different organization regarding annual bonus and merit increase. The organization have faced unwanted situations which spoil the environment of the organizations. The policies and bylaws made by companies to manage human resource plays an important role which will be examined in this research. Moreover, researcher intends to evaluate different factors involving in the dynamics of employees while reacting towards a policy change. The source of satisfaction for employees differ from person to person which needs to be taken into account for concluding the research.

“the problem statement of this research relates to examine the bylaws of different companies regarding annual bonus and merit increase”.

1.2 Research Aim

The major aim of this research is to identify the factors affecting policies regarding annual bonus and merit increase which leads to behavioral changes in employees of different companies.

1.3 Research Objectives

In order to achieve the aim of this research, there are few objectives set by the researcher to examine different factors influencing the policies and bylaws.

- To analyze the behavioral changes of different employees towards the policies made by the company.
- How companies address the issues related to employees of the company.
- To know the treatment of organization towards its human resource
- What are the different policies made by the companies to motivate employees in order to achieve the desired results?
- How monetary and nonmonetary incentives impact the effectiveness of the performance.
- To know the behavioral changes of employees towards monetary incentives
- To analyze the annual bonus and merit increase policies and bylaws.
- To know the impact of demographics like nationality, age, gender and qualification level of the employees affect their perception towards annual bonus and merit policies.
- To recommend the feasible changes which can be brought to make the policies suitable for employees.
- To draw the appropriate conclusions from the research done.

The researcher has decided to divide aim of the research into different smaller objectives which tend to cover the factors influencing the behavior of the employees. There are many factors which impact the behavior of human beings towards policies but researcher has adopted a deductive approach to draw conclusion from general to specific.

1.4 Research Questions

Research has structured few research questions in order to achieve the aim of this research.

Research Question 1: How does the monetary incentives affect the performance of the employees?

Research Question 2: What are different factors involved to motivate the employees in response to the policies and by laws made by Human Resource?

Research Question 3: How does the annual bonus and merit increase policies affect the performance of the employees?

Research Question 4: How does the demographics like nationality, age, gender and qualification level affect the perception of employees towards Annual bonus and merit bylaws?

Research Question 5: What is the importance of evaluation metrics in order to make policies regarding B&M?

The above five questions have been formulated by the researcher to identify different factors and variables to conduct the research. The relationship between independent and dependent variables need to be made in order to justify the hypothesis formulated in this research. The dependent variable is motivation of the employees while the independent variables are demographics of the employees and evaluation system. These variables will be backed by primary and secondary research as the research proceeds. The ultimate goal of research questions is to include all the factors which can influence the above mentioned variables in order to select the right methodology for analysis of the data collected.

II. LITERATURE REVIEW

The key to understand the behavior of human beings is to get the knowledge about human needs. People work to satisfy their needs which can be met through the monetary incentives. Monetary incentives can be defined as the repayment in cash and money for the worked one by the employees of the organization (Cole, G., 2002). The incentive system is considered to play vital role in making human resource policies about attracting, retaining, rewarding and motivating employees. There are some factors found which indicates that the non-monetary incentives like appreciation and acknowledgement also plays vital role in motivating the employees. But the scope of non-monetary motivational factor is quite minimal which identifies that the monetary benefits are considered to be more influencing towards performance of the employees. The organization offer attractive salaries to get the most out of the employees by motivating them. In addition to attractive salary packages, companies offer monetary bonuses on the basis of the merit policies which goes through evaluation process.

The bonus and merits systems is considered to be a type of incentives which works as a tool to motivate employees and enhance their productivity level towards company's objectives. It is considered as the influential force behind translating organizational goals into individual's goals of the employees (Farell, 2013, p.19). The companies around the world have undertaken this method with belief in its effectiveness. The bonuses are considered to be the additional amount which is paid to the employees on the basis of their performance after a specific period. There are key performance indicators set by the

organization on the basis of which bonuses get distributed and merit system prevails. If the performance of the employees is not found to be satisfactory then organizations do not pay any bonuses and do not assign any merits. The organization have used techniques like force distribution methods in order to identify the competency of the employees. The method intends to distribute the appraisal among the employees into different categories in which the performance gets evaluated on the basis of set standards and ratings get assigned. There are drawbacks of the techniques as well as it eliminates the teamwork among the employees of same ranks and positions (Werner et al. 2009, p.335).

The conflicts arise among the employees and employers when the issue of merits arises. Employees perceive merit as an obligation which needs to be met while the bonus is considered as an incentive which needs to be paid every year (Kalen, 2017, p.11). But its employer discretion to decide the amount of annual bonus which can be zero as well (Soohoo and Haney, 1998, p.1). There are researchers which points out that incentives play vital role in bringing enthusiasm in employee's behavior as well as it increases the productivity on the longer run. On the other hands, it's also true that human nature never gets satisfied because human perceives good deeds as good until the human needs are getting serves. If a deviation is witnessed from the policy, whether that's logical or not, the whole story changes and perceptions change within a blink. Merit increases also evaluated periodically like bonus appraisal but the problem prevails because of the perception that bonus and merit increase is only for the upper leadership of the organization and they get the bigger piece of cake among the available incentives (Cox et al. 2007, p.24).

It is significant for the organization to address the issues regarding trust and fairness between the employees and there must be an effective policy of bonus and merits. The main purpose of bonus and merits should be understood as they are used to bring all employees on one page to bring enthusiasm and motivation for the attainment of unanimous goal of the organization. The evaluation process plays vital role in bringing that trust and fairness in an organization and different organizations have Human Resource departments for the purpose (Posig et al. 2005).

2.1 Evaluation Process

The major purpose behind the evaluation process lies in understanding the theory and application of the policy which relates to logistics, implementation and buildup of the policy. There is always a need of evaluation process to examine the operation whether they synchronize with the ideology and intention of the organization. The process as a whole basis on the search of opinions and idea among different stakeholders regarding employee's behavior and urge towards the attainment of goal. Once the opinion has been made then the study gets validated from the related personnel like HR departments of the organizations. The major essence of good evaluation process is based on the inclusion of working staff and leadership in opining making which leads to get better suggestions by brining all stakeholders on board.

2.2 Theory Application

The evaluation process in any area starts with the application of theory and in case of bonus and merit policy, theory of change brings to the consideration. It involves the scrutiny of policies and bylaws regarding bonus and merit system which leads to investigate the viability and acceptance level among the workforce. There are several factors involved during the application of theory which relates to content, limitations, advocating and effects which can be brought through theory application. During the evaluation process it is also important to investigate the constraint change and possible obstacles which is the real essence of theory of change. The important aspect of the evaluation process involves to minimize and eliminate those identified obstacles in the process (Jackson, 2013).

2.3 Evaluation Model

The theory application in the evaluation process leads to identify an appropriate model to sound objective. In case of annual bonus and merit increase, Empowerment Evaluation Model can serve the purpose. This model can be defined as a phenomenon that helps the participant of the program to improve their process through self-evaluation and reflection. The major attraction in the model is regarding its process as the working staff which is dissatisfied with the policies and bylaws, are asked to evaluate the policy and suggest possible amendments (Preskill and Russ-Eft, 2009).

III. RESEARCH METHODOLOGY

The research methodology identifies the techniques which needs to be adopted for conducting the primary research for validating the results. In this manner, the research approach needs to be finalized first which gives the direction for further proceedings.

3.1 Research Approach

The researcher has adopted deductive approach in which the conclusion can be drawn from general to specific (Bryman and Emma, 2003). In this case, the theory has been built in the secondary research which needs to be validated by extending the research to primary data which will be collected from the workforce of the company which is dissatisfied with the policies and bylaws of bonus and merit increase in the companies.

3.2 Methodology

The researcher has adopted the mixed methodology which consists of quantitative and qualitative data gathering.

3.2.1 Qualitative research

"Qualitative research method is primarily used as a synonym for any data collection techniques such as interview or any data analysis procedure such as categorizing data, that generates or use non numerical data" (Saunders et.al, 2007).

3.2.2 Quantitative research

"Quantitative research method is primarily used as a synonym for any data collection technique such as questionnaire or data analysis procedure such as graphs or statistics that generates or uses numerical data" (Saunders et.al, 2007).

Qualitative data will deal with the beliefs, behavior and perceptions of the dissatisfied employees towards the policies of bonus and merit who will be interviewed for data collection. While the quantitative data will be collected through questionnaire. The collected data will be analyzed and illustrated in graphs for better understandings.

3.3 Sampling

The nonrandom technique of sampling of the respondents will be used. The reason behind using this technique is the researcher’s motive to stay focused on the dissatisfied employees to get the more authentic results. Precisely, the convenience sampling will be used under the nonrandom technique, which directs the researcher to obtain data from the focused group to know the reasons of dissatisfaction of the proportion of employees (Saunders, C., 2015).

3.4 Survey Questionnaire

There is a total of 64 respondents will be investigated to collect the data for insights about the area of research. The Likert scale will be used in the questionnaire to lay down the ground for identifying the factors of dissatisfaction about the policy and bylaws of B&M. The questionnaire will be used for investigating the views of dissatisfied employees by bringing the variables like demographics into account. The demographics of the employees have been identified as independent variables which will play an important role in this research.

IV. ANALYSIS AND DISCUSSION

The data analysis has been done using the software of Statistical Package for Social Sciences program (SPSS) and the results are illustrated in the graphs below which will be analyzed for identified variables.

4.1 General Analysis:

Table 5. Level of the satisfaction of the policy

		Count	%
Level of the satisfaction of B & M Policy in the company	Extremely Satisfied	6	07.81%
	Satisfied	20	34.38 %
	Dissatisfied	27	42.19 %
	Extremely Dissatisfied	11	15.63 %

Chart-1

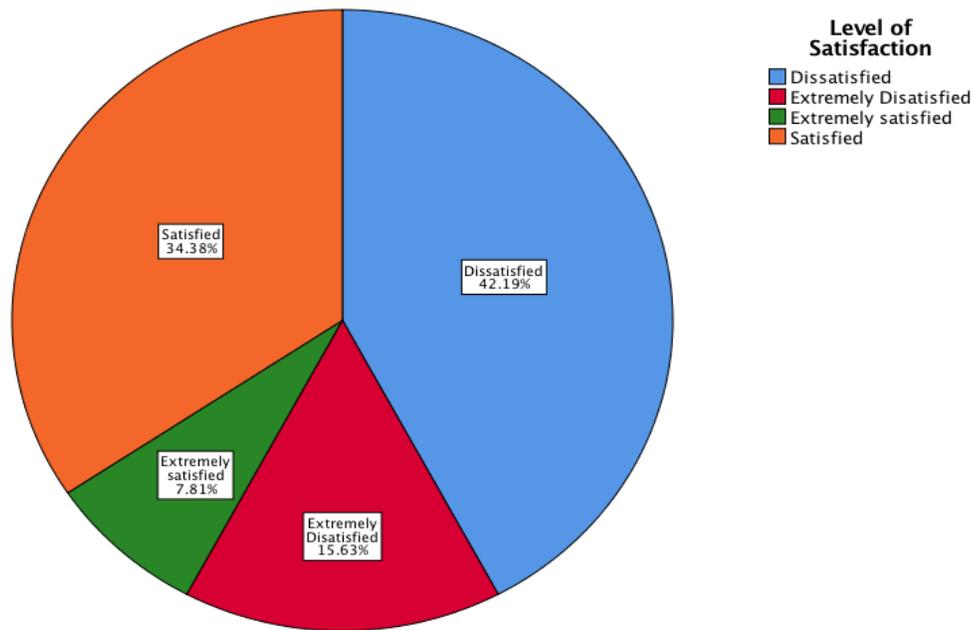


Chart-2

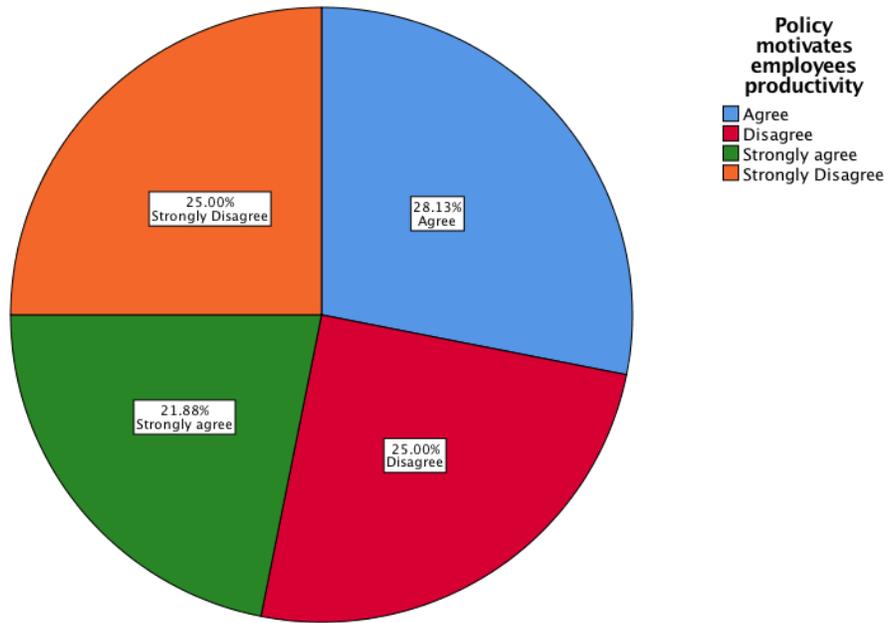


Chart-3

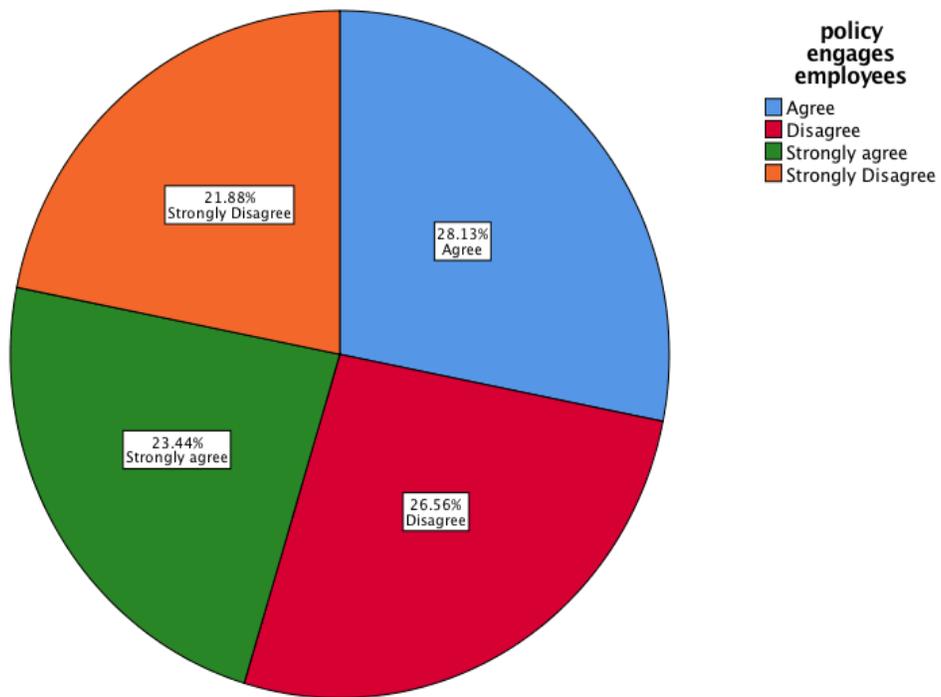


Chart-4

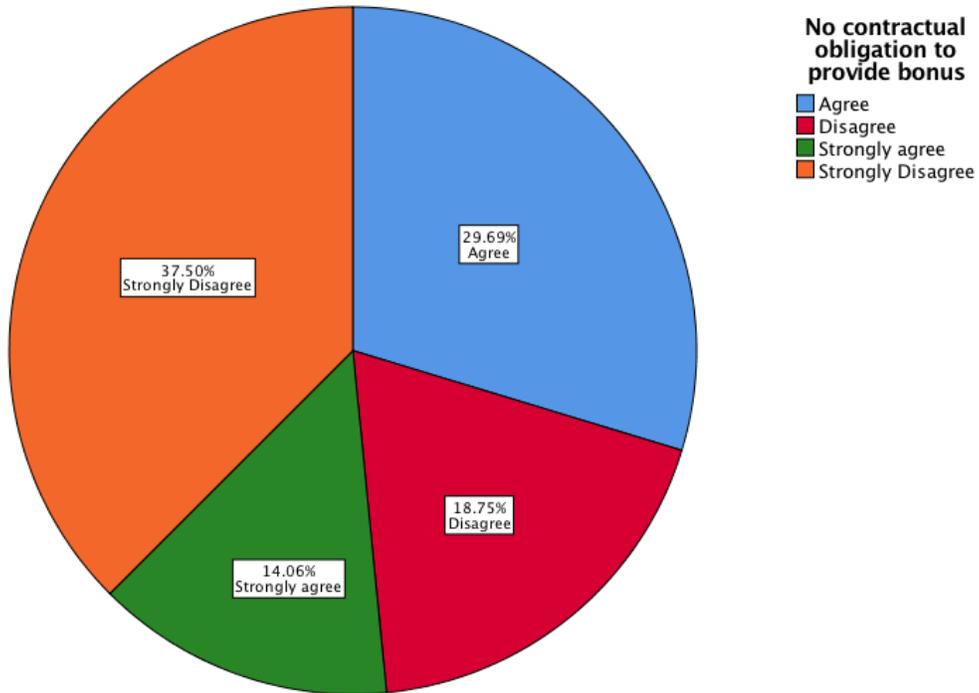


Chart-5

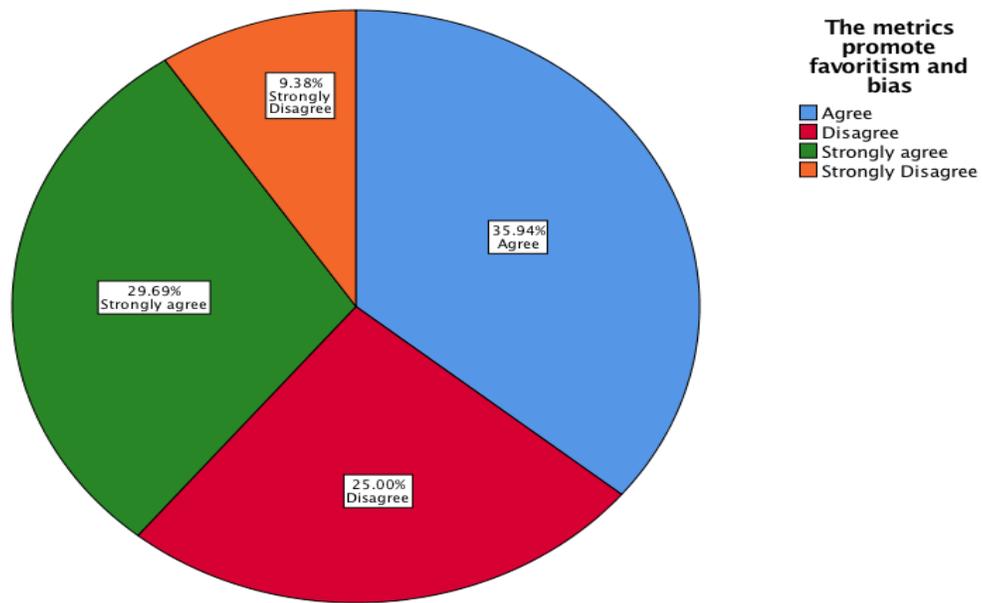


Chart-6

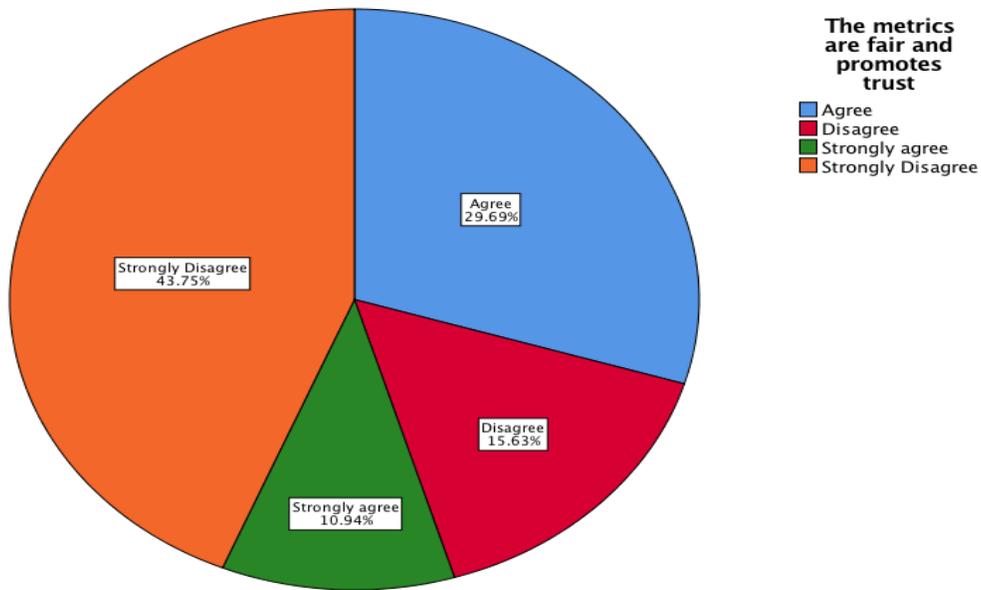
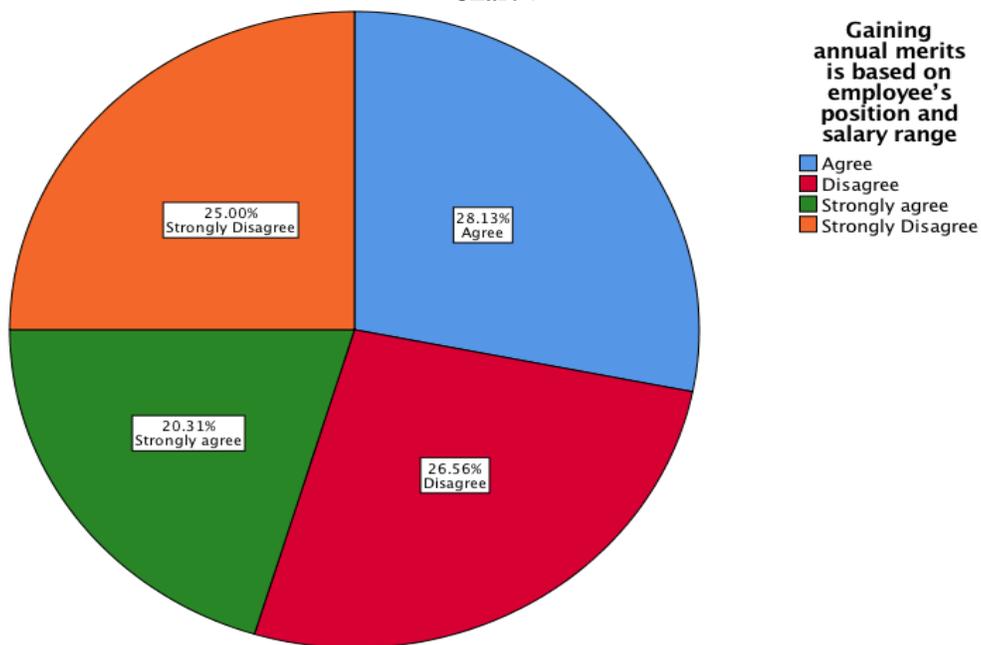


Chart-7



4.2 Discussion

Chart 1 shows the extreme dissatisfaction of employees towards the B&M policy. 58% of the employees have shown dissatisfaction who believe that they are not getting what they deserved. The number of satisfied employees are 8% and those are because of the factor that the employees from upper management are also included who believes to be enjoying the major chunk of incentives as described in literature review (Cox et al. 2007). Other than post, the idealistic view has also been found among the satisfied employees that B&M policies that they are important regardless because the incentives are there for the company.

Nationality has been chosen an independent variable towards the satisfaction of the employees towards B&M policy. The questionnaire has directed the local residents as well as the expats. It's been found that the local residents are more satisfied with the policies and there are few reasons behind that. The expats are mostly contractual who do not fall under the category of receiving bonuses which becomes the actual source of dissatisfaction towards the policy. Expats does not see fairness in policy for not giving bonuses to the non-locals. It affects the motivation of the employees and productivity in the longer run because the standards of evaluation in the process is different only because of the nationality which is backed by literature

review as well that the demographics like nationality matters (Reiley and Brown, 2009). The productivity and skill set of the person does not matter in case of B&M policy. The significant relationship has been found in between the B&M policy and motivation of employees towards the attainment of goals.

The evaluation process has been criticized by the expats as well as they do not perceive it fair to be combining the performance of the company with the individual performance. 42% of the employees are not satisfied by making this combination in the evaluation process. 32% of the expats feel it fair to combine the individual performance with the company. There are some more results extracted from the research area which are discussed below.

- Chart 2 talks about the policy making an employee's motivation and it shows that the 50% of the respondents agree and strongly agree with the statement that there is an impact of policy on productivity. On the other hand, other 50% does not think that the policy of the company can be motivational force for employees to increase their productivity level.
- Although, there is a slight increase of the responses in case of policy's features as an engaging force for the employees. According to chart 3, 53% of the respondents believe that policy provides a direction to the employees and becomes a force towards engagement to the work as employees can assess individual and organizational growth. In contrary to this, 47% of the employees does not support the statement and believe that policy has nothing to do with engagement of employees to the work.
- Chart 4 depicts the results of important factor which involves the contractual aspect of the policy making. As 43% of the respondents agree that there is no contractual obligation on bonus payments, but 57% of the respondents disagree with the statement. The results are in this manner because many of the employees are receiving bonuses.

Furthermore, 16% of local and 41% of expats show reservations towards understanding the policy which is sometimes due to language barriers or legal jargon which bars the engagement of employees to the operations.

- There is an analysis of evaluation process and according to respondents 65% agree and strongly agree that there is a favoritism and bias while devising a metric to evaluate the performance. This is a major reason which relates with the above results of not trusting policy. The results of chart 2 and chart 3 are because of the employee's distrust on evaluation process which results as ineffective policy on motivation and engagement of most of the employees.

Moreover, 82% of the locals are not satisfied with the evaluation process as they do not see it as reliable.

- Chart 6 illustrates the trust of respondents on fairness of metrics of evaluation. 66% accused the policy to promote favoritism which is backed by the research done above (Posig et al. 2005). 51% of the participants believe that bigger chunk is given to the people who are

also getting big amount of salaries while the lower worker does not get enough incentives.

- Chart 7 shows the respondents will towards devising metrics on the basis of performance. 50% are in favor of the statement and most of them are contractual as they are not getting the bonuses on the performance metrics. Other 50% disagrees with the statement because they are already enjoying the bonuses as strong responses have been collected in terms of favoritism.

Collectively it can be deduced that most of the employees are not happy with the policies because of the reasons like language barriers to understand the terms, favoritism in policy making and distrust on evaluation process due to unfairness.

V. RECOMMENDATIONS.

There are some recommendations been made for the betterment of the B&M policy.

- Periodic review of the policy among enlightening the content and application by using scientific measures.
- Language barriers and other scientific jargon needs to be explained for better understanding of the policy.
- The contractual terms and conditions needs to be revised from bringing them in the qualification to get incentives.
- Serious measures need to be taken for creating belief on evaluation process by the employees.
- The benchmarking process needs to be introduced for making unified HR policies regardless of the nationality preferences.

VI. CONCLUSION

The employees of the company play vital role in the execution of the plans and strategies and they are considered to be the one of the most important stakeholders of the company. B&M policies directly affects their performance and it needs to be reviewed for its content and application. The unified approaches need to be adopted by devising a fair evaluation plan to bring uniformity in the cultures. The mixed type of data collected from the surveys also identifies the important factors discussed in literature review of the study and those factors need to be taken in account for policy making.

VII. APPENDICES

Appendix-1

Survey Questionnaire Form and Content

Dear staff member,

Thank you for taking part in the evaluation of the current Bonus and Merit Policy. This is an evaluation experiment aiming at subjecting the B&M policy to improvement for the benefit of the working staff . Your views and suggestions are deemed crucial in this regard. Please note that the study is mainly for scientific research purposes and is strictly confidential as it will not harm the participants in any way.

You are requested to voice your opinion in the indicated areas by ticking the box that expresses your views. Please note that **providing reasons and suggestions for your choices is optional**, however, it is highly appreciated if you were to enlighten the evaluation process by providing your sound suggestions on how the policy could be changed to the better. *(In*

case the space provided is not enough to house your reasons and suggestions, please use an extra page to do so).

Thanking you well in advance for your participation, please accept the regards of the researcher.

I. Bio Data: (Please tick as appropriate)

- Name: (Optional)
- Nationality: Qatari Non-Qatari
- Gender: Male Female
- Company Position: Supervisory Worker
- Years of Service: Five Years or Less More than 5 Years

• **Level of Satisfaction of B & M Policy:**

Extremely Satisfied Satisfied Dissatisfied Extremely Dissatisfied

II. Separate Areas of B & M Policy:

(Please tick as appropriate)

Statements	Strongly agree	Agree	Disagree	Strongly Disagree	Views and Suggestions
1.B&M policy motivates employees towards productivity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.B&M policy engages employees through proper incentives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B&M policy combines company performance with employee performance for total pay of bonus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. There is no contractual obligation to provide bonus or merit increase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.B&M measures company performance against annual metrics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6.The metrics for measuring the bonus is easily understood by employees					
7. The metrics for measuring the bonus promotes favoritism and bias					
8.The metrics for measuring bonus is fair and promotes trust					
9.Employee performance is measured against a reliable annual appraisal					
10.Gaining annual merits is based on employee's position and salary range					

The Researcher:

Appendix-2
Sample of Survey Response

Dear staff member

Thank you for taking part in the evaluation of the current Bonus and Merit Policy. This is an evaluation experiment aiming at subjecting the B&M policy to improvement for the benefit of the working staff . Your views and suggestions are deemed crucial in this regard. Please note that the study is mainly for scientific research purposes and is strictly confidential as it will not harm the participants in any way.

You are requested to voice your opinion in the indicated areas by ticking the box that expresses your views. Please note that providing reasons and suggestions for your choices is optional, however, it is highly appreciated if you were to enlighten the evaluation process by providing your sound suggestions on how the policy could be changed to the better.(In case the space provided is not enough to house your reasons and suggestions, please use an extra page to do so).

Thanking you well in advance for please accept the regards of the I. Bio Data: (Please tick as (Optional)

.....
Pakistan.....

Qatari
 Male
 Clerk

Supervisory
 ve Years or Less

your participation, researcher.
 appropriate) •

Name:

● Nationality: Non-Qatari

Gender: Female

(Please tick as appropriate)

Statements	Strongly agree	Agree	Disagree	Strongly Disagree	Views and Suggestions
1. B&M policy motivates employees towards productivity	✓				Provided that it is fairly done!
2. B&M policy engages employees through proper incentives	✓				it does, once it is fairly done!

3. B&M policy combines company performance with employee performance for total pay of bonus				✓	Shouldn't as both don't necessarily meet!
4. There is no contractual obligation to provide bonus or merit increase				✓	Biased!
5. B&M measures company performance against annual metrics				✓	Shouldn't, it doesn't relate to individual efforts to improve company!
6. The metrics for measuring the bonus is easily understood by employees				✓	They don't have easy access and they don't seem to care to dig it out!
7. The metrics for measuring the bonus promotes favoritism and bias	✓				Prejudgement is always there!
8. The metrics for measuring bonus is fair and promotes trust				✓	Doesn't promote trust, the opposite is true!
9. Employee performance is measured against a reliable annual appraisal				✓	Not reliable and can hardly be!
10. Gaining annual merits is based on employee's position and salary range	✓				Shouldn't!

Appendix-3

Table 6. Amendments

Theme	Amendments
Question	5. What amendments would you specifically suggest to the policy (if any)?
Interviewee 1	I am not sure exactly what to amend in the policy to make it satisfactory! The expats need to be somehow compensated and included as the spring board is to promote better productivity. We also need to look into any issues in the policy to avoid bias and favoritism.
Interviewee 2	Drastic revision of the policy is eminent to keep away from all that causes bias.
Interviewee 3	New recruits need to be aware of the rules and regulations that govern the policy, especially the local ones. I also understand that the prevailing situation of oil and gas prices do not really allow for more money spending by the company, however, it is of importance to revise the policy to allow some financial benefits for all.

Obviously, policy revision is still needed to allow for all to get some bonus despite the low oil and gas prices.

Table 7. Level of Policy’s Acceptance or Lack of it

Theme	Level of Policy’s Acceptance or lack of it
Question	6. What is the level of acceptance or lack of it among the employees with regard to the policy?
Interviewee 1	Generally speaking, the supervisory people are satisfied with the policy as it stands for two reasons; primarily because they get the bigger bonuses and because policy revision is a headache they choose to avoid.
Interviewee 2	It is noticeable that the expats are not really satisfied as bonus and merits should not be based on nationality factor but on good efforts and productivity!
Interviewee 3	It is necessary to look deeply into what promotes productivity among all the working staff and then to make sure that the most productive are the ones who need to be given bonuses and merits.

One can read the dissatisfaction among the expats and lack of acquired knowledge of the laws that govern the B&M policy at the company.

Table 8. Salary Range Impact

Theme		Salary Range Impact
Question		7. What is your reaction to basing the bonus and merit in accordance to the salary range of the employee?
Interviewee 1	This is a serious area to discuss as it clashes with the decision makers who are mostly in the supervisory committee. Having said that, it is logical that the moral of the productive working staff is what the policy should aim for as they are the ones who need to be encouraged.	
Interviewee 2	The policy needs to reward those who do the work to promote the company regardless whether they are high ranking or otherwise!	
Interviewee 3	The main reason of dissatisfaction is perhaps the fact that it is based on salary range! This is not really fair as it seems! The B&M should take into account productivity and the future status of the company.	

A sweeping comment from almost all is mainly against basing the bonus and merits in accordance with the salary range rather than basing it on productivity and hard work. Expats who seem to be doing a lot need to get a good share of it as well.

Table 9. Fixed Term Contracts

Theme		Fixed Term Contracts
Question		8. What are your views regarding the fact that the bonus and merits are not given to those who are on a fixed term contract (the none locals)?
Interviewee 1	This is a fallacy. Bonus and merits are to promote better productivity and hard work regardless.	
Interviewee 2	I disagree. This is not right and should be set right somehow.	
Interviewee 3	It is important that every hard working person should get a share of the bonus based on how productive he/she is.	

Policy revision should tackle the area of bonus and merits away from the benefits that are given to high salary people, but to base it on productivity. Expats need to be included as well.

Table 10. Review of Employee’s Performance

Theme	Review of Employee’s Performance
Question	9. How often should the employee’s performance be reviewed so that to base the B&M against it?
Interviewee 1	Employees performance need to reviewed constantly by their supervisors, not just for the bonus but for the interests of the company at large.
Interviewee 2	The company and its supervisory committee need to be always aware of the progress of the work and of the performance of everyone in the company. Daily comments should be allocated to every staff member and accordingly to decide on what each person deserves!
Interviewee 3	The general review of employees efforts and even of their grievances should be periodical and also should be regularly filled so that bias is avoided and complaints answered as well!

Regular check of workers performance should and is being done and filled. However, it is still necessary to keep a more transparent system.

Table 11. Numeric Rating

Theme	Numeric Rating
Question	10. How should the numeric rating affect the evaluation of employees’ performance?
Interviewee 1	Along with somehow a better and more transparent system of rating, the numeric rating is OK for the time being.
Interviewee 2	The numeric rating is all OK provided that bias and favoritism are avoided.
Interviewee 3	Perhaps it is better to try a three-fold numeric system even if it is for trial purposes. This make distinction easier.

Once bias and favoritism are avoided, it does not seem to matter what numeric rating is followed.

Table 12. Key Issues

Theme	Key Issues
Question	11. What are other main and key issues that should be taken on board to evaluate the annual appraisal system in general?
Interviewee 1	It is seriously important to have some sort of incentive to promote productivity as it has been well established in literature for all occupations. This does not mean that the standing policy is perfect and does need revision. Views of the working staff need to be constantly taken into account in intervals employing surveys and regular checks. Major comments also need to be adopted and amendments could then be inflicted. The major comments so far are related to two major areas; basing B&M on salaries and the fact that expats are exempted because of contractual reasons.
Interviewee 2	Attempts to avoid favoritism and bias are the most important factors to be avoided if the policy to achieve the main purpose of promoting productivity and the wellbeing of the company. Annual review of the policy is important taking the opinions of the working staff into account.
Interviewee 3	The policy of B&M is as good as it stands provided that it takes into account productivity rather than seniority. It is the working people that inflict change. It is also of importance to keep good records of both the well and the ill doings of the staff members to be convincing.

The major comments that are prominent in the interviewees:

- Regular surveys to take working staff comments on board;
- Basing bonuses and merits on productivity and initiatives rather than on seniority;
- Working staff are to be treated equally regardless of nationality;
- Doing all that is possible to avoid favoritism and bias;
- Trying other numeric systems lest one is better yielding than the one employed.

Table 13. Other points

Theme	Other points
Question	12. Do you have any other points to add in this concern?
Interviewee 1	Not really! Thank you. Interesting dialogue !
Interviewee 2	Thank you indeed.
Interviewee 3	No, thanks.

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