

**PERFORMANCE APPRAISAL: EMPLOYEE PERCEPTIONS OF
ORGANIZATIONAL JUSTICE AND SATISFACTION**
A STUDY OF PRIVATE SECTOR ORGANIZATIONS IN PAKISTAN

By

Ijaz Ahmed

A thesis

presented to the Bahria University, Islamabad

in partial fulfillment of the requirements

for the degree of

Master of Philosophy

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Praise be to Allah Almighty, with this name I began, torrid and exhilarated, in taking pains to emanate this outcome and with His blessings I am elated and thrilled to have completed this illustrious piece of work.

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DEDICATION

I dedicate this research work to my wife, whose patience, love and support throughout the tenure of my involvement in the thesis writing helped me to complete the study in a befitting manner.

TABLE OF CONTENTS

	Page
COPYRIGHT	ii
APPROVAL SHEET.....	iii
THESIS SUBMISSION FORM	iv
DECLARATION OF AUTHENTICATION.....	v
ACKNOWLEDGEMENT.....	vi
DEDICATION.....	vii
TABLE OF CONTENTS.....	viii
LIST OF TABLES.....	xi
LIST OF FIGURES.....	xiii
ABSTRACT.....	xiv
 CHAPTERS	
1.INTRODUCTION.....	1
1.1 Background of the Study.....	2
1.2 Overview of the Context.....	9
1.3 The Purpose of the Study.....	11
1.4 Problem Statement.....	13
1.5 Overview of the Theoretical Framework.....	17
1.6 Overview of the Research Methodology.....	19
1.7 Significance of the Study.....	21
1.8 The Structure of the Thesis.....	24
2.LITERATURE REVIEW	26
2.1 Performance.....	27
2.2 Performance Management.....	28
2.3 Performance Appraisal.....	29
2.4 Approaches to Evaluating Performance Appraisals.....	31
2.5 Performance Appraisal in Pakistani Organizations.....	41
2.6 Satisfaction/Dissatisfaction with Performance Appraisal.....	46
2.7 Fairness in Performance Appraisals.....	52
2.8 Organizational Justice and Performance Appraisals.....	55
2.9 Summary.....	59

3. THEORETICAL FRAMEWORK.....	61
3.1 General Description of the Framework.....	64
3.2 Hypotheses Formation.....	66
3.2.1 Effect of Distributive Justice on Satisfaction with Performance Appraisal.....	66
3.2.2 Effect of Procedural Justice on Satisfaction with Appraisal System.....	68
3.2.3 Effect of Informational/Interpersonal Justice on Satisfaction with Supervisor.....	70
3.3 Summary.....	72
4. RESEARCH METHODOLOGY.....	74
4.1 Brief Overview of Research Objectives.....	74
4.2 An Overview of the Research Design.....	75
4.3 Research Methodology.....	77
4.3.1 Research Approach.....	80
4.3.2 Overview of the research Object.....	80
4.3.3 The Time-Horizon of the Study.....	81
4.3.4 The Unit of Analysis.....	82
4.3.5 Sample Size.....	83
4.4 Data Collection.....	85
4.5 Operational Definition of Independent Variable (Organizational Justice)	87
4.6 Operational Definitions of Dependent Variable (Employee Satisfaction)	92
4.7 The Demographic Questions	93
4.8 Data Analytical Techniques	94
4.9 Limitations of the Research Methods.....	101
4.10 Summary.....	102
5. DATA ANALYSIS AND FINDINGS.....	103
5.1 The Demographic Profile.....	104
5.2 Factor Analysis	108
5.3 Mean and Standard Deviation Analysis of Dependent Variable.....	113
5.4 Mean and Standard Deviation Analysis of Independent Variable.....	115
5.5 Hypothesis Testing	122
5.5.1 Test of Hypothesis No.1	123
5.5.2 Test of Hypothesis No.2	126
5.5.3 Test of Hypothesis No.3	128
5.5.4 Test of Hypothesis No.4	130
5.6 Summary.....	133
6. CONCLUSIONS.....	135
6.1 Study Objectives.....	135
6.2 Study Hypotheses.....	136
6.3 Key Findings.....	137
6.4 Implications.....	138
6.5 Significance/Justification of Research.....	140

6.6	Limitations.....	142
6.7	Further Research/Recommendations.....	145
6.8	Summary.....	146
REFERENCES		148
APPENDIXES		
A.	Study Questionnaire.....	168
B.	Reliability Analysis Results.....	173
C.	Factor Analysis Results.....	174
D.	Summary of Mean and Standard Deviation Results.....	182
E.	Correlation Results.....	190
F.	Regression Analysis Results.....	191

LIST OF TABLES

Table No	Title	Page
3.1	Dimensions of Organizational Justice.....	63
5.1	The breakdown of participants according to age.....	105
5.2	The breakdown of participants according to job category.....	105
5.3	The breakdown of participants according to tenure in the department.....	106
5.4	The breakdown of participants according to ethnic origin.....	107
5.5	The breakdown of participants according to level of formal education.....	107
5.6	Pearson Product Moment Correlation Coefficient Results for Distributive Justice Dimension of Organizational Justice and Satisfaction with performance appraisal.....	124
5.7	Spearman Correlation Coefficient Results for Distributive Justice Dimension of Organizational Justice and Satisfaction with performance appraisal.....	125
5.8	Regression Analysis Results for Distributive Justice Dimension of Organizational Justice and Satisfaction with performance appraisal.....	125
5.9	Pearson Product Moment Correlation Coefficient Results for Procedural Justice Dimension of Organizational Justice and Satisfaction with performance appraisal System.....	127
5.10	Spearman Correlation Coefficient Results for Procedural Justice Dimension of Organizational Justice and Satisfaction with performance appraisal System.....	127
5.11	Regression Analysis Results for Procedural Justice Dimension of Organizational Justice and Satisfaction with performance appraisal System.....	128
5.12	Pearson Product Moment Correlation Coefficient Results for Interpersonal Justice Dimension of Organizational Justice and Satisfaction with Supervisor.....	129
5.13	Spearman Correlation Coefficient Results for Interpersonal Justice Dimension of Organizational Justice and Satisfaction with Supervisor.....	129

5.14	Regression Analysis Results for Interpersonal Justice Dimension of Organizational Justice and Satisfaction with Supervisor.....	130
5.15	Pearson Product Moment Correlation Coefficient Results for Informational Justice Dimension of Organizational Justice and Satisfaction with Supervisor.....	131
5.16	Spearman Correlation Coefficient Results for Informational Justice Dimension of Organizational Justice and Satisfaction with Supervisor.....	132
5.17	Regression Analysis Results for Informational Justice Dimension of Organizational Justice and Satisfaction with Supervisor.....	132

LIST OF FIGURES

Figure No	Title	Page
3.1	Theoretical framework of employee perceptions of organizational justice and satisfaction with performance appraisal.....	63

ABSTRACT

The present challenging economic conditions have forced organizations to concentrate on employee performance to extract maximum benefit and achieve competitive advantage. Thus performance management in general and performance appraisal in particular remains one of the most important human resource practices and organizational activities. In order for performance appraisal to be an effective tool for of employees' performance enhancement, it has to be perceived as fair and accurate. The employees' perceptions of organizational justice (fairness) play a vital role in creating satisfaction with the system. Higher the satisfaction level of the employees better would be their individual performance which would enhance organizational performance.

This study investigated employee perceptions of organizational justice and satisfaction with performance appraisal in the context of private sector organizations in Pakistan. It also investigated relationship between organizational justice and employee satisfaction.

Four dimensions of organizational justice (distributive, procedural, interpersonal and informational) were identified in the study. The study used ten multi-item constructs to measure employee perceptions of organizational justice in the context of performance appraisal processes. Employee satisfaction with performance appraisal, performance appraisal system and the role of supervisor was also explained in this study.

The data was obtained from middle and lower level employees (administrative, clerical, professional, supervisory, managerial staff) of private sector organizations. The data collection method used for the study was survey method. Results supported the relationship hypothesized between distributive justice and satisfaction with performance appraisal; procedural justice and satisfaction with the performance appraisal system; and informational justice and interpersonal justice and employee satisfaction with supervisor.

The study highlighted the value of nurturing employee perceptions of fairness of performance appraisals. It would help private sector organizations of Pakistan in evaluating their performance appraisal practices to identify shortcomings for subsequent improvement thereby affecting individual employee and overall organizational performance.

Key words: Performance, Performance management; Performance appraisal; Employee perceptions, Organizational justice; Fairness; Satisfaction.