

EMPLOYER/EMPLOYEE PERCEPTIONS OF PERFORMANCE APPRAISAL AND  
ORGANIZATIONAL OUTCOMES: A CASE STUDY APPROACH

by

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EMPLOYER/EMPLOYEE PERCEPTIONS OF PERFORMANCE APPRAISAL  
SYSTEMS AND ORGANIZATIONAL OUTCOMES: A CASE STUDY APPROACH

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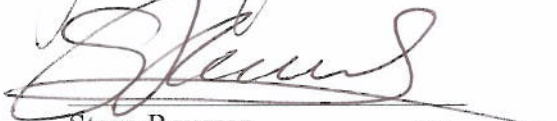
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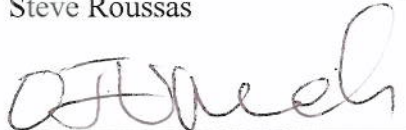
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## Abstract

There is a limited knowledge on the meanings, experiences, and perceptions of organizational members regarding performance appraisal and how the various experiences and perceptions are perceived to bear on organizational outcomes. With this qualitative study, I explored the experiences and perceptions of organizational personnel regarding performance appraisal systems and how these are perceived to bear on work outcomes. Using case study as research design, a detailed analysis of semi-structured interview involving organizational personnel (leaders, managers, and frontline employees) who lived in northeastern New York, and working in various disciplines and professions was conducted and recorded. NVivo software was used in generating the major thematic links and invariant constituents of the study. Results of the study revealed five significant themes: (a) essential descriptions of performance appraisal, (b) perceived rewards of performance appraisal, (c) differences and similarities of performance appraisal systems across different organizations, (d) perceived association of performance appraisal systems and work outcomes, and (e) recommended changes in performance appraisal systems. Employees who have positive experiences with the system associate performance appraisal with something equally beneficial to employees' improvement and the operational performance of the organization. These employees reported experiences of motivation, loyalty, commitment, and productivity as they received their feedback. The study identified human resource development activities that could further achieve the real and genuine objectives of performance appraisal system.

## Dedication

This research study is dedicated to the evergreen memories of two of my mentors: my late mother, Lydia Aina Jewoola, and Professor Ojetunji Aboyade, former Vice Chancellor, Obafemi Awolowo University Ile-Ife, and Chairman, Presidential Advisory Committee, Federal Republic of Nigeria. I owe my professional and academic success in life to these people of blessed memory. While my late mother struggled and mustered all resources to ensure that I do not lack financial resources for my early education to university level, Professor Aboyade stood as my mentor and an outstanding role model whose life shaped my thinking and love for academics and professionalism. As a young man in my high school days and despite his towering achievements as a world-renowned academic, administrator, and technocrat, he related to me as a guidance counselor in a very simple and realistic manner.

I will forever remember their contributions to my achievements in life. May their souls continue to rest in perfect peace (amen). My wife and four kids also stood by me as one family and provided the desired moral support and enabling environment for my studies from the start to the end of this program.

I also acknowledge the financial support of my Senior Brother, Elder Sunday Adesokan Jewoola for his readiness, willingness, and ability to provide funds for my educational pursuits in Nigeria. May the Lord continue to bless him.

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Primarily, I want to thank God who gave me the unusual grace and helped me to accomplish this feat. I am very sure that if not for God, I would not have reached this stage. I give Him all glory, all honor and adoration. May His name be praised forever.

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## Chapter 1: Introduction

Fletcher (2001) reported that there is an abundance of research on performance appraisal systems. Manoharan, Muralidharan, and Deshmukh (2009) likewise opined that performance appraisal is one of the most widely researched topics in the fields of industrial-organizational psychology and human resource management. Maroney and Buckley (1992) noted that research on performance appraisal had been completed by many practitioners and academics in the field of human resources management, but that the general purpose of the research has been to link performance appraisal to work performance and to use the process as a performance-enhancing instrument. Fletcher (2001) asserted that much of the research focused on issues related to “the use of ratings in performance appraisal and how to make them more objective and accurate in reflecting performance” (p. 474).

The role of human resource personnel in progressive organizations is currently undergoing a dramatic change, shifting from relating to day-to-day management functions to guiding and implementing business strategies. Although it is common knowledge that performance appraisal is one of the most important functions of human resource management in organizations, many managers, leaders, and general workers have not obtained the full benefits of performance appraisal and believed that performance appraisal system needs to be improved (Mert, 2011).

The concept of performance appraisal is also referred to as performance evaluation, employee assessment, and staff appraisal and has been subject of arguments among researchers, business leaders, managers, and other employees for many years. Because of the widespread discussion, controversies, and varying perspectives, it had

been difficult to establish a clear and generally accepted definition of *performance appraisal*. Mert (2011) posited that one reason for the controversies and ambiguities is a lack of adequate investigation about employees' experiences with performance appraisal and their perceptions of the effectiveness of performance appraisal. However, research showed that employees' perceptions and experiences of performance appraisal systems in their organizations affected their attitudes toward their own appraisal (Mert, 2011). It is therefore plausible to assume that the manner in which employees perceive the appraisal system, including the design and implementation, influence the employees' perceptions toward work and their work behavior. The purpose of the present study is to explore different employees' experiences and perceptions regarding performance appraisal and to examine how the differences in perceptions and experiences are jointly perceived to bear on organizational outcomes, such as job satisfaction, promotion, productivity, and employee loyalty.

Chapter 1 contains a broad introduction to the study, including the background of the problem, the problem statement, and the purpose statement. The chapter also includes discussion of the significance of the study, the nature of the study, the research question, and conceptual. Also discussed are operational definitions of useful terms, assumptions underlying the study, the scope, delimitations, and limitations of the study.

### **Background of the Problem**

From ancient times, performance appraisal had been employed to evaluate individuals' job performance (Wiese & Buckley, 1998). Although some have claimed that performance appraisal systems originated with Taylor's pioneering studies on time and motion (Archer North Performance Appraisal System, 2010), Wiese and Buckley

(1998) claimed that appraisal systems started during biblical times. One example is provided in Exodus 35: 31–33 (New King James Version), which indicated that the Lord filled Bezaliel with His spirit “in wisdom, and understanding, in knowledge and all manner of workmanship to design artistic works, to work in gold, and silver and bronze, in carving wood, and to work in all manner of artistic workmanship.”

Weise and Buckley (1998) stated that for many centuries, organizations operated well without formal appraisal systems. Today, however, especially as organizations become larger and contain professional management systems, more formal performance appraisal systems are often implemented to serve as an important administrative tool for decision making. Walsh (2003) reported that in the United States, over 90% of large organizations, including 75% of state employment systems, require some type of annual performance appraisal. Appraisal systems are also used in many private agencies and small businesses. Although performance appraisals are a commonly used management tool in U.S. organizations, there are differing perceptions and experiences regarding performance appraisal systems (Walsh, 2003).

Some critics argued that there is a wide gap between employee performance and reward systems in organizations, and others contended that strategies for compensation are not aligned with organizations’ global objectives (Truss, 2001). Researchers such as Narcise and Harcourt (2008) discussed the difficulties inherent in formulating objective performance measures that can be considered valid and reliable. Derven (1990) and Grubb (2007) asserted that the performance appraisal process is so inherently flawed that it may be impossible to perfect it. A compounding factor is that employees and

supervisors disliked performance appraisal process because of their experiences with the process and their inability to achieve desired changes (Derven, 1990; Grubb, 2007).

Many authors argued a contrasting view of performance appraisals, however. Despite the inherent weaknesses, researchers such as Lawrie (1990) and Ozgen, Baser, and Mimaroglu (n.d.) viewed performance appraisal as a crucial element in organizational operations. Nurse (2005) observed that although in many cases, performance appraisal process is politically driven, one of its primary purposes is to develop employees. Snyder (2004) asserted that another purpose of performance appraisal is to enhance employee-supervisor communications.

Various researchers noted the relationship between performance appraisals and rewards; linking appraisals with performance is a method of distributing limited financial resources to the employees who are most deserving, based on merit, effort, and results (Derven, 1990). Bannister and Balkin (1990) supported this view and reported that employees have a greater acceptance of appraisal process and feel more satisfied with it when the process is directly linked to rewards. This viewpoint was further reinforced by Azzone and Palermo (2011), who reported that performance appraisal and reward systems are based on the assumption that employees' performance and motivation can be improved when a clear link is established between efforts and rewards through formalized and specific targets (Azzone & Palermo, 2011). Derven (1990) believed that performance appraisal is a method of income justification and little, if any, consideration is given to employee development in the process. In contrast to Derven's (1990) perspective, some authors argued that appraisal system is a process for developing all

employees and motivating them to achieve their personal goals and the goals of the organization simultaneously (Snyder, 2004).

Just as researchers have different perceptions of performance appraisals, research indicated that different kinds of organizational personnel have disparate levels of interest, behaviors, and attitudes regarding performance appraisals. Employees in different jobs, organizations, and countries are also motivated by performance appraisals differently (Herdlein, Kukemelk, & Turk, 2008). Employees may look forward to the periodic reviews as a means of obtaining better pay and enhanced financial status, but supervisors use performance appraisals to measure job performance (Derven, 1990). Seiden and Sowa (2011) studied performance management systems in nonprofit organizations and concluded that there are “gaps in the perceptions of management and frontline staff concerning performance management” (p. 251). Glenn (1990) likewise concluded that the expectations of all parties in the appraisal process are in perpetual conflict, a conflict that is rooted in the different experiences and perceptions of employers and employees.

In many organizations, employees do not have positive perceptions about performance appraisals; new employees especially tend to have negative opinions because their work performance is evaluated vis-à-vis their training and capabilities. These employees are not positively motivated by the process of performance appraisal, and therefore do not see the good aspects of the system. These negative perceptions accumulate over time and eventually affect employees’ perceptions of other human resource activities. If the situation is not carefully handled, employees’ negative experiences and perceptions can affect not only procedural justice in the performance appraisal process, but also personal organizational commitment (Chang, 2005).

Many managers and leaders believed that perceptions regarding the fairness of performance evaluation procedures can have indirect bearing on job satisfaction and that decreased job satisfaction in some areas of the organization can affect employees in other areas and at other levels of the organization (Sholihin & Pike, 2009). Sholihin and Pike (2009) also observed that the effects of redistributive fairness on job satisfaction are indirect but visible in organizational commitment. Narcise and Harcourt (2011) suggested that employees' experiences and perceptions regarding fairness of performance appraisals are indicators of the success of the organization's performance appraisal system.

Effective performance appraisal is critical for organizational success (Narcise & Harcourt, 2011). However, despite many technological advances aimed at ensuring the simplicity, objectivity, and universal acceptance of appraisal systems, studies from the last four decades indicated that many employees dislike and distrust performance reviews (Culbert, 2010; Light, 2010; Nalbandian, 1981; Silverman, 2011). Maroney and Buckley (1992) stated that employees distrust many aspects of performance appraisals, especially the purposes of performance appraisals and the motives of appraisers. Maroney and Buckley (1992) concluded that although performance appraisals are used in many organizations, few employees are satisfied with the appraisal process or the outcomes.

Some business leaders and managers are also unsatisfied with performance appraisal, wondering whether the appraisal processes in their organizations are fair and result in positive organizational outcomes, such as increased productivity, job satisfaction, and positive job attitudes. Herdlein et al. (2008) reported that even though performance appraisal is a key factor influencing change in rapidly developing societies,



there is lack of uniformity in the design and implementation of performance appraisal systems. Many organizations and department leaders develop unique appraisal systems; this lack of consistency is a barrier to establishing an organized and systematic process.

In the last decade, research on performance appraisal systems had moved towards recognizing “the importance of social and motivational aspects of appraisal as well as of the cognitive processes at work in it” (Fletcher, 2001, p. 474). Though the focus of research on performance appraisals has shifted, more research is needed. In particular, research is needed on the varying experiences and perceptions of employees in different organizations and at varying organizational levels and how these experiences and perceptions are perceived to have impact on organizational outcomes.

### **Statement of Problem**

The general problem is the scathing criticisms leveled against the concept of performance appraisal, the varieties of appraisal systems, the difficulty in implementing appraisal systems, and employees’ lack of faith in the process. These factors make performance appraisal a dynamic concept that continues to evolve in response to criticisms and controversies regarding the concept (Bourguignon & Chiapello, 2004). The specific problem is the limited knowledge on the meanings, experiences, and perceptions of organizational members regarding performance appraisal and how the various experiences and perceptions are perceived to bear on organizational outcomes. More research in this area is needed to understand how to improve the performance appraisal process and thereby enhance positive organizational outcomes.

The present study was conducted to fill this gap in research and provide organizational leaders with insight on how to approach performance appraisal in their

organizations. The study involved extensive exploration of the meanings of performance appraisal; its dynamics; and, in particular, the contradictory perceptions and experiences of employers and employees of various organizations regarding performance appraisals in relation to fairness, objectivity, recognition, and other organizational outcomes.

### **Purpose of Study**

The purpose of the present, qualitative, case study was to explore in depth the experiences and perceptions of organizational personnel regarding performance appraisal systems and how these experiences and perceptions are perceived to bear on work outcomes.

A better understanding of this relationship is needed because many business leaders use performance appraisal to justify promotions, demotions, and changes in pay. This use has made performance appraisals a never-ending, uncertain, and contentious process (Archer North Performance Appraisal System, 2010). These aspects of performance appraisal are partly the reason why current researchers are beginning to focus less on the measurement aspect of performance appraisal and more on perceptions and experiences regarding performance appraisals (Narcise & Harcourt, 2008).

The qualitative method and case study design are appropriate for the study because the intent of the study was to obtain in-depth responses from the participants on their experiences and perceptions regarding performance appraisal systems. The study sample consisted of 15 organizational personnel (leaders, managers, and frontline employees) who live in northeastern New York, work in various disciplines, different organizations, and have different professional backgrounds.

## Significance of the Study

Throughout history, scholars, leaders, and managers have been highly interested in performance appraisal (Archer North Performance Appraisal System, 2010). It is a concept that will continue to attract attention, even though there is a lack of agreement on the outcomes of performance appraisal. Although performance appraisal systems have been used, researched, and criticized for many years, performance appraisal is still a problematic and challenging topic in need of additional attention from researchers and business leaders. The present study is significant because it would help to fill the gap in literature. The study involved exploring and investigating experiences and perceptions regarding performance appraisal as an important organizational process and how these perceptions and experiences are perceived to jointly impact on overall work outcomes.

Performance appraisal is a critical organizational function that leaders and managers cannot afford to mismanage. Ikramullah, Sah, Hassan, Zaman, and Khan (2011) reported that different organizational members have different experiences and perceptions regarding appraisal systems and that carefully studying the differences will elicit a greater understanding and appreciation of appraisal systems. Ikramullah et al. (2011) also asserted that it is important for managers and leaders to pay attention to employees' perceptions of fairness in the organization's performance appraisal system. When managers and leaders understand employees' perceptions, they are better able to design, implement, and manage a performance appraisal system that aligns with the expectations of employers and employees (Ikramullah et al., 2011). A properly designed and implemented performance appraisal system provides valuable information for various human resources functions. Such a system is an effective indicator of quality in

an organization and is an effective tool in employee performance management (Blštáková, 2011). The findings from the present study may be used by leaders and managers to understand the perceptions and experiences regarding performance appraisal and how these perceptions and experiences are perceived to bear on organizational outcomes. Leaders and managers may also gain insight regarding how to improve appraisal systems and thereby achieve positive organizational outcomes.

### **Nature of Study**

The qualitative method and case study design are appropriate for the present investigative study, which explored and described participants' experiences and perceptions regarding performance appraisals and the perceived impact on organizational outcomes. Qualitative and quantitative methods are mainly used in social research and both methods differ in several ways. Qualitative research involves using a small, purposive sample, collecting textual data, usually through interviews with open-ended questions, and analyzing the data to identify themes. In quantitative research, a large, random sample is often selected, the data is numerical and often collected through surveys, and the data is statistically analyzed to test hypotheses and examine relationships (Trent, 2010). The role of the researcher also differs. The quantitative researcher is detached from the study, playing the role of an observer who does not influence what is being studied. The qualitative researcher interacts with the participants to learn the most possible about the phenomenon being studied (Colorado State University, 2012).

The qualitative method is appropriate for the present study because the objective of the study is to explore and describe participants' experiences and perceptions regarding performance appraisals (Mertens & Hesse-Biber, 2012). 15 participants were

selected for the research through purposeful sampling. Data were collected through one-on-one interviews, and the data were analyzed using a qualitative analysis method. The quantitative method is inappropriate because the sample size used in this study was small and the data used were not statistically analyzed to test hypotheses or determine cause-effect relationships.

Various research designs are used in qualitative research, such as case study, historical research, ethnography, grounded theory, and phenomenology. Case study design is used to explore or describe significant factors characteristic of a situation, an individual, or a small participant pool, drawing conclusions and the perceptions the participants have of the situation, whereas the focus of historical research design is on reviewing past events and people to explore the building blocks of a field and illuminate present practices (University of Phoenix, 2010). Yin (2014) noted that due to its versatility and applicability to many life situations, it is difficult to adopt one definition for case study as the best out of so many that discussed its essence, types, and topics. However, the author asserted that case study design is an applicable research design for evaluating various decision-making initiatives for individuals, organizations, processes, neighborhoods, institutions and events (Yin, 2014).

Trent (2010) explained that ethnography is the study of cultural groups and subgroups within a natural setting. Grounded theory research involves simultaneous inductive fieldwork and data collection; the goal is to build a “theory to explain a situation or phenomenon for which existing theories are inadequate” (University of Phoenix, 2010, p. 1). The concept of phenomenology bases the description of a particular phenomenon on the perceptions of the participants who have experienced it (Ziakas &

Boukas, 2014). Phenomenology concerns are on the understanding of a significant phenomenon, particularly its nature and meanings, to those individuals who have the consciousness of the occurrences, with the intention to provide a rich textured description of their lived experience of this significant phenomenon (Randall & Mello, 2012).

Of the various qualitative designs, case study is the most appropriate for the present study. Leedy and Ormrod (2010) described the essence of case study research as being one of many branches of descriptive social sciences. The authors asserted that in a case study research, a particular event, situation, program, individual, or group of individuals is studied in depth by the researcher. Yin (2013) postulated the use of single and multiple case studies. Multiple-case study is a variation that includes two or more observations of the same phenomenon to enhance the final findings (Yin, 2013). A multiple-case study stands as an established instrument for realizing a profound understanding of a specific phenomenon (Yin, 2013). However, case study researchers focus more on a single case to explore its unique and exceptional qualities, promote understanding, and inform practice for similar situations. In this study, the researcher focused on examining a single case of how employee and employer perceptions of performance appraisal bears on work outcomes.

The case study method is appropriate for attempting to understand real life phenomena by examining conditions through the experiences of the individual. The meaning of the condition or phenomenon is the focus of a case study. The use of a case study approach is justified because the researcher focused on the events and behaviors of employees that cause the condition or performance to occur. Moreover, case study

approach is appropriate since the research focused on how individuals understand the issues of performance, which ultimately influences behavior (Yin, 2013).

Leedy and Ormrod (2010) also noted that the aims of multiple or collective case study research are to explore and describe two or more cases that are different in certain key ways to make comparisons, or build theory. In this study, by exploring the experiences and perceptions of many managers and subordinates regarding performance appraisals, it may also be possible to identify trends and features that are peculiar to individuals included in the study sample (Myers, 2000; Trochim, 2006).

In accordance with the provisions of the case study design, the study included 15 participants with different backgrounds, jobs statuses, and occupations in various U.S. organizations. The participants were recruited from city, state, and private agencies in northeastern New York. The individuals participated in semi-structured interviews with open-ended questions; the participants did most of the talking, with the researcher moderating as necessary.

The appropriateness of the method and design are supported by Shank's (2006) assertion that humans do not experience things directly; rather, humans develop an understanding of the world by identifying the impacts of things on their consciousness. In other words, the qualitative, case study approach is appropriate in a study that examines and describes the personal experiences and perceptions of employees regarding performance appraisal. This approach allows the researcher to capture relevant information and knowledge about what performance appraisals mean to each participant and how performance appraisals have been perceived. Shank (2006) referred to this aspect of "particularistic case study" or single case study because the case in itself is

important for what it reveals about the phenomena and what it represents (Shank, 2006, p. 127). By carefully examining the participants' experiences and perceptions, it may be possible to "become aware of things as they really are" (Shank, 2006, p. 131).

Denzin (2012) and Mertens and Hesse-Biber (2012) noted that data and methodological triangulation reduce bias in both qualitative and quantitative data collection and data analysis methods. Questionnaires, interviews, and a systematic review of the existing literature lead to findings representing an accurate reflection of the topic being studied (Denzin, 2012). In this study, triangulation of information was achieved through the review of other studies detailing the possible issues that can be explored in the conduct of the semi-structured interviews and in support of the interview findings (Yin, 2013). Researcher's field notes/journals; transcribed/textural data from participants' one-on-one interviews were also reviewed to achieve triangulation. The questions that were asked during the interview were reflective and appropriate for the situation of the participants and the phenomenon examined. The researcher articulated the relevance of the emerging themes of the present study to those of the reports and empirical findings of previous research.

### **Research Question**

The study proposed one major research question and compared interview responses with secondary data and literature reviews for similar patterns. The research question is: How do frontline workers, organizational leaders, and managers perceive performance appraisal in organizations? Other sub-research questions were developed to align with the major research question. These were later used to develop the interview questions used for the participants interview.



## Conceptual Framework

The present study is grounded in previous research on performance appraisal systems, especially research in the fields of industrial psychology, organizational psychology, business management, and business administration. It is important to note that there is no clear-cut theoretical or conceptual framework used as the basis for research on performance appraisal systems (Levy & Williams, 2004). The major challenge for researchers on performance appraisal is selecting theories and concepts to serve as the foundation for the research (Levy & Williams, 2004).

For this reason, the focus of the present study contrasts with the focus of previous research. The focus of the study is to explore and describe the concept of performance appraisals in depth, how they are perceived and experienced by organizational personnel, and how the different perceptions are perceived to bear on organizational outcomes. The foundation of the present study is the concept that the experiences and perceptions of organizational personnel need to be understood so that appraisal systems and organizational outcomes can be improved. Employee perceptions significantly affect organizational outcomes because perceptions influence employee behavior. Mullins (1999) asserted that any situation can be analyzed in terms of perceptual connotations.

A few theoretical postulations advanced in previous research are relevant to the multiple issues explored in the present study. The applicable ideas include work-related and process-motivation theories, such as the expectancy theories developed by Vroom, Porter, and Lawler (Oliver, 1974). The theories indicated that employees behave or work in desired manners based on what their interests are at different points in time. According to Vroom's expectancy theory, individuals develop cognitive expectancies

regarding the outcomes they desire and behave in a manner that will lead to their preferred outcomes, based on their personal motivations and abilities (Oliver, 1974).

Porter and Lawler's (1968) expectancy theory was based on Vroom's theory, but is presented as more relevant because it indicates links that exist between organizational performance and motivation. Porter and Lawler's theory goes beyond examining motivational forces to consider performance as a whole. The theory indicated that the effort put forth (the motivational force) does not directly correlate with performance. Rather, performance is mediated by employees' abilities, characteristics, and perceptions (Mullins, 1999). The view that perceptions bears on job performance is critical to the conceptual framework of the present study.

Porter and Lawler (1968) also examined the relationships between organizational factors such as motivation, satisfaction, performance, and rewards. Contradicting popular belief, the researchers found that satisfaction is an effect rather than a cause of performance. Porter and Lawler (1968) therefore asserted that behavior is a choice and that an individual chooses one behavior from multiple behavioral options.

Liccione (2007) combined Vroom's and Porter and Lawler's expectancy theories, Adams's equity theory, and Locke's goal setting theory to form a conceptual framework for compensation plans in organizations. Liccione (2007) credited the work of Porter and Lawler (1968) in particular for focusing "attention on the importance of individual beliefs regarding the attainability of their goals, the probability that they will be rewarded for achieving their goals and the absolute value of their rewards" (p. 16). Liccione's (2007) assertion underscored the importance of perceptions and experiences of organizational personnel about work performance. Liccione (2007) argued further that perception is

important in job performance because motivation works from the inside out. For example, the effectiveness of an incentive compensation plan in motivating employees depends on the perceived values assigned to the plan by the employees who participate in the plan and not by the employers who sponsors or make the payment (Liccione, 2007).

A critical examination of Porter and Lawler's (1968) theory revealed that it is the closest of the motivation-process theories in which the interrelationships between perception and performance are considered and analyzed as critical factors affecting employees' hopes and meeting expectations in organizational work processes. Mullins (1999) explained the perceptual properties of Porter and Lawler's (1968) theory. The perceived effort-reward probability is the employee's expectation that certain outcomes or rewards are dependent on a given amount of effort.

Role perception is the way an employee views his or her work and the role he or she should play. This perspective influences the effort that employee exerts on the job and the resulting job performance. Performance involves not just the amount of effort exerted but also factors such as traits, abilities, and especially role perceptions. An employee who lack the right role perceptions of job requirements will probably produce at a lower level than employees with appropriate role perceptions will. Perceived equitable rewards are the rewards that employees think they should receive for performing the demands of the job at a given level and meeting (Mullins, 1999).

Another theory relevant to the present study is the theory of organizational justice. Because of the importance of perceptions regarding fairness in performance appraisals, this theory has become a significant topic of investigation among many researchers in the fields of organizational behavior, organizational management, industrial psychology, and

organizational psychology (Ikramullah et al., 2011). Drawing on the works of Adams, Ikramullah et al. (2011) explained that organizational justice is the study of fairness, including employees' perceptions of fairness, which relate to the various signals they receive from their organizations. These signals include decision-making procedures, treatment by organizational leaders, and information related to various organizational outcomes.

### **Operational Definitions**

This section contains definitions of terms commonly used in this study, thereby decreasing ambiguities in the meanings of important words and phrases.

**Appraisee.** An appraisee is an employee whose job performance is appraised. Traditionally, most appraisal plans applied to staff in managerial, supervisory, or administrative positions (Mullins, 1999). However, the current trend is for all organizational personnel to be appraised. Just as supervisors appraise their subordinates, subordinates are given opportunities to provide feedback about their supervisors' performance.

**Appraiser.** An appraiser is a supervisor, manager, or administrator who administers the appraisal process, appraising the employee. Appraisers generally monitor and review their subordinates' performance at work ("Appraiser," 2012).

**Case study.** Gelo, Braakmann, and Benetka (2008) opined that case study design involves an in-depth examination of an instance or event for the attainment of an increased understanding of a specific event or situation. It also involves studying human experiences and describing the meaning of such experiences.

**Employee.** Bennet (1992) defined *employee*, also called a worker, as “a person engaged under a contract of employment who is not an independent contractor” (p. 62). To distinguish between an employee and independent contractor, one may need to examine such issues as “the nature and extent of control exerted over the work, the degree of integration of the worker with the firm’s overall operations, [and] whether the worker determines his or her working hours” (Bennet, 1992, p. 62). *Employee* can also be defined as a person who works full-time or part-time under an employment contract—which may be oral or written, implied or expressed—and has recognized duties and rights (“Employee,” 2012).

**Employer.** An employer is a person or organization who pays workers and is responsible for deducting taxes, insurance dues, and other payments from workers’ wages. Employers are liable for the wrongdoings of their workers, especially when wrongdoings are committed in the course of the worker’s employment (Bennet, 1992). *Employer* has also been defined as a “legal entity that controls and directs a servant or worker under an express or implied contract of employment and pays (or is obligated to pay) him or her salary or wages in compensation” (“Employer,” 2012). In this study, top managers and administrators are considered business leaders and employers, as they are mainly responsible for conducting performance appraisals.

**Organizational outcomes.** Organizational outcomes are the results of performance appraisals. Organizational outcomes include job performance, job satisfaction, productivity, tardiness, absenteeism, work stress, burnout, employee turnover, and employee commitment.

**Perception.** Momah (2011) defined *perception* as the process and experience of gaining sensory information about the world. Bennet (1992) defined the term as the process through which an individual interprets sensory inputs such as taste, smell, sound, and feel. In the context of the present study, the focus is on perceptions and feelings of organizational members on the fairness of their organization's performance appraisal systems.

**Performance appraisal.** Performance appraisal may also be referred to as an employee assessment, staff evaluation, or performance evaluation. It is a systematic and standardized system used to evaluate employees' behavior and performance (Balogun, 2000). Performance appraisal is a part of another broad management concept, performance management, which is a "managerial process that links corporate objectives, performance standards, and evaluation, to which performance review, or performance evaluation are often applied" (Ahmed, Hussain, Ahmed, & Akbar, 2010, p. 1).

### **Assumptions**

The present study included several assumptions. It was assumed that the participants were experienced organizational personnel who could comfortably share their experiences and perceptions about performance appraisal systems. Another assumption was that because of the way the interview questions were worded, the participants would remain focused on their experiences and perceptions about performance appraisal and the perceived bearing it may have on organizational outcomes, such as job performance, job satisfaction, motivation, and turnover.

It was also assumed that the researcher would be able to develop an understanding of participants' experiences through bracketing of all preconceived notions and personal

experiences regarding performance appraisals (Leedy & Ormrod, 2010). It was assumed that using the qualitative, case study approach is appropriate for the purpose of the present study as it would be able to explore in depth the experiences and perceptions of organizational personnel regarding performance appraisal systems and how these experiences and perceptions are perceived to bear on work outcomes.

### **Scope, Delimitations, and Limitations**

The scope of the study involved interviewing 15 organizational personnel (leaders, managers, and frontline employees) in the northeastern New York who work in different disciplines, various organizations, and have different backgrounds. Open-ended questions were used to explore participants' experiences and perceptions about the nature of their organizations' performance appraisal systems. The qualitative research method and case study design were used to examine individual participants' perceptions and experiences regarding the phenomenon of performance appraisal being explored (Leedy & Ormrod, 2010).

Leedy and Ormrod (2010) advised that researchers should clearly identify what the research would and would not involve. To delimit the study and narrow the scope of the research (Simon, 2011), the researcher focused on professionals who have attained at least an associate's degree and who reside and work in northeastern New York. The present study involved obtaining a deeper understanding of the experiences and perceptions of organizational personnel regarding performance appraisal systems.

The study was also delimited to explore how experiences and perceptions regarding performance appraisal systems influenced organizational outcomes. Although this delimitation narrowed the scope of the study, the study still filled a gap in the

literature on performance appraisal systems, providing insight related to the experiences and perceptions of organizational personnel regarding performance appraisal systems and the perceived bearing on organizational outcomes.

Limitations exist because of the weakness of the qualitative, case study approach, which may include participants' response bias, researcher's bias arising from poorly articulated questions, and inaccurate information due to lack of or poor recall (Yin, 2014). Leedy and Ormrod (2010) averred that because many case studies involve only one case, researchers cannot be sure that the findings would be generalizable to other similar events, situations, or phenomena outside of the one being explored. Due to the nature of the study, examining cause-effect relationships between employee-employer perceptions and work outcomes were not covered. Rather, the focus was on understanding possible qualitative connections between perceptions of performance appraisal systems and organizational outcomes.

### **Summary**

Chapter 1 contained an introduction to the study, including the background of the problem, the problem and purpose statements, and the significance of the study. The chapter also contained discussion of the nature of the study, the research questions, the conceptual framework, and definitions of terms. Chapter 1 likewise included a discussion of the assumptions underlying the study and the scope, delimitations, and limitations of the study.

Although many studies have been conducted on the topic of performance appraisal, there is a gap in the literature related to the experiences and perceptions of personnel regarding performance appraisal systems and how these experiences and



perceptions are perceived to affect organizational outcomes. The purpose of the present study is to explore and describe the experiences and perceptions of organizational personnel regarding performance appraisal systems and how these experiences and perceptions may bear on work outcomes. In many cases, employees have positive perceptions about the organization's performance appraisal system only if they obtain satisfactory ratings from their supervisors. Attitudes are also influenced by various experiences, interactions, and conversations between personnel regarding their organization's performance appraisal system.

Chapter 2 contains a review of literature related to the topic of the study. The studies referenced in Chapter 1 as well as many other documents will be examined to provide detailed insight and add relevance to the study. The topics discussed include the history and evolution of performance appraisal, perceptions of performance appraisals, theories and processes related to perceptions, organizational justice and perceptions of fairness, and the connections between performance appraisal systems and perceived organizational outcomes. Relevant dissertations on performance appraisal experiences, perceptions, and reactions will be consulted as additional source of triangulating information. A summary of the chapter will also be provided.

## Chapter 2: Literature Review

Perception has a pivotal role in the way people think, interpret situations, and assign meanings to life events and phenomena, including the society in general and organizations in particular. Perceptions influence people's life experiences, attitudes, and feelings (Mullins & Hicks, 1999). Mullins and Hicks (1999) asserted that perception is "the root of all organizational behavior; any situation can be analyzed in terms of its perceptual connotations" (p. 377). It is therefore important that managers and employees be aware of their perceptions and how their perceptions differ. Managers must also understand which management tools may cause organizational problems and result in negative perceptions (Mullins & Hicks, 1999).

One such management tool is performance appraisal. Kuvaas (2006) argued that "for performance appraisal to positively influence employees' behavior and future development, employees must experience positive appraisal reactions or else the system will be doomed to failure" (p. 504). Performance appraisal systems have been the focus of many management studies; however, there is limited research on the experiences and perceptions of organizational personnel about performance appraisal systems, particularly regarding justice and perceived impact on organizational outcomes. Because performance appraisal is an important management tool used in many organizations, more research is needed to expand the knowledge base of the concept. The major objective of the present qualitative, case study is to explore and describe employers' and employees' experiences and perceptions of performance appraisal, thereby gaining a deeper understanding of how these experiences and perceptions are perceived to bear on organizational outcomes.

Chapter 2 contains a review of the literature related to the topic of the present study. The chapter includes full background information regarding performance appraisal systems and perceptions and includes a discussion of gaps in the literature, indicating the need for the present study. The literature review contains a discussion of the origins and evolution of performance appraisal systems, as well as past and contemporary research perspectives on performance appraisal systems. The discussion has an emphasis on studies related to the perceptions and experiences of organizational personnel regarding performance appraisal process. The chapter likewise includes an analysis of emerging conceptual and theoretical frameworks for management research, particularly in studies on performance appraisals. Psychological theories related to motivation and perception and sociological theories related to meaning and value are discussed to provide a more holistic understanding of the research topic.

It is important to note that the concept of performance appraisal has expanded and become part of the strategic move to integrate human resources practices with business policies. Performance appraisal is now an integral part of overall organizational performance management (Fletcher, 2001). Because of the emerging importance of performance appraisal systems, the concept is a relatively new area of research. Research on performance appraisal involves several challenges, namely the context or what is appraised and the process or how it is appraised (Fletcher, 2001). These research challenges need to be addressed in further investigations to generate useful clarifications and possibly generalizations.

### **Title Searches and Research Documents**

A significant number of documents discussed in the literature were obtained through University of Phoenix search databases, such as EBSCOhost, ProQuest, Gale, InfoTrac, OneFile, and Journals@Ovid. Others resources, such as Google Scholar and credible websites, were used to obtain additional documents for the review. Search terms such as the following were used to locate pertinent documents: *perception of performance appraisal, perception and performance, performance appraisal and employees' reactions, fairness in performance appraisal process, performance appraisal and performance management, and employers and employees' experience of performance appraisal*. The documents discussed in the review include peer reviewed journal articles, papers presented at professional conferences, human resource management textbooks, and doctoral dissertations.

### **Landmark Definitions of Performance Appraisal**

Chiang and Birtch (2010) defined *performance appraisal* as “an objective, rational, and systematic way for organizations to manage workforce performance” (p. 3). Expounding on the works of other researchers (Brown & Heywood, 2005; Edrogan et al., 2001; Elenkov, 1998; Fulk et al., 1985; Lawler, 2003; Levy & Williams, 2004), Chiang and Birtch (2010) reasoned that performance appraisal also entails rewards, communication, feedback, reactions, fairness, trust, acceptance, attitudes towards conflict, and social context.

Coens and Jenkins (2010) suggested that performance appraisal is a required element in many organizations; the appraisal process involves a rater examining, describing, and judging all or some of an employee's work traits and behaviors. The

results of the appraisal are kept by the organization (Coens & Jenkins, 2010). Albarnti (2001) defined performance evaluation as “the process of assessing performance of each member of staff during a specific time estimated on the level and quality of performance itself which may include work implementation assigned to an individual” (p. 378). Akata (2004) defined *performance appraisal* simply as a measure of achievement considered in relation to the extremes of failure and success. Akata (2004) elaborated that in many organizations, performance appraisals are instituted mainly as a method of rewarding employee successes and sanctioning employee failures.

Kuvaas (2006) defined *performance appraisal* as an organizational activity that intends to improve the performance outcome of employees. This definition indicates how performance appraisal systems are conceptualized in organizations. Kuvaas (2006) contended that performance appraisal systems are an important element in organizations; therefore, performance appraisals should not be reduced to paper pushing and habit. Rather, performance appraisal must be considered a method of enhancing employee productivity (Kuvaas, 2006).

### **Evolution of Performance Appraisal**

Many sources indicate that performance appraisal has a long history and has evolved over time. A critical study of performance appraisal systems, however, shows that only the scope and features of the systems keep changing. The major objectives and contents have remained almost the same throughout the centuries and are now used in various types of organizations all over the world (Wiese & Buckley, 1998). This section contains an outline of the history of performance appraisal.

Wiese and Buckley (1998) stated that “performance appraisal process can be traced back, at least, for many thousands of years” (p. 234). The Bible contains many references to performance appraisals. The basic features of performance appraisal, such as prior instructions, work details, and periodic assessment, are outlined in the Old Testament, in the Adam and Eve story recorded in Genesis 2 and 3. Udeze (2000) noted, “...that the biblical Adam and Eve evaluation by God marked the first attempt at evaluating workers performance. The only difference is that these couples were not employees in any form” (p. 145). Other biblical examples include the story of Bezaliel and Aholiab, whom God gave the spirit of “wisdom and understanding, in knowledge and all manner of workmanship to design artistic works, to work in gold and silver and bronze, in carving wood, and to work in all manner of artistic workmanship” (Exodus 35:31–33, New King James Version). Moses, an Israelite leader, selected men he considered most qualified for the work of decorating the temple around 1350 BC (Weise & Buckley, 1998).

The New Testament likewise includes references to performance appraisal, such as the parable of the talents in Matthew 25:14–30, in which Jesus Christ taught the virtues of hard work and diligence. The lesson regarding performance appraisal was emphasized when the master in the parable returned from his journey and called his servants to accountability. Perhaps the most resonating of Bible lessons regarding performance appraisals is the vision of heaven that Apostle John received on the island of Patmos. John recorded the Lord as saying, “Behold I am coming quickly and my rewards are with me to give unto everyone according to what he had done” (Revelation 22:12, New King

James Version). Even in biblical times, therefore, performance appraisals were associated with rewards.

During biblical times, appraisal principles were also applied in Asian dynasties and kingdoms. In 1350 BC to AD 220, the Han dynasty used merit examinations to determine whom to promote and the Wei dynasty used imperial raters to evaluate the performance of official family members (Ikramullah et al., 2011). Centuries later, in 1648, it was noted in the Dublin, Ireland, *Evening Post* that legislators were evaluated by rating personal qualities (Weise & Buckley, 1998).

The industrial revolution resulted in advances in power, transportation, communication, and technology, which in turn led to the desire for performance appraisal systems that were more formalized and larger in scope. In the early 1800s in Wales, workplace performance appraisals became more formalized when Robert Owen implemented a system to monitor employees silently in cotton mills. The monitors were blocks of wood with different colors painted on each visible side, each color representing a different level of performance. One of these blocks of wood was placed above each employee's workstation, and at the end of each working day, the block of wood was turned to the color representing the performance of the worker (Weise & Buckley, 1998). This method of performance appraisal influenced employees' subsequent work behaviors, attitudes, and experiences (Weise & Buckley, 1998). It is instructive to note that Owen was a pioneer of personnel management. He developed welfare services within his factories and experimented with incentive systems. Owen was also credited with devising performance appraisal systems in various industries, implementing strategies and systems for training and controlling workers (Bennet, 1992).

A discussion on the history and evolution of performance appraisal would be incomplete without including the contributions of Frederick Taylor, who studied time and motion in the late 19th and early 20th centuries. In the process of laying a solid foundation for what he called “task management,” Taylor developed performance standards and selected workers who could meet the standards when motivated by a differential piece rate (Archer North Performance Appraisal System, 2010; Wren, 1994).

Performance appraisal began to be formalized in the United States when industrial psychologists at Carnegie-Mellon University examined salespeople in an effort to develop person-to-person rating systems. It was noted that using a person-to-person rating system resulted in better individual and organizational performance. Leaders of the U.S. army used the system developed by the industrial psychologists to appraise officers’ performance during World War I. The system proved beneficial, and business leaders who were impressed by the results in the army hired many of the Carnegie-Mellon University personnel involved in the research on appraisal systems (Scott et al., 1944; Wren, 1994). Palli (2011) noted that as with many other management tools, performance appraisals evolved as they were implemented in the U.S. military. Performance appraisal systems were gradually implemented in other organizations (Palli, 2011).

By the late 1950s, performance appraisals were being used in a large number of U.S. organizations and became a topic of interest to scholars and practitioners. Ochoga (2007) reported that the increase in interest and use of performance appraisal in the United States stemmed largely from the theorized link between performance appraisal and improved individual and organizational performance. Formalized appraisals were



instituted later in some countries. In Finland, performance appraisal interviews were implemented in the 1960s, and it was not until the 1990s that the practice became institutionalized in many organizations (Palli, 2011). Palli (2011) explained that in Finland, performance appraisals were initially used only in businesses but are now used in all kinds of organizations. It is estimated that more than 60% of employees in Finland participated in performance appraisal interviews (Palli, 2011). Palli (2011) asserted that the participation percentage in Finland is slightly higher than the average across Europe and that the degree of participation varies according to the type of work. For example, “more than 70% of white collar employees but less than 40% of blue collar employees participate in appraisals on a yearly basis” (Palli, 2011, p. 1).

Herdlein, Kukemelk, and Tulk (2008) reported that performance appraisal systems are still rudimentary in Estonia. Herdlein et al. (2008) surveyed personnel at 11 Estonian and four New York colleges and universities and found that there is a long tradition of appraisal systems in American higher education. Performance appraisal is still a somewhat new management tool in Estonia, and a variety of evaluation methods are used by different institutions (Herdlein et al., 2008). In Nigeria, which may serve as a representative of other African nations south of the Sahara, performance appraisal was first used in the colonial civil service. Today, various performance appraisal systems are used in large businesses and other public organizations throughout the nation (Udeze, 2000). In Nigeria, as in most other countries of the world, it is now recognized that it is “difficult to operate a large organization without some form of written appraisal plan” (Udeze, 2000, p. 145). Managers in Nigeria, as with their counterparts in other countries,

are encouraged to examine the behavior of employees and ensure that performance evaluations are based on the managers' observations (Udeze, 2000).

Despite the long history of performance appraisal, the process has not been perfected or used adequately. Many individuals who completed a 2011 survey indicated that performance reviews are not accurate assessments of employees' work. Only 25% of the respondents participated in performance appraisals more than annually, with 18% receiving feedback semiannually, and 24% of the respondents stated that they dread their annual performance reviews more than any other aspect of the job ("Employee Performance Reviews," n.d.). The findings from a 1997 Canadian study of 2,004 workers indicated that only 60% of employees understand the measures used to evaluate their performance, 57% or fewer believe their performance is rated fairly, and only 42% have regular performance reviews (Davis & Landa, 1999).

### **Cultural Differences in Performance Appraisals**

Although many aspects of performance appraisal systems are present in organizations around the world, some researchers have noted that cultural and national differences influence performance appraisal systems and how they are implemented. Chiang and Birtch (2010) provided an illuminating report regarding cultural differences in performance appraisal systems, including the major purposes and practices. The researchers used samples from the banking industry in seven countries across Europe, Asia, and North America and found that with regard to performance appraisal systems, "the effects and predictive capability of assertiveness, uncertainty avoidance, in-group collectivism, and power distance should not be overstated nor are they straightforward" (Chiang & Birtch, 2010, 1365). The researchers advised that organizational leaders need

to be cognizant of the potential influences that social, institutional, and economic factors may have on appraisal systems (Chiang & Birtch, 2010). The researchers noted that cultural differences can have significant implications on performance appraisal, related concepts and organizational outcomes, such as equity, expectancy, and procedural justice.

Fletcher (2001) noted that the vast majority of published research on performance appraisal is focused on organizations in developed countries, such as the United States and countries in Western Europe, which have relatively similar cultures. Fletcher (2001) reasoned that the conclusions that have been developed based on psychological research in the United States are often not applicable to other cultures. Fletcher (2001) concluded that as a result, “it seems likely that generalizing from the existing research base to other cultures, especially those in developing countries, is unsafe” (p. 481).

Herdlein et al.’s (2008) findings support Fletcher’s (2001) conclusion. Herdlein et al. (2008) surveyed higher education personnel in Estonia and New York and found a considerable difference in the response rates between the Estonians and Americans. Whereas the response rate among the New York personnel was 100%, the response rate among the Estonian personnel was 69%. The different response rates may suggest that Americans and Estonians have different levels of interest in performance reviews activities (Herdlein et al., 2008).

Research therefore needs to be conducted to examine performance appraisal systems in other countries and how cultural characteristics affect the perceptions of performance appraisal systems.

## **Perceptions and Experiences Regarding Performance Appraisals**

Organizational personnel have a wide array of perceptions regarding performance appraisals, and these perceptions can be complex. Differences in perceptions are based on differences in personalities, the industry in which an individual work, the work environment, and personal experiences of performance appraisals (Ahmed, Ramzan, Mohammad, & Islam, 2011; Ersahan, Bakan, & Eyitimis, 2011). From a psychological perspective, perceptions give meaning to how people see, assess, and judge issues (Jewoola, 2001). It can therefore be concluded that perceptions affect the ways employers and employees understand and treat performance appraisal systems.

Although the subject of performance appraisals is a well-researched area in the field of management, especially human resources management, only a limited number of studies were conducted on perceptions and experiences in relation to performance appraisal systems. An understanding of these perceptions and experiences and how they rub on organizational outcomes is necessary for performance appraisal systems to be effective and lead to positive outcomes (Law & Tam, 2008).

One of the few studies on perceptions of performance appraisals was conducted by Law and Tam (2008). The first research question in Law and Tam's (2008) study was "How can the system be improved?" The researchers interviewed appraisers, appraises, and senior managers to find an answer to the research question. The appraisers were organizational personnel assigned to assess the performance of fellow employees. The appraisers emphasized the importance of ongoing performance appraisal, stating that ongoing assessment helps identify both individual and organizational goals. Ongoing assessment is also a method of ensuring continual work improvement through the

appraisal system's components of observing performance and providing feedback on the performance (Law & Tam, 2008).

The appraisees were frontline employees. They considered performance appraisals to be a system of rewarding performance, especially in terms of promotions, salary increases, and end-of-year bonuses. The appraisees interviewed believed that performance appraisals should be fair and objective. The appraisees indicated that appraisals should be focused only on work-related issues and should not include personal matters (Law & Tam, 2008).

The senior managers interviewed by Law and Tam (2008) reported that performance appraisals are used as a direct report of employees' performance and that these appraisal is useful in identifying and evaluating the gaps between employees' performance and the work standards set by managers. The senior managers also stated that performance appraisal is a management tool beneficial in facilitating end-of-year reviews, setting targets for the future, and establishing guidelines for employees to follow as they work toward organizational goals (Law & Tam, 2008).

Law and Tam (2008) also asked the study participants questions related to the other research questions in the study. As with the responses related to the first research question, the responses related to the other research question also varied (Law & Tam, 2008). Law and Tam (2008) concluded that the perceptions of performance appraisal system are different and are based on the type of job role that the employee has (appraiser, appraisee, or senior manager).

Ahmed et al. (2011) presented another point of view regarding the perceptions and experiences of employees regarding performance appraisal. Ahmed et al. (2011) explained the following:

Perceptions of the fairness in performance appraisals are related to the managerial and professional employees' opportunities to express their feelings, the existence of a formal appraisal system, the knowledge of supervisor about performance of subordinate, the existence of action plans to improve performance weaknesses, and the frequency of evaluations. (p. 15)

Based on Ahmed et al.'s (2011) findings, the perceptions of performance appraisal are influenced by many factors related to the process. Researchers in the fields of business management and organizational behavior, therefore, should approach the study of performance appraisal perceptions from a holistic point of view. However, Ahmed et al. (2011) explained that although many factors influence the perceptions of performance appraisals, the experiences regarding fairness in performance appraisals is the most significant and critical challenge faced by business leaders. Experiences and perceptions regarding justice in the appraisal process should thus receive particular attention.

Several studies have been conducted on negative perceptions of performance appraisal systems. Thompson and Dalton (1970) posited that one reason for the negative perceptions is that performance appraisals are "one of the most emotionally charged activities in business life—the assessment of" (p. 152) an employee's contributions and abilities. Ersahan et al. (2011) examined public service doctors' negative perceptions toward performance appraisals, particularly in relation to performance-related pay. The

researchers found that the perceptions of performance appraisal held by medical professionals are ultimately influenced by the experiences they have regarding the relationship between performance appraisal and pay systems. The doctors in the study not only opposed performance-related pay system in their organization, but also criticized the health policy in their organizations (the Kahramanmaras State Hospital and Women Birth Hospital in southeastern Turkey) because the policy was tied to the pay-for-performance system (Ersahan et al., 2011).

Statistics from the study indicated that only 29.2% of the doctors who participated in the study were satisfied with the performance-related pay system, 36.3% were less satisfied with the system, and 14.2% were very dissatisfied with the system (Ersahan et al., 2011). The doctors reported that a major reason for the negative perceptions is that important work-related factors, such as the doctors' specialized education, excessive workloads, and long work hours, are either downplayed or ignored in the performance-related pay system, causing the doctors to feel a sense "of injustice and inequality among different specialist groups" (Ersahan et al., 2011, p. 102). Such perceptions are likely held by employees in other industries. Many employees believe that performance-related-pay systems do not adequately recognize and reward the quality and quantity of employees' contributions to their organizations (Ersahan et al., 2011).

In an effort to provide a balanced perspective of the differences in perceptions of different categories of employees in different organizations, Blštáková (2010) reviewed the quality of human resource management functions in 225 Slovak companies. Blštáková (2010) stated that organizational leaders' perceptions of performance appraisal strongly influence employees' understanding of appraisal activities. Although Blštáková

(2010) presented a different perspective, the findings align with other researchers' assertion that "it is very important for employees to understand that their appraisal should help them to uncover their strengths and weaknesses, to support them in further education activities and to show their potential" (p. 87).

The findings from the study also indicated that subordinates are not the only personnel who have negative perceptions of performance appraisal (Blštáková, 2010).

Blštáková (2010) stated the following:

Very often, it is [a] tough responsibility for the managers too, because they do not see the opportunity to emphasize positive contribution[s] to reaching companies' goals of their subordinates, but they believe they just need to point out the failures in their employees' performance. (p. 87)

Based on Blštáková's (2010) findings, when performance appraisal systems are designed, the perceptions and experiences of subordinates and managers should be considered. Designing and implementing systems that meet the needs of subordinates and managers will lead to a more balanced and effective appraisal system, which will in turn result in improved perceptions of performance appraisal systems among all organizational personnel (Blštáková, 2010).

The public's perceptions of organizational performance are also relevant to the present study. Perception is dynamic and varies from person to person and organization to organization, as well as from country to country. However, perceptions can also be unbounded by organizational or geographical borders (Shingler, Loon, Alter, & Bridger, 2008). Shingler et al. (2008) opined that organizational leaders need to consider the perceptions of society. The researchers stated that organizational leaders should combine



“subjective survey data [regarding society’s opinion] with objective measures to more fully evaluate agency performance” (Shingler et al., 2008, p. 101).

Public perceptions of organizations are an effective measuring tool of organizational performance and can therefore affect the success of an organization, depending on the perceptions and how they are processed and addressed in the organization. Shingler et al. (2008) noted that some people believe “government agencies are not capable of effectively evaluating their own performance without borrowing principles from the private sector” (p. 1101). However, this perception may be inaccurate. Shingler et al. (2008) found that negative perceptions about the government are exaggerated and that government operations are more effective and efficient than the public tends to believe. This conflicting perception is an example of the need for a multifaceted approach to addressing perceptions regarding any organizational facet, including performance appraisal (Shingler et al., 2008).

Seiden and Sowa (2011) explored perceptions toward performance appraisal and performance management in human services organizations. The researchers found that there is a clear connection between staff members’ perceptions about the quality of the appraisal process and key organizational outcomes, such as job satisfaction, enjoyment, and commitment (Seiden & Sowa, 2011). The researchers “also found a significant relationship between perceptions of the performance appraisal process and one’s desire to stay with the organization” (Seiden & Sowa, 2011, p. 258).

Exploring the link between performance appraisals, job dissatisfaction, and employee turnover, June (2004) concluded that performance ratings are often manipulated for political purposes. When employees perceive that their performance

ratings are poor because of raters' personal biases and desires to punish the employees, they feel reduced job satisfaction, which in turn leads to greater intentions to quit their jobs (June, 2004). Sogra, Shahid, and Najibulah (2009) supported this finding, stating that politics is woven into every part of society, including supervisors' use of power to distribute rewards to employees. Though politics is present in performance appraisal, it remains under-researched (Sogra et al., 2009).

### **Performance Appraisal and Performance Management**

The terms *performance appraisal* and *performance management* are often used interchangeably by professionals and researchers, as well as by the public. Most people associate the terms with monitoring and measuring the performance of employees and organizations. Research in this area indicates, however, that there are certain distinctions between performance appraisal and performance management (Seiden & Sowa, 2010). These distinctions must be understood to appreciate this study fully.

Ahmed et al. (2010) provided a very broad context for the concept of performance management. Ahmed et al. (2010) claimed that performance management is an administrative process of ensuring the achievement of organizational objective through monitoring and evaluation of performance. The major idea behind performance management is to ensure that employees engage in ongoing communication and receive individual attention through "both formal and informal performance-related information" (Seiden & Sowa, 2011, p. 253). Seiden and Sowa (2011) asserted, "Performance management encompasses the set of activities adopted by an organization to enhance the performance of their employee" (p. 253).

Researchers such as Fletcher (2001) have explained the relationship between performance management and performance appraisal by stating that performance appraisal activities have widened in scope and in strategic importance to business operations. As performance appraisal has expanded and become an important management tool in an organization's business strategy, performance management has also evolved. As a result, research on performance appraisal has expanded beyond the confines of psychological and scientific measurements to the more realistic and tangible aspects of organizational management, such as appraisal procedures, perceptions, motivation, reactions, and organizational outcomes (Fletcher, 2001).

The performance management process starts with performance appraisal system as performance management strategies cannot be effective when the performance of individual employees is not assessed. Seiden and Sowa (2010) suggested that the effects of human resource management practices, such as performance management, depend upon the employees' perception and evaluations. Seiden and Sowa (2010) therefore concluded that there is a need for researchers "studying performance management to recognize the crucial role of employees' perceptions and experiences and to also incorporate them into the analysis and construction of performance in these organizations" (pp. 252-235).

Therefore, although performance management and performance appraisal are different, they are closely related. The major purpose of performance management is to focus on motivational mechanisms that can be used to help manage and ultimately improve employees' performance. Performance management consists of a comprehensive and organization-wide set of activities implemented by managers to

evaluate employees' overall performance. Despite the importance of all components of performance management, "the centerpiece of a performance management system is typically the performance appraisal" (Seiden & Sowa, 2011). Performance appraisal involves periodic evaluation of employee performance, the assignment of rewards, and the identification of training needed to close performance gaps (Seiden & Sowa, 2011). The concepts of performance management and performance appraisal are therefore mutually reinforcing and are not totally exclusive of each other.

### **Theories of Work Motivation**

To understand the link between perceptions of performance appraisal and organizational outcomes, it is important to consider theories regarding motivation. Chiang and Birtch (2010) noted that, overall; performance appraisal is grounded in the theories of work motivation. Chiang and Birtch (2010) noted that many researchers, including Adam, Vroom, and Porter and Lawler, have asserted that the "equity and expectancy theories suggest that without a valid appraisal system in place, it is difficult to accurately distinguish between good and poor performers, allocate rewards equitably and effectively, or communicate work expectations and motivate desired performance outcomes" (p. 1367). Chiang and Birtch (2010) concluded that a fair appraisal system is important in establishing an organizational environment with procedural justice, an important organizational component for employees. When appraisal systems are fair, employees are motivated to perform well (Chiang & Birtch, 2010).

Kackmar, Collins, Harris, and Judge (2009) also addressed motivation in the workplace. The researchers explained that employee motivation, self-evaluations, and job performance are influenced by employees' perceptions and experiences regarding

leadership effectiveness and organizational politics. Environmental factors can also influence motivation and hence workplace behavior (Kackmar et al., 2009). Kackmar et al. (2009) also reasoned that the trait activation theory, a work-related motivation theory, indicated how individuals' personality differences and environmental dynamics influence employees' perceptions of organizational components, such as performance appraisals.

Dysvik, Kuvaas, and Buch (2010) investigated the relationship between trainees' reactions to training programs and work performance in a cross-sectional survey of 114 trainees in three Norwegian service organizations. Dysvik et al. (2010) reported that the relationship between the perceptions of the training programs and components of self-reported job performance is positive only when trainees have low intrinsic motivation. Although the authors provided only little support for a direct relationship between training programs and work performance, it is reasonable to conclude that training programs do have some effect on work performance, especially for employees who are relatively new in the organization.

Another major influence on employees' perceptions of appraisal systems is organizational politics. Many believe that individuals' behavior in organizations is based on the desire to maximize "self-interests, which may be consistent with or at the expense of the interest of others" (Kackmar et al., 2009, p. 1572). Kackmar et al. (2009) noted that many researchers, including Chang, Rosen, and Levy (2009) and Ferris, Adams, Kolodinsky, Hochwarter, and Armmeter (2002), have examined the effects that the perception of politics can have on organizational life.

Kackmar et al. (2009) observed that perceptions and motivation have an important role in the unique relationships between supervisors and subordinates. Presenting a

relatively new perspective of perceptions and performance, the researchers contended that the way effective employees perceive or rate their supervisors motivates the subordinates, meaning that high-performing employees or those who consider themselves high performers consider their leaders to be a critical component of a motivational work environment (Kackmar et al., 2009).

Kuvaas (2006) found that performance appraisal satisfaction is directly related to both affective organizational commitment and turnover intentions and that the relationship between satisfaction with performance appraisal and work performance is mediated by intrinsic motivation. In conducting his study, Kuvaas (2006) provided additional empirical support for the widely held opinion that satisfaction with performance appraisal process enhances job commitment and retention. The findings of Kuvaas (2006) study aligned with the conclusions of researchers such as Cardy and Dobbins (1994) and Murphy and Cleveland (1995) that, in general, for performance appraisal to positively influence employee motivation, attitudes, and behaviors, employees need to have positive appraisal experiences. Kuvaas (2006) explained the reason: The relationship between employees' performance appraisal satisfaction and work performance is greatly influenced by employees' intrinsic work motivation.

Vroom's germinal theories on work-related motivation are also relevant to performance appraisal perceptions (Cole, 2000). The basic premise of Vroom's theory is that most of employees' observed behaviors are motivated by expectations, the desire to obtain certain outcomes, prejudices, and dislikes. People are motivated to act in certain ways that are predicted to result in desired outcomes and avoid undesired outcomes (Cole, 2000). Problems occur when subordinates' expectations and preferences regarding

performance appraisal process do not match the expectations and preferences of their supervisors and employers.

Porter and Lawler (1968) created an expectancy theory based on Vroom's original theory to determine an employee's effort at work and factors that affect the relationship between effort and work performance. Guest (1984) presented a more recent conclusion of Vroom's theory, providing further understanding of motivation in the workplace. Underlying Vroom's original theory and the revisions made by Porter and Lawler and then Guest "is the assumption that people act on the basis of how they perceive situations" (Cole, 2000, p. 80).

### **Performance Appraisal Perceptions and Organizational Outcomes**

One of the objectives of the present study is to explore how the experiences and perceptions of organizational personnel are perceived to impact organizational outcomes. In the context of the present study, organizational outcomes are factors such as job performance, productivity, job satisfaction, staff morale, retention, and workplace stress (Reid, 2009). In a study involving 1,200 employees, out of which 963 were analysts/programmers and 261 were operations employees, Dittrich, Couger, and Zawacki (2002) found that job satisfaction for both groups was significantly related to perceptions of being treated fairly by supervisors and the overall organization. The researchers also found that the intention to quit between both groups of employees was strongly related to their perceptions of equitable treatment (Dittrich et al., 2002).

Dittrich et al.'s (2002) study is a significant contribution to the literature on employees' perceptions in relation to organizational outcomes. The findings indicate that employees tend to feel a sense of belonging in their organizations and tend to remain at

their organizations when they believe or perceive that they are treated in a fair manner. An implication of this finding is that the key factors that affect job satisfaction and the intention to remain in or quit a job are under the direct control of management (Dittrich et al., 2002).

Karimi et al. (2011) examined the relationship between performance appraisal systems and employee satisfaction. Based on the responses of 53 male and 48 female participants, the researchers concluded that “there is a positive and significant relationship between employee performance appraisal systems and [employee] satisfaction” (p. 247). Karimi et al. (2011) noted that the fundamental objective of performance appraisal is to help managers make decisions relating to promotions, pay increases, and terminations. Karimi et al. (2011) explained that many people believe “the present job performance of an employee is often the most significant consideration for determining whether or not to promote the person” (p. 244). When employees have high job satisfaction, they are less likely to leave the organization. It thus behooves organizational leaders and managers to ensure that the right environment is established so that employees have positive perceptions of all organizational factors, including the performance appraisal system (Karimi et al., 2010).

Kuvaas (2006) also examined the relationship between performance appraisal satisfaction and organizational outcomes and found a direct relationship between the two factors. The researcher noted that “even though there is a complex relationship between feedback intervention and performance, meta-analyses suggest that the overall effect is positive” (Kuvaas, 2006, p. 505). It is reasonable to conclude that positive perceptions



and experiences regarding performance appraisal systems results in positive organizational outcomes, such as employee job satisfaction.

Analyzing the perceptions of performance appraisal among computer professionals, Guhanathan (2011) stated that performance management for this category of workers is more complex because computer professionals are knowledge workers and unlike industrial employees, computer professionals are usually more perceptual than factual because of the complexity of their jobs. Guhanathan's (2011) findings are in agreement with the research already discussed. For instance, for knowledge workers to accept their performance appraisal ratings, they need to believe that the appraisal system is fair. The results of the study also indicated support for the argument that employees' acceptance of performance appraisal system is a crucial predictor of employee satisfaction with their appraisal (Guhanathan, 2011). It is therefore likely that acceptance of and satisfaction with performance appraisal can result in several favorable organizational outcomes, such as improved performance, productivity, and motivation.

Nurse (2005) examined the perceptions of a cross-section of employees regarding performance appraisal to determine whether the employees had experienced fair outcomes in the appraisal process and whether the use of performance appraisal was perceived to contribute to the employees' career advancement. Although no significant differences in perception were found among union and nonunion employees, Nurse (2005) concluded that "the results confirmed the hypothesis that workers who believed that performers were not treated fairly as a result of performance appraisal would also agree that their expectations regarding development and advancement were not being met" (p. 1176). The findings of the study therefore indicated that employees'

experiences and perceptions regarding one aspect of the organization may sometimes extend to other aspects of the organization, especially when they relate to critical organizational factors, such as performance appraisal (Nurse, 2005).

McCoy (2005) conducted a qualitative study on virtual team members' experiences regarding performance appraisal systems. McCoy (2005) noted that virtual organizations and virtual teams are organizational networks that are structured and managed to function as complete groups. In alignment with other research findings discussed in the literature review, McCoy (2005) examined the meanings that virtual team members attach to appraisal systems, approaching the topic from the perspective that team members' perceptions are vital precursor to understanding the effectiveness of the management tool. Overall, the study participants indicated that appraisal systems facilitated team members' alignment with organizational goals (McCoy, 2005). The major contribution of McCoy's (2005) study to academic discourse on performance appraisal is its focus on virtual organizations contrary to most contemporary research on performance appraisal systems that focused on traditional organizational settings.

### **Performance Appraisal Perceptions and Organizational Justice**

Ikramullah et al. (2011) reported that older studies had a focus on issues such as the effectiveness of performance appraisal systems, improvements needed in rating formats, and the psychometric soundness of various formats. Recent research focused more on the perceived utility and fairness of performance appraisal systems (Ikramullah et al., 2011). Walsh (2003) agreed, noting that the focus has shifted from measurement issues and the accuracy of performance ratings to social and motivational issues, such as employees' reactions to the performance appraisal process and employers' interactions

with employees in the process. Buehler (2006) highlighted that although the effectiveness of performance appraisal systems was traditionally evaluated in terms of psychometric properties, researchers are now determining effectiveness based on organizational justice and analyzing employee reactions.

Employee perceptions of fairness in performance appraisal are a significant factor in employee acceptance of and satisfaction with performance appraisal process (Walsh, 2003). Using the concept of organizational justice provides a rich theoretical framework for studying perceptions regarding the fairness of performance appraisal systems (Ikramullah et al., 2011). Nurse (2005) noted that although human resources activities and strategies, such as performance appraisal, are driven by business concerns such as cost reduction and cost containment, financial discipline, creation of value-added services, and productivity-enhancing initiatives, “there is an equally important need for management to ensure that organizational justice is served” (p. 1177) at all times. Buehler (2006) suggested the use of organizational justice as an effective way of organizing and understanding the characteristics of performance appraisal systems and employees’ perceptions of the fairness of appraisal systems.

Ikramullah et al. (2011) examined employees’ perceptions of the fairness of performance appraisal systems, specifically regarding the four factors of organizational justice: procedural, distributive, interpersonal, and informational. The study participants—civil servants working in two departments in Pakistan—provided different interpretations of procedural, distributive, interpersonal, and informational justice. The participants also stated that they experienced different levels of the four types of justice (Ikramullah et al., 2011). Based on these findings, it is important to discuss the four

factors of organizational justice and their influence on employees' perceptions of the fairness of performance appraisal systems.

Procedural justice deals with the fairness of the methods, mechanisms, and processes used to determine outcomes. Establishing procedural justice helps organizational leaders to establish distributive justice in their performance appraisal systems (Nurse, 2005). Procedural justice can also involve the procedures used to make decisions about the appraisal system (Ikramullah et al., 2011). Chiang and Birtch (2010) suggested that procedural justice can be divided into two components: system and rater.

Interactional justice is the justice component of performance appraisal and is based on the quality of the treatment that people receive, such as how formal agents of the organization treat individuals subject to their authority. Concerns about interactional justice include social conduct and personal sensitivities that characterize social exchange between individuals. Interactional justice also focuses on how formal agents of the organization treat those who are subject to their authority (Nurse, 2005). Distributive justice is employee's perceptions of fairness, which depend on employee's experiences and other perceptions concerning organizational outcomes. In the context of performance appraisal, appraisal ratings are outcomes (Ikramullah et al., 2011).

Informational justice involves ensuring that all the required information related to various outcomes is provided to organizational members. Appraisees and appraisers should be provided with all the information relevant to the appraisal process. By providing this information, appraisers know how to assess appraisees appropriately, and appraisees understand what to expect from the appraisal process (Ikramullah et al., 2011).

Michael (2009) completed a meta-analysis of literature on employees' reactions to performance appraisals. The researcher used meta-analytic correlations and multivariate analyses to test some of the relationships articulated in the literature regarding organizational justice. Michael (2009) found that perceptions of organizational justice mediate the relationship between social contextual factors (manager trust, support, and subordinate-supervisor relationship) and employees' reactions to performance appraisal. Ahmed et al. (2011) asserted unequivocally that fairness in performance appraisal is crucial because of the relationship between fairness, organizational commitment, and organizational citizenship behaviors. Ahmed et al. (2011) contended that when performance appraisal systems are fair, organizational commitment and citizenship increase, which ultimately enhance the effectiveness of the organization.

June (2004) addressed the political issues that detract from the effectiveness of performance appraisal. Using survey data from an occupationally heterogeneous sample of white-collar employees from various organizations, June (2004) examined how employees' perceptions of political motives in the performance appraisal process affected employees' job satisfaction and intentions to quit. The researcher observed that performance ratings are often manipulated for political purposes (June, 2004). June (2004) also noted that when employees perceive that performance ratings are manipulated because of the raters' personal biases and intentions to punish subordinates, the employees experience reduced job satisfaction that, in turn, lead to greater intentions to quit their jobs. Ikramullah et al. (2011) concluded that it is important for managers to give full attention at all times to employees' perceptions of fairness in the performance appraisal process.

## **Performance Appraisal Perceptions and Leadership**

DeNisi and Pritchard (2006) noted that performance appraisals have been the focus of considerable research for almost a century; however, few specific recommendations have been made regarding how leaders should design and implement appraisal systems to achieve performance improvement. Fletcher (2001) explained the reasoning for the lack of literature in this area. Fletcher noted that users of appraisal system focused on the measurement issues and failed to determine barriers of employees' effective performance. Recently, researchers have begun to focus on the motivational, developmental, and social factors affecting the administration and implementation of performance appraisal systems. Researchers have started considering perception as a socio-psychological concept to determine the kinds of patterns that exist between how business leaders and other employees perceive performance appraisal systems and the outcomes that may result from different perceptions (Fletcher, 2001).

McCoy (2005) found that many employees do not perceive performance appraisal system to be a motivating tool because of manager biases and subjectivity in the appraisal process. The results of the study align with the findings of earlier studies: Perceptions of management practices can influence employee loyalty and role-related behaviors and that perception of unfairness can be more detrimental to members of geographically distributed teams than collocated teams (McCoy, 2005).

Waldman, Bass, and Einstein (1987) examined the extent to which transactional and transformational leadership practices are related to the attitudes and rated performance outcomes of performance appraisal systems. The researchers, who studied 256 managers in a large business, indicated that only aspects of transformational

leadership are related to performance appraisal scores. The rewards and other factors related to transformational leadership correlate satisfaction with performance appraisal processes (Waldman et al, 1987). Waldman et al. (1987) concluded that leaders need to use transactional and transformational leadership strategies for performance appraisal systems to be effective.

Jefferson (2010) completed a brief and instructive report on performance appraisal systems and their applications to leadership. Jefferson (2010) noted that much of the literature on performance appraisals address the topic in terms of frontline employees. “However, the leaders’ performance is as important to the success of an organization as the employees” (Jefferson, 2010, p. 111). Leaders’ performance may be even more important because leaders are in many ways more important to an organization. It is therefore unfortunate that organizational leaders are often not the individuals who are appraised (Johnson, 2010).

Jefferson (2010) asserted that leaders are seldom appraised because the leaders set the tone in the workplace, influence workplace morale (and therefore employee productivity), and directly manage resources that influence employee productivity. Leaders should therefore be primarily concerned with the development of human resources and need to be appraised to determine whether they are fulfilling this responsibility. Jefferson (2010) described the framework developed by Allen and Cherrey and noted that organizational leaders now operate within a networked world. This new environment is not easy to define, but it is acknowledged that the primary task of leaders is the development of human resources (Jefferson, 2010).

Jefferson (2010) also discussed the results of a survey regarding the performance of the dean of faculty at a university. Factors that were examined include job knowledge, initiative, meanings of experiences, cohesion, and attitudes toward employees. The results of the survey indicated that the faculty had negative perceptions of the dean's performance. Jefferson (2010) reported that 77% of the faculty survey rated the dean negatively regarding attitudes toward employees and dispersed leadership practices. Only 19% of the faculty felt that the dean inspired them to seek new perspectives on their academic services, 23% felt inspired by the dean concerning faculty research, and 24% of the faculty felt inspired by the dean regarding focus on teaching rather than academic services (Jefferson, 2010). Jefferson (2010) presented insight regarding possible reasons for the tensions between the faculty and dean. Jefferson (2010) concluded, "...even a limited performance appraisal has the advantage of revealing useful information in terms of the leadership" (p. 112).

### **Qualitative Research, Case Study, and Epistemology**

Qualitative research uses the interpretivist perspective, rather than *positivist* view in quantitative research. Interpretivist and positivist approaches differ by the types of questions asked regarding the data and the types of conclusions drawn by the researcher (Lin, 1998). For instance, the interpretivist perspective may ask *how* and *what* questions that understands a phenomenon while the positivist perspective may ask a defined question answerable by either one or two answers. The qualitative researches are appropriate when the intention of the researcher is to evaluate details pertaining to preferences, motivations, and actions not easily made numeric. A positivist perspective identifies the details with propositions tested or identified in other cases, whereas an



interpretivist view combines those details into system of beliefs whose manifestations are specific to a case (Lin, 1998). As a positivist, a researcher works to interpret general patterns, but an interpretivist researcher works to explain how the general pattern applies in practice.

Qualitative research is interpretivist is perspective and is appropriate to use when the intention of the researcher is to garner an understanding of a paradigm in which little is known about the problem or variables prior to the study. In this context, qualitative research is appropriate to use in describing the perceptions, experiences or feelings of a small number of subjects who provide their own explanations in a given setting. As opposed to quantitative research, qualitative research uses small number of subjects who have relative experience of the phenomenon being studied.

The researcher of a qualitative study is “not necessarily detached from the research but may actually be involved in the contextual situation of the participant” (Simon & Francis, 2001, p. 40) because it utilizes a more personal approach to the participant during the process. For instance, a qualitative researcher connect his or her experiences to understand the behavior of each of the participants of the study. Qualitative research is exploratory, which incorporates the researchers’ experiences to provide a better understanding of the phenomena. With a pragmatic approach, the researcher can be open to discovering applicable variables or desirable themes which may enable appropriate examination of the individual’s experiences.

Denzin and Lincoln (2005) reasoned that qualitative research is multi-method in focus, involving an interpretive, naturalist approach to its subject matter. It also involves a collection of empirical materials gathered by the researcher through interviews and

observations and documented in case studies which include personal experiences and introspective reflections. Bogdan and Biklen (2006) described qualitative research as understanding how people make and live their lives. Qualitative research will allow the researchers to investigate the interpretations and meanings of the participants' actual settings (Seidman, 2006).

To provide a full justification of using case study design approach for the present study, it is imperative to explore its philosophical roots and how it has been used. Social research methodologies are used to identify, understand, and appreciate social problems and consequently to develop realistic solutions. Neuman (2006) observed that "the findings from research yield better informed, less biased decisions than the guessing, hunches, intuition, and personal experience that were previously used" (p. 20).

The research method used for the study is a qualitative case study design, which is an approach that understands the real life phenomenon in depth by understanding encompassed, important, contextual conditions (Yin, 2009). The case study design focuses on the meaning of the condition (Maxwell, 2005). The case study design is appropriate for the study, as the researcher was interested in the physical events and behaviors taking place. In addition, case study design is appropriate because it focuses on how the participants respond, and how their understanding influence their behaviors (Yin, 2009). The case study research design chosen for this study captures relevant meanings of phenomenon that any quantitative design could not capture.

A cardinal objective of the present study is to interpret and convey the perceptions of and meanings assigned to performance appraisals by organizational personnel. Derrida's works on grammatology, speech and phenomena, and writing and difference

indicate that concerning organizational management, meanings are not only constructed by the communicators of the experience but also by the receivers (Sarup, 1993). Derrida, a notable poststructuralist and deconstructionist, provided powerful insight into humans' abilities to think critically and reflectively to make continually fresh and dynamic meanings from one context to the next. Derrida argued that:

When we read a sign, meaning is not immediately clear to us. Signs refer to what is absent, so in a sense, meanings are absent as well. Meaning is continually moving along on a chain of signifiers, and we cannot be precise about its exact location, because it is never tied to one particular sign. (Sarup, 1993, p. 33)

Based on Derrida's works, it can be concluded that it is beneficial to critically study and analyze the meanings of perceptions that people attach to their experiences regarding various phenomena (Sarup, 1993).

Case study design provides an all-encompassing platform that can embrace various epistemological perspectives. As Lin (1998) pointed out in the interpretivist and positivist approaches of qualitative research, Yin (2014) asserted that case study design is capable of launching the qualitative researcher into a relativist or interpretivist epistemological orientation. While the realist perspective assumes the existence of a single reality independent of any observer, case study design is also capable of accommodating a relativist perspective which acknowledges "multiple realities having multiple meanings, with findings that are observer dependent" (Yin, 2014, p. 17). The features of a descriptive, single case study include having a critical, unusual, common, revelatory, and longitudinal case (Yin, 2014). In this case study research, the focus was on the single case of performance appraisal perceptions by employees and employers and

effort was made to provide a deep and thoughtful description of the perceptions while the data generated and presented from different subjects in different organizations provided the required multiple sources of data and triangulation in case study design. The different appraisal forms offered by the participants and the descriptions presented also provided another source of data for the research.

Research indicated that case study is one of the first types of research methods to be recognized and used in qualitative studies and it accounts for a very large proportion of research books and articles in psychology, education, history, and few of the natural sciences. Flyvberg (2012) corroborated this and stated “much of what we now know in the empirical world were produced by case study research and many of the most treasured classics in each discipline are case studies” (Starman, 2013, p. 29).

### **Summary**

Performance appraisal is an extensively researched area of organizational management and perhaps one of the most heavily researched topics in human resource management. Employee reactions to performance appraisals are an important outcome of the appraisal process, and some scholars and practitioners consider employee reactions as the most important outcome. Yet, according to Michael (2009), there is a critical gap in the literature regarding the experiences and perceptions of organizational personnel regarding performance appraisals and how these experiences and perceptions are perceived to influence employee behaviors and organizational outcomes. Although literature indicated that the contexts of performance appraisal and employee reactions to appraisal are highly interrelated, there is a need for a comprehensive review of the literature on employee reactions. Further, there is a lack of an integrative framework

with propositions about contextual antecedents of why employees react in different ways to performance appraisal (Michael, 2009). The present qualitative case study was conducted to help fill existing gaps in literature and produce coherent understanding.

Chapter 2 contained a discussion of a plethora of studies on performance appraisals, including differences in perceptions of what performance appraisals mean to organizational leaders, managers, and subordinates, as well as to the public. Perceptions of performance appraisal systems result from many factors. Principal among these reasons are supervisors' rating biases, supervisors' and leaders' use of double standards in appraising employees, poor informal feedback given to employees during the performance appraisal process, and poor communication between supervisors/leaders and subordinates. Others factors influencing perceptions are appraiser errors, mismatches between appraiser ratings and self-appraisal ratings, and aversion to performance appraisal system (Roberts & Pregitzer, 2007).

Bashir, Jianqiao, Jun, Ghazanfar, and Khan (2011) noted that perceptions regarding human resource practices and job satisfaction vary depending on factors such as gender, job rank, tenure, and geographic region. Bashir et al. (2011) asserted, "In most developed countries, younger employees derive satisfaction from extrinsic reward while counterparts from developing countries derive satisfaction from intrinsic rewards" (p. 208). Therefore, it may be reasonable to conclude that not only are differences in perceptions caused by multiple factors, as discussed in the literature review, but other factors such as age, geographical environment and location, gender, level of economic development, and differences in the design and implementation of performance appraisal

systems all combined to play a major role in the perceptual differences being investigated in this study.

The literature reviewed indicates that perceptions regarding fairness and overall perceptions of the performance appraisal process have serious implications for employees and the organization overall. Because of this importance, the perceptions of employees regarding performance appraisals will continue to be a significant topic of investigation in the fields of general management, business administration, and organizational psychology. Researchers will continue to expand the research on performance appraisal, adding to the findings of studies which focused on whether performance appraisal is fair (Ikramullah et al., 2011).

Chapter 3 contains a detailed overview of the methodology used in the present study. The chapter includes discussion of the appropriateness of the research method and design, as well as a review of the research questions and discussion of the study population, sample, and sampling method. Also addressed are informed consent, confidentiality of information, anonymity of research participants, as well as rights and obligations of participants. Chapter 3 also includes discussion of the data collection instrument and process, considerations regarding validity, and the data analysis process.

### **Chapter 3: Research Methodology**

The purpose of the present case study design is to explore the experiences and perceptions of organizational personnel regarding performance appraisal systems and how these experiences and perceptions are perceived to impact work outcomes. Chapter 3 contains a discussion of the research methodology for the study. The chapter contains an overview of the research method and design, as well as the appropriateness of the selected method and design. Also discussed are the study population, sample, and sampling method, as well as informed consent and confidentiality. Chapter 3 also contains a discussion of the data collection tools and method, considerations regarding validity, and the data analysis method.

#### **Research Method and Design**

The research method and design that should be used is dependent on the topic of the study, the research questions, how the topic is going to be approached, and the participants' personal experiences regarding the topic (Momah, 2011). For the present study, participants' perceptions of performance appraisal were best examined through a qualitative, case study approach. Perceptions and experiences are inherently subjective, and behavioral science researchers generally ignore or endeavor to objectify subjective elements; consequently, organizational experiences are not usually studied through objective and quantitative methods (White, 1990). Although there are numerous definitions of case study in qualitative research, Anthony and Jack (2009) provided a landmark operational definition for case study analysis as "a research methodology grounded in an interpretive, constructive paradigm, which guides an empirical inquiry of contemporary phenomena within inseparable real-life contexts" (p. 1172). In view of the

phenomenon explored, the empirical component of performance appraisal systems and its practical reality in work place settings, the case study approach was therefore the best selection for the present study. The following subsections contain further details of the qualitative method and case study design, as well as the rationale for their use in the present study.

**Research method.** Trent (2010) stated that research methods are generally categorized into two distinct typologies: qualitative and quantitative. The basic differences between the two methods are the sampling techniques used, the type of data collected, and the way in which data are collected and analyzed. In qualitative research, sampling is purposive and involves a defined population, data are textual and usually collected through interviews with open-ended questions, and data analysis involves identifying themes and attaching meaning to the themes. In quantitative research, random sampling is often used, data are numerical and often collected through surveys, and data are statistically analyzed to test hypotheses and examine relationships (Trent, 2010).

The role of the researcher also differs. In quantitative research, the researcher is detached from the study, playing the role of an observer who does not influence what is being studied. In qualitative research, the researcher interacts with the participants to learn the most possible about the phenomenon being studied (Colorado State University, 2012).

The quantitative methodology was not used in this study because quantitative studies are only applicable in testing and explaining theory and examining relationships among variables by using numeric instruments to measure data (Luyt, 2012).



Quantitative research methods are appropriate for determining the relationships among one or more numeric variables (Sharp et al., 2012). This study explored the perceptions of organizational personnel regarding performance appraisal systems and how these experiences and perceptions are perceived to bear on work outcomes.

As opposed to quantitative design, the interest of the qualitative researcher is to seek answers for questions *how* and *why* (Yin, 2013). Qualitative designs are beneficial in eliciting qualitative description of the phenomenon. Qualitative method is appropriate for the present study because the objective of the study is to explore participants' experiences and perceptions regarding performance appraisal. Perceptions are products of individual life experiences regarding different aspects of life over time. Starman (1997) also argued that case study is a general term for the exploration of an individual, group, or phenomenon. "It is a comprehensive description of an individual case and its analysis" (Starman, 2012, p. 31). This research explored and described the concept of performance appraisal, their different perceptions and experiences, and perceived bearing on work outcomes. The participants were selected through purposeful sampling. Data were collected through one-on-one interviews from different sources and organizations where the participants work, and the data were analyzed using a qualitative analysis method. Quantitative method is inappropriate because the sample size is small and the data were not be statistically analyzed to test hypotheses or determine relationships.

**Research design.** This is the underlying logic linking the data to be collected and conclusions to be drawn to the initial research questions of the study (Yin, 2014). Each research method has many corresponding research designs. The designs used in quantitative research include experimental, quasi-experimental, longitudinal, cross-

sectional, explanatory, factorial, and correlation. The designs used in qualitative research include case study, ethnography, phenomenology, grounded theory, historical, and descriptive. Many qualitative designs have a focus on prescribing, investigating, and describing situations, phenomena, groups, and organizations (University of Phoenix, 2010).

The focus of case study design is on understanding, exploring, or describing the interplay of significant factors characteristic of a situation, whereas the focus of historical research design is on reviewing past events and people to explore the building blocks of a field and illuminate present practice (University of Phoenix, 2010). In addition, Trent (2010) explained that ethnography is the study of cultural groups and subgroups within a natural setting. Grounded theory research involves simultaneous inductive fieldwork and data collection and the goal is to build a “theory to explain a situation or phenomenon for which existing theories are inadequate” (University of Phoenix, 2010, p. 1). A researcher using case study design studies a phenomenon, event, or a social unit such as group of people, an organization, or a specific community. A recognized hallmark of case study research is the use of different or various sources of data and evidence with the intention of telling a detailed story of an event, situation, phenomenon, or concept (Stake, 1995, Yin, 2003, Trent, 2010). This research conducted direct observation and one-on-one interviews with 15 participants working in different New York City boroughs and various industries and organizations. Different appraisal forms were also offered by participants for description to match information from the interview with printed materials.

Using the case study design in the present study allowed the researcher to capture the desired data from participants. Participants were purposefully selected to ensure that

they could provide rich, meaningful answers to the interview questions. Research subjects were identified based on personal judgment and knowledge of participants and the purpose of the research (Krugger, 1988). The researcher ensured that participants have a minimum of an associate's degree as educational background, minimum of five years' work experience, supervisory, management, or leadership experience, and working knowledge of performance appraisal systems. Thereafter, mass e-mails announcements were sent to inform potential participants and personal, face-to-face interactions were used to follow-up to reach those interested for interview phase of the research process.

Participants' experiences and perceptions were explored in the study. Using the case study design, which involves conducting one-on-one, in-depth interviews, analytical framework was provided to explore the multiple layers of perceptions and experiences that various organizational personnel may have regarding performance appraisal systems. Case study is not an entirely new form of research; it was a primary research tool in naturalistic inquiry before the scientific method was fully developed. As a qualitative research method, the development of case study was associated with Park, an ex-newspaper reporter, editor, and sociological researcher at the University of Chicago in the 1920s (Colorado State University, 2012). As a newspaper professional, Park coined the term "scientific" or depth reporting, giving credence to the description of local events in a way that pointed to major social trends (Colorado State University, 2012). Tellis (1997) provided additional information on the germinal origin of case study method in the United States and reported that the research method originated predominantly from Europe and particularly in France. The Department of Sociology at the University of Chicago became associated with case study research because of its preeminence in

literature and learning in the years between 1900 and 1935, the period of intense immigration activities when different nationalities, ethnic groups, and tribes migrated to the United States (Tellis, 1997). Case study research was found suitable and employed by the Chicago School to study and report cases of poverty, unemployment, and other adverse conditions that the immigration activities presented to the government and people of United States.

Over the years, case study research has drawn from a number of other areas and disciplines like clinical methods of medical doctors, casework techniques of social workers, methods of historians and anthropologists, and the techniques of newspaper reporters and novelists (Colorado State University, 2012).

Showing the relevance of case study research to organizational factors such as performance appraisal, product development, and or business growth Romano (1990) provided an analysis of factors affecting the level of product innovation in a small enterprise setting. The perspective chosen considers the interaction of management and environmental factors and its impact on product innovation and explores how these factors interrelate to influence small business success. In the context of this research, efforts were made to investigate how perceptions and experiences of organizational members regarding performance appraisal were perceived to bear on organizational factors like absenteeism, tardiness, lateness, lack of loyalty, and lack of commitment.

Yin (2013) asserted that case study research becomes imperative for social researchers when there are contextual questions of why, how, or what to be answered by research participants and when the focus of study is contemporary and not historical phenomena. Stake (1995) argued for case study as another approach centered on a more

intuitive, empirically grounded generalization. He termed it “naturalistic” generalization. His argument was based on the harmonious relationship between the reader’s experiences and the case study itself. He expected that the data generated by case studies would often resonate experientially with a broad cross section of readers, thereby facilitating a greater understanding of the phenomenon (Stake, 1995).

Creswell (2007) noted that although qualitative social researchers should be purposeful, it is very critical in case study design particularly that the researcher is very clear about the focus of the research from the beginning. He opined that the real business of case study research lies in understanding the case or cases themselves through an effective interpretation of the data generated (Creswell, 2007).

Based on the major research question guiding this study, case study is an appropriate research design that can be used to explore and describe, in greater detail, the perceptions of organizational members regarding performance appraisal systems and how those perceptions are perceived to impact organizational outcomes.

### **Research Question**

One major research question was used to guide the study, including the development of sub-research questions and subsequent interview questions:

**RQ.** How do frontline workers, managers, and organizational leaders, perceive performance appraisal in organizations?

### **Population and Sample**

The study population consisted of business leaders, managers, and frontline workers employed in city, state, and private agencies in northeastern New York, particularly in Queens, Bronx, Manhattan, Staten Island, and Brooklyn. The members of

the population have completed at least an associate's degree, have varying backgrounds, and have participated in the performance appraisal process. An associate's degree was selected as the minimal education required and minimum of five years working experience for those selected for interview so that the study would include examination of the experiences and perceptions of personnel who do not have advance degrees, but have risen to leadership and management positions in their organizations and conduct performance appraisal. Thereafter, mass e-mail announcements with Informed Consent Letters as attachment were sent to inform potential participants that personal, face-to-face interactions would be used to reach those who would eventually participate in the research interview. The Informed Consent Letters were read, signed, and returned to the researcher through email by study participants. Thereafter, the researcher ensured that interviews were scheduled and subsequently conducted only with those subjects who have signed and returned the Informed Consent Letters.

The study sample consisted of 15 members of the study population. The exact number of participants depended on when data saturation would be achieved. Data saturation occurs when interviewing additional participants does not result in seeing, getting, or hearing new information and insight regarding the issue being studied (Glazer & Strauss, 1967; Siegle, 2002; Mason, 2010). Similar to data saturation, theoretical saturation is the point at which no new data are emerging (Glaser & Strauss, 1967; McRoy, n.d.). Guest, Bruce, and Johnson (2006) remarked that although the notion of saturation is conceptually helpful, it does not indicate exact sample size, as saturation can occur within the first 12 interviews, whereas basic elements for meta-themes can be present in as early as the first six interviews. Generally, qualitative research such as case

study and phenomenology may be limited to a small number of participants (Vallery, 2011).

In qualitative research, the researcher generally needs to ensure that sample size is not so small as to make it difficult to achieve data saturation, theoretical saturation, or informational redundancy (Onwuegbuzie & Collins, 2007). At the same time, the sample should not be so large that it is difficult to undertake a deep, case-oriented analysis (Sandelowski, 1995; Onwuegbuzie & Collins, 2007). Therefore, the researcher ensured that interview questions were carefully designed and worded in ways that would generate thick and reliable data from the study participants. In presenting the report, the researcher also used rich, thick description to enable readers to determine whether the situation described in the study applies to the reader's situation (Siegle, 2002).

The participants were recruited purposefully through the researcher's professional, religious, and social networks. The researcher used personal judgment and purpose of research to identify the right participants that have experiences relating to administration of performance appraisal systems (Krugger, 1988; Wellman & Krugger, 1999). Potential participants were contacted through mass emails (Greig & Taylor, 1999). Personally contacting potential participants is the most effective in qualitative research because sampling is purposeful and the intent is to obtain participants who are especially suited to discuss the topic of the research (Lloyd, 2011). In the email invitation, the researcher explained the study and the nature of participation similar to the contents of the Informed Consent Letter attached. As Neuman (2006) suggested, the first mass email contained essential components of an informed consent letter, and a copy of the Informed Consent Letter was attached to the email and sent to all potential study

participants prior to gathering data for the study. The administered hard copies of the Informed Consent Letter were signed and returned to the researcher via email. Once the researcher received the signed Informed Consent Letters, the researcher scheduled interviews with willing participants (see Appendix A).

### **Informed Consent and Confidentiality**

**Informed consent and ethical considerations.** To follow the ethical rules and guidelines for all types of social research, the informed consent process was completed in the present study. Neuman (2006) described informed consent as a fundamental ethical principle in social research, requiring the researcher to ensure that participants fully understand the research process and are willing to participate in the study. Informed consent, therefore, involves researcher's accountability, respect, and regard for the study participants.

Completing the informed consent process removes potential ethical challenges relating to qualitative research, such as the relationship between the researcher and the participants, the balance between risks and benefits of participating in the study, and confidentiality (Houghton et al., 2010). Neuman (2006) explained that the letter should contain a brief description of the study's purpose and procedures, the expected duration of the study, the expected number of participants, the voluntary nature of participation and option to withdraw at any time without repercussions, and a guarantee of participant anonymity and that all participant data would remain confidential. The letter should also contain a statement of any possible risks or discomfort associated with participation, possible benefits of participation, how to contact the researcher regarding questions about the study, and the option to request a summary of the findings (Neuman, 2006).



The Informed Consent letter used in the present study (see Appendix A) contained the elements described by Neuman (2006), with a particular emphasis on how confidentiality would be ensured throughout the study. Wiles, Crow, Heath, and Charles (2007) noted that the concept of confidentiality is underpinned by a respect for anonymity and autonomy. The participants' identities will not be disclosed to any third party without the participants' express approval. The participants were also informed that they would be protected from any form of intentional or unintentional harm during the research. When properly administered, Informed Consent aligns with the ethical principles of autonomy, justice, and beneficence, which qualitative researchers are expected to observe throughout the research process (Orb, Eisenhauer, & Wynaden, 2001). In alignment with the dictates of social research, all participants signed off on the Informed Consent form to indicate their willingness to participate in the study (Social Psychology Network, 2012).

**Confidentiality.** To maintain participants' confidentiality during and after the study, several steps were taken. Each participant was assigned a code prior to data collection. The code was used in all material relating to the participants; participants' names were not used. All tangible study materials were stored in a secured location inside the researcher's residence and at a place that only the researcher can access. All electronic materials were stored on a password-protected computer; only the researcher knows the password. All materials will be destroyed 3 years following completion of the study.

## Data Collection

Data were gathered in the study through conducting one-on-one, face-to-face interviews with study participants, direct observations, field notes of the researcher and transcribed/textural data of the participants interview. Although there are several methods of collecting data in qualitative case study such as storytelling, observations, and documentary analysis, Balls (2009) affirmed that the most common method is the unstructured or semi-structured interview. Interviews are effective data instruments for eliciting detailed responses from participants; more and richer information about participants' experiences can be obtained through interviews than through questionnaires and surveys (Vandermause, 2011). The interviews were audio recorded to take advantage of the rich responses and interactions that occurred during the interviews (Oswell, 2005). The recordings were later transcribed into textual data in preparation for data analysis.

The interview questions (see Appendix B) were developed to align with the main research question and sub-questions for the study, which related to the experiences and perceptions regarding performance appraisals, the perceived impact of these experiences and perceptions on organizational outcomes, and the justice component of performance appraisals. Vandermause (2011) advised researchers to phrase the interview questions carefully to draw out the story but avoid leading the participants to provide specific responses. The key is for the participants to reexamine taken-for-granted experiences. Through reexamination, the essence of the experiences can be identified (Vandermause, 2011). Whichever data collection tool is used, Yin (2009) advised case study researchers to adhere to three key principles in guiding data collection. These include using multiple

sources of evidence to align with case study as a triangulated research strategy, creating a case study database, and maintaining chain of evidence. Firstly, variegated opinions, views, and perspectives of different organizational personnel were collected from participants through the one-on-one interview sessions conducted by the researcher. Secondly, Nvivo, a qualitative and computerized research tool was used to organize the voluminous data elicited from the interview. Thirdly, the researcher kept a separate field note to constantly document and clarify personal thoughts, the interview process, and emergent themes from the interview. This assisted to properly organize and classify the major themes that emerged in Chapters 4 and 5.

### **Unit of Analysis**

Trent (2010) explained that *unit of analysis* is a broad term that refers to a major entity analyzed in quantitative research. In qualitative research, multiple units may be analyzed within a study. A unit of analysis could consist of individuals, groups, organizations, or communities. Trochim (2006) contended that generally in the social sciences, the unit of analysis is the major entity that is analyzed in a study; the unit of analysis can be artifacts, people, or groups. Depending on the research approach and purpose, therefore, the unit of analysis can be quite different. In the present case study, organizational employees, including business leaders, managers, and frontline workers in northeastern New York were the major units of analysis.

### **Validity**

Validity refers to the integrity of conclusions made regarding the research (Bryman, 2008). Validity indicates that the research is stable, credible, and truthful and has integrity (Bryman, 2008; Golafshani, 2001; Joppe, 2000). In social research, a

measure cannot be valid if it is not reliable; however, reliability does not ensure validity. Overall, from a qualitative research perspective, reliability and validity indicate rigor, quality, and trustworthiness in the qualitative paradigm (Golafshani, 2001). Leedy and Ormrod (2010) advised researchers to focus their attention on ensuring that internal validity and external validity are apparent in every facet of the study. To do so, researchers should ask two basic questions:

Does the study have sufficient controls to ensure that the conclusions we draw are truly warranted by the data and, second, can we use what we have observed in the research situation to make generalizations about the world beyond that specific situation? (Leedy & Ormrod, 2010, p. 97)

By answering these queries, sound and foolproof research can be produced.

Even though perfect reliability and validity are virtually impossible to achieve in social research because perceptions are social-psychological constructs that are heavily diffused, nontangible, and directly unobservable, qualitative researchers should strive to enhance reliability and validity (Neuman, 2006). The study was designed to enhance validity in several ways. Validity, such as face validity, content validity, construct validity, predictive validity, and convergent validity, was enhanced through using tested interview questions. The interview questions were sent to other doctoral learners for feedback, especially regarding face and content validity. Face validity concerns the degree to which a measure appears to be related to a specific construct (Furr & Bacharach, 2008; Momah, 2011). In the context of the present study, face validity addressed how appropriate the interview questions were for investigating perceptions and

experiences as social constructs in relation to performance appraisal systems in organizations.

To increase internal validity in the study, relevant literature was examined and compared to the findings of the present study to identify any suspicious “truths.” Evidence-based criteria were also used to assess and analyze participants’ responses (Russell & Gregory, 2003). Using NVivo software to code and organize the data during data analysis reduced the threats of bias and intervention traditionally associated with qualitative research. The researcher also ensured that the data from the interviews were the participants’ life interpretations and not mere interpretations of interpretations already made (Bas, 2006).

**Credibility, dependability, and confirmability.** Although validity has been a long-standing topic of discussion in research, some qualitative researchers have suggested the need to rethink the realistic assumptions of validity and reliability. These researchers have argued that instead of focusing on the traditional forms of validity and reliability, qualitative researchers should focus on the credibility, dependability, and confirmability of research (Trochim, 2006). Credibility regards whether the research results are believable from the viewpoints of the study participants (Trochim, 2006). In the present study, only the participants were able to judge the credibility of the study findings.

Dependability focuses on the need to account for the constantly changing context in which the research takes place. The researcher is responsible for describing changes that occurred in the research setting and how the changes affected the way the study was approached (Trochim, 2006). In the present study, if applicable, the researcher

documented any changes in the study setting and how the study was consequently modified.

Confirmability address the degree to which the study results can be confirmed or corroborated by others. Confirmability is important because the traditional view of qualitative research includes the assumption that each researcher brings a unique perspective to the study; confirmability shows that other individuals could support the researcher's findings and conclusions (Trochim, 2006). Several steps were used in the present study to enhance confirmability. These included documenting the process for checking and rechecking all study data and identifying any data that contradicts previous data (Trochim, 2006).

In this study, collection of data required the use of the triangulation method. The researcher used questionnaires and interviews to complete a methodical review of organizations policies and procedures related to organizational performance appraisal systems to offer findings that represent a true reflection of the topic being studied (Polit & Beck, 2009; Munhall, 2011). The questions that were asked during the interviews were reflective and appropriate to the situation of the participants and the phenomenon being examined. Triangulation of information requires the researcher to secure all necessary consent from the data sources (Hastings, 2010). In the present study all participants agreed and consented to disclose the information used in generating data.

**Generalizability and transferability.** Generalizability and transferability are used to refer the applicability of the results of the study to explain similar phenomenon (Munhall, 2011). However, generalizability is used in quantitative studies that intend to generalize the findings of a study to another population with similar demographic

characteristics (Trochim, 2006). Transferability, on the other hand, is a term used in qualitative studies to mean that findings of the study remain relevant in a different group of participants. In this present study, transferability of results will only be applicable in other organizations that shares the same characteristics of the organizations involved.

### **Data Analysis**

Yin (2009) recommended four steps for researchers to follow in order to conduct high quality data analysis for case study research. Firstly, the data must demonstrate that the researcher attended to all sources of evidence available for the research to be in tune with triangulation. The formulated conceptual framework and series of relevant theories guiding the research assisted the researcher to focus mainly on useful data and ignored the less useful ones. This was further achieved through the process of reduction and elimination used in presenting the data in Chapter 4. Secondly, Yin recommended that all contradictory views presented by participants must be addressed by the researcher. All contradictory opinions were taken up and addressed as they were presented by each participant and clarification were sought. Thirdly, Yin averred that the analysis must focus on the most important parts of the study. As noted from the research title and focus of the dissertation, the analysis focused on the most important aspects and themes that emerged from the data gathered on perception of performance appraisal systems. Lastly, Yin advised that the researcher should use personal prior knowledge to demonstrate expertise of the research topic. The practical knowledge that the researcher had acquired over the years as a professional human resource practitioner and the extensive literature review provided the required expert knowledge of the dissertation topic.

In the process of analyzing the data generated from the study, the researcher reviewed the transcripts and understood the context behind the responses of all participants. The process undertaken was conceptually within acceptable coding procedures of a thematic analysis technique (Yin, 2013). The technique conceptually explored relevant perceptions and experiences from the textual data. This process allowed the researcher to define the descriptions per code. However, coding, identifying, and counting the frequencies of all descriptions emerging from the transcripts of the participants is time consuming. As such, the researcher utilized the NVivo particularly in sorting and identifying relevant codes. These codes were then analyzed and arranged according to thematic categories.

**NVivo.** Following data collection, the interview audio recordings were transcribed, and the transcribed data were analyzed using NVivo software. Bryman (2008) reported that NVivo is “one of the most significant developments in qualitative research in the last twenty years” (p. 565). The computer software was developed to assist qualitative researchers in analyzing data. The program is especially helpful in managing large amounts of data usually collected in qualitative studies. In the present study, the open-ended interview questions led to rich, lengthy responses. NVivo was very useful in managing the study’s data regarding the participants’ experiences and perceptions of performance appraisal.

NVivo has the functionality to set up data analysis, code data, retrieve data, and organize data into more meaningful and useful formats, which eases the process of analyzing data and identifying themes (Bryman, 2008). Leedy and Ormrod (2010) noted that NVivo is beneficial for “storing, segmenting, and organizing lengthy field notes and



is designed to help qualitative, especially case study researchers in finding patterns in their notes, results, and findings” (Leedy & Ormrod, 2010, p. 154). The interview transcripts can be indexed to group related pieces of data together (Bryman, 2010). Using the computer-assisted qualitative data analysis software was also an efficient way for the researcher to distance himself from the data (Oswell, 2005; Welsh, 2001).

Coding the data is one of the key steps in the data analysis process, and in the present study, coding was completed through using NVivo’s nodes feature. Once the data have been coded, nodes were created that incorporated references to the portions of the transcript documents in which the codes appear. Nodes are collections of references about specific themes, people, places, or other categories of interest and are used to identify distinct categories of recurring ideas or actions that the researcher may want to analyze further to extricate meanings, make inferences, and develop possible conclusions (Bryman, 2008).

### **Summary**

Chapter 3 contained a detailed description of the methodology utilized in the present case study. In the social sciences, the research methodology is closely linked to the way in which qualitative researchers conceptualize themselves (Breuer & Shreier, 2007). The methodology discussed in the chapter is more than a research method containing strategies or techniques that are carried out pragmatically. Rather, the study’s methodology is, from a paradigmatic point of view, a systematic methodology “conceptualized as a craft to be practiced together by a “master” and an “apprentice” (Breuer & Shreier, 2007, p. 2).

The systematic approaches used in the study to obtain participants, administer the informed consent process, ensure confidentiality, collect data, and analyze the data were presented in the chapter. A detailed discussion of the qualitative method and case study research design were also provided. The chapter also contained discussion of the research questions and concerns regarding validity. In the present study, 15 participants completed one-on-one, semi-structured interviews with open-ended questions regarding performance appraisals. The audio-recorded interviews were transcribed and then analyzed using the Nvivo software. The results of the data collection and analysis are presented in Chapter 4.

## Chapter 4: Analysis and Results

The purpose of this qualitative case study using the semi-structured, recorded, and transcribed interviews was to explore the experiences and perceptions of organizational personnel regarding performance appraisal systems and how these experiences and perceptions are perceived to bear on work outcomes. The study used a case study design, as this analytical method can understand the building block of human science, a knowledge experienced by those individual exposed to a particular situation. The focus of the research study was to identify key themes and experiences relating to the organizational experiences on performance appraisal systems and the perceived bearings on work outcomes.

The research method and design used in this study was qualitative case study with an intention to examine participants' personal experiences regarding the topic. While performance appraisals have been widely studied, there has been a scarcity of studies in this field that generate the knowledge and understanding of performance appraisal on the meanings, experiences, and perceptions of organizational members who have direct experiences of performance appraisal process either as the appraiser or the appraisee. The researcher of this study intended to contribute to the body of knowledge in this area and provide organizational leaders with insight on how to approach performance appraisal perceptions in their organizations. This chapter presents the results of the extensive exploration of the meanings of performance appraisal, its dynamics, and in particular, the contradictory perceptions and experiences of employers and employees regarding performance appraisals in relation to fairness, objectivity, recognition, and other organizational outcomes.

Using the population of business leaders, managers, and frontline workers employed in city, state, and private agencies in northeastern New York, particularly in Queens, Bronx, Manhattan, Staten Island, and Brooklyn, this study explored the views and experiences on performance appraisal and how these experiences had led them to believe that such system and process would require improvement. The 15 participants recruited to participate in one-on-one, face-to-face interviews were selected based on the inclusion criteria set forth by the researcher. An associate's degree was selected as the minimal education required and minimum of five years working experience. These criteria allowed the researcher to include participants who do not have advance degrees but have risen to leadership and management positions in their organizations but had conducted performance appraisal activities. The data generated from the interviews were analyzed using NVivo, a computer qualitative software.

### **Researcher Epoché**

Epoché is the process of removing researcher's bias from the research process. The purpose of removing researcher's bias is to reduce and eliminate any undue personal perspectives that may influence the results of the research study. The objective is to launch the study as far as possible free of preconceptions, beliefs, knowledge of the phenomenon from prior experiences and professional studies.

To support the process of removing researcher bias, a series of written personal narratives relating to the 15 interview questions assisted in bracketing any preconceived ideas or prejudgments on the phenomenon examined. Bracketing provides the fundamental basis for identifying, framing, and suspending any personal judgments necessary to identify invariant themes, emergent patterns, and linkages. Epoché is an

iterative process and throughout the research study, individual meditation, journaling, field notes, and personal reflections assisted in providing access to personal intuition and to achieve solid, distinct judgments regarding the phenomena of performance appraisal systems and the organizational factors that its conduct and process may affect.

### **Data Collection**

Data collection was achieved using two distinct phases. The first phase involved the preparation and data collection. The second phase involved organizing, analyzing, and synthesizing the data into clusters and themes based on invariant constituents that emerged from the data collection. In preparation for data collection, the researcher prepared the potential list of qualified participants of the study. The participants were recruited purposefully through the researcher's professional, religious, and social networks. The researcher used personal judgment, purpose of research, and sampling representation to identify the right participants who had experiences relating to administration of performance appraisal systems. Potential participants were then contacted through mass emails. In the email invitation, the researcher explained the study and the nature of participation similar to the contents of the attached Informed Consent Letter. The administered hard copies of the Informed Consent Letter were signed and returned to the researcher via email. Once the researchers received the signed Informed Consent Letters, the researcher scheduled the interviews with the willing participants (see Appendix A).

### **Scheduling of Interviews**

All participants were provided with a letter of invitation (Appendix B), which contained the information that they have been selected because of their accessibility and

experiences of performance appraisal process, that their participation is voluntary, that the information they communicate would be confidential, and that no personally identifiable information would be reported. Participants were also informed that they would not be compelled to respond to any question they felt uncomfortable with and that no one other than the primary researcher would have access to the records of this study. They were informed that they may end the interview at any time and that no payment would be offered for the interview. Each participant was asked if he or she had questions regarding the study.

Prior to the start of the interview, each participant was asked if he/she was willing to participate in the study and would give informed consent, including consent to be tape-recorded (Appendix A). Consent forms would be stored for three years after the study. This researcher plans to protect and respect the rights of all participants involved. Personal experiences of the researcher would be acknowledged but would have no part in the analysis of the study.

With participants' consent, audiotaping was used to record the information acquired from the participants and to record surrounding sounds, voice inflection, and other responses. The interviews were later transcribed. The data were stored on an external hard drive in separate files labeled for each participant. The files were kept in a locked file cabinet, accessible only to the researcher. Participants were assigned a code name to aid in maintaining their anonymity in the study. The codenames used were Participant #1 to Participant #15. Transcriptions were completed and scanned into a computer file for safekeeping and all files were kept in a locked file cabinet.

## **Interview Findings**

The second phase of the research involved organizing, analyzing, and synthesizing the data from the interviews into clusters and themes based on invariant constituents emerging from the data collection. Participants were interviewed, textual data collected, and analyzed with the aid of NVivo qualitative software to discern themes that developed from the data in conjunction with NVivo software. Interviews were coded using the NVivo software to determine prospective themes and invariant constituents. Themes were then systematically reduced and determined to be central to the research study. Next, clustering and thematizing involved grouping core themes together. Final identification of invariant constituents focused upon determining which themes were critical to the central question. This step included the analysis of themes and constituents to ensure that they met the criteria for final determination. Individual textural descriptions were developed for each participant. Structural descriptions were composed for each participant based upon each participant's individual textural description. Next, the researcher created composite descriptions, which were created from the participants' individual textual and structural descriptions. A textural-structural description was then produced from both composite descriptions. A descriptive analysis was conducted regarding the experiences of business leaders, managers, and front liners on performance appraisal system and their perceptions regarding the influence of the process on work outcomes of organizational personnel.

**Listing and preliminary grouping.** NVivo software was used to code each participant's transcribed, semi-structured interview. The researcher read the codes from each participant interview. Themes were distilled from the coded texts to reflect critical

responses related to the central question. Specifically, source identification was conducted which matched the statement in the context of the interview. These individual descriptions were extracted from the transcripts. The descriptions were subsequently assessed on cause and outcome categories. Context was then assessed again with respect to the speaker and target of the outcome. Finally, qualitative descriptions were categorized into the following major themes that eventually emerged from the study: (a) essential descriptions of performance appraisal benefits/values, (b) perceived rewards of performance appraisal for employers and employees, (c) utilization of performance appraisal across different organizations, (d) perceived association of performance appraisal and common outcomes experienced by employees and (e) recommended changes in performance appraisal.

**Reductions and elimination.** Coded data were reviewed to ensure accurate representation and understanding of the phenomenon. The researcher reviewed the textual data to make sure themes were explicitly stated by participants. Themes were also assessed to ensure that each moment of the experience conveyed by participants was a necessary and sufficient constituent for understanding the phenomenon. Finally, vague participant descriptions were condensed and presented in more descriptive terms.

**Clustering and thematizing.** The invariant constituents of the experiences were clustered to form relevant thematic labels. Specific themes emerged from the thematic labels based upon the invariant constituents. The listing and preliminary grouping code report generated from the Nvivo software was used to generate the five thematic labels that were found critically relevant to the research question.



## Major Themes

**Theme 1: Essential description of performance appraisal.** The first thematic label, essential descriptions of performance appraisal, was determined from five invariant constituents which are: (a) feedback for improvement, (b) measurement of employees' performance, (c) strategy for growth and development, (d) focus on the knowledge of an employee in a job, and (e) ineffective means of measuring performance. The first thematic link provided participants suggestions on the essential descriptors that the participants have noted in the conduct of performance appraisal in their various organizations. Result of the thematic analysis showed that performance appraisal was used to generate information on employees work performance and the operational lapses that management could improve to achieve organizational performance. While the first four invariant constituents in this theme were relevant descriptors already cited in the literature, this present study noted that through the fifth invariant constituent that performance appraisal systems used in organizations was ineffective in terms of effectively measuring individual, work performance.

Table 1

*Theme1: Essential Descriptions of Performance Appraisal*

Invariant Constituents	# of participants who offer this experience	% of participants who offer this experience
Feedback for improvement	10	67%
Measurement of employees' performance	12	80%
Strategy for growth and development	6	40%
Focus on the knowledge of an employee in a job	6	40%
Ineffective means of measures of performance	4	27%

**Theme 2: Perceived rewards of performance appraisal.** The second thematic label, perceived rewards of performance appraisal, was determined from three central invariant constituents. These are: (a) differences of perceptions may mean different effects, (b) basis for rewards and benefits, and (c) accountability.

Participants' responses in Theme 2 suggested that the conduct of performance appraisal is mutually beneficial for the organization and employees. On the part of the organization, it motivates employees to perform better in their job and emphasized the guidelines in the job responsibilities. However, noted in this present theme is the fact that, regardless of the intentions, different stakeholders within the organizations will view the effect of performance appraisal systems differently.

Table 2

*Theme2: Perceived Rewards of Performance Appraisal*

Invariant Constituents	# of participants who offer this experience	% of participants who offer this experience
Differences of perceptions may mean different effects	8	53%
Basis for reward and benefits	7	47%
Accountability	4	27%

**Theme 3: Utilization of performance appraisal.** The third thematic label, utilization of performance appraisal cut across different organizations. This was determined from three invariant constituents: (a) interactive tool, (b) profit maximization, and (c) evolving system and process of evaluation. This theme further validated participants' perceived benefits believed to be present in the conduct of performance appraisal. Different organizations personnel interviewed in the study perceived that performance appraisal system encourage interaction among employees.

Table 3

*Theme 3: Utilization of Performance Appraisal across Different Organizations*

Invariant Constituents	# of participants who offer this experience	% of participants who offer this experience
Interactive	4	27%
Profit maximization	3	20%
Evolving system and process of evaluation	3	20%

**Theme 4: Perceived association of performance appraisal and outcomes.** The fourth thematic label, perceived association of performance appraisal and common outcomes experienced by employees, was determined from four invariant constituents (a) biases or favoritism results to negative outcome on employees' loyalty, productivity, job satisfaction, and turnover rate, (b) ineffective performance appraisal process bears on employees' performance outcome, (c) positive experiences, and (d) establishment of ceiling.

Theme 4 contained additional participants' responses which reinforced Theme 2 particularly the invariant constituents which suggested the perceived differences of employees concerning the utility of performance appraisal systems. Some employees may take the results as information that could improve their performance while others could perceive it as a subjective activity that devalued the performance of other employees.

Table 4

*Theme 4: Perceived Associations of Appraisal and Common Outcomes*

Invariant Constituents	# of participants who offer this experience	% of participants who offer this experience
Biases or favoritism results to negative outcome on		

employees' loyalty, productivity, job satisfaction, and the turnover rate	6	40%
Negative experiences	4	27%
Positive experiences	2	13%
Establishment of ceiling	2	13%

**Theme 5: Recommended changes in performance appraisal systems.** The fifth thematic label, recommended changes in performance appraisal systems, was determined from eight invariant constituents. These are: (a) training, (b) transparency, (c) appraisal of the whole personality, (d) provision of positive perceptions and reinforcement, (e) motivational gestures as tangible reward, (f) joint endeavor, (g) leaders' personality development, and (h) recognition and assimilation of diversities. In the theme, participants suggested relevant strategies that could improve the conduct of performance appraisal systems. On top of the list are strategies and activities recommended by the participants to address weaknesses highlighted in the organizations involved in the study.

Table 5

*Theme 5: Recommended Changes in Performance Appraisals*

Invariant Constituents	# of participants who offer this experience	% of participants who offer this experience
Training	9	60%
Transparency	9	60%
Appraisal of the whole personality	8	53%
Provision of positive perceptions and reinforcement	7	47%
Motivational gestures as tangible reward	5	33%
Joint endeavor	4	27%
Leaders' personality development	4	27%
Recognition and assimilation of diversities	3	20%

### Individual Textural Descriptions

Summarized individual textural descriptions were prepared from each

participant's transcribed interview. The description presents individual textual descriptions and depiction regarding the invariant constituents and themes discussed above.

**Summarized textual description for Participant #1.** Participant #1 submitted that by all means, appraisal is “not fair to all.” Participant #1 described that performance appraisal needs to be balanced and that it requires a “good appraisal system in place...that do justice to the individual on an individual level.”

**Summarized textual description for Participant #2.** When asked about the views concerning the objective of performance appraisal, Participant #2 focused the description on the process, rather than the goal. The experiences in the federal government provided Participant #2 with the perception that appraisal is a necessary activity for promotion and other rewards. Participant #2 emphasized that “if it's implemented correctly, it will work. If it's not, it simply won't, and if anything, it could become a waste of time. It's really -- comes down to how it's going -- how they go about doing it.” Participant #2 described certain appraisals as “black-and-white type of appraisal.” Despite having negative experiences on doing appraisals, Participant #2 claimed, “In theory it's very fair. I think that all the literature written on it shows that it's a very valuable tool” of informing the employees of their performance. However, Participant #2 added that the activity is also an avenue for employees' continuous retention in an organization even for those who performed less in their work.

**Summarized textual description for Participant #3.** Participant #3 reported that having knowledge in this type of management responsibility had been developed over the years and that it was learned indirectly from other sources. Participant #3 said

that whatever knowledge and skills acquired on performance appraisal, was provided by the current employer from trainings. However, Participant #3 postulated that relevant trainings on human resource management, including management of employees' motivation and performance, are being provided to organization management and leaders.

Participant #3 believed that performance appraisal should not be centered or focused on an individuals' appraisal alone, but rather the overall productivity of the workforce. Participant #3 implied that the very nature of a person who is prone to making mistakes can also help in the individual's learning process. Participant #3 further commented that an appraisal system is a valuable tool for providing equal opportunity to employees who can perform.

**Summarized textural description for Participant #4.** Participant #4 claimed that prior to the 9/11 attack, getting a similar job was not a priority considering the required job experience. However, the first attempt to join the workforce gave Participant #4 a chance to rise and assume a management position.

**Summarized textural description for Participant #5.** By virtue of career path and leadership retirement, Participant #5 currently leads in the overall role of ensuring performance of employees. Participant #5 believed that performance appraisal is a tool for improvement.

**Summarized textural description for Participant #6.** Participant #6 viewed performance appraisal as "very subjective. I find it to not be a very detailed account of an actual performance of an employee."

**Summarized textural description for Participant #7.** When asked about Participant #7's thoughts concerning performance appraisal, Participant #7 provided the following descriptions:

The performance appraisal to me is a way of evaluating my staff in general. It's a way of knowing their thoughts, what they want to do, the level where they are, and it's a way of educating and improving the skill of staff and letting them know if there's any problem, if there's any area for improvement, in which case -- in most cases -- there's always an area, an opportunity for improvement for everybody's life. As you live, you learn, you grow, and you develop. So this is the main purpose of the performance appraisal.

**Summarized textural description for Participant #8.** When asked about how Participant #8 viewed performance appraisal, this participant said "performance appraisal in general is supposed to tell you the overall performance of your staff throughout the marking period." Participant #8 emphasized the period of performance evaluation in organizations and the improvement it could bring to employees to improve work performance.

**Summarized textural description for Participant #9.** With extensive years of service, Participant #9 rose from just an employee to become assistant manager and then residence manager. When asked about the views on performance appraisal, Participant #9 claimed that this activity "is a time where you meet with the employee and conduct their performance on what they have been doing for the past one year."

**Summarized textural description for Participant #10.** Participant #10 is a field worker who did not appreciate the positive descriptions of performance appraisal. To

Participant #10, performance appraisal is a management requirement as well as part of a leadership role to measure how organizational personnel are working, based on their job descriptions. Participant #10, however, claimed that this type of appraisal did not reflect an effective way of measuring the performance of an individual.

**Summarized textural description for Participant #11.** When asked about the views on performance appraisal, Participant #11 said that it is a tool that should be used with caution.

**Summarized textural description for Participant #12.** Participant #12's working experiences started in the frontline desk position. This gave Participant #12 the opportunity to become a supervisor and later the assistant manager. While Participant #12 viewed performance appraisal as a tool for improvement, this participant recommended that training for appraisers must be done to eliminate biases at times.

**Summarized textural description for Participant #13.** When asked about the views on performance appraisal, Participant #13 said, "My general overview of performance appraisal is basically evaluating your skill set within that employment."

**Summarized textural description for Participant #14.** When asked about performance appraisal, Participant #14 said:

Performance appraisal across the board is a system that is out to generate a way of actually knowing how employees have been able to accomplish the tasks that they've been given and in trying to evaluate the performance of the employees, that also leads to the fact that that's how they get rewarded and also how to know their strengths.



**Summarized textural description for Participant #15.** When asked about performance appraisal, Participant #15 described it as an activity that largely depends on how an individual defines performance. Participant #15 shared that when serving as a front liner, performance of employees is based on the expectations of the clients. When an individual works for management, performance appraisal focuses on the job efficiency of an individual.

### **Composite-Structural Descriptions**

The composite descriptions depict the themes of the study as a whole and it elucidated how participants described the themes relating to performance appraisal system implementation in the context of the major research question. The researcher derived the composite descriptions from the individual textural and structural descriptions. Composite structural descriptions, on the other hand, were constructed from the individual structural descriptions that represented and described how the participants perceived the essence of their experiences.

**Research Question, Participants Responses, and Major Themes.** The major research question was answered through the thematic labels that emerged especially the third thematic label, utilization of performance appraisal across different organizations. The thematic label emerged from identification of four invariant constituents. It revealed the elements of interaction, profit maximization, evolving system and processes of evaluation, and establishment of ceiling as the experiences encountered by participants. To support the element of interaction, Participant #1 stated that while the process of performance appraisal may come in different patterns, the similarity is that processes of all performance appraisal systems come with interactions. Participant #1 stated that in

terms of interaction, performance appraisal is not only about job performance “but also how you interact with different people, how you interact with your peers, how you interact with your junior staff.” These interactions created an opportunity “to give some feedback.”

For profit maximization, Participant #4 shared that in business organizations where the relevance of workforce is undervalued, human resources aspects of loyalty and motivations of employees are not important. For these organizations, human resources and all organizational personnel are seen as easily replaceable items. Participant #4 added, “Loyalty and country and those things are not important anymore.”

For evolving system and process of evaluation, Participant #5 described the experiences concerning the evolution of how performance appraisal is done in their companies. Participant #5 said that there was a time when performance appraisal was limited to employees’ accomplishment in relation to employees’ job description. However, in Participant #5’s time, participation of employees in composing job descriptions and addressing work challenges encountered have now been incorporated.

The experiences of participants on performance appraisal constructed patterns of attitudes, behaviors, and views concerning the value and meaning of performance appraisal to their lives. Two thematic labels (Theme1: Benefits/values of Performance Appraisal and Theme 2: Perceived Rewards of Performance Appraisal) responded to the research question. These themes articulated the perceived benefits and meanings of performance appraisal to the participants of the study. In terms of feedback for improvement, Participant #1 considered performance appraisal as a valuable tool because “it gives the chance to the individual...and get feedback about one’s performance.”

Participant #1 cited an example that an individual evaluated on job performance would like to know the areas in which he or she is good and the areas that need to be improved.

Participant #3 described performance appraisal as an avenue for “every employee...to grow.” Participant #7 confirmed that those who have positive perceptions of performance appraisal viewed “performance appraisal as a way of evaluating their skills. Many participants saw it as a yearly event where you measure them for promotion, for improvement, for increases, and measuring their skills.”

Participant #13 shared that while performance appraisal is a tool for improvement, the activity is “not a team effort; it’s just your supervisor’s perspective of how you’re performing.” Participant #13 further claimed, “Sometimes the supervisor doesn’t give you that excellent standard that you feel that you deserve because they don’t want you to think that there’s no room for improvement.”

Participant #2 focused the discussion on the knowledge that an employee is required to have on the job to gain positive appraisal. Participant #2 said, “They need to understand what their job entails and what’s expected of them.”

Participant #4 viewed performance appraisal as a “tool to measure each employee’s performance.” However, emphasis was placed on identifying employees’ areas of strengths and weaknesses to reinforce positive performance as well as improve negative work descriptions for the better. Participant #7 confirmed performance appraisal “as a way of letting us know if somebody deserves to have a raise or to have a change of position.” Participant #7 added that organizations’ training departments make use of the results of performance appraisal as opportunity to close performance gaps.

Participant #7 said, “to present them to the board that this person is qualified for the next step in their skill.”

Participant #9 defined “performance appraisal...as a process of assessing and evaluating the work of an employee.” Participant #9 stated that these responsibilities are assigned to the managers and leaders. Participant #9 explained, “You make sure you explain to them what the job description is. You also let them know these are their goals.” Managers are leading their front liners to “reach, to accomplish, because we are providing services to these individuals who cannot help themselves.”

Participant #11 spoke to the first thematic label on the essential descriptions of performance appraisal as “a sum of an employee’s annual performance. It’s really a sum of the employees’ performance throughout the year.”

Participant #5 shared that in “performance appraisal, all I see is organization. They use it as a means for them to -- let's say for growth.” Participant #5 said that performance appraisal could provide job satisfaction, as employees could see their contribution to the company. On the part of the leaders, Participant #5 said, “You can see, really, what you're going to approve. Jump up from an early growth, training...satisfaction, motivation.”

Participant #7 narrated that performance appraisal is a process that is not punitive. For Participant #7, performance appraisal is a tool for “development and for improvement.” Participant #7 added that the purpose of conducting performance appraisal is to “increase their skills in every area of life, and it’s for me to know their thoughts so that they have the value for the job and the skill they do and are interested in developing.”

Participant #12, who is a front line staff who considered performance appraisal as “a learning tool in how I can better my abilities in the job that I'm doing.” Participant #12 further claimed that while performance appraisal is a learning tool, it is also a mechanism that gives “positive feedback when giving performance appraisals.”

Participant #6 claimed, “There are no criteria, really, to measure our job skills, our work practices, our performance results.” Participant #6 justified that:

I feel that there are no set ways in getting an accurate measurement of the actual performance. I feel like the criteria are very vague. They're very ambiguous. They're all out there. And I also think that having a performance appraisal one time per year isn't sufficient. How can you sum up a person's work performance for the entire year one time for the year? It's impossible. Those are my own feelings. On the other side of the fence, when I do have to give an appraisal, I find it to be pretty much like when I'm on the other side receiving it.

Participant #6 further claimed that over the years of implementing performance appraisal in the company, the pattern of performance appraisal has never changed.

Participant #6 described that, “the problem with the categories, again, they continue to be vague. They are not defined.” Participant #6 said that until recently, defining measures of performance has been vague. Participant #6 said, “Attempting to measure the ability to foster and engage in teamwork. If you're using teamwork in order to define what teamwork is, there is no definition. There is no clarity.”

Participant #11 offered a negative experience concerning performance appraisal. Participant #11 claimed that:

...performance appraisals don't hold the weight that it should. It's something that is just required to be done, so they may or may not do it, but as I stated before, everything on the performance appraisal should have already been discussed throughout the year.

Participant #1 noted that performance appraisal can mean different things to different individuals, depending on the situations and their employment positions.

Participant #1 stated that these differences would indicate different effects such as “demotions, it can lead to promotions, it can lead to suspensions, transfers, and other different things.”

Participant #3 agreed that the effects of performance appraisal to employees are associated with how employees viewed the purpose of performance appraisal. Participant #4 described the effects of performance appraisal to front liners and described that apprehensions can severely affect their performance.

Participant #6 claimed that “I think that it really varies individually because a front-line staff may... one person will take everything I say to them so personally, whereas another person may not, and that has been my experience.” For participant #6, differences of perceptions depend on the employees' maturity. Participant #6 said, “It really is dependent on the emotional maturity of the individual and how that person accepts criticisms and how that person accepts feedback with regards to how they're doing.”

Participant #6 reasoned that for management positions, more is expected than front liners, such that perceptions and effects of performance appraisal are heavier.

Participant #6 said, “From a management staff or administrator, more is required. More

is being measured. More responsibility is attached to their performance and their output, as opposed to a direct care and a front-line staff.”

Participant #8 claimed, “Performance appraisal...comes in different levels, depending on who you are appraising.” Participant #8 further claimed that the job description determines how an individual or employee viewed the performance appraisal. Participant #8 further claimed, “Performance appraisal is tailored. So depending on which level you are appraising, the things that you need to know.” Participant #8 reported that differences are associated in the appraisal, as this is the standardized system of their organization. Participant #8 said, “So there are different categories of questions and tools that are made for each person.” Participant #8 added that when these differences are not observed, the staff would resort to seeking assistance from labor unions.

Participant #10 perceived that performance appraisal matters much for people in the management position. However, Participant #10 said, “Front-line staff tends to take, tend to not really care about a positive performance appraisal as much as they do for negative performance appraisal.” Participant #10 further justified that “I just think that’s because this agency as a whole has not shared that performance appraisal is a very important part of the process.”

Participant #14 viewed it as a tool for improvement as well as for distraction.

Participant #14 claimed that:

In most cases what you find is that most of the managers that do the appraisal, at times, it's not that they don't understand the basics of appraisal... Appraisal helps, but at the same time, you also have those within the managerial structure that

probably they don't understand the big successes of management. These are people that actually make the appraisal process somehow cumbersome that you dislike them. Like in the city of New York, most of the unions, they don't do performance appraisal if somebody has a union title because it's believed that the appraisal system is biased.

Participant #3 stated that standard employment requires monitoring systems to which an individual is accountable in terms of performing the job function. Participant #3 said, "So everybody is accountable. That is what appraisal means-- so you cannot be weak." Participant #3 suggested that, "without that performance, you cannot recommend for a promotion, or I can promote anybody because the research is there. That is it." Participant #3 added that, "but when we say business organizations, your salary, benefits are tied to your performance." In Participant #3's case, employees must ensure that customers receive the desired satisfaction.

Participant #4 viewed performance appraisal as a "financial tool, and this prevents you from rewarding folks who are not deserving of pay increases." Participant #4 related performance with efficiency and remunerations. Participant #4 said, "If staff knows that their pay increase or their future potential pay increase depends on their output, then definitely, they will try to improve that to benefit from such information. So in that sense, it's probably an effective tool."

Participant #5 pointed out that front-line employees viewed performance appraisal as a basis for rewarding their efforts, rather than a learning tool. Participant #5 said, "It's just for promotion. They want to promote. They want to sell, they want to demote, they



want to reward. They want to see what they have done within that field, over the course of that period.”

Participants also responded to the major research question through themes #4 and #5 which are association of performance appraisal and outcomes, and recommended changes to performance appraisals. Based on these two themes, the phenomenon of bias, favoritism, negative experiences, and positive experiences resulted into different effects on employees' work outcomes reported in the research study.

**Association of performance appraisal and organizational outcomes.** Results of the study showed that bias or favoritism resulted to negative outcome on employees' loyalty, productivity, job satisfaction, and turnover rate. While Participant #1 affirmed that the appraisal do affect employees' work performance, employees who feel that there is favoritism in the appraisal system can become dissatisfied with their tenure and potential employees who have skills will resign or quit their current post in favor of the organization that values their performance. Participant #1 said:

One can say that many times, that sometimes people who are not working as much as they should or who do not have the credential, the merit or the skills necessary to move forward are given great or wonderful ratings on their job performance and that may lead the other employees to look at these people as an enemy, really, and to have jealousy and to be dissatisfied and completely forget about the organization.

Participant #5 stressed that performance appraisal could be perceived as “favoritism.” Participant #5 said, “As a manager, you might be biased. A supervisor might be biased.” Participant #5 explained that an established relationship with the

employee increases familiarization and union, thus making the manager or leader ineffective in appraising the performance of an employee.

Participant #8 affirmed the occurrence of situations wherein leaders could be potentially influenced by their friendship with the subordinates, such that performance appraisal becomes subjective. Participant #8 recognized that to be an effective appraiser, the managers “have to be fair when it comes to performance appraisal. The fact that you are my friend doesn't mean that when you're doing bad, then I'm going to give you a good evaluation.” Participant #13 described this situation as, “If you have a good supervisor that knows about leadership across the board, and able to see what you do on daily basis, it makes a big difference compared to a supervisor that really doesn't like you.”

In a more detailed account, the participants narrated the association of performance appraisal with organizational outcomes. In this theme, employee loyalty, productivity, job satisfaction, and the turnover rates were explored. Participant #1 agreed that, “There's definitely a tie between performance appraisal and people's loyalty, productivity, job satisfaction, turnover rate.” Participant #1 perceived that, “If one gets a positive appraisal, of course, for the person, it's only natural to be a little bit more loyal to the company...productivity may go a little higher...Job satisfaction may go a little higher.” Participant #1 described that, “If the appraisal is negative or it's mostly negative, it may lead to job dissatisfaction, lack of productivity, just coming to work and just basically being there for the paycheck.” Participant #1 said that when an employee has a feeling of job dissatisfaction in an organization, negative perceptions emerged such as treating the management as an enemy, rather than a friend. Participant #1 was among the participants who viewed that favoritism could affect performance appraisal and

overall organizational performance. Participant #1 stated that performance appraisal could result in a hostile environment where “somebody who does less than you is being given wonderful and glorious appraisals.”

Participant #2 described the employee-employer relationship as pivotal in narrating the association of performance appraisal with organizational outcomes. The participant articulated that in addition to compensation and employees understanding that efforts have been rewarded, formal appreciation from the company is an element that can reduce the rate of employment turnover. Participant #2 said that while an individual’s personality also contributes to their decision to remain in a post, Participant #2 believed that recognition of employees’ efforts would be an effective strategy in influencing the decision of employees to stay in the organization.

Participant #3 believed that negative performance appraisal is reflective of the personality of the appraiser. Participant #3 said that, “The manager or somebody is against me, I'm not being appraised correctly.” By this, Participant #3 implied that judgment or biases of the supervisor can undermine the performance of a good employee. Participant #3 claimed that leaders should be judgment-conscious to provide an effective subordinates’ performance appraisal. Participant #3 also shared that when a manager established an effective subordinate’s relationship and the manager communicates and appreciates subordinates, the employees develop loyalty to the manager and the organization. Participant #3 narrated that a loyal employee could also influence other employees.

Participant #5 narrated that positive performance appraisal is associated with rewards and benefit of employees. Participant #5 said, “If you don't give them something

they leave, they go to another place.” Participant #5 stated that the supervisor can play favoritism and may not comply with the agreed rewards from a positive performance appraisal exercise conducted for an employee.

Participant #7 shared that the results of performance appraisal reflect the performance of the manager as well. Participant #7 said, “If all your staff are not working at a high level, then you need to work hard and develop your staff as a manager.” Participant #7 said that at times, managers are expected to change a system that has been established in an organization and practiced by employees for several years, a situation which, if implemented, could affect the performance of the whole system. Participant #7 claimed that, when managers are knowledgeable in implementing an effective performance appraisal system “through identification of problems and developing a solution to that problem, you will still have staff that will work with you, that will be satisfied on the job... It does improve job satisfaction.”

Participant #8 shared the differences of perceptions concerning performance appraisal among management leaders. Participant #8 said that the supervisors might have overlooked an important element in the appraisal that can provide good information on strengthening and improving the performance of the system. Participant #8 shared that their organization had an HR system that linked the effects of performance appraisal to the job tenure of an employee. Participant #8 narrated that performance appraisal is an effective measurement of classifying employees as unsatisfactory, satisfactory, and marginal. Participant #8 shared that if care is not taken, established friendships can affect good judgment and evaluation. However, the system in their organization requires re-evaluation, which gives the employee the chance to improve their performance before job

termination. Participant #8 said, “they have a bad evaluation, then most people will buckle up to say let me work on this area because they don't want to lose their job. That's just it.”

Participant #11 claimed that the organization lacks a robust system of implementing an effective performance appraisal system. Participant #11 said that when the system fails, it could “contribute significantly to employee engagement, which in turn, would contribute to less turnover and greater productivity.”

Participant #12 shared that differences of perceptions of work performance between the supervisor and the employee could contribute to dissatisfaction and subsequent employment turnover. Participant #12 said, “With the employee loyalty, if the appraisal isn't favorable and they feel just the opposite, then they feel as though you're not looking out in their best interests anymore...The morale is down.”

Participant #13 posited that individual employees possess different levels of satisfaction and motivations. Participant #13 clarified that it is the goal of the manager to ensure that the performance appraisal will not affect the overall work performance of the employees. Participant #13 said, “So I would definitely try to find some way of linking their performance with some type of reward. It doesn't necessarily have to be monetary. It could be like employee of the month, movie tickets, some type of recognition.”

Participant #14 claimed that performance appraisal affected the performance outcome of every employee and of the organization. Specifically, Participant #14 identified the value of loyalty when the appraisal shows a negative performance. Participant #14 reinforced the possibility of the employee turnover phenomenon when employees feel unappreciated.

According to Participant #14, “When you tell an employee that oh based on what you're doing, we see these and not that, it gives the employee the confidence at least people are seeing what I'm doing.” Participant #14 also added that in addition to recognition of performance, organizations need to come up with ways of compensating good performance. Participant #14 shared that either of the two could be effective, depending on the employees’ values. Participant #14 stated “... but even though you pay them and they don't feel the fact that they want to leave, just come do the work and go. The loyalty's not there. This is what leads to the fact that some people will sell company secrets to other companies.”

Participant #15 shared that performance appraisal can either boost or discourage the morale of an employee. Participant #15 shared that the process of transfer to other departments can mean either that employees skill are unfit for the current department or the skills are effective to resolve other departmental challenges.

Participants also identified that ineffective performance appraisal process affects employees’ performance outcome. While few participants did not associate performance appraisal with performance outcome of employees, many of them confirmed that an ineffective performance appraisal process could affect employees’ engagement, loyalty, productivity, and employment turnover, among others. Participant #1 shared that performance appraisal does not reflect their personalities and that “the appraisal wasn’t the way they expected it to be.” Participant #1 further claimed that appraisal is “not a full expression of them or of their performance, and of course, it’s created and creates negative experiences, and just one negative experience can lead to turnover.”

Participant #6 described that “a poor performance appraisal... the employee retaliates... you’ll find that the time and attendance; ... the morale level hits the floor... You see it can be counter-productive.” Participant #6 claimed that performance appraisal can change employees’ interpersonal skills. Participant #6 averred that when employees’ behavior change, “they are somewhat hostile towards you or somewhat passive-aggressive towards you.”

Participant #7 narrated that only underperforming employees feared the conduct of performance appraisals. To these employees, the activity is “a punishment, especially when they’re not doing very well. People do evaluate themselves.”

Participant #11 shared that supervisors who did their appraisals are “stuck on a specific issue that happened very close to the time of appraisal rather than the overall annual year, the overall performance of that employee throughout the entire year.” Participant #11 claimed that when an individual does badly, the “whole performance appraisal now is bad. I think that happens; that is something that happened to me,”

Participant #4 negated the experiences of other participants in this study. Participant #4 claimed, “I don’t think there’s any correlation towards outcome with the performance appraisal or the staff’s actual performance because they only become aware of it when it occurs.” Participant #4 implied that lack of essential descriptions of performance appraisal benefits for employees made this activity “as nothing in their mind.”

Participant #6 narrated that the results of performance appraisals would not affect turnover rates in organizations. Participant #6 claimed that “the job market is not open,” such that employees are forced to stay in the organization because of their inability to

find better job opportunities. Participant #6 also claimed that frontline managers are forced to provide a skewed appraisal because of the need to keep employees who can do the frontline tasks. Other than the importance of the pool of employees, frontline managers intend to motivate employees by giving them positive feedback. Participant #6 claimed, “You give somebody a sucky appraisal, it takes months to recover.” Participant #6 further defined performance appraisal as a “weird tool...that is not meeting the exact goal.”

Participant #10 related performance appraisal to team performance. However, Participant #10 said that appraisal may be as good as nothing, because “it’s not done in the appropriate way.” Participant #10 further stated that evaluated employees could either improve or care less about the evaluation.

Participant #2 shared that positive experiences in appraisal results to loyalty and thus reduces employee turnover. Participant #2 shared that a positive performance appraisal has an underlying effect on the motivation and performance of employees.

Participant #4 shared that to affect the performance of the employee positively, the leaders and managers who did the appraisal must highlight the strengths of an employee, rather than the employees’ weakness. Participant #4 commented that “the system is adequate.” However, Participant #4 emphasized, “I would place a lot of emphasis on the strengths of the employee. I mean, this I think is a good motivator for the individuals.”

Participant #1 confirmed that based on personal experience, performance appraisal did not result in any monetary reward or benefits. Participant#1 claimed that the specific nature of the job did not necessitate moving any further in the position, but a



plain appraisal of how the job was done was conducted. Participant #2 referred to this type of ceiling as standardization of pay and benefits, and as such that performance appraisal is not related to any monetary rewards and benefits.

**Recommended changes to performance appraisal.** Participant #1 stated that changes in performance appraisal must take into account the “adequate training in doing appraisals... honest feedback.” Participant #1 claimed that those administering performance appraisals could influence true appraisals due to feelings of not being liked by the employees and that the appraiser is compelled to deliver true and factual feedbacks to win a positive relationship with employees.

Participant #4 reported, “I did not receive any training whatsoever on performance appraisal.” Participant #4 said, “I think it would have helped... I also should be given the tool to see that these recommendations are carried out so that the employees can benefit from it.”

Participant #3 said that use of performance appraisals could be valuable when all information is communicated to employees, even at the start of their employment.

Participant #3 stated that achieving transparency would require employers to construct websites where everybody could express active participation in the company’s corporate effort for development. Participant #3 suggested:

So the changes I would like is even when you as soon as you are employed, I want to open this resume website that everybody can see, and you can talk from there, not that only management have to-- so everyone should be able to put their resume in the system.

Participant #8 claimed that to foster a positive performance appraisal experience, leaders need to implement transparency and consistency in the evaluation process across the board for all staff in the organization. Participant #8 further emphasized that transparency should involve informing the staff of their job descriptions and the possible changes that the company expects from an employee. Participant #8 stressed, “Give transparency, consistency, and give them job descriptions so everybody's on the same page.”

Participant #9 narrated that during performance appraisal, employees must understand their “job functions and tasks, skills, knowledge, and abilities.” Participant #9 claimed that it is important “to know if they understand what the job description that we have sat with them and talked to them about when they started this job, if they are doing it to the best of their ability.” Participant #11 suggested, “If you guys are telling me -- because it's sends a message to me, whatever you measure, sends a message.”

Participant #1 suggested that appraisals may not just be limited to the job function of an employee, but could include the total dimension of the person. Participant #1 claimed that the difficulty of articulating judgment over employees' individual performances could be addressed by involving co-employees to describe the experiences and performance of an employee in the workplace. Participant #1 said:

It's not only the appraiser's personal understanding of the employee, but you gather information about the individual that you are appraising from more sources than one. It's not only one source there, so you can have a more global idea, and a total picture of the person.

Participant #5 recommended that managers should be trained “on what they are doing. How you evaluate these people, what you need to do, what you must not do, based on the policies of the organization.” Participant #5 added that training is also required for other employees. Participant #5 said, “it’s not just managers. Let employees see what they are being evaluated for. Not if it’s the rapport between a manager and employee relationship.”

Participant #8 considered training as a management option to ensure the effective use of performance appraisal. Participant #8 said that with training, leaders could build competency. In the case of Participant #8’s organization, the competency of human resource leaders have now been utilized for the development of the appraisal process, such as the computerization of the performance evaluation system.

Participant #10 thought of an appropriate performance appraisal specific for the employees’ individual job position. Participant #10 said that, “I would love to see an appraisal that is specifically geared towards each individual type of position that would be very beneficial.” Participant #10 noticed that a majority of the appraisals being done do not specifically fit to the type of an individual appraisee. Participant #10 said, “I would like to see it not be so broad, because currently we are still using our very broad and general performance appraisal for everyone except direct care staff.”

Participant #10 suggested, “Maybe some training on how to actually appraise someone. That it shouldn’t be a shock. Their appraisal shouldn’t be a shock. Some part of the appraisal should be the employee self-appraising.”

Participant #1 refuted that only monetary benefits and rewards would yield employees’ positive performance. Participant #1 claimed that tangible rewards could be

“a pat on the back and everybody wants to be praised, and I think that being positive would lead to more positive experience for employees...Even when employees have some negative tendencies...the managers...should complement those with some positive remarks.”

Participant #2 explained that it is only in the associated negative views about performance appraisal that employees are affected. Participant #2 said, “Perception is very important when it comes to the end result, because perception is the only way that a positive change can occur... Give them verbal praise for what they’ve accomplished. Punishment will not lead to change, but reinforcement will.” Accordingly, performance appraisal could be destructive when employees view the activity as “black and white... compare that appraisal with each other, with fellow employees.” Participant #6 said:

So first and foremost, employee education would be the first thing that I think would be needed to change that negative perception of the appraisal system.

Because I think what happens is that people get into the agency, they get to that point, and then they realize, bam, they’re going to get appraised, but the reality of that only hits when that time of the year comes.

Participant #4 affirmed the positive effects of performance appraisal when the process is done with the joint participation of the appraiser and the appraisee. Participant #4 said, “The interviewer and the person being interviewed should have equal input in the process. So the person being interviewed should not just sit there and accept what is being said.” Participant #4 said that doing this process would require employees to vocalize the concerns and issues that hinder their performance. Participant #13 shared:

I think that they have to make staff feel that they have an ownership in the whole process. When you get people to make it more personal and to take ownership of their whole- yeah. Then you're going to have better output. Not make them feel so isolated and for it to be a punitive kind of thing.

Participant #5 stressed the importance of the competency of leaders in handling performance appraisal within the organization. Participant #5 justified, "at the end of the day the knowledge will reflect. It's your knowledge, getting praised and all those things."

Participant #6 noted that leaders' capacity to lead the change of perception is an integral element in changing the perceptions of performance appraisals from negative to positive. Participant #6 said:

Everything else is now left to the front-line manager to go out and produce and give. So that should not be because what I think is one of the things that you cannot come up short on is training and employee education and teaching what the expectations are and getting them to pull themselves to that point. So that's what I think.

Participant #7 also agreed that leaders who have the responsibility of performing appraisals may "need to educate" themselves and must "need to communicate."

Participant #7 claimed that leaders must recognize that they need to know the people around them for better understanding of the employees and the relationship of the employees with the workplace environment.

Participant #6 claimed that in addition to management and leadership training, leaders assigned to performance appraisal activities should learn to assimilate the differences of each employee and understand how jobs are actually performed different

from the paper job description. Participant #6 said that performance appraisal should examine how an employee can successfully blend the “culture of the agency...and teamwork.”

Participant #12 shared that there is the need for a more sophisticated appraisal process that understands the culture and values of an individual. In addition, those being appraised will need to have a “solid, well-rounded feedback about their performance, not only in this organization but in many organizations. I think people have major blind spots where others in the organization kind of like.”

Participant #7 affirmed that one way of educating a leader to be effective in doing performance appraisal is to let the leader understand the effect of culture and other related factors that differentiates one individual from another. Participant #7 explained, “Every facility has its own culture. So first I learn the culture of where I am.” Participant #7 further stressed that other than understanding the culture, an individual has to accept that the differences could bring new ideas.

### **Summary**

Chapter 4 presented the findings from the semi-structured interviews of a purposive sample of 15 participants who have direct experiences of performance appraisal systems in their respective organizations. The chapter detailed the data collection process and analysis used to analyze the phenomenon. The transcribed interviews were analyzed and used to create the summarized individual textual and structural descriptions of the research participants’ experiences concerning the five thematic labels. The themes are (a) essential descriptions of performance appraisal, (b) perceived rewards of performance appraisal, (c) utilization of performance appraisal (d)

perceived association of performance appraisal and common outcomes, and (e) recommended changes in the performance appraisal systems. These themes were purposely reviewed from the transcripts of the participants to generate composite structural descriptions concerning how the participants perceived their experiences. The synthesis provided a combined analysis of the meanings and essences of the participants' perceptions concerning performance appraisal systems and the bearing of this process to personnel performance at work. The description of the thematic labels experienced by the participants represented various answers to the research question.

Theme 1, the essential description of performance appraisal, emerged from five invariant constituents (a) feedback for improvement, (b) measurement of employees' performance, (c) strategy for growth and development, (d) focus on the knowledge of an employee in a job, and (e) ineffective means of measures of performance. This first theme listed the essential descriptions of benefits that the participants have noted in the conduct of performance appraisal in their various organizations. Theme 2, the perceived rewards of performance appraisal was determined from three invariant constituents (a) differences of perceptions may mean different effects, (b) basis for rewards and benefits, and (c) accountability. The theme suggested that conduct of performance appraisal exercise is mutually rewarding for the organizations and the employees.

Utilization of performance appraisal across different organizations is the third theme derived from (a) interactions, (b) profit maximization, and (c) evolving system and process of evaluation. It reinforced the resulting perceived benefits present in the conduct of performance appraisal in different organizations. Theme 4: Perceived association of performance appraisal and common outcomes was determined from four

invariant constituents (a) biases or favoritism results to negative outcome on employees' loyalty, productivity, job satisfaction, and turnover rate, (b) ineffective performance appraisal process bears on employees' performance outcomes, (c) positive experiences, and (d) establishment of ceiling. Theme 4 reinforced theme 2 particularly with the invariant constituents that suggested perceived differences of employees concerning performance appraisal rewards. Theme 5: Recommended changes in performance appraisal systems was determined from eight invariant constituents (a) training, (b) transparency, (c) appraisal of the whole personality, (d) provision of positive perceptions and reinforcement, (e) motivational gestures as tangible reward, (f) joint endeavor, (g) leaders' personality development, and (h) recognition and assimilation of diversities. The theme suggested that relevant strategies could improve the conduct of performance appraisal.

In Chapter 5, implications of these themes and invariant constituents would be discussed within the context of the major research question and existing literature alongside conclusions and recommendations.



## **Chapter 5: Conclusion and Recommendations**

This qualitative case study explored the perceptions of personnel regarding performance appraisal systems and how the perceptions are perceived to bear on organizational outcomes. Inherent to the goal of a case study, the researcher of the present study identified the themes from the shared experiences of 15 study participants, which consisted of business leaders, managers, and frontline workers employed in city, state, and private agencies in northeastern New York, particularly in the boroughs of Queens, the Bronx, Manhattan, Staten Island, and Brooklyn, on performance appraisal and organizational outcomes.

The previous chapter presented and discussed the results of the semi-structured interview analyzed using thematic analysis with the aid of NVivo qualitative software. In this chapter, the researcher articulates the implications of these findings on the organizations and leaders that implement performance appraisal systems and on the known empirical knowledge of the system and employees' work outcomes. The essential descriptions and meanings of performance appraisal, association of appraisal systems to employees' work outcomes, and other themes that have emerged from participants' experiences with performance appraisal systems in the light of organizational members' perceptions will be further explained in the context of the major research question. This chapter ends with recommendations for future research as well as conclusions about the findings.

### **Analysis and Findings**

The researcher made use of NVivo qualitative software to code and determine the invariant constituents which emerged from the interview transcripts of the 15 participants

in the present study. These participants represented three different levels of employees who had similar and different views of performance appraisal systems in relation to their experiences while conducting such activities in their former and present organizations. All invariant constituents identified in the study were clustered to form the five thematic labels that best represented answers to the major research question. The answers to the research question were summarized in the five thematic labels that emerged from the study, which were (a) essential descriptions of performance appraisal, (b) perceived rewards of performance appraisal, (c) utilization of performance appraisal across different organizations, (d) common outcomes experienced by employees concerning performance appraisals, and (e) recommended changes in performance appraisal systems.

**Theme 1: Essential descriptions of performance appraisal.** The research question that guided this study was centered on determining how frontline workers, organizational leaders, and managers perceive performance appraisals in organizations. The participants' experiences with performance appraisals led to patterns of attitudes, behaviors, and views concerning the value and meaning of performance appraisal in their lives. The themes found in the study articulated the value and meaning of performance appraisal to the study participants. As described in Chapter 4, five invariant constituents emerged from the essential descriptions of performance appraisal system in the lives of organizational personnel. These descriptions suggested that the system has been used in the organization purposely to provide feedback for improvement, act as measurement tool for employees' performance, and a strategy for growth and development. Results of the present study affirm earlier studies on performance appraisal which suggested that the

system is a method of observing and providing feedback on the performance of the organization and its employees (Ikramullah et al., 2011; Law & Tam, 2008).

It should be noted that participants' responses involved their experiences and perceptions concerning the relevance of interaction, maximization of business profits, and evolving system in the process of performance appraisal which is linked to the third thematic label of utilization of performance appraisal across different organizations. However, regardless of these perceptions, participants remained optimistic that performance appraisal process in their current organizations supports the provision of feedback for improvement, measurement of employees' performance, strategy for growth and development, which are part of the invariant constituents of the first thematic label. These benefits were however, valid experiences for those employees who had positive perceptions and experiences with the system. However, when these experiences were compared with participants who had negative experiences of performance appraisal, these participants perceived the following: (a) performance appraisal as a tool that focuses on the knowledge of an employee about his or her job, and (b) performance appraisal as ineffective means of measuring performance. These participants narrated that positive performance appraisal is achievable when employees knew and perform the assigned task diligently. The findings of the present study are consistent with earlier studies that confirm that employees in different jobs, organizations, and countries are motivated by performance appraisals differently (Herdlein, Kukemelk, & Turk, 2008). Employees may look forward to the periodic reviews as a means of obtaining better pay and enhanced financial status, but supervisors use performance appraisals to measure job performance (Derven, 1990). Result of the perceived differences may mean that employees could

demonstrate negative attitudes toward their co-employees who can deliver the expected work. This first thematic link and its invariant constituents spoke directly to the research question by addressing the different depicitors that organizational members have as a result of their different experiences and perceptions of performance appraisal. However, implication of the present study suggests that appraisal system which evaluates employees based only on work targets is an ineffective means of measuring performance.

**Theme 2. Perceived rewards of performance appraisal.** The thematic label of “perceived rewards of performance appraisal” revealed how organizational members perceived the function of this system within the organization. Three invariant constituents suggested that the outcome of performance appraisal systems differ among various positions and levels, that rewards and benefits can be expected when there is an appropriate organizational policy but are not the absolute requirement in the organization, and that performance appraisal is a measure of employee’s accountability. Other invariant constituents viewed performance appraisal as a system that guides leaders in rewarding and providing employees with the benefits that are desirable for those who perform better than others. Other participants, however, did not perceive appraisal as a system that rewards or provides benefits. These participants felt that the system is just a management function.

For some organization, performance evaluation is used to determine and award benefits for excellent performance to employees in their required job responsibilities (Azzone & Palermo, 2011). These organizations believe that motivational rewards increases productivity (Derven, 19990; Snyder, 2004). Although the present study affirmed that reward system motivates employees’ productivity, it should be noted that

organizational managers may need to formalize performance targets in relation to the reward system (Azzone & Palermo, 2011).

The invariant constituent of “differing views of perceptions” in theme #2 suggested that every measure of performance has a corresponding management decision. Similar to the study of Seiden and Sowa (2011) and Glenn (1990) who claimed that performance appraisal may be viewed differently by the stakeholders within the organization, the present study concluded that the expectations of all parties in the appraisal process are in perpetual conflict, a conflict that is rooted in the different experiences and perceptions of employers and employees. In this study, the participants felt that performance appraisal could lead to demotion, promotion, or even a transfer of position, meaning that perceptions concerning the possible effects are dependent on how the participants viewed the concept and purpose of the performance appraisal. For instance, an employee who views performance appraisal positively, who was transferred to another department, and who receives a notice of transfer to another department may feel that the management has noted a particular strength that would be beneficial to the new department. However, employees with negative perceptions could feel that certain work-related weaknesses motivated the management to decide the transfer of employees into positions that may not be valuable to them and the organization. Perceptual differences regarding the reward of performance appraisal could also be related to the degree of the employee’s emotional and psychological maturity. Employees can accept positive or negative feedback, and yet the way this is reflected in their actions can be different. Therefore, employee and employers’ perceived reward of performance

appraisal is not only different and multifarious; it is also a function of many work-related factors revealed in the invariant constituents of this theme.

The participants of this study, particularly the middle and upper-level management employees, constructed a meaning of performance appraisal as accountability for every employee. Monitoring the system is part of their employment and regardless of the bad or positive results; this would mean that they are within an organization that implements standard measurements of performance. Accountability on the part of the upper level management provides these leaders with the opportunity to track the performance of employees.

**Theme 3. Utilization of performance appraisal across different organizations.** All participants in the study articulated their experiences on utilization of performance appraisal systems from their former and present organizations and job designations. This means that these participants have all served as front liners or in entry-level positions prior to becoming managers, leaders, or handling leadership positions. As such, those in leadership positions were also able to articulate the experiences of the front liners. The major research question was answered by the theme of “utilization of performance appraisal across different organizations” experienced by the participants of the study. This thematic label emerged with identification of three invariant constituents which are elements of interaction, profit maximization, and evolving systems and processes of performance appraisal. The element of interaction supported early postulation that performance appraisal involves communication between the appraiser and the employee (Chiang & Birtch, 2010; Snyder, 2004). While there are differences in the patterns of the experiences the participants noticed across organizations

and their job positions, majority of the participants noticed the interactive component of performance appraisal system. Some participants (Participants #1 and #12) shared their positive experience on the interactions between the appraisers and appraise positively. Regardless of the type of interaction experienced by the participants, they were certain that it provided them with either positive or negative feedback.

When the invariant constituent of interaction was examined across the experiences of the participants, the present study documented both positive and negative results of interactional patterns between the two parties. To some extent, some frontline employees claimed that there had not been two-way communication between themselves and the appraiser and that interaction was minimally experienced in most performance appraisal exercise they have had with their employers. However, participants who were given the opportunity to interact with the appraiser noted the advantage of incorporating the interactive component in the system. In fact, the present study provided support to the elements of performance appraisal described by early researchers (Brown & Heywood, 2005; Edrogan et al., 2001; Elenkov, 1998; Fulk et al., 1985; Lawler, 2003; Levy & Williams, 2004). In addition to rewards, communication, feedback, reactions, fairness, trust, acceptance, attitudes toward conflict, and social context (Chiang & Birtch, 2010), the present study suggested the importance of interpersonal communication skills of the appraiser as a critical success factor for the achievement of the purpose of performance appraisal. The appraiser may need to establish a strong line of communication with the employees in order to provide a fair and just evaluation specific to that employee. The participants claimed that without an avenue to discuss the performance indicators used in the appraisal, the appraiser may be provided with

information that does not necessarily reflect the contributions that the employee made to the organization. This finding was reinforced by the responses of participants who claimed that the results of their evaluation, at many times, did not reflect who they really were, their relationship with their co-employees, or their performance in the organization in general. This finding is significant because provision of performance feedback, which is a primary goal of performance appraisal (Chiang & Birtch, 2010), is unachievable when there are limited mechanisms for interactions.

It can be noted that while some of the participants were presently employed in non-profit organizations, some were gainfully employed in for-profit organizations. From these experiences, the participants noted that performance appraisal becomes a tool for evaluating personnel's job tenure. The participants claimed that loyalty and motivation are no longer the priorities of business organizations. For these companies, replacement of employees is a more cost-efficient human resource strategy than implementing programs that boost their morale, loyalty, and motivations. This means that while performance appraisal aims to understand the difficulties encountered by employees for human resource management to provide a better employee development program (Coens & Jenkins, 2010), the tool has also been utilized to gauge the performance of employees eligible for job retention and promotion. While this finding is more prominent among frontline employees, it is noted that organizational leaders who participated in the study also detailed their experiences as frontline employees.

In the context of the results of the present study, profit maximization is ensured when employees are accountable for their roles and responsibilities, as described in their employment contracts. A positive performance appraisal would indicate business success



and employees should be motivated to sustain their contribution to organizational productivity (Albarnti, 2011). However, performance appraisal systems should indicate the sanctions for employees' failure to perform and the actions that leaders can take to motivate failing employees to perform more effectively and efficiently (Akata, 2004).

The experiences of the participants working in different organizations and job positions have seemingly provided unique descriptions, which suggested that the system and process of performance appraisal are evolving and that no definite pattern of implementation can be articulated from those experiences. For business organizations in particular, indicators used for employees' performance appraisal are client-based needs and demands. This means that customers' demands, regardless of whether they are valid or not, supersede the job descriptions of the employee. Other experiences include allowing the employees the chance to articulate how they should be evaluated based on what they did over the course of a year or within a six-month period. These differences emphasized that each organization has unique practices that best work for their employees and within their organizations. However, these practices can be limitedly applied in other organizations with similar features and performance dynamics. This means that, ultimately, performance appraisal systems have to be developed in a manner that shows the uniqueness of each organization's goals, operations, environment, and expectations in order to be effective. This research finding supports various studies which suggested that performance appraisal systems are and can be made effective (Palli, 2010; Scott et al., 1944; Wren, 1994).

This study also documented evidence concerning the postulation that performance appraisal system is influenced by the culture of the organization and the diversity of each

of the stakeholders involved in the process (Chiang & Birtch, 2010). Many of the participants in this research study were immigrants who had previous experience working in countries other than the United States. Although discrimination has not been a part of this study, there is still the possibility that this phenomenon could occur in other working environments and could thus affect employee's job performance. Such cases would require leaders to be cognizant of the potential influences that social, institutional, and economic factors may have on appraisal systems (Chiang & Birtch, 2010). Disregarding these issues may affect the equity, expectancy, and procedural justice expected of performance appraisal systems (Ahmed et al., 2011).

**Theme 4. Perceived association of performance appraisal and common organizational outcomes.** The major research question that guided this study focused on how frontline workers, organizational leaders, and managers perceive performance appraisal in organizations. This thematic label responded to the question through the invariant constituents of biases or favoritism which results to negative outcome on employees' loyalty, productivity, job satisfaction, and turnover rate, negative experiences, positive experiences, and establishment of ceiling. Based on this theme, the phenomenon of biases, favoritism, negative experiences, and positive experiences resulted in different effects on employee work outcomes. Consistent with early studies, biases and favoritism have clearly been seen as a phenomenon that dissatisfies employees who may have earned negative performance appraisal results, but are convinced that they are more qualified to earn positive ratings than other employees who have positive performance appraisal results (June, 2004; Ikramullah et al., 2011; Sogra et al., 2009). For the participants of this study, all individuals have innate biases that could influence

judgment of a phenomenon. When these biases are not controlled, subordinates can perceive that the leader has based the decision on personal judgments. When exploring favoritism in the present study, it was determined that established personal relationship between leaders and subordinates increases the risk for creation of biases, which can affect the conduct of effective and just performance evaluations.

However, it can also be recalled that participants advocated for the inclusion of leaders' capacity to establish interpersonal communications with employees purposely in order to generate more in-depth knowledge concerning the performance of employees beyond what was required and written in their performance contract. The complications behind the relationship of establishing camaraderie and the interpersonal communications between employees and their appraiser indicated that these elements serve as guide for leaders in the execution of performance appraisal systems. However, it should be noted that the success of incorporating these elements depend on the ability of leaders to utilize the information generated from these elements to evaluate subordinates' performance effectively.

Favoritism and biases are complex issues requiring thorough understanding from a specific population (June, 2004; Ikramullah et al., 2011; Sogra et al., 2009). This is evident across the many factors mentioned by the participants of the study. For instance, frontline employees perceived employment qualifications as the primary factor influencing high scores, while other front liners perceived that established positive relationships between the employee and management may positively skew performance appraisal to favor the employees. Having a good relationship with the supervisors would mean receiving praise for every positive work-related accomplishment, while others

perceived it as an indication of favoritism. Praise from the supervisor motivates an employee, but this can also be explained in light of favors and other related personal biases. Regardless of the complexity of the issue, this present study found evidence to support the claim that favoritism and biases breed negative outcomes on the part of an employee and within the organization. Conversely, loyalty, commitment, productivity, motivation, and job satisfaction are associated with employees who have positive experiences and perceptions of performance appraisal. The participants indicated that positive experiences are attitudes and gestures of the managers aimed at translating employees' negative results into strengths.

The perceptions of these participants also revealed an invariant constituent relating to established ceiling. This means that for employees assigned to a specific technical position or those employees working on a specific project, their perceptions of performance appraisal is one that sees the activity as measuring how they do their job. This means that regardless of whether it is a good or bad performance appraisal system, it would still be part of the overall standardization process required by the employer, as stipulated in their employment contracts.

**Theme 5. Recommended changes to performance appraisal.** Based on these observations, the participants recommended training for appraisers, implementation of transparency, appraisal of the whole personality, promotion of positive perceptions and reinforcement, and motivational gestures such as tangible rewards. These recommendations are important for managers to give full attention at all times to employees' perceptions of fairness in the performance appraisal process (Ikramullah et al., 2011). Training and ensuring the capabilities of appraisers will ensure that employees

are not only positively motivated by the process of performance appraisal but are motivated with their accountabilities to perform their job (Bennet, 1992). The consequence of less capable evaluators is that employees' negative perceptions may eventually affect not only procedural justice in the performance appraisal process but also personal organizational commitment (Chang, 2005). Such professional development of evaluators will close all issues concerning performance gaps in the conduct and implementation of performance appraisal systems (Seiden & Sowa, 2011). The proposed present changes recommended to performance appraisal systems will ensure effective conduct of performance appraisal and achievement of the desired organizational goals.

### **Significance of Study to Leadership and Organizational Management**

Employees' job performance is an integral element in the success of any organization (Wiese & Buckley, 1998). The importance of employees' performance caused several organizational leaders to measure the extent of the performance and determines its contribution to the goals and mission of the organization (Snyder, 2004). Among the historical management breakthroughs was the performance appraisal system originated by Taylor's pioneering studies on time and motion (Archer North Performance Appraisal System, 2010). Over time, organizations that formalize and professionalize business operation involving human resources would require leaders to formulate a formal appraisal system that guides managers in their decision to retain, promote, or demote employees (Weise & Buckley, 1998; Walsh, 2003). Other studies implied that effective performance appraisal system can improve communication and relationships between employees and employers (Nurse, 2005; Snyder, 2004). Consequently, companies in developed and developing countries implemented various types of

performance appraisal systems such as annual, semi-annual, and quarterly. However, while this has been a human resource management practice, personnel at various levels and capacities viewed the appraisal process differently (Walsh, 2003).

Organizational leaders opined that performance appraisal systems could create an organizational gap, particularly when employees viewed the system as a tool that could relate to employees' performance and could act as a reward system, specifically when compensation and reward systems are not vertically aligned with organizational goals of human resource development (Truss, 2001). For instance, measures of job performance may not be reflective of the goals of providing quality service, such that the system may not be considered valid and reliable (Narcise & Harcourt, 2008). The inherent difficulties in implementing performance appraisal for a complex labor workforce also implied that no organization could provide a perfect solution for implementing an effective performance appraisal system (Derven, 1990; Grubb, 2007). Performance appraisal systems have been viewed as an impractical tool for personnel improvement (Derven, 1990; Grubb, 2007). However, researchers of organizational management opined that performance appraisal systems remain one of the most effective strategies in distributing rewards and benefits to deserving personnel on a limited financial budget (Derven, 1990). Performance appraisal system is an effective tool for motivating as well as rewarding employees who accomplished specific organizational goals (Azzone & Palermo, 2011).

While organizational management researchers have varied views concerning the effects of performance appraisal on the personnel and the organization in general, perceptions concerning the system also vary among the front liners, middle management, executive-level employees, and leadership (Herdlein et al., 2008). While there are

variations of perceptions between and among these organizational members, the variations created a gap that leaves issues unresolved and affects the positive outcome of any performance appraisal system (Seiden & Sowa, 2011). The existing gaps occurring from the varied perceptions of employees in the organization create conflict, which affects overall organizational performance.

### **Limitations**

**Lack of transferability of result.** There were two limitations to the data analysis of the current study. The first limitation was the sample size of the study and transferability of result. The data generated from the study participants in this study cannot be presumed to be representative of the entire population of the organizations that the participants of this study represented. Although the 15 participants are not too much or too few in view of the qualitative nature of the research work and the amount of data generated, lack of transferability of results is a major limitation of the study. The different organizations where the participants of this study were drawn has unique organizational culture that shaped the behavior, attitude, and performance of the employees and as such, transferability of the results will only be applicable to the organizations that shares similar characteristics to those examined in this study. This is in addition to the weaknesses of qualitative, case study approach, which may include participants' response bias, researcher's bias arising from various reasons like poorly articulated questions, and inaccurate information due to a lack of or poor recall (Yin, 2014).

**Methodological limitations.** Although the results of the study achieved the objectives set forth by the researcher, it should be stated methodological limitations were

noted in this study that deserve further investigation. For instance, majority of the participants were immigrants who apart from the United States work experience also have relative exposure to performance appraisal in their respective home countries. Previous studies, as well as the present study reiterated the influence of employees' and employers' cultural differences on the outcome and process of performance appraisal systems (Fletcher, 2001; Herdlein et al., 2008). The present study was able to identify potential influences of race and culture, but failed to further articulate the effects of these factors on the perceived differences of performance appraisal systems and the outcome it could generate from the process.

### **Conclusion**

With this present study, I explored textural descriptions and meanings of performance appraisal systems and its bearing on employees' work outcomes among workers and leaders from different levels of various organizations. An understanding of the differences and the conflicts it created in implementation can guide organizational leaders to identify human resource development activities that can further achieve the real and genuine objectives of performance appraisal systems. Leaders should understand that their employees could potentially provide effective and appropriate organizational policies that can accommodate employees' interests and aspirations, which are necessary to motivate and boost employees' drive to perform positively in the workplace.

The findings of this research supported early studies on performance appraisal and its effects on employees' performance (Ahmed et al., 2011; Law & Tam, 2008; Narcise & Harcourt, 2008). As discussed in previous sections, experiences and perceptions of the individual shape and influence their reactions and possible behaviors



and attitudes toward work and the work environment. Employees who have positive perceptions with the system associated performance appraisal with something equally beneficial to employees' improvement and the operational performance of the organization. These employees reported experiences of motivation, loyalty, commitment, and productivity as they received their feedback, which was perceived to be helpful in the improvement of employees' work experiences with the company.

Employees who have negative perceptions tend to associate performance appraisal systems with a human resource strategy for employment reduction and as a tool to comply with organizational management targets. The employees failed to value the genuine goal of performance appraisal systems and even experienced demoralization because of the perceived favoritism and bias demonstrated by their leaders. Leaders may need to interact more with these employees to ensure that performance appraisal system truly reflect employees' work and contributions to the organization. The study also helped to corroborate earlier research work (Thurston Jr, & McNall, 2010) that underscored the importance of fostering perceptions of justice in the context of developing and implementing performance appraisal systems.

### **Recommendations**

**Organizational leaders.** Information was shared on the enhancement, understanding, and improvement of knowledge of leaders charged with the responsibility of monitoring and evaluating employees' performance. Lack of adequate understanding of employees' performance appraisal perceptions could affect employees' productivity and the overall performance of the organization if not addressed appropriately by organizational leaders, particularly human resource managers. In ensuring that

organizational leaders achieve this level of understanding, it is recommended that leaders should undergo professional development trainings particularly in (a) ensuring transparent conduct of performance appraisal, (b) considerations of subjective appraisal indicators beyond what were required, (c) ensuring positive perceptions and reinforcement concerning results of evaluation, (d) provisions of tangible rewards, and (e) recognition of diversities. These recommendations would require provision of policies and programs that support the positive effect of performance appraisal.

**Middle level management employees.** While policies are enacted at the top level management, middle management employees directly implement these policies with the rank and file employees. As such, middle management personnel are expected to be more vigilant concerning the implementation of performance appraisal. Based on these needs, organizational leaders may need to align personnel's expectations on performance appraisal system, attend professional development trainings concerning personality development, employees' relations, and effective communication. Furthermore, the findings of this current study suggested the implementation of effective coping mechanisms that could encourage employees to remain calm and committed in the organization.

**Future research.** From several studies, organization management researchers recognized the value of performance system and yet leaders in various organizations find the system difficult to implement for several reasons. These difficulties had been an interesting topic of discourse, such that benefits of performance appraisal systems can provide competitive advantage to organizations in general and the leaders in particular.

Future studies may need to explore advantages of implementing performance appraisal in the context of those employees who have positive regard with the system.

The results of this present study are unable to determine the causal relationships of the thematic descriptions which emerged from the transcripts of the participants' interview. As such, the results of the present study may be further supported by conducting quantitative studies that determines the effects of perception and level of motivations of employees engaged in performance appraisal process. Furthermore, majority of the participants were immigrants who have relative exposure to performance appraisal in their respective home countries. However, the present study is unable to determine or compare the differences of their perceptions back in their home countries with their present organizations in the United States. Future researchers may need to conduct a comparative quantitative study to identify potential influences of race and culture, perceived differences in performance appraisal systems in the light of racial and cultural diversities, and determine the various outcomes that could be generated from the process.

### **Summary**

The research method and design used in this study was a qualitative, case study approach with the intent to examine participants' personal experiences regarding performance appraisal system and work outcomes (Momah, 2011). The main research question explored in this study is: How do frontline workers, organizational leaders, and managers perceive performance appraisal in organizations? An exploration of this question yielded five themes with invariant constituents

The first theme articulated the essential descriptions of performance appraisal. Theme 1 suggests the essential descriptors that the participants have noted in the features and conduct of performance appraisal while the second theme articulated the perceived rewards of performance appraisal. Theme 3 provided detailed information on perceived utilization of performance appraisal. The fourth theme identified the perceived association of performance appraisal and common outcomes. Theme 5 listed different recommendations for changes in performance appraisal systems and suggested relevant strategies that could improve the conduct of performance appraisal. All the themes clearly responded to the research question and postulated that organizational members' perceptions of performance appraisal are many and multifarious and the perceptions are products of several psychological and work-related factors.

While the results of the study confirmed the findings of earlier studies which suggested that employees perceptions at different levels of organizations create conflicts that may affect overall organizational outcomes, the present study provided contextual evidence that performance appraisal systems can also have conflicting measures in the light of the focus and goal of the organization. The study provided evidence that differences and similarities in employees' perceptions across various levels influenced their construction of meanings and essential descriptions of performance appraisal systems. This research is valuable, as it provided evidence that leaders can influence employees' views on the meanings and essential descriptions of performance appraisal system to their lives by creating a work environment that encourage shared perceptions of performance appraisal systems.

The findings of this study may help business organizations decrease employees' job burnout as well as improve work performance in organizations. Specifically, identification of the themes concerning performance appraisal among employees can be utilized by organizational leaders to come up with ways to eliminate potential performance barriers. Results of the study may also help organizational practitioners in the public and private sectors concerning ways and means of improving performance by monitoring, evaluating, and motivating organizational personnel to improve their performance for the overarching goal of the organization.

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## Appendix A: Informed Consent



### INFORMED CONSENT: PARTICIPANTS 18 YEARS OF AGE AND OLDER

Dear.....,

My name is *Olatubosun Emmanuel Jewoola* and I am a doctoral learner at the University of Phoenix working on Doctor of Management in Organizational and Leadership Development Degree. I am conducting a qualitative research study titled: *A Case Study of Employer/Employee Perceptions of Performance Appraisal Systems and Organizational Outcomes*. I request that you please take your time to read the following points of understanding regarding the research study.

The purpose of the present, qualitative, case study is to explore in depth, the experiences and perceptions of organizational personnel regarding performance appraisal systems and how these experiences and perceptions are perceived to bear on work outcomes. The study is to explore in great detail the meaning of performance appraisal as a management concept and an important organizational tool connected to organizational outcomes such as job performance, employee commitment/loyalty, and staff turnover. It will also involve examining various perceptions and meanings of performance appraisals with the goal of obtaining a better understanding of the different ways that leaders and employees view performance evaluations in organizations and how all these are related to various organizational outcomes. The study's framework centers on perceptions, work behavior, work motivation, and organizational justice. The interplay of these factors affects how performance appraisal is viewed by organizational members.

You are hereby invited to participate in the study and your participation will involve completing a 30-45 minutes, one-on-one interview with me. The interview will include a maximum of 15 questions about your experiences and perceptions regarding performance appraisals. Our discussions will be audio taped and recorded to help me accurately capture your insights regarding performance appraisals. I will transcribe the audio recording and develop a way to code the data to ensure that no other individuals will have access to the audio recording, transcript, or other study material.

You can decide to be a part of this study or not. Please be assured that your participation in the study will be voluntary and should you decide to withdraw at any point in the study, you are free to do so without any penalty to yourself. Even when you start, you can withdraw from the study at any time without any penalty or loss of benefits. The results of the research study may be published but your identity will remain confidential and your name will not be made known to any outside party. There are no foreseeable risks associated with participating in the study. However, a benefit of your participation will be to contribute to the existing body of knowledge on organizational management, particularly regarding performance appraisals management in organizations.

If you have any question regarding this research or content of this letter, please feel free to contact the ***Institutional Review Board of the University of Phoenix*** via ***email at email at [IRB@phoenix.edu](mailto:IRB@phoenix.edu)*** for any question or clarification regarding the study.

As a participant, I need you to please understand the following specific points:

1. You may decide not to be part of this study or you may want to withdraw from the study at any time. If you want to withdraw, you can do so without any problem.

2. Your confidentiality will be strictly maintained during and after the study. No personally identifiable information will be reported. Your identity will remain confidential; your anonymity will be ensured; and your name will not be made known to any outside party.
3. I, ***Olatubosun, Emmanuel Jewoola (the researcher)***, has fully explained the nature of the research study and has answered all of your questions and concerns.
4. The interview will be audio taped and recorded to help me accurately capture your insights regarding performance appraisals. I will transcribe the audio recording and assign codes to the data generated to ensure that your name is protected and no other individual will have access to the audio recording, transcript, or other study material.
5. The data to be generated from this research study will be kept in a secured and locked area inside my apartment. The data will be kept for three years, and then destroyed.
6. The results of this study may be published in whole or in parts in the future.

***By signing this form, you agree that you understand the nature of the study, the possible risks to you as a participant, and how your identity will be kept confidential.***

***When you sign this form, this means that you are 18 years old or older and that you give your permission to volunteer and be scheduled for interview as a participant in the study.***

I accept the above terms.  I do not accept the above terms.

**(Check one)**

Signature of the interviewee \_\_\_\_\_ Date \_\_\_\_\_



Signature of the researcher \_\_\_\_\_ Date \_\_\_\_\_

**Please return the signed Informed Consent Letter via email to the researcher at your earliest convenience.**

## Appendix B: Interview Questions

1. As a way of introducing yourself, what are your age, educational background and certifications, and professional experience? Please also tell me which age group you belong from the following: 20-29, 30-39, 40- 49, 50-59, 60-69?
2. How long have you been working, and in what different capacities have you worked?
3. What are your thoughts about performance appraisals, and what experiences have you had with the performance appraisal process?
4. From your own understanding and experience, what do performance appraisal means to frontline staff, managers, and leaders in your organizations?
5. Have you had any unique experiences regarding the administration of performance appraisal in any of the organizations you have worked in? If so, please share what made the experiences unique.
6. Please describe the performance appraisal processes in your past and present organizations, identifying specific differences and similarities.
7. Do you feel that the performance appraisal system in your organization is clearly tied to compensation, rewards, and benefits? Please explain
8. How do the experiences and perceptions of organizational personnel regarding performance appraisals affect organizational outcomes, such as employee loyalty, productivity, job satisfaction, and the turnover rate?
9. If you were given the opportunity, what kinds of changes would you make to the appraisal system in your organization and how would you institute the changes?

10. What actions would you recommend that organizational leaders take to improve employees' experiences and perceptions regarding the performance appraisal system?
11. What actions you have noticed that created negative experiences and perceptions regarding performance appraisals?
12. Based on your experience, how can business leaders and managers foster a positive performance appraisal experience?
13. Have organization representatives (e.g., human resources personnel) ever asked for your feedback regarding the performance appraisal system? If yes, how the feedback was requested (survey, interview, or discussion?)
14. Has your organization provided or offered you any form of performance evaluation training? If yes, how did the training affect your perceptions of the performance appraisal system in your organization?
15. What are your comments about the justice component of your organization's appraisal system? Do you think that the process is fair to all?

### Appendix C: Sample Description of Clustering and Thematizing

Essential descriptions of performance appraisal

Invariant Constituents	Participant #	Selected Verbatim Text
Feedback for improvement	7	Performance appraisal is a way of evaluating their skills. A lot of them see it as a yearly event where you measure them for promotion, for improvement, for increases, and measuring their skills
Measurement of employees' performance	4	Tool to measure each employee's performance.
Strategy for growth and development	5	Performance appraisal, all I see is organization. They use it as a means for them to -- let's say for growth
Focus on the knowledge of an employee in a job	2	they need to understand what their job entails and what's expected of them
Ineffective means of measuring performance	6	I feel that there are no set ways in getting an accurate measurement of the actual performance. I feel like the criteria are very vague. They're very ambiguous. They're all out there. And I also think that having a performance appraisal one time per year isn't sufficient. How can you sum up a person's work performance for the entire year one time for the year? It's impossible. Those are my own feelings. On the other side of the fence, when I do have to give an appraisal, I find it to be pretty much like when I'm on the other side receiving it

### Appendix D: Sample of Participants Textural Descriptions

Participants #	Selected Textural Descriptions on Participants' Perceptions of Performance Appraisal Systems
#1	Not fair to all; good appraisal system in place that do justice to the individual on an individual level. It gives the chance to the individual...and gets feedback about one's performance.
#2	If it's implemented correctly, it will work. If it's not, it simply won't, and if anything, it could become a waste of time. It's really -- comes down to how it's going -- how they go about doing it. In theory it's very fair. I think that all the literature written on it shows that it's a very valuable tool.
#3	Performance appraisal as an avenue for every employee to grow
#4	A financial tool and this prevents you from rewarding folks who are not deserving of pay increases. If staff knows that their pay increase or their future potential pay increase depends on their output, then definitely, they will try to improve that to benefit from such information. So in that sense, it's probably an effective tool.
#5	In performance appraisal, all I see is organization. They use it as a means for them to -- let's say for growth. It's just for promotion. They want to promote. They want to sell, they want to demote, they want to reward. They want to see what they have done within that field, over the course of that period.
#6	Very subjective. I find it to not be a very detailed account of an actual performance of an employee. There are no criteria, really, to measure our job skills, our work practices, our performance results.
#7	The performance appraisal to me is a way of evaluating my staff in general. It's a way of knowing their thoughts, what they want to do, the level where they are, and it's a way of educating and improving the skill of staff and letting them know if there's any problem, if there's any area for improvement, in which case -- in most cases -- there's always an area, an opportunity for improvement for everybody's life. As you live, you learn, you grow, and you develop. So this is the main purpose of the performance appraisal.

#8	Performance appraisal in general is supposed to tell you the overall performance of your staff throughout the marking period. Performance appraisal comes in different levels depending on who you are appraising.
#9	Performance appraisal is a time where you meet with the employee and conduct their performance on what they have been doing for the past one year.
#10	Front-line staff tends to take, tend to not really care about a positive performance appraisal as much as they do for negative performance appraisal. I just think that's because this agency as a whole has not shared that performance appraisal is a very important part of the process.
#11	A sum of an employee's annual performance. It's really a sum of the employees' performance throughout the year
#12	A learning tool in how I can better my abilities in the job that I'm doing. It is also a mechanism that gives positive feedback when giving performance appraisals.
#13	My general overview of performance appraisal is basically evaluating your skill set within that employment. Sometimes the supervisor doesn't give you that excellent standard that you feel that you deserve because they don't want you to think that there's no room for improvement
#14	Performance appraisal across the board is a system that is out to generate a way of actually knowing how employees have been able to accomplish the tasks that they've been given and in trying to evaluate the performance of the employees, that also leads to the fact that that's how they get rewarded and also how to know their strengths.
#15	An activity that largely depends on how an individual defines performance. When serving as front liners, performance of employees is based on the expectations of the clients. When an individual works as management, performance appraisal focuses on the job efficiency of an individual.

### Appendix E: Tabulation of Interview Questions into Different Clusters

Clusters	# of Questions	Percentage of Total
Foundational/demographic	4 (Questions 1, 2, 3 & 6)	27
Appraisal experiences and perceptions	5 (Questions 4, 5, 7, 8, & 11)	33
Perceptions of justice/fairness	3 (Questions 13, 14, & 15)	20
Recommendations	3 (Questions 9, 10, & 12)	20
Total	15	100

**Appendix F: Bar Graph Showing Different Clusters of the Interview Questions**