Emerald Insight

Personnel Review

Effectiveness of performance appraisal: Developing a conceptual framework using competing values approach

Malik Ikramullah Jan-Willem Van Prooijen Muhammad Zahid Iqbal Faqir Sajjad Ul-Hassan

Article information:

To cite this document:
Malik Ikramullah Jan-Willem Van Prooijen Muhammad Zahid Iqbal Faqir Sajjad Ul-Hassan , (2016),"Effectiveness of performance appraisal", Personnel Review, Vol. 45 Iss 2 pp. 334 - 352
Permanent link to this document:
http://dx.doi.org/10.1108/PR-07-2014-0164

Downloaded on: 22 February 2016, At: 02:35 (PT)
References: this document contains references to 110 other documents.
To copy this document: permissions@emeraldinsight.com
The fulltext of this document has been downloaded 69 times since 2016*

Users who downloaded this article also downloaded:

Neha Paliwal Sharma, Tanuja Sharma, Madhushree Nanda Agarwal, (2016),"Measuring employee perception of performance management system effectiveness: Conceptualization and scale development", Employee Relations, Vol. 38 Iss 2 pp. 224-247 http://dx.doi.org/10.1108/ER-01-2015-0006

Vishal Gupta, Sushil Kumar, (2012),"Impact of performance appraisal justice on employee engagement: a study of Indian professionals", Employee Relations, Vol. 35 Iss 1 pp. 61-78 http://dx.doi.org/10.1108/01425451311279410

Caroline Ann Rowland, Roger David Hall, (2013),"Perceived unfairness in appraisal: engagement and sustainable organizational performance", EuroMed Journal of Business, Vol. 8 Iss 3 pp. 195-208 http://dx.doi.org/10.1108/EMJB-06-2013-0034

Access to this document was granted through an Emerald subscription provided by emerald-srm:529449 []

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

The current issue and full text archive of this journal is available on Emerald Insight at:
www.emeraldinsight.com/0048-3486.htm

Received 28 July 2014
Revised 16 May 2015
Accepted 11 November 2015

Effectiveness of performance appraisal

Developing a conceptual framework using competing values approach

Malik Ikramullah
Department of Management Sciences,
COMSATS Institute of Information Technology, Islamabad, Pakistan
Jan-Willem Van Prooijen
Department of Social and Organizational Psychology,
VU University Amsterdam, Amsterdam, The Netherlands
Muhammad Zahid Iqbal
Department of Management Sciences,
COMSATS Institute of Information Technology, Islamabad, Pakistan, and
Faqir Sajjad Ul-Hassan
Department of Management Sciences,
Khushal Khan Khattak University, Karak, Pakistan

Abstract

Purpose – The purpose of this paper is to develop a conceptual framework for the effectiveness of performance appraisal (PA) systems by using a competing values approach.
Design/methodology/approach – The review employs a three-step approach: first, the paper discusses the existing criteria to determine the effectiveness of PA systems, and presents criticisms of these criteria. Second, the paper reviews the literature on the competing values model of organizational effectiveness. Third, the paper integrates the PA system in the competing values model to develop a comprehensive framework for the effectiveness of PA systems.
Findings – A practical model is developed, taking into account the processes and procedures involved in PA systems.
Originality/value – The paper is designed to provide a guideline for managers to consider the effectiveness of a PA system. The paper suggests that assessing the effectiveness of a PA system on any single criterion ignores various important aspects of the system. Moreover, the effectiveness of a PA system should be based on the values and preferences of all major stakeholders of the system, i.e., appraisers, appraisees and the organization.

Keywords Qualitative, Competing values framework, Performance appraisal system, Performance appraisal system effectiveness

Paper type Conceptual paper

Introduction

Research on performance appraisal (PA) has been advancing its traditional content areas as well as exploring the newer ones. In the past, PA had been employed as a formal process of employee monitoring (Cardy and Dobbins, 1994; Murphy and Cleveland, 1991). In the early 1990s it has evolved as a wider-reaching and inclusive process rather than a heavily bureaucratized practice (CIPD, 2009). Thus, in its recent form, PA is defined as "activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards" (Fletcher, 2001, p. 473).

Personnel Review
Vol. 45 No. 2, 2016
pp. 334-352
© Emerald Group Publishing Limited
0048-3486
DOI 10.1108/PR-07-2014-0164

This definition suggests that a PA system should not be confined to mere performance planning and review sessions. Rather it should be considered to consist of various interrelated elements involved in implementation, management and communication of appraisal-related activities (Walsh, 2003) such as setting employees' performance targets, conducting appraisals, giving feedback, assessing employees' developmental needs (CIPD, 2009).

Despite a decent amount of research on its varied aspects, in practice many PA systems operate far from perfect. In the current age, HR professionals are striving to establish PAS which could appraise performance of employees fairly on job-related attributes by keeping the system up-to-date and compatible with ever changing environments (CIPD, 2009). Hence, organizations are witnessing the failure of their PA systems, and thus, would benefit from a theoretical model designed to improve the effectiveness of PA systems (Atkins and Wood, 2002; Banks and Murphy, 1985; DeNisi and Kluger, 2000; Schraeder *et al.*, 2007; Taylor *et al.*, 1995). Thus, an effective PA system that could hold up such activities together is still a need of the PA practice.

The literature has pointed out a range of deficiencies attributed to many existing PA systems (see Claus and Briscoe, 2009; Maley and Kramer, 2014). For example, failure to pursue and achieve PA purposes (Meyer, 1991); lack of reliable, valid and objective performance measures (Folger *et al.*, 1992); appraisers' dependency on human information processing and rating judgments (Wiese and Buckley, 1998), inability to meet expectations of the key stakeholders, i.e., the appraiser, the appraisee, and the organization (Ilgen, 1993; Murphy and Cleveland, 1995), weak interpersonal relationships between appraisers and appraisees, which in turn, increase interpersonal conflicts and dwindle trust and communication between them (Bernardin and Villanova, 1986; Murphy and Cleveland, 1991; Greenberg, 1991). Hence, it is not easy to predict what determines the effectiveness of a PA system (e.g. Chiang and Birtch, 2010; Claus and Briscoe, 2009; Levy and Williams, 2004; Varma *et al.*, 2008), and more often than not, doubts prevail regarding the effectiveness of PA systems (Tuytens and Devos, 2012).

Until recently, PA literature has reported numerous studies that are considered a step forward to the effectiveness of PA systems, as they attempted to suggest solutions to the above problems, albeit piecemeal. These studies have suggested the following four criteria of effectiveness of PA systems: the utilization criterion that refers to purpose achievement, which addresses the question why PAs are conducted; the qualitative criterion that refers to user's justice perceptions of a PA system, which relates to a set of rules and practices that ensure fairness in the PA system; the quantitative criterion that refers to psychometric soundness of rating formats, focussing on enhancing appraisal accuracy and minimizing rating errors and biases; and the outcome criterion that refers to appraisee reactions, in terms of both person- as well as organization-referenced outcomes reflects on appraisees' attitudinal evaluations of and responses to the PA system (Boyd and Kyle, 2004; Chiang and Birtch, 2010; CIPD, 2009; Hedge and Teachout, 2000; Ilgen *et al.*, 1993; Iqbal *et al.*, 2015; Jacobs *et al.*, 1980; Kudisch *et al.*, 2006; Levy and Williams, 2004; Linna *et al.*, 2012; Keeping and Levy, 2000; Pichler, 2012; Roch, 2006; Wood and Marshall, 2008, among others).

Building on the above, we assume that the problem that PA practitioners are facing is a lack of an overall, holistic theory of PA system effectiveness. Over the years, the body of literature on effectiveness of PA systems has suggests numerous solutions to the above problems, but still, PA theory and practice are deficient of a holistic framework of its effectiveness. Thus, with the aim to overcome this dearth, the present study proposes a holistic framework of the effectiveness of PA system by using the competing values approach. The present study attempts to integrate the competing values framework of organizational effectiveness in the context of PA systems. This competing values framework was formulated on the basis of fundamental assumptions about how organizations work and how they are managed (Cameron and Quinn, 2006).

Competing values framework was developed to determine organizational effectiveness. However, to the best of our knowledge, thus far, this model has been applied to various organizational functions, but not to PA systems. Cameron and Quinn (2006) assert that besides assessment of organizational effectiveness, the robust framework of competing values would also accurately describe various other aspects of the organization. Therefore, the present study employs the competing values framework (Quinn and Rohrbaugh, 1983) for suggesting a holistic framework of effectiveness of PA systems. Our review is hence designed to make a twofold contribution to the theory and practice of PA. First, the present study is likely to advance the PA body of literature by integrating different criteria of effectiveness of PA systems using a competing values approach. Second, the framework proposed in the present study would suggest practical solutions to the problems faced in the PA practice. In fact, PA is a complex human resource management function, sometimes one criterion competes the other, e.g., often administrative purposes of PA lead to system-centric rating errors. We hope that the proposed model would help practitioners set priorities while coming across such competing criteria. Henceforth, the idea is presented in three major sections, i.e.: effectiveness of PA systems – criteria and criticisms; competing values framework – an overview; and a competing values framework for an effective PA system, followed by conclusions.

Effectiveness of PA – criteria and criticisms

Criteria of effectiveness of PA

Previous PA research, which had hitherto used different yardsticks for measuring the effectiveness of PA systems, albeit piecemeal, turned to calling for an integrative approach. PA literature categorizes these yardsticks into the following four groups, also pronounced as criteria of effectiveness of PA systems.

First, the utilization criterion aims to address issues related to PA uses and purposes. A PA system is a vital component of an organization's human resource management system, and thus, serves for several purposes and supports in making various human resource decisions (Murphy and Cleveland, 1995). Therefore, the effectiveness of a PA system reflects on the intended purpose(s) for which the system is set up. Cleveland *et al.* (1989) categorized 20 uses of PA systems into four a priori defined factors. They pronounced them "between individuals," "within individuals," "system maintenance" and "documentation." All uses in the first factor, i.e., between individuals, have been regarded as administrative purposes in PA literature. These included: salary administration, promotion, retention or termination, recognition of individual performance, layoffs and identification of poor performance. All uses in the second factor, i.e., within individuals, were those which PA literature has viewed as developmental purposes (Tziner *et al.*, 2000, 2001, among others). These were: identification of individual's training needs, performance feedback, determination of transfers and assignments and identification of an individual's strengths and weaknesses. Some uses under the remaining factors, i.e., system maintenance and documentation, relate to strategic and role-definition purposes. For example, "evaluate goal achievement" and "assist in goal identification," relate to the former, and "reinforce authority structure" relates to the latter.

Second, the qualitative criterion helps attain the adequacy and usefulness of a PA system by creating fairness perceptions among appraisees (Giles *et al.*, 1997; Jawahar, 2007). Earlier, fairness was derived from equity theory that explained an individual's perception of outcome-related fairness (McDowall and Fletcher, 2004). However, more recently the concept of fairness was more fully explained as organizational justice theory. Under the tenets of this theory, researchers have categorized forms of justice as one-, two-, three- and four-factor models. In the beginning, major forms of justice, i.e., distributive and procedural, were measured through one scale, being highly correlated (Welbourne *et al.*, 1995; Sweeney and McFarlin, 1997). However, Martocchio and Judge (1995) included some elements of interactional justice in the one-factor model. Greenberg's (1986) empirical investigation laid the foundation for the two-factor model.

Although two-factor conceptualizations incorporated distributive and procedural justice in one model, these were treated differently (Greenberg, 1990). On the inclusion of interactional fairness in the justice literature, the three-factor model appeared (e.g. Barling and Phillips, 1993; Bies and Shapiro, 1987; Skarlicki and Folger, 1997). In early 2000s, the four-factor model was conceptualized. This model provided more nuance to of all forms of justice by categorizing interactional justice into two groups, i.e., interpersonal and informational justice (Colquitt, 2001). The dimensionality of the four-factor model has been investigated theoretically, and its construct and predictive validities have been demonstrated adequately by Colquitt (2001). After then and until now, this conceptualization has been used in many empirical studies, including in the field of PA (see, e.g. Jawahar, 2007; Jepsen and Rodwell, 2009).

Third, the quantitative criterion demonstrates the effectiveness of a PA system when performance-related data are elicited through common PA system methodologies, for similar appraisees; analysis of the reliable data is carried out accurately; and reliability and discriminability issues are emphasized (Jacobs *et al.*, 1980). All the above points converge to rating accuracy. Over the past three decades, the main focus of PA research has been on the psychometric soundness of rating instruments, i.e., reliability and validity of the rating forms (Murphy and Cleveland, 1995).

Fourth and final, the outcome criterion refers to PA users' and perceived effectiveness of a PA system. It has been argued that a PA system can be considered effective when its key stakeholders, i.e., appraisees, consider it useful (Levy and Williams, 2004; Roberson and Stewart, 2006, among others). Therefore, appraisees reactions are considered helpful in determining the success of a PA system (Giles and Mossholder, 1990; Keeping and Levy, 2000; Roberson and Stewart, 2006, among others). In the past, due to an overemphasis on reliability and validity of an appraisal instrument researchers remained less interested in appraisee reactions (Cook and Crossman, 2004; Jawahar, 2007; Murphy and Cleveland, 1995; Roch *et al.*, 2007). However, in the early 1990s, PA researchers realized the importance of the attitudinal evaluation of PA system by its users, and thus, shifted their center of attention from the psychometric soundness of rating formats to ascertaining appraisee reactions, especially in the social context of a PA system (Levy and Williams, 2004; Keeping and Levy, 2000).

Criticism on criteria of effectiveness of PA

Although these criteria of effectiveness of PA systems do contribute to the usefulness of this practice, they typically have been investigated in isolation, and as a consequence, the literature on criteria of effectiveness of PA system lacks a holistic view. Thus, employing these criteria alone may be subject to certain theoretical as well as managerial criticisms. Among others, the following are the key criticisms that call for an integrated framework of effectiveness of PA system more overtly.

The research attention being paid to criteria of effectiveness of PA system has been uneven on the timeline. In the 1980s, the quantitative criterion outweighed all other criteria. During the early 1990s, the qualitative criterion started grabbing attention of PA researchers. However, now its appearance in the literature is almost equal to quantitative criterion. No different from the outcome criterion, the utilization criterion could manage less than a moderate appearance in the PA research, during the last three decades. Over the past three decades, the main focus of PA research has been on the psychometric soundness of rating instruments and rating accuracy, i.e., reliability and validity of the rating forms (Murphy and Cleveland, 1995). This lead to an overemphasis on designing and utilizing new appraisal forms (Boyd and Kyle, 2004; Decotiis and Petit, 1978). Thus, some PA researchers held the quantitative criterion responsible for holding back the expansion in effectiveness of PA literature by turning off attention from other criteria of effectiveness (e.g. Folger *et al.*, 1992; Ilgen, 1993).

The research attention being paid to specific elements of a particular criterion has also been uneven. For example, with regard to the utilization criterion, during the last three decades, most of the empirical studies were confined to administrative and developmental purposes only (see, e.g. Dorfman *et al.*, 1986; Farh *et al.*, 1991; Selvarajan and Cloninger, 2011; Zimmerman *et al.*, 2008, among others). Very few studies focussed on role-definition purposes of PA systems (e.g. Youngcourt *et al.*, 2007), and only some PA text discusses strategic purposes (see, e.g. CIPD, 2009; Noe *et al.*, 2003). This has also affected the practice of PA systems, wherein administrative and developmental purposes of a PA system have remained the center of attention. A sole reliance on every single purpose of a PA system may be a problem, as different purposes may ensue varying ratings, further leading to appraiser- as well as system-centric rating errors. For example, appraisers' motivation to inflate ratings can be high if administrative decisions like pay raises, promotion are to be made on the basis of ratings. Contrarily, appraisers are more prone to deflate ratings when these are to be used for developmental purposes, e.g., feedback (Cleveland and Murphy, 1992; Boswell and Boudreau, 2002).

Utilization, qualitative and quantitative criteria are considered incomplete unless these are linked to the outcome criterion. For example, when it comes to employing the fairness-related criterion, no second opinion is deemed essential. However, without assessing "fair process effect" (Folger *et al.*, 1979) it cannot be said that justice is done. Therefore, to complete the conceptualization of the qualitative criterion, it is necessary to relate four-factor justice perceptions to appraisee reactions (outcome criterion). PA literature has also emphasized that fairness perceptions are one of the employees' reactions to PA system and are related to the success or failure of the system (Smither, 1988; Taylor *et al.*, 1995; Murphy and Cleveland, 1991; Erdogan *et al.*, 2001). Thus, as far as the practice of a PA system is concerned, without the outcome criterion, the qualitative criterion seems incomplete. Moreover, employee attitudes and behaviors can be determined by their perceptions of reality, not reality *per se* (Lewin, 1936). Therefore, fairness perceptions indicate how users perceive the PA system. Substantiating this, Cardy and Dobbins (1994, p. 54) assert that "with dissatisfaction and feelings of unfairness in the process and inequity in evaluations, any PA system will be doomed to failure." Similarly, Jawahar (2007) contends that successful working of PA system depends on appraisee' fairness perceptions and reactions to various aspects of the system. This was empirically tested by Sweeney and McFarlin (1993).

They found distributive justice to be related to person-referenced outcomes, e.g., pay satisfaction, and procedural justice to be related to organization- or system-referenced outcomes, e.g., organizational commitment.

Some criteria of effectiveness of a PA system are criticized for their suspected applicability. For example, as regards the quantitative criterion, obtaining accurate performance ratings does not depend only on developing the best quality measurement instruments, but users and the system itself. Generally, appraisers are deemed accountable for rating errors, because they are on the frontier of a PA system. However, there are certain other aspects that compel them to commit these biases. Therefore, the argument presented by Curtis *et al.* (2005) is quite logical that there are some errors, which appraisers commit with a political agenda, but there are many which appraisees, PA system and social factors (relations) should be held responsible for. Thus, building on the above criticism, we assume that there is a need to have a holistic view of all criteria instead of having the tunneled view of each criterion.

Competing value framework – an overview

The competing values framework has been studied by numerous researchers and applied by hundreds of organizations in different areas such as organizational culture, leadership, communication, decision making, motivation, human resource practices, employees' selection, total quality management and corporate strategy. Besides, empirical evidence has suggested the robustness and applicability of this framework to a broad array of human and organizational phenomena (Cameron *et al.*, 2006; Cameron and Quinn, 2006).

The competing values framework highlights the competing tensions and conflicts inherent in any human system (Paulin *et al.*, 2000). It particularly emphasizes the competition between stability and change, and between internal organization and the external environment (Denison and Spreitzer, 1991). This framework represents the way employees evaluate organizations, process information, learn about their environment, the way they organize and lead others, create value for customers and cluster the organizational elements. In addition, the framework helps capture the fundamental values or cultures that exist in the organization (Cameron and Quinn, 2006).

While conducting research on factors that may influence organizational effectiveness, organizational researchers have developed the competing values framework. The research conducted by John Campbell (1977) found 30 main indicators of organizational effectiveness. Quinn and Rohrbaugh (1983) subsequently categorized these indicators into clusters or groups, so that a parsimonious number of factors could be identified to measure organizational effectiveness. They invited 52 organizational researchers to study the indicators of Campbell (1977). As a result these researchers derived three competing value dimensions: internal vs external; control vs flexibility; and means vs ends. After statistical analysis thereupon, the third dimension, i.e., mean vs ends, was merged into two main dimensions, which organized the indicators into four main clusters. Each quadrant has a polar opposite; for instance, the upper left quadrant focusses on dimensions of "flexibility" and "internal," which is in contrast with the lower right quadrant that focusses on "control" and "external." This implies that some organizations may be effective if they are changing, adaptable and organic, while other organizations may be effective if they are stable, predictable and mechanistic. The upper right quadrant focusses on "flexibility" and "external" while the lower left quadrant focusses on "control" and "internal." This means that some organizations are effective if they possess harmony in their internal characteristics, whereas others may be effective if they interact or compete with other organizations in the market. Thus, the competing values framework has four quadrants, in which each quadrant has a discrete set of organizational effectiveness factors. These clusters help to measure organizational effectiveness.

Quinn and Rohrbaugh (1983) pronounced these quadrants the "internal process model," "human relations model," "rational goal model," and "open system model." The first model, i.e., the internal process model (control and internal focus) measures the role of information management, communication, stability and control. The second model, i.e., human relations model (flexibility and internal focus) measures group cohesion, morale and human resources development. The third model, i.e., rational goal model (control and external focus) measures planning, goal setting and efficiency. The final model, i.e., open system model (flexibility and external focus) measures flexibility, readiness, out spacing the competition, increase in market share and acquiring a premium level of financial return.

Quinn and Rohrbaugh (1983, p. 371) contended that "the human relations model with its effectiveness criteria reflecting flexibility and internal focus stands in stark contrast to the rational goal model's value-based stress on control and external focus. The open system model based on flexibility and external focus runs counter to the internal process model, the effectiveness criteria of which reflect a focus on control and internal focus." Additionally, they suggested that to ignore criteria in any of the models is to have only a partial view of performance. In the administrative world, an effective organization may need to perform well on all four sets of criteria. However, at any given time there can be tradeoffs between these criteria (Yu and Wu, 2009).

Competing values framework for effectiveness of PA systems

PA systems are often used while pursuing competing goals of the appraisal itself and its stakeholders, i.e., appraiser, appraisee, the organization (London and Smither, 1995; Spears and Parker, 2002). For example, the appraiser often prefers to have good interpersonal relationships with subordinates, as in organizations employees try to maintain good interpersonal relationships (Daft, 2010). Contrary to this, some PA literature (e.g. Greenberg, 1991; Jenks, 1991) suggests that PA system can be a source of conflict between the appraiser and the appraisee. Consequently, PA might become a difficult activity for the appraiser, as it could possibly generate conflicts between appraiser and appraisee. These conflicts might be another reason due to which managers often resent certain activities, such as controlling subordinates, or handling paperwork (i.e. PA in this case) (Konrad *et al.*, 2001). From the perspective of appraisees, common goals of PAs are making decisions about promotion, salary, transfers, training and development and performance feedback. The organizational perspective is to monitor an employee's performance and link it to organizational goals (Claus and Briscoe, 2009); achieve organizational effectiveness through an efficacious PA system (Cook and Crossman, 2004; Scott and Einstein, 2001); and maintain balance between preferences of different stakeholders, i.e., both appraisers and appraisees, who have different values on which they evaluate the effectiveness of PA system. In this state of affairs, an organization wants to accomplish its goals, as facilitated by the smooth functioning of a PA system, which could timely respond to external environments and good interpersonal relationship between the appraiser and the appraisee. Hence, appraiser, appraisee and the organization have different stakes in the PA system.

We assume that there is no best criterion for assessing the effectiveness of a PA system. Therefore, it would be difficult to reach consensus for the goals of a PA system, which would be used to assess its efficacy. So we can say that the effectiveness of a PA system is itself subjective, and criteria which stakeholders use to determine its effectiveness is dependent on his/her values and preferences. Thus, instead of single standard, effectiveness of a PA system should be judged on the basis of multiple criterions that involve preferences of stakeholders.

In this paper, we propose a competing values framework of the effectiveness of PA systems that consists of four quadrants, similar to the competing values framework of organizational effectiveness, i.e., internal process, human relations, open system and rational goal model. We have arranged various components of criteria of effectiveness of PA system into four factors. For example, internal process in a PA system includes performance feedback, conducting appraisal and giving its feedback; rational goal model includes setting targets, achieving goals of a PA system; human relations model includes interpersonal relations between the appraiser and the appraisee, coaching and counseling employees. The open system model of effectiveness of PA system focusses on updating the system according to changes in working conditions or job attributes. Thus far, the open system model has been an ignored facet of PA systems.

The proposed framework of effectiveness of a PA system consists of four quadrants; each quadrant has variables that hold competing values with the variables of the diagonally opposing quadrant. The upper left quadrant (see Figure 1) focusses on human resources and interpersonal relations, which are in contrast with lower right quadrant, which focusses on planning and achieving goals. In the same way upper right quadrant (see Figure 1) focusses on flexibility and adaptation while the lower left quadrant focusses on management control and internal process. Together, these four quadrants form a framework that illuminates the implications of the competing values of a PA system of an organization. Therefore, an effective PA system may emphasize

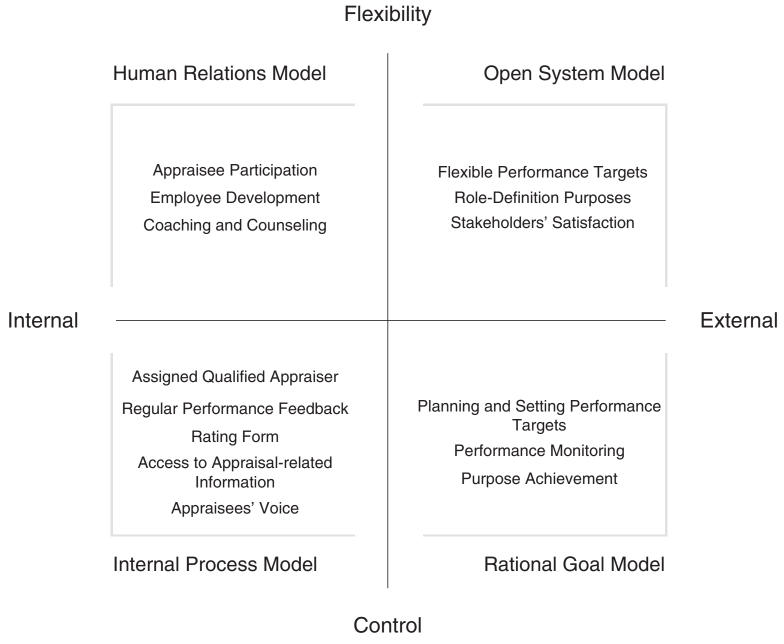
Flexibility
Human Relations Model
Open System Model
Appraisee Participation
Employee Development
Coaching and Counseling
Flexible Performance Targets
Role-Definition Purposes
Stakeholders' Satisfaction
Internal
External
Assigned Qualified Appraiser
Regular Performance Feedback
Rating Form
Access to Appraisal-related Information
Appraisees' Voice
Planning and Setting Performance Targets
Performance Monitoring
Purpose Achievement
Internal Process Model
Rational Goal Model
Control

Figure 1. Competing value framework for an effective performance appraisal system

target achievement (rational goal model) but also needs to take care of human resources in the organization (human relations model). Similarly, effective PA systems can have strong internal processes (internal process model) but at the same time it necessitates flexibility in setting employee performance targets and be adaptable to changes in the work environment (open system model). All of the competing values (see Figure 1) may occur simultaneously in an effective PA system or there may be a trade-off among these values. In the following, the four facets of this competing values framework in the context of effectiveness of PA system are discussed.

Internal process model

The internal process model emphasizes control, stability, information management, communication and continuity in an organization. The main assumption of this model is "process," i.e., clarity of responsibilities, measurement, documentation and record keeping. For the competing values framework of effectiveness of a PA system, the process-related factors of the system can fit better into the internal process model. These factors include assigning a qualified appraiser to the appraisee; giving regular performance feedback to appraisees on progress toward set targets; appraising performance and recording it on a psychometrically sound rating format (appraisal form); giving appraisees access to appraisal-related information; and giving weight to the voice of appraisees. These elements of a PA system needs to be governed by clear rules and regulations, and strictly followed by its users, i.e. appraisers and appraisees.

Assigning a qualified appraiser. The success or failure of a PA system depends largely on appraisers (Pooyan and Eberhardt, 1989). The appraiser, being a major source of information regarding rules and procedures that govern the PA system of an organization, are considered to be an employees' point of interaction. Thus, assigning a qualified appraiser is imperative for the effectiveness of a PA system. A qualified appraiser is one who is fully equipped for conducting PA, giving feedback, coaching employees and has knowledge of all the rules and procedures governing a PA system.

Regular performance feedback. This is considered an important component of an effective PA system. It is a vehicle through which appraisees receive information about organizational expectations and work requirements, and how well they have attained these (Tziner and Latham, 1989). Feedback helps employees keep their efforts directed toward set goals as well as encourages them to maintain high-level efforts (Vroom, 1964). As a result, they feel enabled to determine how many goals they have achieved, plan their future efforts and compare their performance with others (Festinger, 1954; Kluger and DeNisi, 1996; Nadler, 1977). Put differently, if there exists a lack of communication between the appraiser and the subordinate, the latter does not know how s/he is performing, and this may result in the development of poor work habits. This is because lack of communication may lead to counterfactuals, e.g., the subordinate may perceive that everything is going well and s/he is performing perfectly (Boice and Kleiner, 1997). Thus, performance feedback is a key to improving employee performance by adjusting their future efforts (O'Reilly and Anderson, 1980).

Access to appraisal-related information. In the PA system of an organization, appraisees should have access to appraisal-related information. There should be no confidentiality or secrecy of the appraisal-related information. Appraisees should have access to their appraisal reports, they must have clear information about potential benefits of high ratings, or consequences of low ratings, and the like. Moreover, there should not be any hidden agenda behind conducting appraisals. All of this is likely to ensue favorable organizational outcomes, such as job satisfaction and organizational commitment.

Appraisees' voice. In twenty-first century organizations, appraisers are advised to get appraisees' inputs before making any final rating decision. This practice prevails today, because without feedback, appraisees experience no voice or real control in the PA system, but with the appraisal feedback discussion they will perceive to have a voice and the ability to influence decisions. So, in an effective appraisal system, appraisal feedback must be given to employees. Appraisal feedback also provides an opportunity for the appraiser to discuss appraisees' performance weakness (if any), which have been identified in PA (Youngcourt *et al.*, 2007).

Rating format. It is the form on which performance of an employee is assessed and recorded. This form needs to be reliable and valid, i.e., the form should be designed in such a way that it could measure the actual job performance of appraisee accurately. Moreover, PA (i.e. assessing performance and recoding on form) needs to be conducted at a specified period of time (quarterly, semi-annually or annually).

Rational goal model

Rational goal model emphasizes planning, goal setting and efficiency. This model represents a functional relationship between clear and certain goals, and performance improvement. To increase effectiveness, organizations set goals, develop plans and then take actions to accomplish these goals. In line with this, for the rational goal model of effectiveness of PA systems, managers need to focus on planning and setting employee performance targets, continuous performance monitoring to ensure progress toward set goals, and achievement of the goals for which the PA system is devised.

Planning and setting performance targets. Employees are less likely to meet the appraiser's expectations, if they do not know about what they are expected to do and how to do it (Rizzo *et al.*, 1970). Therefore, appraisers need to communicate performance expectations to subordinate and set their performance targets clearly. While doing this, they may align individual's performance goals with overall organizational goals, so that employees could contribute to the success of the organization (Storey and Sisson, 1993). The goal setting process helps appraisees have a clear picture of what organizations expect from them (Tziner and Latham, 1989), provided that the appraiser provides appraisees with the opportunity to participate in goal setting (Lee and Son, 1998).

Performance monitoring. Regular monitoring of appraisees' performance and giving them feedback in a supportive manner can be helpful in meeting their performance targets (Jawahar, 2006). In addition, performance monitoring also helps appraisers evaluate appraisees' performance accurately, i.e., based on their actual job performance instead of global judgments. Further, it can help appraisers keep the lid on employees' performance, so that in case of any deficiency they could aid in overcoming it.

Purpose achievement. Accomplishing the stated purpose(s) is deemed necessary for the effectiveness of a PA system. In the system, the purpose achievement is considered inextricable for both, the appraiser and the appraisee (Decotiis and Petit, 1978). This is because, if they do not respond positively to the stated purpose(s) of a PA system, it would be difficult to attain the requisite results (Gabris and Ihrke, 2001). Thus, the inability of a PA system in achieving its purposes may lead to certain uncalled for consequences for both employees and the organization, which can ultimately affect the overall organizational effectiveness. The purposes that can be more relevant to the rational goal model include administrative and strategic purposes, relating to salary, promotion, retention or termination, and layoff for the employee (Boswell and Boudreau, 2000), and documentation for legal reasons for the organization (Taylor *et al.*, 1995; Wanguri, 1995).

Human relations model

Human relations model emphasizes employee development, and morale and group cohesion as criteria for effectiveness. For an effective PA system, these could be achieved when the appraiser makes decisions in a participative manner; focusses on employee development; provides counseling and coaching to the appraisees; and ensures group cohesiveness through good dyadic relations between the appraiser and the appraisee.

Appraisee participation. An effective PA system ensues employee attitudes that further lead to organizational outcomes, such as job satisfaction, employee performance, organizational commitment, turnover intention, etc. (Masterson *et al.*, 2000). Therefore, appraisers are encouraged to seek appraisee participation while making appraisal-related decisions. This will not only create consensus but will also decrease chances of conflicts, and resultantly appraisees will be more satisfied and committed with their organization.

Employee development. Human relations model of PA systems effectiveness also focusses on employee development through organizational training and development programs. PA systems are conducted to develop employees not only for improving on their job performance but also to prepare employees to meet future workforce needs. On the basis of appraisal ratings, organizations should design training and development programs either to overcome employees' weaknesses identified in the appraisal, or to develop skills of employees to enhance their performance.

Coaching and counseling. In an effective PA system, appraiser should counsel and coach his/her subordinates. Employees always have to face many problems while performing in their actual job. In order to deal with those problems, employees need support from their appraiser in the form of counseling and coaching. So, apart from a formal training program, in an effective PA system employee development should also take place through counseling and coaching efforts of appraisers. Thus, employees can develop themselves while performing on the job, by receiving job training from their superiors. In this way employee development takes place, which is one the main purpose behind implementation PA systems in an organization.

Counseling and coaching from appraiser also create congenial working environment and good dyadic relationship between appraiser and appraisee. This results in better interpersonal relationships and group cohesiveness. As Beer (1981, p. 32) stated that "there is no substitute for a good supervisor-subordinate relationship […]. without such a relationship, no performance appraisal system can be effective." According to Bies (2001, p. 90), employees "possess a view of the self as 'sacred,' and a violation of that sacred self arouses the sense of injustice." If employees are treated respectfully then it will increase employees' self-confidence and they will have more trust in their decisions and they may perceive that management approves and endorses their skills (Colquitt, 2001). Respectful treatment by appraiser has various benefits for employee and organization, and increases the effectiveness of PA systems.

Open system model

Dominant criteria for organizational effectiveness in the open system model includes flexibility, readiness, out-spacing competition, growth, acquiring resources, etc.

It focusses on creative problem solving, innovation, adaptability and management of change. We can apply the open system model of organizational effectiveness to achieve effectiveness of PA systems. For the effectiveness of a PA system, in the open system model there should be flexible performance targets, new job attributes should be incorporated in PA format, and changes should be made in the work structure associated with the position (role-definition purposes).

Flexible performance targets. Due to environmental changes, there are tremendous variations taking place in work settings and organizational structures. The workforce is aging and changes of the work environment of the twenty-first century have created new knowledge, skills and abilities for workers. The rapid development of modern technology and its use in working life has dramatically changed the nature of many jobs, and work situations for many workers (Lee *et al.*, 2009). Organizations are operating in changing environments. In this situation, employees have to perform various tasks, which might have not been forecasted earlier while setting the performance targets. Thus, for an effective PA system, it is necessary that appraisees have flexible performance targets, and at the end of the appraisal period, besides already set performance targets, employee performance should also be appraised on any new or additional assigned targets as well.

Role-definition purposes. Another important aspect of effective PA systems is that its appraisal format should incorporate new attributes associated with a job (Aguinis, 2009). Due to advancement in technology, globalization, workforce diversity and high-tech jobs employees have to learn new skills to perform various tasks. Several new tools and techniques are being used to perform various jobs; sophisticated computer programs have replaced various tasks associated with a position which were previously performed manually. Therefore, putting new job attributes into a PA form can help appraise employee performance more accurately. Additionally, an effective PA system should also play an important role in determining various changes in the structure of the work associated with a position, because a position also needs to be reengineered with the passage of time and advancement in technology. Therefore, a PA system should help alter the job contents and skills requirements for improving organizational performance or retaining competent employees (Youngcourt *et al.*, 2007).

Stakeholders' satisfaction. A well-designed PA system can be doomed to failure, if it is rejected by the system users/stakeholders (Cascio, 1982). Therefore, effectiveness of a PA system largely depends on the desires and hopes of its users (Carroll and Schneier, 1982). The PA literature suggests that the effectiveness of a PA system can be attained from two perspectives, i.e., the appraiser and the appraisee. There has been a difference of focus for PA system reactions between two groups of researchers. The one group focusses on appraisees considering them more suitable for delivering PA system reactions than appraisers (e.g. Findley *et al.*, 2000; Keeping and Levy, 2000; Korsgaard and Roberson, 1995; Lee and Son, 1998; Levy and Williams, 2004). Conversely, the other group of researchers concerns PA system reactions more to appraisers than appraisees (e.g. Redman *et al.*, 2000; Taylor *et al.*, 1995). However, simultaneous use of both appraisers' and appraisees' perspectives is considered ideal (Lawler *et al.*, 1984).

Practical application

The utility of a competing value approach to PA system effectiveness is that it can serve as a way to diagnose the efficacy of a PA system with respect to different stakeholders of the system. Each stakeholder has different values and preferences regarding various facets of a PA system. To start with this approach to PA system effectiveness, the manager needs to assess that how the key stakeholders, i.e., appraisers, appraisees and the organization (HR department and/or top management) value the PA system. These values can be elicited with respect to both, the specific stakeholder's viewpoint and the holistic view of all the stakeholders regarding the competing values prevailing in the PA system. One central recommendation is for researchers and practitioners to develop a measurement tool to assess how stakeholders evaluate a set of values in a quadrant. For instance, rational goal should measure planning and setting performance targets, performance monitoring and purpose achievement. Likewise, the remaining measures should be developed for the internal process, human relations and open system quadrants (for details see Figure 1). Ideally, such a measurement tool should involve a relatively straightforward scoring procedure that managers can apply in a simple and relatively cost-effective manner. The results would give average scores that individual stakeholder assign to each set of values. Through this, the manager could determine how stakeholders are valuing the PA system and thus, which area needs improvements.

For example, suppose that the suggested questionnaire is administered to appraisees as a stakeholder of a PA system. After scoring, the results reveal that appraisees assigned low scores on the set of values in the human relations quadrant. These scores may indicate that the PA system is weak in terms of employees' skill development, training and development needs assessment. Likewise, in the same quadrant, the score may indicate how appraisees view the PA system with respect to participation in the decision making. Consequently, the scores on these competing values can present a complete picture of the PA system and the manager can take tailored measures to improve the set of values that have a low score. In the similar fashion, calculating the average of data collected from different stakeholders can provide an overall picture of a PA system. In this way, the competing value approach to a PA system enables managers to ensure system effectiveness based on values and preferences of all stakeholders of the system.

Conclusion

Summing up the paper, we maintain that in order to assess the effectiveness of a PA system, the PA researchers have suggested four criteria: utilization, qualitative, quantitative, and outcome criteria. However, to the best of our knowledge, these criteria have never been applied simultaneously to develop a framework of effectiveness of PA systems. Building on the competing values framework of Quinn and Rohrbaugh (1983), the present study proposed a framework revealing a holistic view of all criteria of the effectiveness of PA systems in an integrative manner.

Since there is a lack of appropriate theory regarding effectiveness of PA system, the present is the first of its kind that has attempted to propose a comprehensive framework for the effectiveness of PA systems, which is based on the competing values framework. This framework is developed with the notion that PA system should be effective in four broad areas, that is, internal process model, human relations model, open system model and rational goal model. These models are the most suitable representation of four criteria of effectiveness of PA system.

This framework is the first step in developing effectiveness criteria for PA systems; much of the work is remaining and could be done in the future. Future research may explore this framework by developing an instrument to measure set of values in each quadrant. Further, the instrument should be validated. In doing so, one could judge the efficacy of a PA system based on preferences of stakeholders. In addition, future research efforts may judge whether any trade-off exists between these models. Moreover, future academic efforts may also ascertain whether the effectiveness of a PA system satisfies all the criteria of four quadrants instead of just one (i.e. psychometric soundness, fairness or utility).

References

Aguinis, H. (2009), *Performance Management*, Pearson Prentice Hall, Upper Saddle River, NJ.

Atkins, P.W. and Wood, R.E. (2002), "Self-versus others' ratings as predictors of assessment center ratings: validation evidence for 360-degree feedback programs", *Personnel Psychology*, Vol. 55 No. 4, pp. 871-904.

Banks, C.G. and Murphy, K.R. (1985), "Toward narrowing the research-practice gap in performance appraisal", *Personnel Psychology*, Vol. 38 No. 2, pp. 335-345.

Barling, J. and Phillips, M. (1993), "Interactional, formal, and distributive justice in the workplace: an exploratory study", *The Journal of Psychology*, Vol. 127 No. 6, pp. 649-656.

Beer, M. (1981), "Performance appraisal: dilemmas and possibilities", *Organizational Dynamics*, Vol. 9 No. 3, pp. 24-36.

Bernardin, H.J. and Villanova, P. (1986), "Performance appraisal", in Locke, E.A. (Ed.), *Generalizing from Laboratory to Field Settings*, DC Health, Lexington, MA, pp. 43-62.

Bies, R.J. (2001), "Interactional (in)justice: the sacred and the profane", in Greenberg, J. and Cropanzano, R. (Eds), *Advances in Organizational Justice*, Stanford University Press, Stanford, CA, pp. 89-118.

Bies, R.J. and Shapiro, D.L. (1987), "Interactional fairness judgments: the influence of causal accounts", *Social Justice Research*, Vol. 1 No. 2, pp. 199-218.

Boice, D.F. and Kleiner, B.H. (1997), "Designing effective performance appraisal systems", *Work Study*, Vol. 46 No. 6, pp. 197-201.

Boswell, W.R. and Boudreau, J.W. (2000), "Employee satisfaction with performance appraisals and appraisers: the role of perceived appraisal use", *Human Resource Development Quarterly*, Vol. 11 No. 3, pp. 283-299.

Boswell, W.R. and Boudreau, J.W. (2002), "Separating the developmental and evaluative performance appraisal uses", *Journal of Business and Psychology*, Vol. 16 No. 3, pp. 391-412.

Boyd, N.M. and Kyle, K. (2004), "Expanding the view of performance appraisal by introducing social justice concerns", *Administrative Theory & Praxis*, Vol. 26 No. 3, pp. 249-278.

Cameron, K. and Quinn, R.E. (2006), *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework*, China Renmin University Press, Beijing.

Cameron, K.S., Quinn, R.E., Degraff, J. and Thakor, A.V. (2006), *The Competing Values Leadership: Creating Values in Organization*, Edward Elgar, Northampton, MA.

Campbell, J.P. (1977), "On the nature of organizational effectiveness", in Goodman, P.S. and Pennings, J.M. (Eds), *New Perspectives on Organizational Effectiveness*, Jossey-Bass, San Francisco, CA, pp. 13-55.

Cardy, R.L. and Dobbins, G.H. (1994), *Performance Appraisal: Alternative Perspectives*, South Western Publishing Company, Cincinnati, OH.

Carroll, S.J. and Schneier, C.E. (1982), *Performance Appraisal and Review Systems: The Identification, Measurement and Development of Performance in Organizations*, Scott, Foresman, Glenview, IL.

Cascio, W.F. (1982), "Scientific, legal, and operational imperatives of workable performance appraisal systems", *Public Personnel Management*, Vol. 11 No. 4, pp. 367-375.

Chiang, F. and Birtch, T. (2010), "Appraising performance across borders: an empirical examination of the purpose and practice of performance appraisal in a multi-country context", *Journal of Management Review*, Vol. 7 No. 7, pp. 1365-1393.

CIPD (2009), "Performance management in action: current trends and practice", Hot Topics Report No. 5040, Chartered Institute of Personnel and Development, London.

Claus, L. and Briscoe, D. (2009), "Employee performance management across borders: a review of relevant academic literature", *International Journal of Management Reviews*, Vol. 11 No. 92, pp. 175-196.

Cleveland, J.N. and Murphy, K.R. (1992), "Analyzing performance appraisal as goal-directed behavior", *Research in Personnel and Human Resources Management*, Vol. 10 No. 2, pp. 121-185.

Cleveland, J.N., Murphy, K.R. and Williams, R.E. (1989), "Multiple uses of performance appraisal: prevalence and correlates", *Journal of Applied Psychology*, Vol. 74 No. 1, pp. 130-135.

Colquitt, J.A. (2001), "On the dimensionality of organizational justice: a construct validation of a measure", *Journal of Applied Psychology*, Vol. 86 No. 3, pp. 386-400.

Cook, J. and Crossman, A. (2004), "Satisfaction with performance appraisal systems: a study of role perceptions", *Journal of Managerial Psychology*, Vol. 19 No. 5, pp. 526-541.

Curtis, A.B., Harvey, R.D. and Ravden, D. (2005), "Sources of political distortions in performance appraisals: appraisal purpose and rater accountability", *Group & Organization Management*, Vol. 30 No. 1, pp. 42-60.

Daft, R.L. (2010), *Management*, South-Western Cengage Learning.

Decotiis, T. and Petit, A. (1978), "The performance appraisal process: a model and some testable propositions", *The Academy of Management Review*, Vol. 3 No. 3, pp. 635-646.

DeNisi, A.S. and Kluger, A.N. (2000), "Feedback effectiveness: can 360-degree appraisals be improved?", *The Academy of Management Executive*, Vol. 14 No. 1, pp. 129-139.

Denison, D.R. and Spreitzer, G.M. (1991), "Organizational culture and organizational development: a competing values approach", *Research in Organizational Change and Development*, Vol. 5 No. 1, pp. 1-21.

Dorfman, P.W., Stephan, W.G. and Loveland, J. (1986), "Performance appraisal behaviors: supervisor perceptions and subordinate reactions", *Personnel Psychology*, Vol. 39 No. 3, pp. 579-597.

Erdogan, B., Kraimer, M.L. and Liden, R.C. (2001), "Procedural justice as a two-dimensional construct: an examination in the performance appraisal context", *Journal of Applied Behavioral Science*, Vol. 37 No. 2, pp. 205-222.

Farh, J.L., Cannellajr, A.A. and Bedeian, A.G. (1991), "Peer ratings: the impact of purpose on rating quality and user acceptance", *Group & Organization Studies*, Vol. 16 No. 4, pp. 367-386.

Festinger, L. (1954), "A theory of social comparison process", *Human Relation*, Vol. 7 No. 2, pp. 117-140.

Findley, H.M., Giles, W.F. and Mossholder, K.W. (2000), "Performance appraisal process and system facets: relationships with contextual performance", *Journal of Applied Psychology*, Vol. 85 No. 4, pp. 634-640.

Fletcher, C. (2001), "Performance appraisal and management: the developing research agenda", *Journal of Occupational and Organizational Psychology*, Vol. 74 No. 4, pp. 473-487.

Folger, R., Konovsky, M.A. and Cropanzano, R. (1992), "A due process metaphor for performance appraisal", *Research in Organizational Behavior*, Vol. 14, pp. 129-177.

Folger, R., Rosenfield, D., Grove, J. and Corkran, L. (1979), "Effects of 'voice' and peer opinions on responses to inequity", *Journal of Personality and Social Psychology*, Vol. 37 No. 12, pp. 2253-2261.

Gabris, G.T. and Ihrke, D.M. (2001), “Does performance appraisal contribute to heightened levels of employee burnout? The results of one study”, *Public Personnel Management*, Vol. 30 No. 2, pp. 157-172.

Giles, W.F. and Mossholder, K.W. (1990), “Employee reactions to contextual and session components of performance appraisal”, *Journal of Applied Psychology*, Vol. 75 No. 4, pp. 371-377.

Giles, W.F., Findley, H.M. and Field, H.S. (1997), “Procedural fairness in performance appraisal: beyond the review session”, *Journal of Business and Psychology*, Vol. 11 No. 4, pp. 493-506.

Greenberg, J. (1986), “Determinants of perceived fairness of performance evaluations”, *Journal of Applied Psychology*, Vol. 71 No. 2, pp. 340-342.

Greenberg, J. (1990), “Organizational justice: yesterday, today and tomorrow”, *Journal of Management*, Vol. 16 No. 2, pp. 399-432.

Greenberg, J. (1991), “Using explanations to manage impressions of performance appraisal fairness”, *Employee Responsibilities and Rights Journal*, Vol. 4 No. 1, pp. 51-60.

Hedge, J.W. and Teachout, M.S. (2000), “Exploring the concept of acceptability as a criterion for evaluating performance measures”, *Group & Organization Management*, Vol. 25 No. 1, pp. 22-44.

Ilgen, D.R. (1993), “Performance-appraisal accuracy: an illusive or sometimes misguided goal?”, in Schuler, H., Farr, J.L. and Smith, M. (Eds), *Personnel Selection and Assessment: Individual and Organizational Perspectives*, Erlbaum, Hillsdale, NJ, pp. 235-252.

Ilgen, D.R., Barnes-Farrell, J.L. and McKellen, D.B. (1993), “Performance appraisal process research in the 1980s: what has it contributed to appraisals in use?”, *Organizational Behavior and Human Decision Processes*, Vol. 54 No. 3, pp. 321-368.

Iqbal, M.Z., Akbar, S. and Budhwar, P. (2015), “Effectiveness of performance appraisal: an integrated framework”, *International Journal of Management Reviews*, Vol. 17 No. 4, pp. 510-533.

Jacobs, R., Kafry, D. and Zedeck, S. (1980), “Expectations of behaviorally anchored scales”, *Personnel Psychology*, Vol. 33 No. 3, pp. 595-640.

Jawahar, I.M. (2006), “Correlates of satisfaction with performance appraisal feedback”, *Journal of Labor Research*, Vol. 27 No. 2, pp. 213-234.

Jawahar, I.M. (2007), “The influence of perceptions of fairness on performance appraisal reactions”, *Journal of Labor Research*, Vol. 28 No. 4, pp. 735-754.

Jenks, J.M. (1991), “Do your performance appraisals boost productivity?”, *Management Review*, Vol. 80 No. 6, pp. 45-47.

Jepsen, D.M. and Rodwell, J.J. (2009), “Justice in the workplace: the centrality of social versus judgmental predictors of performance varies by gender”, *The International Journal of Human Resource Management*, Vol. 20 No. 10, pp. 2066-2083.

Keeping, L.M. and Levy, P.E. (2000), “Performance appraisal reactions: measurement, modeling, and method bias”, *Journal Applied Psychology*, Vol. 85 No. 5, pp. 708-723.

Kluger, A.N. and DeNisi, A. (1996), “The effects of feedback interventions on performance: a historical review, a meta-analysis and a preliminary feedback intervention theory”, *Psychological Buletin*, Vol. 119 No. 2, pp. 254-284.

Konrad, A.M., Kashlak, R., Yoshioka, I., Waryszak, R. and Toren, N. (2001), “What do managers like to do? A five-country study”, *Group & Organization Management*, Vol. 26 No. 4, pp. 401-433.

Korsgaard, M.A. and Roberson, L. (1995), “Procedural justice in performance evaluation: the role of instrumental and non-instrumental voice in performance appraisal discussions”, *Journal of Management*, Vol. 21 No. 4, pp. 657-669.

Kudisch, J.D., Fortunato, V.J. and Smith, A.F.R. (2006), "Con-textual and individual difference factors predicting individuals' desire to provide upward feedback", *Group & Organization Management*, Vol. 31 No. 4, pp. 503-529.

Lawler, E.E. III, Mohrman, A.M. Jr and Resnick, S.M. (1984), "Performance appraisal revisited", *Organizational Dynamics*, Vol. 13 No. 1, pp. 20-35.

Lee, C.C., Czaja, S.J. and Sharit, J. (2009), "Training older workers for technology-based employment", *Educational Gerontology*, Vol. 31 No. 1, pp. 15-31.

Lee, M. and Son, B. (1998), "The effects of appraisal review content on employee's reactions and performance", *International Journal of Human Resource Management*, Vol. 9 No. 1, pp. 203-214.

Levy, P.E. and Williams, J.R. (2004), "The social context of performance appraisal: a review and framework for the future", *Journal of Management*, Vol. 30 No. 6, pp. 881-905.

Lewin, K. (1936), *Principles of Topological Psychology*, McGraw-Hill, New York, NY.

Linna, A., Elovainio, M., Vandenbos, K., Kivimäki, M., Pentti, J. and Vahtera, J. (2012), "Can usefulness of performance appraisal interviews change organizational justice perceptions? A 4-year longitudinal study among public sector employees", *International Journal of Human Resource Management*, Vol. 23 No. 7, pp. 1360-1375.

London, M. and Smither, J.W. (1995), "Can multi-source feedback change perceptions of goal accomplishment, self-evaluations, and performance-related outcomes? Theory-based applications and directions for research", *Personnel Psychology*, Vol. 48 No. 4, pp. 803-839.

McDowall, A. and Fletcher, C. (2004), "Employee development: an organizational justice perspective", *Personnel Review*, Vol. 33 No. 1, pp. 8-29.

Maley, J. and Kramer, R. (2014), "The influence of global uncertainty on the cross-border performance appraisal: a real options approach", *Personnel Review*, Vol. 43 No. 1, pp. 19-40.

Martocchio, J.J. and Judge, T.A. (1995), "When we don't see eye to eye: discrepancies between supervisors and subordinates in absence disciplinary decisions", *Journal of Management*, Vol. 21 No. 2, pp. 251-278.

Masterson, S.S., Lewis, K., Goldman, B.M. and Taylor, M.S. (2000), "Integrating justice and social exchange: the differing effects of fair procedures and treatment on work relationships", *Academy of Management Journal*, Vol. 43 No. 4, pp. 738-748.

Meyer, H.H. (1991), "A solution to the performance appraisal feedback enigma", *Academy of Management Executives*, Vol. 5 No. 1, pp. 68-76.

Murphy, K.R. and Cleveland, J.N. (1991), *Performance Appraisal: An Organizational Perspective*, Allyn and Bacon, Boston, MA.

Murphy, K.R. and Cleveland, J.N. (1995), *Understanding Performance Appraisal: Social, Organizational and Goal-Based Perspectives*, Sage, Thousand Oaks, CA.

Nadler, D.A. (1977), *Feedback and Organizational Development: Using Data Based Methods*, Addision-Wesley, Reading, MA.

Noe, R.A., Hollenbeck, J.R., Gerhart, B. and Wright, P.M. (2003), *Human Resource Management*, McGraw Hill, London.

O'Reilly, C.A. and Anderson, J.C. (1980), "Trust and the communication of performance appraisal information: the effect of feedback on performance and job satisfaction", *Human Communication Research*, Vol. 6 No. 4, pp. 290-298.

Paulin, M., Ferguson, R.J. and Payaud, M. (2000), "Business effectiveness and professional service personnel relational or transactional managers?", *European Journal of Marketing*, Vol. 34 Nos 3/4, pp. 453-472.

Pichler, S. (2012), "The social context of performance appraisal and appraisal reactions: a meta-analysis", *Human Resource Management*, Vol. 51 No. 5, pp. 709-732.

Pooyan, A. and Eberhardt, B.J. (1989), "Correlates of performance appraisal satisfaction among supervisory and non-supervisory employees", *Journal of Business Research*, Vol. 19 No. 3, pp. 215-226.

Quinn, R. and Rohrbaugh, J. (1983), "A spatial model of effectiveness criteria: towards a competing values approach to organizational analysis", *Management Science*, Vol. 29 No. 3, pp. 363-377.

Redman, T., Snape, E., Thompson, D. and Yan, F.K.C. (2000), "Performance appraisal in an NHS hospital", *Human Resource Management Journal*, Vol. 10 No. 1, pp. 48-62.

Rizzo, J., House, R.J. and Lirtzman, S.I. (1970), "Role conflict and ambiguity in complex organizations", *Administrative Science Quarterly*, Vol. 15 No. 2, pp. 150-163.

Roberson, Q.M. and Stewart, M.M. (2006), "Understanding the motivational effects of procedural and informational justice in feedback processes", *British Journal of Psychology*, Vol. 97 No. 3, pp. 281-298.

Roch, S.G. (2006), "Discussion and consensus in rater groups: implications for behavioral and rating accuracy", *Human Performance*, Vol. 19 No. 2, pp. 91-115.

Roch, S.G., Sternburgh, A.M. and Caputo, P.M. (2007), "Absolute vs relative performance rating formats: implications for fairness and organizational justice", *International Journal of Selection and Assessment*, Vol. 15 No. 3, pp. 302-316.

Schraeder, M., Becton, B.J. and Portis, R. (2007), "A critical examination of performance appraisals an organization's friend or foe?", *The Journal for Quality and Participation*, Vol. 30 No. 1, pp. 20-25.

Scott, S.G. and Einstein, W.O. (2001), "Strategic performance appraisal in team-based organizations: one size does not fit all", *Academy of Management Executive*, Vol. 15 No. 2, pp. 107-116.

Selvarajan, R. and Cloninger, P.A. (2011), "The importance of accurate performance appraisals for creating ethical organizations", *Journal of Applied Business Research (JABR)*, Vol. 24 No. 3, pp. 39-44.

Skarlicki, D.P. and Folger, R. (1997), "Retaliation in the workplace: the roles of distributive, procedural and interactional justice", *Journal of Applied Psychology*, Vol. 82 No. 3, pp. 434-443.

Smither, J.W. (1988), *Lessons Learned: Research Implications for Performance Appraisal and Management Practice*, Jossey-Bass, San Francisco, CA.

Spears, C.M. and Parker, F.D. (2002), "A probit analysis of the impact of training on performance appraisal satisfaction", *American Business Review*, Vol. 20 No. 2, pp. 12-15.

Storey, J. and Sisson, K. (1993), *Managing Human Resources and Industrial Relations*, The Open University Press, Buckingham.

Sweeney, P.D. and McFarlin, D.B. (1993), "Workers' evaluations of the 'ends' and the 'means': an examination of four models of distributive and procedural justice", *Organizational Behavior and Human Decision Processes*, Vol. 55 No. 1, pp. 23-40.

Sweeney, P.D. and McFarlin, D.B. (1997), "Process and outcome: gender differences in the assessment of justice", *Journal of Organizational Behavior*, Vol. 18 No. 1, pp. 83-98.

Taylor, M.S., Tracy, K.B., Renard, M.K., Harrison, J.K. and Carroll, S.J. (1995), "Due process in performance appraisal: a quasi-experiment in procedural justice", *Administrative Science Quarterly*, Vol. 40 No. 3, pp. 495-523.

Tuytens, M. and Devos, G. (2012), "Importance of system and leadership in performance appraisal", *Personnel Review*, Vol. 41 No. 6, pp. 756-776.

Tziner, A. and Latham, G.P. (1989), "The effects of appraisal instrument, feedback and goal-setting on worker satisfaction commitment source", *Journal of Organizational Behavior*, Vol. 10 No. 2, pp. 145-153.

Tziner, A., Joanis, C. and Murphy, K.R. (2000), "A comparison of three methods of performance appraisal with regard to goal properties, goal perception, and ratee satisfaction", *Group & Organization Management*, Vol. 25 No. 2, pp. 175-190.

Tziner, A., Murphy, K.R. and Cleveland, J.N. (2001), "Relationships between attitudes toward organizations and performance appraisal systems and rating behavior", *International Journal of Selection and Assessment*, Vol. 9 No. 3, pp. 226-239.

Varma, A., Budhwar, P.S. and De Nisi, A. (Eds) (2008), *Performance Management Systems: A Global Perspective*, Routledge, London.

Vroom, V.H. (1964), *Work and Motivation*, Wiley, New York, NY.

Walsh, M.B. (2003), "Perceived fairness of and satisfaction with employee performance appraisal", doctoral dissertation, Louisiana State University, LA, available at: http://etd.lsu.edu/docs/available/etd-1106103-172944/unrestricted/Walsh_dis.pdf (accessed June 4, 2008).

Wanguri, D.M. (1995), "A review, an integration, and a critique of cross-disciplinary research on performance appraisals, evaluations, and feedback: 1980-1990", *The Journal of Business Communication*, Vol. 32 No. 3, pp. 267-293.

Welbourne, T.M., Balkin, D.B. and Gomez-Mejia, L.R. (1995), "Gainsharing and mutual monitoring: a combined agency-organizational justice perspective", *Academy of Management Journal*, Vol. 38 No. 3, pp. 881-899.

Wiese, D.S. and Buckley, M.R. (1998), "The evolution of the performance appraisal process", *Journal of Management History*, Vol. 4 No. 3, pp. 233-249.

Wood, R.E. and Marshall, V. (2008), "Accuracy and effectiveness in appraisal outcomes: the influence of self-efficacy, personal factors and organisational variables", *Human Resource Management Journal*, Vol. 18 No. 3, pp. 295-313.

Youngcourt, S.S., Leiva, P.I. and Jones, R.G. (2007), "Perceived purposes of performance appraisal: correlates of individual- and position-focused purposes on attitudinal outcomes", *Human Resource Development Quarterly*, Vol. 18 No. 3, pp. 315-343.

Yu, T. and Wu, N. (2009), "A review of study on the competing values framework", *International Journal of Business & Management*, Vol. 4 No. 7, pp. 37-41.

Zimmerman, R.D., Mount, M.K. and Goff, M. (2008), "Multisource feedback and leaders' goal performance: moderating effects of rating purpose, rater perspective, and performance dimension", *International Journal of Selection and Assessment*, Vol. 16 No. 2, pp. 121-133.

Further reading

Ilgen, D.R., Fisher, C.D. and Taylor, S.M. (1979), "Consequences of individual feedback on behavior in organizations", *Journal of Applied Psychology*, Vol. 64 No. 4, pp. 349-371.

Landy, F.J. and Farr, J.L. (1980), "Performance rating", *Psychological Bulletin*, Vol. 87 No. 1, pp. 72-107.

Corresponding author

Assistant Professor Malik Ikramullah can be contacted at: malik.ikram@comsats.edu.pk

For instructions on how to order reprints of this article, please visit our website:
www.emeraldgrouppublishing.com/licensing/reprints.htm
Or contact us for further details: **permissions@emeraldinsight.com**