THE RELATIONSHIP OF ATTITUDINAL AND BEHAVIOURAL OUTCOMES WITH EMPLOYEE DEVELOPMENT IN THE CONTEXT OF PERFORMANCE APPRAISAL IN PUBLIC UNIVERSITIES OF KHYBER PAKHTUNKHWA

By
Wali Rahman

NATIONAL UNIVERSITY OF MODERN LANGUAGES
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The Relationship of Attitudinal and Behavioural Outcomes with Employee Development in the Context of Performance Appraisal in Public Universities of Khyber Pakhtunkhwa

By

Wali Rahman

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The undersigned certify that they have read the following dissertation, examined the defense, are satisfied with the overall exam performance, and recommend the thesis to the Faculty of Management Sciences (FMS) for acceptance:

Dissertation Title: The Relationship of Attitudinal and Behavioural Outcomes with Employee Development in the Context of Performance Appraisal in Public Universities of Khyber Pakhtunkhiwa.

Submitted By: Wali Rahman

Registration #: 392-PhD/HRD/2007

Doctor of Philosophy

Human Resource Development

Prof. Dr. Bahadar Shah
Name of Research Supervisor

Signature of the Research Supervisor

Prof. Dr. Rashid Ahmad Khan
Name of Dean (FMS)

Signature of Dean (FMS)

Maj. Gen. ® Masood Hassan
Name of Rector

Signature of Rector

November 2012
Date
CANDIDATE DECLARATION FORM

I, Wali Rahman

Son of Hazrat Rahman

Registration No. 392-PhD/HRD/2007

Discipline Human Resource Development (HRD)

Candidate of Doctor of Philosophy at the National University of Modern Languages, do hereby declare that the dissertation The Relationship of Attitudinal and Behavioural Outcomes with Employee Development in the Context of Performance Appraisal in Public Universities of Khyber Pakhtunkhwa submitted by me in partial fulfillment of PhD degree in discipline/department Faculty of Management Sciences is my original work, and has not been submitted or published earlier. I also solemnly declare that it shall not, in future, be submitted by me for obtaining any other degree from this or any other university or institution.

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Wali Rahman
Name
Abstract
This study examines the impact of performance appraisal on employees' development perceptions and the effects of those perceptions on employees' work-related attitudes and behavior in the public universities of Khyber Pakhtunkhwa. The study looks into the mediating role of development in linking performance appraisal and organizational commitment, job satisfaction, employees’ trust, and turnover intentions. The model is evaluated through Confirmatory Factor Analysis using Structural Equation Modeling (SEM). In Pakistan, efforts to link this HR activity with employee attitudinal and behavioural outcomes are equal to naught. The present study is an effort to addresses this gap. Results of the research indicate that employee development perceptions have a direct positive influence on organizational commitment, job satisfaction and employees’ trust and negatively affect turnover intentions. Besides, these variables have interdependence as well. The findings support the mediating role of development perceptions in the relationships among performance appraisal and these attitudinal and behavioural outcomes. The results provide guidelines and significant implications to help policy makers to better understand and critically look into the current performance appraisal process critically for positive improvements in this crucial HR intervention to promote positive employee attitude and behaviour while considering their career development. Furthermore, the study helps in enriching the current body of knowledge on performance appraisal in developing countries. Future studies should examine other antecedents like fairness perception, organizational citizenship behaviour and perceived organizational support to have a holistic approach to the intervention. Replication of the study in other settings is also recommended.
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Let me also state that the opinions expressed in this thesis and conclusions arrived at, are my own and are not necessarily to be attributed to the National University of Modern Languages, Islamabad.

Wali Rahman
CHAPTER 1

BACKGROUND AND SIGNIFICANCE OF THE ISSUE

Introduction

“Appraisal is the process at the heart of development, but attempts to use it as a major method of control may defeat its developmental objectives….In a situation where there is widespread complacency and ignorance about employee development, and where external pressures are not in general providing strong enough triggers to organizations to make a high-level and continuous investment in it, much of the onus of convincing them of the value of investment in the development of people is on the specialist practitioners” (p. 8, 12).

(Harrison, 1997)

In the present competitive world, higher levels of efficiency and productivity have become the cornerstones for the very survival of small and large organizations alike. Employees’ attitudes and behaviours significantly influence employees’ service delivery. The volatile nature of public services today and its major share as service provider in the province educational set up, and the high expectations from the public have increased pressure on management to re-evaluate their contributions in the workplace and the way in which they work. To affect this change employees are to be considered critical for providing quality education in the education sector. Therefore, managing and retaining quality employees can guarantee the success of organizations in education.

Employee’s attitude and behaviour in the workplace is of prime importance in the success of any organization. Therefore, the critical nature of effective human resource management
practices has widely been acknowledged (Gould-Williams, 2003; Guest, Michie, Conway, & Sheehan, 2003; Harley, 2002; Park, Mitsuhashi, Fey, & Björkman, 2003; Tessema & Soeters, 2006; Wright, Gardner, & Moynihan, 2003). Boswell and Boudreau (2002) consider performance appraisal as one of the most important human resource practices. It is, at the same time, the most heavily researched topic in work psychology (Fletcher, 2002). Jafari, Bourouni, and Amiri (2009) believe that it has effects on financial and program components of any organization. Therefore, the way it is handled can either lead to demoralization and dissatisfaction leading to organizational problems, or to high employee morale and productivity resulting in organizational viability. It is an essential process that could assist the individuals and the organization to their cherished mutual goals.

Understanding the nature of performance appraisal and its role in organizational setup is of prime importance thereof. It is a well-established fact that an organization is as good as its employees are. Barney (1995), and Pfeffer (1996) think that people are the organization’s crucial source of consistent competitive advantage. Still more, it would continue to be a central theme in the research literature. Therefore, those organizations that look for greater share in the market through their human resources are required to manage the behaviour and results of all employees. At the same time it is the most difficult challenge for managers to make distinctions between good, normal and weak performers (Noe, Hollenbeck, Gerhart, & Wright, 2006). In simple words, performance management is a very critical but a troublesome task. It is a multi-faceted activity that includes the process of providing direction, recognition, and feedback to employees, and contributes to workplace culture. It also provides information to the workforce about the priorities that they should set for themselves and communicates day-to-day expectations. However, it has been regretted that organizations, in general, have become engrossed in some other issues and have started taking it a mere formality. When this happens, reduced levels of employee engagement and commitment become the concomitants.

Abbasi and Holman (2000), and Newton and Findlay (1996) have discussed in detail the causes and effects of employee attitudes and behaviours. One example will be suffice to bring the point home. Among attitudinal and behavioural outcomes that have possible link with employee development, turnover has been considered very critical and costly. Though exact data
in our public sector universities is not available, according to Abbasi and Hollman (2000), the 
hidden and visible costs of turnover in organizations equaled somewhat $11 billion annually. It is 
only the tangible cost of turnover that has been quantified; it is very hard to do so in case of 
intangible loss. One of the most critical intangible costs is the low-level employee morale for the 
ones who choose, some way or the other, to remain with the organization. In this milieu 
researchers Rogers, Clow and Kash (1994) consider it essential for the management to 
understand the nature of this activity that may help shape employees' attitudes toward their jobs. 
It has been accepted that formal training and off the job trainings are effective in enriching 
employees regarding new information, adult learners are required to put into practice new skills. 
Therefore, organization can contribute significantly to its human resource career development by 
supporting career development activities within the organization. Such development activities 
are numerous. One is closely monitoring their performance and then telling them where they 
need improvement for dispensing away with the organizational challenges. Resultantly, making 
them more compatible. Regular performance appraisal is one of the best ways to carry out such 
developmental monitoring. Performance appraisal enjoys the most crucial role in organization 
success. Muczyk and Gable (1987) believe that the way this activity is managed determines the 
success/failure of an organization. Therefore, “it is essential for an organization to have an 
effective performance appraisal system, so that employees’ performance could be assessed 
accurately, moreover, such a system could adequately support to various human resource 

Central to the success of any intervention in organization is employees’ perception of that 
intervention. There are few efforts that concentrate on employees’ perception regarding 
organizational characteristics (H. R. Lee, 2000). According to Leigh, Lucas, and Woodman 
(1988) employees’ job satisfaction is affected by their perception of the broader organizational 
environment more than their personal role in the organization. C. H. Lee and Bruvold (2003) 
opine that individuals will show higher levels of affective commitment when they perceive that 
the performance assessment activities have some potentials for their development. In the same 
vein, Jawahar (2005) contends that satisfaction with performance appraisal has a positive 
association with job satisfaction and organizational commitment while negatively associated 
with turnover intentions. Harter, Schmidt, and Hayes (2002) believe in positive association
between development and retention. Similarly, skill acquisition, career advancement, performance recognition, and opportunity, are acceptable exchanges for retention and commitment. All these underscore the need for research to look at employee's understanding of the assessment system and how the element of development affects employees' attitudes and behaviors. Therefore, proper understanding of this intervention is highly essential and the need for the effective functioning of organizations. The available literature on the subject reflect that the overall success and growth of any organization depends on the level of its employees’ outcomes as commitment, job satisfaction, employee trust, and turnover intentions.

**Problem Statement**

Rapid advances in teaching methodologies, the inroads of information technology in education institutions, advancement in using teaching tools, and organizational options have allowed for great advances in service delivery. Despite all these improvements, universities should know that it is still the people—members of the faculty—that have the greatest impact on the delivery of the state of the art education and that make the whole system work. The ever-changing demand on organizations warrants management more responsive in terms of employee development.

Although a plethora of research has investigated the issue of employee development, the amount of empirical research in investigating the relationships among employee development, job satisfaction, organizational commitment, performance improvement, employee’s trust and turnover intentions in the universities seem to be scarce. In addition, previous researches on employee attitudinal and behavioural outcomes have predominantly been all about in advance countries (Christian, 2007; Walsh, 2003; Yan, 2005), least to say of such endeavours in universities in Pakistan.

It is essential that management and the employee should know where the deficiencies lie. In addition, the most common way of finding out these deficiencies is the formal system of performance appraisal. Though universities have formal performance appraisal system, they
hardly relate this activity to employee development. This affects their attitudinal and behavioral outcomes. Therefore, there is a need of a comprehensive analysis of key aspects of performance appraisal and its impact on employees (faculty members) development in public universities in Khyber Pakhtunkhwa.

It can be said that in most of our public sector organizations employee performance evaluation is carried out in the form of Annual Performance Report, which is the traditional way of employees’ work evaluation and is a legacy of the English System. What were the intentions of those who developed it, are beyond the jurisdiction of the current study. However, in present circumstances it can be termed that it badly lacks the utilization of the modern human resource expertise. There is lack of proper training or support for those charged with carrying out the appraisal function and without first identifying the desired outcomes of the process. Keeping in view all these research questions have been framed for the current study.

The specific research problem of this study is the lack of focused approach on the development aspect of the performance appraisal.

**Research Questions**

1. How does the quality of performance appraisal influence employees’ perceptions of development?

2. How do employee development perceptions relate to the job satisfaction?

3. How do employee development perceptions relate to organizational commitment of employees?

4. How do employee development perceptions relate to the employees trust?

5. How do employee development perceptions relate to the turnover intentions of employees?
6. Do employees’ development perceptions mediate the relationships among performance appraisal and organizational commitment, job satisfaction, employees’ trust and turnover intentions?

Research Objectives

Following the changed approach to performance appraisal in almost all organizations around the world, the introduction of a positive change in this particular area in our public universities is desirable. Objective of this endeavour will be to study this intervention in detail, its relevance, key problems, and its relationships with employees’ attitudinal and behavioural outcomes. Keeping many purposes of the intervention, employee development has been made the centre of focus for this study. General impression of faculty members about their Annual Performance Appraisal is that of annoyance or even anxiety (Mills & Hyle, 1999). With all its pros and cons majority of researchers consider it more profitable for employees, consequently more serviceable for the organizations. Notwithstanding, there is a need of giving attention to identify actions required to help the reformers in making the system of performance appraisal a valuable exercise for the organization and for the employee development at the same time. The study will help to:

- Explain the centrality of the intervention;
- To determine awareness of performance appraisal and employee interest in it;
- Enumerate all the benefits associated with the intervention;
- Explain the relative importance of employee development vis-à-vis the intervention;
- Clarify organization view and employees’ perception of the intervention;
- Identify the main obstacles to effective performance appraisal; and
- Explain the advantages of an operative performance appraisal system.
Justification and Significance

The importance of effective human resource management practices has empirically been recognized. A number of researchers (Gould-Williams, 2003; Guest, et al., 2003; Harley, 2002; Park, et al., 2003; Tessema & Soeters, 2006; Wright, et al., 2003) have indicated through their studies that HR practices positively affect employee as well as organizational performance. However, it can be fairly said that the center of attention of these researches have been found related to developed countries. Additionally, these studies have been done by industrial organizations and occupational psychologists (Mueller, Wallace, & Price, 1992), on the other hand. It can be said that research on organizational commitment within educational settings is rare (Chughtai & Zafar, 2006). The amount of research to test the human resource-performance association with employee behaviour in developing countries like Pakistan (Shahzad, Bashir, & Ramay, 2008) is very scarce. Though Shahzad, et al. (2008) have studied it, it is from compensation point of view. Aycan et al. (2000) termed Pakistan as “under-researched country in the discipline of HR management practices” (p. 217). Performance appraisal is one among them. Since almost all universities practice it, it seems very relevant to look into its contribution in effective HRM from the developmental perspective.

The literature review reveals that this human resource intervention is highly critical for the success of any organization. Performance Appraisal has numerous advantages at Individual level (like acknowledging of the efforts that individual employee has put in and identifying weak areas where training is needed), Team level (like linking of team efforts with team’s objectives and motivation), and at Organization level (like employee’s development, attaining key objectives, and the possible utilization of human resources).

Therefore, the findings of this research will benefit both universities management and faculty members. These findings will also help them to identify and understand critical issues in performance appraisal, its relationship with employee development, the nature of this human resource activity and the advantages of having an effective performance appraisal system.

In organizations, managers are entrusted with many functions and assessing employee performance has been found to be one among them. It has the same importance as that of
managing financial resources and program outcomes due to its deep impact on overall organization. All these benefits can only be accrued if this activity is carried out in true sense. However, its impact on employee development in our public sector has hardly been touched upon. This study is meant to study the role of performance appraisal in employee development in the public universities of Khyber Pakhtunkhwa. Though this study is particularly about the public universities in Khyber Pakhtunkhwa. Private universities and colleges throughout the province can also benefit.

The system of performance appraisal in our public universities is the Annual Performance Report. It has ever since been a restricted and confidential document which is against the essence of performance appraisal of the present age. Serious reservations have been expressed and flaws and deficiencies have been pointed out. It has never been considered a way of effectively appraising and assessing performance by properly reviewing past goals, expressing future management intentions, identifying development opportunities, and pinpointing areas for improvement. For example, it has been said that in Pakistan’s civil service sector an efficient performance assessment system does not exist and it has been out of favor as ineffective system, as far as the modern human resource management practices are concerned (CHIP, 2005\(^1\)). There exist inadequate standards of performance management with a tendency to emphasize on an officer’s traits rather than his or her performance. To make it an effective instrument in employee development it is required that performance management system should have consistent feedback system. It has been discouraged by the HR experts to take it as merely an annual review. From this perspective, the system in vogue in the public universities of Khyber Pakhtunkhwa does not provide any opportunity for feedback and has hardly any avenue for rewards or sanctions. Reformations are underway on various forums. However, these reformations could only be made effective and purpose oriented if and only directed and guided

\(^1\)Civil Society Human and Institutional Development Program (2005). *Needs Assessment for Service Delivery Capacity Building at The District Level: District Swabi (NWFP)*. Islamabad: CHIP.
by some sound research. Surprisingly, little research has been conducted in this particular area. We, therefore, know very little about its nature in the public universities and about the views of those who are being appraised. Hence this study!

**Research Hypotheses**

Hypothesis 1: The greater the element of employee development in the performance appraisal, the greater the level of perceived employee development.

Hypothesis 2a: Employee development is positively associated to his/her organizational commitment.

Hypothesis 2b: Employee development is positively associated to his/her trust.

Hypothesis 2c: Employee development is negatively associated to his/her intentions to quit.

Hypothesis 2d: Employee development is positively associated to his/her job satisfaction.

Hypothesis 3: Organizational commitment is negatively associated to his/her intentions to quit.

Hypothesis 4a: Job satisfaction is positively associated to his/her organizational commitment.

Hypothesis 4b: Job satisfaction is negatively associated to his/her intentions to quit.

Hypothesis 5a: Employee trust is positively associated to his/her organizational commitment.

Hypothesis 5b: Employee trust is positively associated to his/her job satisfaction.

Hypothesis 5c: Employee trust is negatively associated to his/her intentions to quit.
Hypothesis 6: Perceptions of employee development mediate the associations among performance appraisal, job satisfaction, organizational commitment, trust, and intentions to quit.

Theoretical Framework

A number of diverse studies on performance assessment and its possible associations with attitudinal and behavioural outcomes in relationship to employees' development perceptions have been studied to draw the theoretical framework of this study. Several researchers have contributed to this framework. They include research on employees’ perception of performance appraisal and its developmental use (Boswell & Boudreau, 1997), functions and purposes of performance appraisal (D. J. Campbell & Lee, 1988; Mills & Hyle, 1999; K. R. Murphy & Cleveland, 1995), fairness in performance appraisal and the level of trust (Mayer & Davis, 1999), employees’ turnover intentions and their negative consequences (C. H. Lee & Bruvold, 2003), turnover intentions process after dissatisfaction (Mobley, 1977), employee commitment and favorable organizational outcomes (Chughtai & Zafar, 2006), relationship between organizational commitment, performance improvement and turnover intentions (L. M. F. Shore & Martin, 1989), and model concept from H. R. Lee (2000). The findings of these studies and a score others have reported that employee development perception is associated with employees’ attitudinal and behavioural outcomes such as job satisfaction, organizational commitment, trust in management, and intentions to leave.

The model, drawn on the pattern of H. R. Lee (2000), for the current study supposes that the nature and quality of performance appraisal create perceptions about employee development, which refers to the joint and consistent effort on the part of an employee as well as the organization that employees experience during their employment period to enrich their attitudes, experiences, knowledge, skills, and abilities with the aim to improve their effectiveness. In particular, the nature and quality of performance appraisal is fundamental because this activity is carried out with certain goals which are important predictors of employee reactions regarding their appraiser, the job they are engaged in, and the performance assessment process (J. B. Prince
& Lawler, 1986; Williams, DeNisi, Blencoe, & Cafferty, 1985). The present study utilizes performance appraisal as an antecedent to the constructs of employees' perceptions of development and employee trust, organizational commitment, job satisfaction, and intentions to quit.

A large number of researchers have referred to the relationship between performance appraisal and employee development. For example Robbins and Coulter (1999) believe that it is through performance appraisal that employees weaknesses and strengths are identified which are useful for diagnosing employees’ training needs, career advancement planning, and the like. Performance feedback and coaching provide the basis for improving day-to-day performance. For Flippo (1980) performance appraisals should stimulate and guide employee development. Similarly, Edgar and Geare (2005), and Georgellis and Lange (2007) found that employee development has positive association with the level of job satisfaction. Similarly, organizations that offer development opportunities for the benefit of the employees, expect the employees to behave reciprocally (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001). Meyer and Herscovitch (2001) reported that employee commitment is an obliging force that gives direction to behavior i.e. restricts an employee’s freedom and binds him/her to designed course of action. McElroy (2001) opines that when an organization makes investment in trainings, it signals that the organization is committed to the development of its employees. Consequently, it creates a reputation for valuing and developing the employees. This not only attracts the best mind in the market but also retain employees. Scarpello, Ledvinka, and Bergmann, (1995) believe that majority of the employees mostly want career success.

The above discussion echoes that assessment should affect employees’ attitudes and behavior in organizational settings. Figure 1 demonstrates the proposed theoretical association among the constructs of the study. This study will examine the interdependence of these constructs. Individual will be the unit of analysis for drawing the conclusion of the research.
Figure 1  Theoretical Fields used to describe and interpret the relationships in the process.

Figure 2  Hypothesized Research Model of Performance Appraisal, Employee Development and other Attitudinal and Behavioural Outcomes.
Operational Framework of the Study

Managing human beings means managing human behaviour which is by itself a relationship between cause and effect. This human behaviour management requires the development of explanation for such relationship. The science of psychology tries to achieve that development by relating theoretical model to the empirical reality and translate into observable constructs. These measures that are utilized to objectively quantify a variable are branded as its operational definition or operationalization. It “is the process of changing a theoretical construct into a concept that can be “seen” in the empirical reality” (Jonker & Pennink, 2010, p. 51). This process helps in translating a theoretical notion into measureable questions. It provides a clear, concise and concrete definition of a measure. Such definitions, when applied to data collected, give the variables meaning within a particular study.

Operational definition for any concept or variable is essential because until and unless it is defined everyone will have his/her own definition. Therefore, it is necessary that everyone has the same understanding of the concepts under research as the researcher has. It is also essential that these definitions be made before the collection of data begins.

Operational definitions of the variables in the study. Operational definitions for the variables are provided below:

- **Performance Appraisal:** A structured and formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (annual or semi-annual), in which the work performance of the subordinate is examined and discussed, with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills development.

  According to Beach (1980) it is an assessment of an employee against his/her performance on-the-job and his/her potential for development. This definition will be adopted in this study.
- **Employee Development:** It is a collaborative and consistent effort of an employee and the organization in which he/she works with the motive to enrich their attitudes, knowledge, experiences, skills, and abilities and to improve their overall effectiveness. This also increases their self-awareness, competencies, and enables them to improve their employability. Developing an individual in organizational context is developing his/her competencies so to enable people to absorb the knowledge, skills and attitudes necessary for their jobs (Sandberg, 2000).

- **Job Satisfaction:** It is a pleasurable emotional state resulting from the appraisal of one’s job or job experiences (Locke, 1976). The level of contentment of an individual with his/her performance of the job that is affected by the management style and culture, employee involvement, empowerment and autonomous work groups.

- **Organizational Commitment:** An employee’s engagement which restricts freedom of action. It is a psychological state that ties an employee to the organization. It is a constant or obliging strength that gives direction to behavior (e.g. restricts freedom, binds the person to a course of action).

- **Employee Trust:** Organizational way of controlling employee’s work behaviour and employee’s positive psychological reaction to the controlling system which ensures and sustains manageable relations and keep employees happy. It is a readiness of an employee to be susceptible to the actions of the organization with the hope that the latter will perform an action important to the former, irrespective of the potential of checking or controlling the other party (Mayer, Davis, & Schoorman, 1995).

- **Turnover Intention:** It is the relative strength of an employee's intent toward voluntarily withdrawal from an organization permanently (Hom & Griffeth, 1991).

- **Organizational Culture:** The specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization.
Limitations and Delimitations of the Study

There is a wide and extensive literature available on performance appraisal that reflects the importance of this human resource intervention. Efforts have been made in the literature review chapter to present a critique of all the relevant research on the topic. The literature review reveals that the topic is highly complex and multi-dimensional. All these aspects of the performance appraisal cannot be made the topic of one study. Therefore, the scope of the study has, firstly, been restricted only to one aspect—the relationship of attitudinal and behavioural outcomes with employee development in the context of performance appraisal. Secondly, the study records the findings in the light of the sample which is 329 faculty members. A third limitation is that of the perceptions of the faculty members recorded in the questionnaire. Their perceptions could not be necessarily a perfect representation of reality because an individual’s perception cannot be treaty as an absolute reality.

The very topic of the study tells the reader that the study is about Public Universities in Khyber Pakhtunkhwa. Therefore, the results of the study are required to be restricted to the current study and can hardly be generalized to other organizations. There are certain variables such as organizational culture, individuals, conditions, and employees’ perceptions are unique to the study. Similarly, though an all-embracing body of the related literature has been studied, it cannot be claimed that everything has been said and that every relevant theory has critically been analyzed.

It is a social science research and its corner stone is always a researcher’s perspective and cannot be deemed something absolute. It has been discussed in detail in the methodology chapter that it is an effort of observing the reality through the eyes of the researcher using a closed research question. Conclusions have been drawn on the findings of the analysis. Therefore, it should be treated as a contribution to the field of performance management and particularly to performance appraisal and be accepted with all the limitations of an individual’s perspective.
Assumptions of the Study

The researcher has undertaken this study with the following assumptions in the mind:

- It is assumed that the issues discussed in this study are common in the public sector universities in the province and account for almost all the reasons that affect an employee’s performance and universities’ outputs.

- Second assumption is that the proposed theoretical model and methods have the potential of modification to be fitted in any other organization or private sector universities.

- Third assumption of the study is that universities’ managements recognize these issues and are expected to extend their commitment to support the recommendations that this study will present.

Structure of the Thesis

The thesis consists of six Chapters, Annexures, and References.

Chapter 1 (Introduction) is an introduction of this study and highlights the problem statement, research questions and objectives, justification and significance, hypothesis and sub-hypothesis. It provides the rationale for the choice of the topic and then connecting it with public universities in Khyber Pakhtunkhwa.

Chapter 2 (Literature Review) provides a comprehensive critical review of the available researches on the topic. Comprehensive history of the performance appraisal has been provided to apprise the reader about the evolution of the intervention. All the relevant theories have been provided with the purpose to explain the phenomenon more objectively. The rest of the chapter comprises of detail discussion on the related variables, their dependence and interdependence in the study.
Chapter 3 (Research Propositions) describes the propositions of the study.

Chapter 4 (Research Methodology) provides justification for preferring the methodology that has been adopted in the interpretation of the data collected for the purpose. It also elaborates on the research pyramid.

Chapter 5 (Analysis of the Data) provides analysis of the data, while

Chapter 6 (Discussion and Recommendations) provides discussion, conclusion and presents future research recommendations.

Summary

This chapter apprised the reader about the research topic and the structure of the thesis. The research questions have been introduced and problem statement provided followed by the hypotheses of the study. To examine the relationship between the variables empirically, a theoretical framework was adapted from the literature that provided the dependences and interdependences of these variables. The research questions have been developed to address the relationships among the constructs. Objectives of the study have been given. Justification and significance have been provided. The chapter also elaborated the proposed theoretical base and practical significance of the study. To apprise the reader, limitations of the study and literature resources have been discussed. At the end assumptions of the study have also been discussed.
CHAPTER 2

LITERATURE REVIEW

Overview

Chapter 1 introduced the topic of performance appraisal, its relation with employee
development, its outcomes, and its significance in public universities in Khyber Pakhtunkhwa. The purpose of this chapter is to conceptualize the relationship by exploring the literature available on the subject thereby establishing the basis and providing justification for undertaking the study at hand.

The topic by itself is very vast and intensively researched. Keeping in view the extant literature a framework of the key components are presented. They are: introduction, performance appraisal down the history, performance appraisal and its relationship with management, employee development, setting targets, feedback, training, review, measurement criteria issues, work behaviours vs. personal attributes, common rating errors, supervisor-subordinate interpersonal relationship, benefits/utility/uses of performance appraisal, functions, job satisfaction, employee’s trust, organizational commitment, turnover intention, organizational culture, and system support, and chapter summary.
Introduction

Boswell and Boudreau, (2002) consider performance appraisal as a vital and most important HR practice. And that is why Fletcher (2002) considers it the most extensively researched topic in work psychology. “It is one of the most important processes in human resource management, because it has a great effect on both the financial and program components of any organization” (Jafari, et al., 2009, p. 92). It is very important to any organization. Therefore, the way it is handled can either lead to demoralization and dissatisfaction leading to organizational problems, or to high employee morale and productivity resulting in organizational viability. It is an essentially critical process that could have a dual purpose of serving both the organization and the employee in achieving mutual goals. It makes an employee realize that some way or the other organization takes care of him/her and about his/her progress toward personal or organizational goals. Managers get the most from their employees through performance appraisal when they apply the human touch—the performance appraisal process that puts people first, because they show that they care them (Cadwell, 1994). According to Harrison (1997) appraisal is central to training and development that supplements a wider process.

There exists a consensus among the social scientists that human side of an organization provides a distinct source of sustained competitive advantage subject to the fulfillment of four basic requirements. First, individual performance must be a value addition to the organization’s production processes. Second, these individuals must possess rare skills. Third, the skills that these individuals possess cannot be imitated easily. And finally, an organization’s human resources are required not to be replaced by technological advances or other substitutes. But all these depend on how an organization can exploit this potential source of profitability. According to Bailey (1993) employers hardly exploit their employees maximum potential which result in frequently underutilization of human potential. Therefore, if an organization is caused to incur costs on efforts to make employees utilize their potentials, is likely to accrue returns in excess.

Performance appraisal has been defined by different writers and researchers differently keeping in view its centrality in any organization. Generally speaking it has been considered a
ceremonial interaction between an employee and his/her supervisor wherein the latter judges the work of the former periodically and sometimes such performance is discussed with the aim to identify weak and strong areas of the employee and also to look for making up the deficiency as well as opportunities for improvement and skills development. For Worley (2003) it is a process of reviewing and assigning value to an individual’s performance and that it is not a new concept. For Waldman, Bass, and Einstein (1987), an appraisal system serves to measure and improve performance. Khan (2007) calls it “the essence of any management system” (p. 99). For Rao (2004) it is an employee’s output against an assigned task/role during a specific period of time within the parameters operative at that particular period of time. Hollenbeck, Gerhart, Wright, and Noe (1996) consider it a process with the help of which organizations collect information about their employees regarding their performance in their respective jobs. For Dowling, Schuler, and Welch, (1999) it is a sub-process of the overarching performance management process. It is the evaluation of an employee’s work performance with the aim to get an objective personnel decisions (Robbins, Bergman, Stagg, & Coulter, 2000). For Byars and Rue (1984) it is a process of assessing and coordination with an employee regarding his/her performing of the job and establishing a plan for improvement. Bretz, Milkovich, and Read, (1992) provided all-embracing analyses of the huge literature on appraisals. According to them, it is an assessment process with an intensely emotional and human side as well. Its importance can be gauged from Landy and Farr’s (1980) recognition of the fact that it has entrapped the attention of researchers for more than 70 years.

Performance appraisal has been termed a process of finding, appraising and improving the work performance of employees in the organization. All these are carried out with the aim to achieve organizational goals and objectives more effectively. The process should also benefit the employees by recognizing their performance, give them feedback, and cater for work and provide career guidance (Faizal, 2005). It works as a good instrument to assist employee’s career growth. It should also provide the requisite information to management to help it in personnel related decisions. It is a regular process that should carry sincere, clear, timely, and honest interaction between employees and management. It is essential and useful for both the employees and the organizations. For employees it helps developing the skills and improving the capacities.
of employees. On the organizational level, it helps improving organizational planning and achieving the main goals of the organization efficiently and effectively.

Rash (2004) believes that it has been a central building block in organizational success and has played a very central role over a longer period in the twentieth century. Because it is very natural with any human because, as Dulewicz (1989) believe, everyone likes to make judgment of that person that one is working with and of himself/herself as well. A majority of the researchers and practitioners contends that performance appraisal is a cherished and indispensable tool in organization improvement. Smother (1998) provided a thorough overview regarding some components and key practices (like compensation, feedback, improvement, and teamwork) in the assessment process. According to him effective systems should incorporate these important and key components in the assessment process. However, there seems a contrast between the theory and the practice. Researchers (P. C. Smith & Kendall, 1963) contended that this is because of the impossibility of obtaining accurate appraisals. They have been seconded by Dunnette (1966), and Deal (1969) who look at the faults in the rating format and resistance of the rater to judge others. Social scientists are working hard to find ways how to obtain accurate appraisals. Decotiis and Petit (1978) expressed their dissatisfaction over the literature on the subject and termed it disjointed and lacking the cohesion one would expect in such volumes. In addition, the task seems still inconclusive. Notwithstanding, there are recommendations which include proper raters’ trainings, changes from traditional trait-based rating formats to behaviorally based appraisal formats.

To conclude the discussion, the importance of the system has widely been researched and accepted as one of the vital human intervention both for the organization and for the individual employee. A host of researchers (A. Neely & Bourne, 2000; A. D. Neely, 1998; Soltani, Van Der Meer, & Williams, 2005) are unanimous in recognizing the fact that developing an employee performance appraisal system having the quality of precisely mirroring employee performance and their contribution in various organizational programs, at the same time meets organizational context requirements, is definitely an arduous and difficult task. Boice and Kleiner (1997) looked at this difficulty and concluded that performance appraisal systems are peculiar stuffs and can hardly be passed on from one organization to another. In simple words, performance appraisal
system is required to be designed and implemented in such a way that makes a concord with organizational needs. Furthermore, it should prove to be a source of customer satisfaction. A. Neely and Bourne (2000) believe that the only cause of performance appraisal fiasco can be attributed to dismal designing of the system. Anyway, “HR policies and practices that enhance personal growth and motivate the workforce would secure a durable employee-employer relationship via social exchange process, which brings a win-win situation that benefits both parties in the long run” (Foong-ming, 2008, p. 15).

**Performance Appraisal down the History**

The aim of this section is to enhance the importance of this thesis. Although performance appraisal as an HR intervention has become the centre of attention for a long time, the practice of systematic evaluation of employees been there since centuries. Patten (1977) traced its existence to the third century A.D. According to him there are evidences of criticism of unfair assessment of a rater hired by the Wei dynasty. The rater was blamed for rarely assessing men on merit but on the ground of his likes and dislikes. However, Prowse and Prowse, (2009) observed that official recording of employees’ performance were found in Robert Owens’ factory in New Lanark as early as 1800s. However, majority of the writers on the subject traces its origins to the start of the 20th century and link it to Taylor's pioneering Time and Motion studies. While as a discrete and official management system with some rudimentary assessment techniques happen to be found at the close of World War I. However, Mazhar-ul-Haq (1977) and Khan (2007) trace the foundation of formal performance appraisal of the state functionaries to Hazrat Umar Farooq, the Second Caliph of Islam (634- 644 AD/13-23 AH). Anyway, it can be said with certainty that it is a very ancient, inevitable and a universal art. To make it more logical a history of the topic from the relevant literature is presented here.

Khan (2007) contends that the history of performance appraisal starts with the dawn of human civilization and to evolution of human history itself. According to him, the first formal performance appraiser was the Second Caliph, Hazrat Umar Farooq. He has fully elaborated how the caliph set his standards during appointment of public office holders and then appraised their
performance. He has also explained that it was the caliph that introduced the concept of Job Description and Job Analysis.

However, he admits that systematic assessment took its start during & immediately after the WWI. The techniques used for evaluation were first employed to assess the performance of US Military Officers. Similarly, during the 1920s & 1930s the industrial concerns about production increased and policy of connecting grade wage increases based on merit got footing. These techniques were termed merit-rating programs. These techniques, during 1920-1940 were some scale type having degrees, factors, and points. Thence performance appraisal started receiving greater attention as it got recognition. It got footing in making its case to be a part of some well-designed and well-integrated programs. Anderson and Embree, (1948) recognize this fact by saying that approaches to the problem of individual appraisal during the past three years have shown a number of significant trends with marked increase in emphasis on the development. However, they are not satisfied with the techniques proposed by Kent (1945), and Goldstein (Goldstein, 1945).

With the passage of a decade so many developments took place but the tricky issue still remained a puzzle. The traditional techniques of appraisal were objected because they would place the superior in the place of “playing God” in judging his subordinates, that most would find this intolerable. Whisler (1958) talking on behalf of mangers contended that managers were not satisfied with the application of traditional merit rating techniques to appraisal and that management tends to treat them lightly or to oppose them actively. He criticized the appraisal system in vogue over the power relationship of individuals involved. He was against the “crown prince” and the “boy” system of the corporation of the time. Both the researchers were averse to the boss-subordinate relationship that was prevailing and wanted a change. However, there was no unanimity. Some would favour a voluntarily change in that relationship without questioning organization structure while some would advocate that change in organization structure inevitable for the success of a meaningful performance appraisal system.

According to Eichel and Bender (1984) before the 1960s, in the beginning, the main aim of the activity was to use it as tools for the organization to control employees. The method
utilized for control was the use of past performance to validate management’s proceedings in trading with the employee. The activity was mainly used for taking personnel decisions like retention, discharge, promotion or to fix salary.

The 1970s witnessed a shift in development of the assessment system with the concept of MBO. During this decade it happened that managers used to judge employees and then to provide feedback of the performance. Here it has been observed that performance appraisal had been treated as a process that was used to isolate and measure individual performance or would compared several alternatives. With the beginning of the 80s the process has been institutionalized and “evaluation of employee performance became a common practice in modern organizations at that particular time. Many organizations started tying organizational rewards (such as raises and promotions) to these evaluations (DeNisi & Stevens, 1981).

The research on the issue intensified and it got a new dimension—cognitive role in the appraisal process. Some researchers (DeNisi, Cafferty, & Meglino, 1984; Landy & Farr, 1980) took dynamic research that investigated the cognitive element in the assessment. The main issues here were to examine the possible link between assessment errors and rating feasible accuracy (Fisicaro, 1988). Other aspects of these investigations were found to be appraiser-appraisee familiarity (Cardy & Dobbins, 1986), and assessment effects on memory demands (Williams, DeNisi, Meglino, & Cafferty, 1986). Furthermore, Borman (1979) studied, rater-individual differences, while Kozlowski and Kirsch (1987) looked into conceptual similarities within rating categories. Two cognitive models of the processes—traditional and categorization—remained the centre of focus for researchers.

Side by side, researchers also took interest in studying the impact of employee participation in the system. Employee’s perception of the fairness of the PA got attention. Fairness of PA was thought to have increased the acceptance of the system that has got a great impact on performance (Evans, 1984). Two organizational studies (Dipboye & de Pontbriand, 1981; Landy, Barnes, & Murphy, 1978) found positive association between favourability of the appraisal and the employee’s opinion of the system. The emphasis on improving rating techniques and reducing measurement errors started shifting to addressing the system from

Performance appraisal has always been considered a function of so many variables, interdependent. The scope of study got widened. Judge and Ferris (1993) studied the influencing function of situational and social factors on the assessment. It has been pointed out by Mitchell (1983) that as generally employees work in teams/groups, some of their work happen to remain unobserved. In addition to that, most evaluators have diverse motives while assessing employees’ performance. Therefore, traditional approaches to performance assessment were termed inadequate. A considerable number of researchers (Dipboye, 1985; Mitchell, 1983; Nathan, Mohrman, & Milliman, 1991) expressed their apprehension of too much emphasis on cognitive processes as they believed that it was likely to miss the most important element—the contextual influences within which rating decisions are embedded—of the assessment process. Judge and Ferris (1993) proposed that if researchers wanted to understand performance rating process they should take into account situational and social influences. According to them demographic similarities were found to affect the supervisor-subordinate relationship which resultantly affects the appraisal. The rest of the situational and social factors that they hypothesized were supervisor experience, demographic relation between supervisor and subordinate, supervisor’s positive affect toward subordinate, and subordinate’s own inference of his/her own performance. And according to Boswell and Boudreau (2002) if a supervisor’s perceptions of an employee have a spill-over effect, or he/she fears some conflict that happens to distort the assessment ratings, such assessment can easily be termed less accurate. This would fail to make distinction between good and weak performers and would result less interest on the part of the employees towards the appraisal system. Similarly, McFillen and New (1979) found a
significant interaction between closeness of supervision and subordinate performance in predicting supervisors' ratings of subordinates' performance. Close relationship of worker-supervisor has been observed to affect the performance of employee in this way that when supervisors closely supervised the subordinates, the performance of these employees has been found more effective than those who have been supervised distantly. This factor has been addressed from another angle—social detachment between supervisor and subordinate—by a number of researchers (Ferris, Judge, Rowland, & Fitzgibbons, 1994; Ilgen & Feldman, 1983; Mitchell, 1983). Distance between supervisors and subordinates can manifest itself both physically and psychologically. High spatial distance between the areas supervisors and subordinates occupy in the regular operation of job-related tasks and duties are likely to reduce the supervisors' opportunity to observe. This spatial element adds to an employee’s employee shirking behaviour. Here the size of the organization makes the difference. Many researchers (Ehrenberg, 1989; Groshen & Krueger, 1990; Jones, 1984; Latane & Williams, 1979) researched the effects of group size on productivity and thereby performance ratings.

Reservations on the validity of the system remained there. Cook (1995) looked into the problem from this angle and questioned the validity of subjective performance rating because according to him it suffered from four sets of problems—biases, impression management, politicking, and undeserved reputation. These problems were thought to have negative effects on the effectiveness of performance ratings as criteria. For improving on all these negative effects the only solution according to Cook (1995) is the selection of right people for management.

Dissatisfaction with the current system and search for a better one has remained unsatiated. It was realized that as performance of an employee is affected by so many factors, therefore information on employee’s performance should be obtained from multiple sources. In the 90s this aspect was being addressed which culminated in the increased use and popularity of multisource performance (Conway & Huffcutt, 1997). Common sources that were employed in the multisource rating system were supervisors, peers, and even the workers themselves. In the case of management personnel, assessment would be obtained from subordinates (K. R. Murphy & Cleveland, 1995). Researchers believed that these multiple source ratings had some relatively unique perspectives (Tornow, 1993). But at the same time a note of caution was added in the
sense that such multiple sources should be strongly correlated to one another otherwise they would only result in an increased number of raters while bringing no qualitative difference in the rating perspectives. Conway and Huffcutt (1997) observed that these multiple sources could reduce bad outcomes like geocentricism and biases of a single source. London and Smither (1995) informed that a number of four to six subordinates and peers were traditionally used in multisource feedback.

The importance of performance appraisal as human resource intervention is evident from the fact that researchers have been laboriously busy since long to improve the system or to design it anew with the purpose to make it more objective. With this end in the mind, the scope of this activity has always been subject to addition of new insights. Self-evaluations in the history of performance appraisal got prominence in the 80s and 90s in the field of HR management and organizational psychology as a new dimension with more rigour. Many organizations started employing self-appraisals in the overall performance evaluation process (Ferris, Yates, Gilmore, & Rowland, 1985). It got importance because research proved that it offered a number of potential benefits. These benefits include performance improvement (Korsgaard, Roberson, & Klein, 1991) more perceived accuracy, acceptance and fairness in the process (Farh, Werbel, & Bedeian, 1988), and employee development (D. J. Campbell & Lee, 1988). However, self-appraisals’ research pointed out a number of problems. These problems found to be leniency relative to supervisory ratings (Harris & Schaubroeck, 1988; Thornton III, 1980), and self-evaluation earlier than the supervisor’s evaluation. The latter would raise the question as to whether self-appraisal information influences supervisor performance appraisals. Shore and Tashchian (2002) researched this aspect with the help of accountability theory to investigate the effects of self-appraisals on the assessment process.

Lerner and Tetlock (1999) defined accountability as “social pressure (or an expectation) to justify one’s judgments of others”. A great deal of research documented the influence of approval seeking on behavior and the reluctance to transmit negative information to others. This appraiser would do due to feelings of accountability to the employee. For Tetlock, Skitka, and Boettger (1989) the sense of accountability would affect supervisor’s judgment in another way when he would know the subordinate’s views prior to the appraisal, he would likely to formulate
his opinion simply to adopt or to conform to the views of the subordinate to whom he felt accountable. From these two aspects of accountability theory Shore & Tashchian (2002) concluded that for poor task performance, both theoretical perspectives would result in identical predictions when the subordinates appraised themselves favourably while lead to very different predictions in case of good performers when they rate themselves low.

The decade of the 90s also saw intensified emphasis on employee’s participation in the system. A great deal of research was undertaken by a number of researchers (Black & Gregersen, 1997; Erez, Earley, & Hulin, 1985; Greenhaus, Parasuraman, & Wormley, 1990; M.M. Greller, 1998; M.M Greller & Jackson, 1997; Lefton, Buzzotta, Sberberg, & Karraker, 1980; Nathan, et al., 1991) wherein need of employee participation and its outcomes both for the employee and organization have extensively been discussed.

Side by side with employees’ participation, the 90s also witnessed a keen and substantial interest in studying the role of national culture on management vis-à-vis the employment relationship (Snape, Thompson, Yan, & Redman, 1998). The credit of this interest goes to the work of Hofstede (1980), and Hofstede and Bond (1988). Hofstede (1980) four cultural dimensions trapped the interest of a number of researchers. Social scientists started studying this aspect. Similarly interest was shown on the importation of Western management practices into other cultures and comparative analysis of the appraisal systems (McEvoy & Cascio, 1990).

Researchers were of the view that cultural and attitudinal differences inhibit the transplanting of one country’s management techniques into another. These differences would affect job design, assessment process and rewards (Hofstede, 1980). And from these differences it was concluded that employees could be expected to differ in terms of the extent to which they would accept or express confidence in performance appraisal. Snape, et al. (1998) hypothesized that cultures that value individualism show greater confidence in the system than those that value collectivism.

The abundance of available research on the issue manifests the importance of this activity and according to Dierdorff and Surface (2007) it will not be underestimation to state that employees’ performance data have become universal in both organizational research and
practice. Going into the depth of this intensively extensive research one has no option but to recognize the vitality of this intervention. Its various aspects and problems that affect organization and employee have been addressed. However, researchers are still in search of finding solid solutions for the problems that surround it. In 2001 employee assessment still seemed to have the greatest amount of ambiguity (Pettijohn, Parker, & Pettijohn, 2001). And even “in 2007 it was still perceived as a detested ‘paper chase’, and people are inclined to defer and postpone participation, and that time-pressed managers can’t track and record sufficiently”\(^2\).

No doubt managers recognize the importance of this activity but fears have been shown that supervisors generally underestimate it, evade it, or fall short of to exploit it fully, or evade it entirely (Morris, Davis, Allen, Avila, & Chapman, 1991). Pettijohn, et al. (2001) characterize this apparent inconsistency between theory and practice. They acknowledge that there are considerable benefits of properly conducting assessments; however, managers may find themselves unprepared to carry out successful assessments.

Performance appraisal is evaluating human behaviour in an organization in relation to his/her output in that organization which is the result of the input that the individual puts in and the culture that the organization provides. Literature on the subject tells us that in the beginning inputs of the individual were being emphasized. But as time passed, researchers diverted their interest to the organizational aspect of the appraisal system. In this regard, the concept of organizational citizenship behaviour (OCB) emerged. According to Sulsky, Skarlicki, and Keown, (2002) it is something which is supposed to be above and beyond the organization’s theory of performance, but nonetheless contribute to its effective functioning. Such behaviours can be observed in interpersonal helping and offering for extra assignments. For Organ (1997) it provides strength and preserves the psychological and social contexts that support task performance. Different researchers have discussed OCB in different shapes. For example, Borman and Motowidlo (1997) argued in terms of contextual performance, and Puffer (1987) in

\(^2\)"Make employee appraisals more productive. (Performance Management) (Brief article)”, cf. HRFocus, 84(9), 2007
relation to pro-social behaviors. Sulsky, et al.(2002) admits that even though OCB may not be openly recognized as organization’s expectations, they believe that manager’s understanding of the OCB may increase assessment accuracy.

Though performance appraisal was believed to have its roots many years back (Klimoski & London, 1974), its popularity has soured in recent years (Hedge, Borman, & Birkeland, 2001). This claim can be augmented by the publication of an increasing number of articles and books (Bracken, Timmreck, & Church, 2001). The use of external executive consultants got increasing popularity in corporations (Graddick & Lane, 1998). In the beginning, according to London and Smither (1995), multisource feedbacks were exploited mostly for development purposes. However, Dalessio (1998), and London (2001) observed that these feedbacks have also been used for administrative purposes as well. This shift in approach according to Greguras, Robie, Schleicher, and Maynard III (2003) seems to be grounded on some assumptions. They are: a) that they provide all-embracing and better quality information than a single appraiser source (Dalessio, 1998); and b) a desire to have increased ROI involved in the development and implementation of these rating systems (Ghorpade, 2000).

Like other systems multisource ratings have their own limitations which have not gone unnoticed. Cheung (1999) has observed some potential bottlenecks which could be the result of conceptual differences among the appraiser’s sources. Smither, London, and Reilly (2005) believe that this divergence is the result of various factors being assessed in the multisource survey or many items linked with each factor. Similarly, it has been found that the system’s own compulsions are more strongly connected with individual appraisers than with the appraiser’s role (Mount, Judge, Scullen, Sytsma, & Hezlett, 1998). More recently, some researchers (Seifert, Yukl, & McDonald, 2003) observed rare evidence in favour of the claim that such feedback could reliably cause change in behaviour or bring performance improvement. Smither, et al. (2005) in their meta-analysis concluded that it would be idealistic to expect an all-embracing improvement with multisource feedback. However, they acknowledged that some feedback beneficiaries would get improvement compared to some of their colleagues.

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Many purposes of performance appraisal have been discussed above. But all of them are either for individual employee or for the organization as an entity. While going through its history it becomes evident that it has yet another purpose and that is for the researchers. In simple words, performance appraisal has research use as well (Hooft, Flier, & Minne, 2006). And it is this aspect of the system that can be seen from the two extremes—try to find the ways and methods to address human performance issues, and a futile labour or labour which further confound the already complex issue.

Another change that has been increasingly occurring is emphasis on differentiating organization managers from HR professionals. The sole responsibility of organization managers in terms of employees is to manage them. But HR professionals have more subtle tasks: HR appeals, develops, and retains the good performers. And there is a growing skepticism that managers may not be courteous to retain such individuals.

“Performance appraisal has been considered to be a key element in organizational success for the better part of the twentieth century. It has been an established practice to use performance appraisal tools to assess the individual performance of employees and to utilize these findings to improve performance” (Rasch, 2004, p. 410). With so much said on its central role, it seems as if it is a universally accepted human intervention. However, it is not so. It has been facing growing criticism. The advocates of performance appraisal believe that the practice of this activity will definitely work subject to its proper utilization. They attribute the dissatisfaction among users to the cumbersome procedures and implementation flaws. Critics of assessment system question its validity in general. They term this intervention as a cause of friction and is counterproductive to organizational development. They believe that the use of assessments creates subjective divisions among employees (Rasch, 2004). They recommend that organization should follow some model of professional growth. Here the emphasis should be on employee’s success, on training to appraisers that promote leadership among them and a discrete and targeted appraisal system for only those who need concentrated efforts in performance improvement.

Criticism of and opposition to performance appraisal has been there since long, however, it got rigour with the reputation of the writings of Deming (1986), looking at organization as a
complete system. He stressed that individual’s performance assessment needs to be linked with a better understanding of the system. Giving more weightage to the system as compared to the individual role in it, he thought that 95% of employees in any given organization perform well and that only 5% workforce found to be problematic. Therefore, for the sake of improving only 5% workforce, the 95% should not be exposed to the negative effects of the process. They believe that the use of assessment is predominantly difficult for organizations that are committed to continuous improvement.

While accepting stated purposes of the performance appraisal system, Soltani, et al. (2005) complains that very limited number of studies have reported positive effects of the system. Beardwell and Holden (1997) express their opinion by saying that assessments are received with suspicion, distrust, and fear. They cause a large number of shocking effects (Faizal, 2005). Similarly, Schellhardt (1996) contends that major surveys report the failure of the assessment process. The Society of Human Resource Management also reported that above 90% of the appraisal systems are unsuccessful. Soltani, et al. (2005) reported a 1993 survey by Development Dimensions Incorporated. According to that survey majority of the employers articulated their ‘overwhelming’ discomfiture with the assessment systems.
To elaborate on this conflict, in Scholtes (1993) view, performance appraisal is:

→ that it gives more emphasis on individual’s achievements and have little worth for teamwork or one can say it undermines it;

→ that it does not take into account the influencing effects of the system in which it works;

→ that it does not account for the diversity in the system;

→ that it often utilizes unreliable and inconsistent appraisal criteria;

→ that its approach towards problem solution is superficial and is always in search of a culprit;

→ that it tends to establish an aggregate of safe goals in an organization;

→ that it creates losers, causes cynicism and human resource wastage; and

→ that though it is helpful in administrative functions, it could hardly be relied to be successful and adequate to accomplish any one of them.

Performance appraisal has been studied in the light of all influencing factors. However, Shore and Strauss (2008) complain that research on this issue, for many decades, has exclusively concentrated the efforts on unintentional rating errors and has ignored to look into those aspects which are the results of willful rating distortions. They mean that researchers have been busy in studying the rational perspective of performance appraisal with little attention towards political aspect of performance appraisal. There is lack of recognized empirical research undertaken on the ethical nature of the assessment process. According to them the balanced approach undertakes that the end of assessment is to give precise assessment ratings using unbiased criteria. While the motive of the political approach has been found to accomplish a peculiar
agenda using vague standards that, resultantly, maximize the amount of discretion that a supervisor enjoys.

So much so has been said about the central role of performance appraisal, discontent with it still exists. Prowse and Prowse, (2009) record that 90 percent of organizations in USA and UK use appraisals as tools to affect employee behaviour. It is very strange to observe an increase from 69% to 87% (during 1998-2004) of organizations using formal performance management systems (Armstrong & Baron, 2005). However, they find minimum evidence of the usefulness of the assessments.

To put it simply, there is a general lack of penchant toward performance appraisals from the ratee and rater in somewhat equal degrees. But ironically, at the same time, everyone would like to know where he/she stands. And when some method (performance appraisal), to get the result, is applied, it results in a sour aftertaste if not a bad ending. Are we expecting too much—or the wrong thing—from performance evaluations? The answer may be that there is something wrong with the performance evaluation process, for which the researchers are busy to remove or improve. But there hardly seems a panacea which could satisfy everybody.

If one is asked to summarize the history of performance appraisal, it can be fairly said that this history has the following elements:

1. The vitality and importance of the intervention has extensively been recognized;

2. it has many useful functions—including, strategic, administrative, managerial, developmental, supervisory, etc.;

3. problems with the system have been identified. According to Brown and Benson (2003) heavy research has been carried out to sort out some of more sophisticated performance assessment methodologies and techniques, standards and indicators to search for the best possible solutions;
4. these proposed solutions, till date, have neither been implemented fully due to lack of organizational learning potentials or incomplete data systems (Vakkuri, 2003), nor anyone of them has proved to be a true panacea;

5. the subject is multi-dimensional and multi-faceted and be addressed from cognitive and contextual angels;

6. as the process involves human behaviour, human weaknesses of bias, prejudice, etc. will always be there;

7. mystery and ambiguity still surround the subject which call for further research;

8. the process in one organization or context cannot be replicated in another;

9. criticism of the process is genuine and be addressed; and,

10. though the system is fraught with a number of intrinsic weakness and flaws, still there is hardly any substitute for it.

It will be suffice to conclude the discussion with two broad conclusions: First, it is an essential activity and can be found almost everywhere; second, it is simply not possible to get assessment which is free of human or system errors.
Change and Resistance to Change

Change is essential for survival in the global world and has become one of the few stable factors in the contemporary organization. It is because organizations are required to change to adapt to external or internal developments, but realizing effective change is very problematic. It is an almost inevitable psychological and organizational response that occurs in any kind of change process. This makes the success of any change initiative a major concern for organizations. Employees are exhorted to actively participate in organizational change. This poses a mounting responsibility on researchers to provide insights as to how change at workplaces can be managed in better ways.

However, despite endless studies to find the formula for successful change initiatives it has been observed that 70 percent of all organizational change programmes fail (Balogun & Hailey, 2004). This failure may occur for a variety of reasons, including overreaching in the change ideas, inadequate communication of the change to the change or flawed execution (Zoller & Fairhurst, 2007). Matheny (1988) hypothesized that planned organizational change involves planned personal change at an individual level. From this view, it could be deducted that organizational change is most likely to happen when participants decide to change (Ijaz & Vitalis, 2011). Researchers have, therefore, directed their attention to a variety of responses to change to identify the pattern of successful change initiatives, particularly in terms of the receptivity of the employees to a forthcoming change event in their organization. The most studied responses include readiness for change, openness and commitment to change, change related cynicism and resistance (Jimmieson, Megan, & White, 2008).

According to Dent & Goldberg (1999) employees’ behaviors and attitudes have been found to significantly confound change efforts. Although resistance has been frequently conceived as an impediment to change, considerable number of arguments which emphasize the positive role of resistance in organization also exist in literature. Researcher (Piderit, 2000) recognizes that the term resistance to change was being used to dismiss valid employee concerns about proposed changes in the organization. She contends that by acquiring such behaviors
employees might intend to get the top management to pay attention to issues that are not being addressed and are vital to maintain high performance.

**Performance Appraisal and Performance Management**

Performance management by definition “is a process of identifying, measuring, and communicating information about human resources to decision makers specifically about their cost and value of these assets” (Laka-Mathebula, 2004, p. 17). According to Dowling, et al. (1999) performance appraisal is a process within the overall performance management process. The real objectives of any performance-management system are three-fold: a) to address poor performance; b) to sustain good performance; and c) to improve performance. Hollenbeck, et al. (1996) suggest that performance appraisal should not be treated in isolation but be approached as a part of a holistic approach of performance management process. It is an organizational way of communicating with the employees regarding their performance while performance management, on the other hand, according to Prowse and Prowse (2009), encompasses not only individual attributes but also covers organizational strategy and situational constraints. It is an unbroken process that identifies, measures and develops the performance of individuals. Primarily it focuses on employees to develop their capabilities. Performance assessment is different form performance management in the sense that “performance appraisal does not usually include strategic business considerations….extensive and ongoing feedback that an employee can use to improve his or her performance in the future. Further, performance appraisal is typically a once-a-year event that is often driven by the HRM department, whereas performance management is a year-round way of managing business that is driven by managers” (Andreason, 2003, p. 11). Furthermore, performance management is a strategic and integrated approach to delivering sustained success to organizations by improving performance of people who work in these organizations and by developing the capabilities of teams and individual contribution (Armstrong & Baron, 2005). See the figure (Figure 3) below for more clarification.
Performance management covers overall achievements of the organization, team's as well as of the individual. It is an efficient way of consistent development for individual and for the organization. It is a holistic approach to address needs and expectations of the stakeholders. It is an all-embracing HR activity that covers what sort of tasks individuals do, observe their behaviour of doing their work, and also their achievements.

A more holistic approach has been adapted by Wilson and Western (2001). For them it is not the name of a technique or a single process but a composite set of processes which include employee’s motivation, their knowledge of organization’s expectations, employee development, monitoring and their performance assessment with the motive to get more rich information about the areas which are required to be improved.
To conclude it, performance management is critical for the very survival of organizations in the competitive market because organizational goals can only be secured when there is good planning, with sound and proper implementing strategies and, above all, active and efficient management of human resource (Aslam & Sarwar, 2010). It provides the required assistance to supervisor to gauge the needs of its people earlier and provides them with the opportunities to make them able to respond purposefully and quickly to tentative changes (Cokins, 2004).

**Employee Development**

Development has positive meaning—a change that linked with a better future. However, it is hard to decide whether a certain change is better or worse. This decision involves value judgments over which consensus is very hard to achieve. It is a holistic approach that encompasses mastery of a body of knowledge as well as a code of behaviour and sense of social obligation. The importance of human resources in giving competitive advantage to any organization is beyond question provided that they be utilized comparatively better. It has, often, been complained that human resources have hardly been exploited to its maximum potential as employees perform below their existing potentials and that it has frequently been remained "underutilized". And that when organizations exert their efforts to stimulate employees’ potential to perform better, organizations are likely to receive returns in excess of the costs incurred (Bailey, 1993). Human resource is the most valued asset of any organization and there should be emphasis for utilization of all other resources for the development of this vital resource. However, it begins with an individual. In an organizational setup this is called employee development. Organizations must acknowledge and express the fact that it is not only an employee’s past performance that makes the difference but it their future personal development that makes the difference. According to researchers this refers to formal education, job experiences, relationships, and assessments of personality and abilities that help employees perform effectively in their current or future job and company.
Employee development is a necessary component of a company’s efforts to:

- ensure quality improvement
- keep higher performers engaged
- have the competence to face the challenges caused by the global competition, inroads of technology, and social change
- have the competence to assimilate technological advances and changes in work design

Employee development is a collaborative effort of the organization and employee which is aimed at to enrich employees’ attitudes, experiences, knowledge, skills, and abilities with the aim to improve their effectiveness. It is essential for organizational performance. However, successful employee development is to uphold a balance between an individual's career needs and goals and the organization's requirements. Organizations are working in teams and the development of individual is essential to develop the team. However, the development of an individual with the purpose to achieve organizational goal is yet harder and more challengeable. Notwithstanding, if an organization wants to survive, it has to accept the challenge and capitalize on any opportunity that comes its way.

It is generally presumed that individuals should come forward and work for their own development. However, an organization is the best suitable school for the success of this phenomenon. Both the employee and the organization get benefits of it. Therefore, researchers (Dennis & Axel, 1991; Gooding, 1988; Haskell, 1993) recommend that organizations should assist employees by providing them with development opportunities.

Performance appraisal is one way that an organization can take advantage of and can achieve the goal of employee development. Examples are: spotting an employee’s strong and weak areas, let them set their own goals, and documentation of training needs.
Most of the times it is presumed as if it is a recent development. But it is not. For McGregor and Smith (1975) appraisal and development are inseparable activities. Similarly, Cummings & Schwab (1973) believed that the emphasis on using self-appraisals developmentally began in the 1960s. The main threat to this relationship has been the existence of a perpetual conflict between the demands of personal and organizational needs upon the time and effort of man in the organization. The individual seeks his own goals; the organization tries to devise ways of assuring that his goal-seeking behaviour also serves organizational needs (Whisler, 1958). Organizations are reserved in spending money and time on employee development because it makes them more vulnerable to leave for better job and there is always a substantial probability that any investment will be lost.

When intensive researches proved that the issue is not that much simple that could be solved by mere improving the rating techniques and reduction of errors in evaluation, employee’s perception of the system and developmental uses Waldman, et al. (1987) got more attention. According to Waldman (1983) employees get satisfied with the performance appraisal system in three ways: a) reward outcomes—employee perception of the fairness of the appraisal system in terms of merit salary increases and the like; b) current performance development—performance feedback aimed at improving current performance; and c) future development—when performance appraisal is supposed to manage career paths and provide for future professional development.

**Employee development and performance appraisal.** Performance appraisal has many functions. One among them is employee development. According to Mills and Hyle (1999) the two-fold purpose of faculty evaluation is personnel management and self-improvement, growth and development. The former relates to organization’s judgment of employees’ past performance and distribution of rewards while the latter relates to employees’ encouragement to develop abilities that match their career goals and the anticipated needs of the organization.

A large number of researchers (H. J. Bernardin & Beatty, 1984; Longenecker, Sims Jr, & Gioia, 1987; K. R. Murphy, Balzer, Kellam, & Armstrong, 1984; K. R. Murphy & Cleveland,
1995) have questioned the amalgamation of developmental and evaluative ends of performance appraisal. They articulated their concern that if both the purposes are attached with this activity, employees would not receive proper and precise feedback about employees strong and weak areas and the corresponding developmental needs. And in this way this activity would fail to achieve its goals and usefulness, rather it might negatively contribute to individual behaviors and organizational performance.

However, Boswell and Boudreau (2002) disagree. They contend there is little difference between employees’ reaction when both the uses are combined. According to their explanation if they are separated it could decrease the accuracy of the results because making evaluation by other than the immediate supervisor is not a rational approach. However, they recommend that performance aimed at development is better to be provided informally and frequently, while the one for evaluative purpose be provided annually or semi-annually.

D. J. Campbell and Lee (1988) have presented a thorough model for using appraisals as a developmental tool. For them it could only be a developmental tool if distorting influences (Figure 4) like informational constraints, cognitive constraints, affective constraints, and magnitude of self and supervisor’s evaluation discrepancy, are minimized. These constraints can be reduced to less affective role by specific actions such as well-defined job descriptions, role clarification, a well-designed assessment review sessions, behaviourally tied rating procedures, etc.

D. J. Campbell and Lee (1988) present a four-step process of performance appraisal that leads to employee development. As a first step, the supervisor is required to have certain ideas about the subordinate's job requirements and goals. Second, the supervisor is required to observe subordinate’s on-the-job behavior only. Third, at this stage the supervisor is required to evaluate the effectiveness of the subordinate’s behaviour that has been observed. Fourth, the supervisor is required to evaluate if there exists any discrepancy or deficiency in the employee’s job requirements and goals at the one hand and job behaviours on the other hand. This evaluation may cause change in the supervisor’s cognitions about the employee's job in future.
**Figure 4** Four-step Process of Performance Appraisal that Leads to Employee Development by D. J. Campbell & Lee (1988).

For Raymond and Liegh\(^3\) if an employer is serious in employee development, a well-formulated and seriously designed assessment system should be the basis of the organization’s employee development efforts. Employee development related to performance appraisal can be

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\(^3\)Raymond F. Messer, PE, is the president and chairman of the board of Walter P. Moore. He is chairman-elect of the Executive Committee for CASE and has served as chairman for the Business Practices Committee for CASE. Leigh A. Mires is a Professional in Human Resources and serves as the manager of organizational development and training for Walter P. Moore.
divided into two types—direct and indirect. Direct development can take a variety of forms. They are:

- **Feedback.** Explicit and appropriate feedback to individual employees regarding their performance vis-à-vis the expectations of the organization provides the ground for discussing the weak areas where developmental is required.

- **Job rotations and special assignments.** Job rotation provides the chance to the employee to broaden their understanding of various jobs and of the organization as well.

- **Coaching and counseling.** This process provides employees with relevant pieces of advice and timely instructions.

- **Mentoring.** Mentoring helps individual employees in clarifying their career goals, enhance their understanding of the organization. It also provides the chance to analyze an employee’s weak and strong points and where development is needed. It builds a support networks, and helps the employees to deal with bottlenecks.

- **Manager as an informal teacher.** When managers intentionally instruct employees through their practical work, exhibit their habits and values and become their model.

- **Learning teams.** The purpose of such teams is to meet regularly with the aim to look into their performance and search for the possible ways to improving performance.

The indirect development can occur when an employee starts self-development by a broad collection of techniques and approaches, demonstrations at other organizations.

A large number of researchers (Hazucha, Hezlett, & Schneider, 1993; Maurer & Tarulli, 1996; Noe & Wilk, 1993) in this field support the perception that supervisors’ help and peers’ support contribute to a work environment that is helpful for employee development. Such environment can be termed a social support environment. This environmental support helps
facilitating development capability beliefs. Similarly, when employees perceive that their supervisors, peers, and subordinates support them in their work improvement, they will tend to believe that they have better chances to improve and will develop positive attitudes toward the assessment system. The primary purpose of the organization’s system of assessment review is to judge and evaluate his/her work performance and should spot the development requirement in relation to work performance and career development planning (Langan Fox, Waycott, Morizzi, & Mcdonald, 1998).

Assessment system is generally considered as one of the essential instruments that management use to identify the weak areas where employees are required of improvement and for which training is designed at the individual level (J. P. Wilson & Western, 2001). It is a process to identify areas within an employee’ work potential that require training or development (Boice & Kleiner, 1997). Armstrong & Baron (2005) has gone to the extent of terming performance management as performance and development management.

However, Wilson and Western (2001) researched and found that there are some latent bottlenecks that cause a negative influence on assessment process and resultantly reduce its effectiveness vis-à-vis employees’ training and development. Torrington (1991) disagrees with the combination of assessment that is aimed at improving current performance, besides working as an administrative tool. Here the appraiser is charged with double duties of a judge and a supporter to the employee. Here impartiality seems very difficult. It is also very hard for the appraiser to discuss job-related problems with the employee (J. P. Wilson & Western, 2001). In a similar vein, Barge (1989) contended that performance assessment is a subjective activity and, therefore, requires conducive atmosphere wherein individuals have the opportunities to discuss their career growth and personal development. The onus of the success of the appraisal system lies both with the organization and the rater (J. P. Wilson & Western, 2001). Because it is mutual trust and respect which are missing in many organizations (George, 1986). Another inhibiting factor is ignoring the involvement of the appraisee in the designing and preparation of such training and development recommendations. It has been observed that training imposed by other than the immediate supervisor like manager may affect motivation level of employee (J. P. Wilson & Western, 2001). Another major obstacle to performance appraisal is indifference and
apathy. Commonly it has been considered a task to be concluded and then sent to the oblivion until the next one. That is why Adair (1983) expresses his surety that programs not complemented by regular checks from both the appraiser and the appraise they are doomed to failure and can turn into hollow rituals.

Performance appraisal is required to be considered an important instrument for the development of the individuals to achieve organizational objectives (J. P. Wilson & Western, 2001). Thus, "effective staff appraisal isn't simply a matter of going through the motions', holding ritualistic interviews and mechanically completing forms, before returning to the 'more important' task of getting on with the day-to-day management of the team. On the contrary, appraisal is a tool for managers to use to help them manage effectively” (Moon, 1997). It has been extensively acknowledged that annual interviews are not adequate to monitor and assess performance. Sahl (1990) asserts that it makes little difference even if goals are clearly presented and properly administered when performance review is considered an annual event. In such cases, both employees and supervisors remain oblivious about it throughout the year and start bothering about it only a week or two prior to the evaluation time. This process will never achieve its purpose.

It has to be noted that all sort of performance appraisals are not fit to be utilized for employee development. However, 360-degree feedback systems are generally utilized for employee development purpose (Hooft, et al., 2006). It was believed that supervisor-ratings are more reliable than ratings of other sources (Conway & Huffcutt, 1997). But Hooft, et al. (2006) found that it should not be considered that appraiser assessment ratings are more valid as compared to other sources of ratings. Peer-ratings, as well as self-ratings, have been found more valid than the supervisor-ratings in respect of several personality traits. However, Hooft, et al. (2006) warn about the use of 360-degree feedback assessments for administrative purposes as they are subjective and lack objectivity.
Development and the individual employee. Success of any organization is subject to continuous learning for both individuals and for the organization itself. Common sense would put development of the former as a prerequisite for the development of the latter. Notwithstanding, pragmatic development will only nourish when individual employee is willing, complemented and supplemented by an organizational setup. In the past when there used to be lifelong employment, organization would assume their responsibility for the development of employees. This has been changing drastically. Organizations are becoming more unstable leaving very little hope for individuals to expect lifetime employment within one organization (King, 2004). Individuals are experiencing frequent transitions during their working lives (Peiperl & Arthur, 2002), because individuals are also always in search of better opportunities—either in the same organization or outside. This has made the role of the individual in their development very crucial. This also underscores employee’s active participation in development activity. This changing employment relationship shifts the employees’ development responsibility from organization to the employees themselves. Therefore, individuals need to take a proactive role in finding and navigating their development paths. However, this is not as simple as said. Individuals are required to understand all the factors (individual—self-efficacy, perceived needs, job involvement, and perceived benefits: and situational—perceived work support (Maurer, Weiss, & Barbeite, 2003) that motivate them to participate in development activity).

Approaches to employee development. Employee development is a very complex process. There are a number of approaches that organizations adopt and achieve the end result of employee development. Noe, et al. (2006) broadly divides them into four. They are:
Figure 5  Approaches to Employee Development. Model by Noe, et al. (2006)

Out of these four, assessment will be dealt in the study at hand. According to the above model, assessment involves gathering information on employees and providing them feedback regarding their behavior, their potentials and their communication style. It is a multi-faceted activity which identify individual that has the potential for promotion and assess current managers’ strong and weak areas, identify managers with potential to move into higher-level executive positions, and to work with teams to identify factors that negatively affect productivity. Assessment tools are many. Popular among them are: Myers-Briggs Type Indicators (MBTI) (Myers, 2003), Assessment Centre, Benchmarking and Performance Appraisals.

**Importance of employee development.** The importance of employee development has widely been recognized. Someone has given a very good analogy to describe the importance of the process and the centrality of the employee: ‘when you start, you learn about the gears, the brakes, the steering and how to coordinate them at the same time that you develop your road
sense. After you start to practice driving, all of these things become second nature and you focus on becoming a safe driver’. There are a few facts about employee development that can influence an organization’s bottom line and lead it in the competitive market. Raymond and Liegh\(^4\) enumerate these facts:

- The first logic that employees should remain within an organization is that employees be ensured of good career growth and offering opportunities for development.

- Financial aspect of employees’ replacement is very significant. According to researchers the cost of replacement for a single employee is 1.5 times supersede his/her annual salary.

- The average amount spent in investing on employees’ training is lesser that the cost required to replace them.

- People have got preference over on hard assets for value creation. Employees’ strength and intellectual capital matter most and organizations are becoming more dependent on them.

- For a firm to stay competitive, with rapidly changing technology, it is essential that employees must learn continuously. World Future Society, in a current report, notes that in future education of an individual will not come to the close with any terminal degree either in school or college, but will continue as a life-long struggle. It will either to be out of the pale or to learn and develop.

Researchers opine that investing in employee development is a smart choice. Firms are required to pay more attention to their efforts on training and development. Investment here is a

\(^4\)Raymond F. Messer, PE, is the president and chairman of the board of Walter P. Moore. He is chairman-elect of the Executive Committee for CASE and has served as chairman for the Business Practices Committee for CASE. Leigh A. Mires is a Professional in Human Resources and serves as the manager of organizational development and training for Walter P. Moore.
strategic advantage and needs serious attention. Such attentions have been found positive factors in decreasing costs, increasing employee effectiveness, and ultimately increase profitability.

When organizations send the message that they are committed to developing each person, according to their needs, this not only improves motivation but also results in greater teamwork and cooperation. At the same time employees perceive their current jobs, in a completely different light. Consequently, they will plan their tasks and assess the execution of the assigned tasks more effectively. When employees attain this level of perception and awareness about their assigned tasks, they are likely to achieve the following five objectives of people in workplace:

- they start march on their career path;
- they start enjoying security in their jobs;
- find proper place to consistent learning;
- they find themselves in better position to hope for both financial and non-financial rewards; and
- they get satisfaction when they start feelings that organizations recognize their achievements and their contributions.

Performance appraisal is one of the HRM activities that may either facilitate or hamper the development of skills, knowledge and competencies which are essential for a company’s successful strategy. It works as a tool that help to identify and look into employees’ competencies in line with an organization’s core competence and external demands (Ubeda & Santos, 2007). Developing an individual in organizational context is developing his/her competencies with the aim to provide the chance to employees to embrace the skills, knowledge

5http://www.smeowner.com/products/toolkit/Benefits%20of%20employee%20development.htm

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and competencies considered essential for their respective jobs (Sandberg, 2000). Appraisal system provides the best opportunity to a supervisor and, at the same time, to subordinate to spot and agree upon employee’s training and development needs. While discussing an employee's work performance, whether an employee has or has not work skills, becomes very obvious. This provides the required understanding even to those who usually discard the idea of training! Appraisal system makes the need for training more pressing and appropriate by connecting it vividly with employee’s performance outcomes and to his/her future career aspirations.

**Whose responsibility is it anyway?** Employee development benefits both the employee and the organization. It is therefore, a shared responsibility between them wherein both contribute their respective share to the process. The organization’s share can be judged by providing conducive environment and opportunities for ongoing learning and then to provide real world opportunities to apply what has been learnt. Employees’ share can be seen when they get advantage of the opportunities provided by the organization with full and serious commitment for their own professional development.

To make it a success, it is of essential importance that employees and organizations take their respective responsibilities seriously. Compatibility that comes from learning is the most valued and rare product in today’s competitive market. It is the responsibility of the individuals to constantly update their skills, while organizations should provide conducive atmosphere for their growth. Whether it is an individual or an organization that shirks this responsibility may find it hard to survive in today’s competitive market. Organizations are required to learn and assimilate how to adapt to the law of change. And if organizations and individuals don not learn, they will simply repeat old practices, consequently will lose their competitive advantage in the process.
Performance Appraisal and Setting Targets

It is commonly understood that performance appraisal is a management activity through which performance of an employee is monitored. However, no one knows better than the employee him/herself about his strengths and weakness and where improvement is needed and possible. For this very purpose, it is essential that an employee should be provided with a chance to review his/her performance and to devise a plan for it. Self-reviews are considered as such wherein employees are thought to have more familiarity with their assigned tasks, and that also their involvement is considered essential. This involvement enables them to look into their own career goals, and recognize their weak areas with the end to sort out ways to be worked upon.

It is commonly believed (Gutteridge, Leibowitz, & Shore, 1993) that organizations should take the responsibility of patronizing individual development and career planning. Latest research (Baruch, 2003) argue that career planning will take a more progressive turn when employees come forward and take the responsibility of managing their own career. This has been a bone of contention between the researchers on both the sides. However, Foong-ming (2008) concludes that no doubt individual effort is essential, a real and concrete development will be made a success story when there happens to be a convergence between individual and organizational efforts.
Performance Appraisal and Performance Feedback

Providing information to employees about their performance is considered as a management strategy of any organization. This is what is called performance feedback. In other words, performance feedback, by definition is information provided to individuals about the quantity and quality of their past performance. According to Murphy and Cleveland (1995) it is the very performance appraisal that provides feedback to employees about how the organization views their performance. With this information, organization signifies employees’ recognition, their status and their future prospects in the organization. This may engender favourable or unfavourable psychological implications that determine future behavior and job attitudes (Taylor, Fisher, & Ilgen, 1984).

Accurate performance feedback plays a very crucial role and is beneficial both to individuals and organizations (Lam, Yik, & Schaubroeck, 2002). According to Taylor, et al. (1984) such feedback, when accepted and fully comprehended, is central in the development of job and organizational attitudes. Majority of the employees have strong desire for feedback (Ashford, Lee, & Bobko, 1989). Meta-analysis conducted by Kluger and DeNisi (1996) on the effects of performance feedback on job performance found somewhat mixed results of improving and handicapping performance. Notwithstanding, most of them would appreciate positive feedback and disapprove negative feedback (1984). Similarly, Ahmad, Hussain, Ahmad, and Akbar (2010) contend that summary evaluation and failure to provide ongoing feedback result in employees’ dissatisfaction and reduced performance. They further opine that effective performance appraisal system creates an organizational climate wherein employees want to put in their efforts for continuous improvement.
Performance Appraisal, Development Plan and Performance Review

If the purpose of performance appraisal is not a mere formality but a mean to other ends—one among them performance improvement—then training becomes a part of the process. The information gathered during the process of performance appraisal can be utilized in a number of ways. One among them is to analyze training needs, career planning, and the like. Feedback and coaching based on appraisal information provide the basis for improving day-to-day performance (Robbins & Coulter, 1999). An organization is required to document past employee strengths and shortcomings, accomplishments, contributions and successes as well as areas needing improvement. An employee development program will bear fruit only if the proposed training has been put to good and to know that the mutual projected advantages would be accrued. Therefore, it is necessary that organization should have performance review. It is a more formal evaluation stage with the end to review performance of an employee over the specified period is carried out and achievements and development plans are analyzed. It is very human, that people themselves fail to observe their own deficiencies compared to others. Therefore, self-review is an insufficient tool. It requires the help and support of some other methods.

The central element in such plans should be the assessment of the employee’s training requirements and documenting them. And when an employee identifies and prepares his/her IDP, he/she should meet with the supervisor to discuss it. The supervisor should offer additional guidance on how to best achieve goals. The supervisor should also provide guidance on the range of training resources that are available.

Performance Appraisal and Measurement Criteria Issues

Appraisal criteria are those features of performance that an employee has the power to control and, at the same time, organization considers them imperative to job accomplishment and, therefore, exploit them to evaluate employee performance (Scarpello, et al., 1995). Measuring human performance is not an easy task. According to Prowse and Prowse (2009) developing assessment measures has always been a dilemma with organizations. They further
state that using appraisals as source of message to individuals about their performance should be the key part of this process. Developing accurate behavioral performance criteria is very critical. Such criteria help in improving the quality and can have positive impact on several other HR interventions which ultimately help organizations to achieve performance heights. However, it has been recognized that performance appraisal criteria are not yielding exactly what are expected or desired. The literature available on the subject is replete with complex issues. And researchers are busy in finding the causes that make the task complex and thereby are in search of viable solutions to the issue. Simply it can be said that the activity with its complex nature was with us and will be with us in the days to come. Researchers are there to judge what has been done and evaluate the relevance of the findings with the real issue in hand.

As time changes, so are its demands. A system successful and applicable yesterday need not be so today. Evaluation by superior has a long history and has successful stories as well. But the system of evaluation has always, some way or the other, been questioned being more personalized. Questions of relation of man to boss, and of man to organization, arise (Whisler, 1958). It was felt necessary that employee be evaluated from many evidences and not from single evidence—boss. Appraisal is a reflection of the relationships exist between the people involved (Richards, 1959). Until we are aware of the differences in conscious and unconscious feelings about performance appraisal, organization would likely to find the development of a satisfactory program quite frustrating (Richards, 1959).

The most common issue in performance appraisal that can be deduced from the history of this activity is the absence of any consensus or uniformity in pen pointing the exact problem area and the same seems still impossible because it is a function of numerous variables which take various values in various situations. Some researchers Smith & Kendall (1963) found fault with the existing instruments and proposed that new appraisal instruments be devised. While Latham, Wexley, and Pursell (1975) proposed training for raters to reduce common rating errors. During the same decade Bernardin & Beatty (1984) believed that only concentrating on rater’s training and eliminating psychometric errors may actually produce less accurate ratings. They suggested that, instead, training for appraiser should concentrate on improving his/her rating ability. This training should make him/her understand what an employee is required to do on the job, enable
the appraiser how to evaluate performance, and make it sure that evaluation has been purely based on actual performance that has been observed.

A second issue, in some organizations or cultures, is that performance appraisal lacks openness, transparency, mutual influence and objective standards which contribute to skepticism of performance appraisal and resistance to its implementation (J. Benson, Debroux, Yuasa, & Zhu, 2000). This may be supplemented by ambiguity in the system. Vagueness in assessment measure has been identified in three area: a) vagueness as to what the appraisal by itself is?; b) what sort of information the appraisal would produce?; and c) what the management should do with the information received from the process?

A third issue is managers’ manipulation. Achieving organizational goals, sometimes allows the managers manipulation in performance ratings. It is believed that when appraisers start the perception that the organizations best interest to retain their employees and do not cause frictions among the employees, here they tend to provide high performance ratings. On the contrary, when they feel that organization’s objectives are only to maintain rigorous standards through keeping only good performers, they tend to provide relatively low ratings (T. Shore & Strauss, 2008).

A fourth issue that Campbell (1990) talks about is measurement that is based on personal attributes and not on work behaviors or outcomes of performance. It has been observed that organizations fail to base appraisals purely on workplace behaviour, but also let them be affected by personal characteristics or traits. To remedy this fault, organizations are recommended to carry out job analysis to arrive at the conclusion as to what sort of behaviours and competencies are required for successful performance. HR experts suggest that appraisers are required to focus as to how an individual employee gets his job done purely on workplace behaviour and not on personal characteristics or traits. Simply, an appraiser should concentrate not on the emotional side of the employee but should only take into account his/her workplace conduct that affects the performance.
A fifth issue in performance appraisal is the issue of ethics or politics in performance appraisal. In other words there are deliberate rating distortions. A number of researchers (J. Prince, Lawler, & Mohrman, 1991; J. B. Prince & Lawler, 1986; Tziner, Latham, Price, & Haccoun, 1996; Wexley & Klimoski, 1984) have extensively discussed this issue. It has been found that organizational politics is a fundamental feature of organizational life. This life is greatly affected by the relationships of power, authority and influence. Organizational politics by definition is “the management of influence to obtain ends not sanctioned by the organization or to obtain sanctioned ends through non-sanctioned means” (Mayes & Allen, 1977, p. 657).

When researchers talk of politics in performance appraisal they mean an organizational culture wherein supervisor use ambiguous standards with the sole purpose to achieve a certain agenda or goals. These goals may include: 1) projecting a favorable image of being an effective manager; 2) earning for themselves valuable organizational 'goodies'; 3) proving to be a caring boss; 4) gaining vide approval from peers; and 5) avoiding confrontations with employees. With these ends in the mind researchers believe that supervisors intentionally distort performance ratings. Therefore, they agree that, although interactive familiarity happens to lessen the perceptive bias in assessments, it may not inevitably lessen assessment divergence in manager-subordinate dyads. And inter-appraiser disagreement on a number of aspects appears to be the norm. Researchers are at concord in expressing their views of the presence of a widespread reluctance to give correct and honest assessments. Research surveys have extensively discovered that supervisor admit that they manipulated assessments for some political purposes (Banner & Cooke, 1984; H. Bernardin & Villanova, 1986; Longenecker & Gioia, 1988; Longenecker, et al., 1987; Tziner, Murphy, & Cleveland, 2005). It has been found that manipulation occurs when managers want to reduce complaints and avoid frictions, or chances of getting promotion, they give high ratings (T. Shore & Strauss, 2008). Therefore, Bernardin and Beatty (1984) suggestion of linking appraiser’s perceptions of the politics of the organization to reporting accuracy and acceptance of the assessment system has greater relevance.

A sixth issue that D. J. Campbell and Lee (1988) talk about is the deliberate and conscious dishonesty in performance evaluation. Though this may not be true for all, inaccurate appraisals cannot be overruled forever. For example, to avoid any potential harm, an employee
may deliberately inflate his or her self-appraisal. Similarly, a supervisor may consciously allow feelings of friendship or animosity to influence his or her judgment. To reduce this effect separating the evaluative from developmental aspect has been proposed.

There has always remained a gap between what performance appraisal is designed for and what actually it achieves. The result is always dissatisfaction with the performance appraisal system in vogue and thereby some improvement or changes are resultantly proposed. Prince and Lawler (1986) propose some improvements. They are:

1. **Rating scale length?** It is good that an organization should have less number of assessment categories. Many categories complicate the assessment.

2. **Who evaluates performance?** This task should only be carried out by those who have first-hand knowledgeable of the employee. They may include immediate supervisor, peers, subordinates, some immediate stake holder.

3. **What is required to be evaluated?** The assessment should be work focused and employees are required to assess only using the very criteria relevant to the job.

4. **Whether to evaluate an individual or team performance?** It is better that organizations and managers should focus more on teams than on individual performance.

5. **Should there be regular performance review discussions?** It is suggested that work planning discussions should concentrate more on future prospects as compared to past performance.

Researchers recognize that there are some factors that cause the gap between the theory and practice. Yen, Donahue, Dudley, and McFarland (2005) studied these factors and broadly categorized these factors into three. They are: a) appraiser’s personality; b) social context; and c)
the rating formats. It has been observed that appraiser personality influences assessments. This influence is further confounded by the social context and also by the type of rating scale used. Therefore, they recommend that organizations are required to be cautious about the organizational context in which appraisers operate and the type of rating scale they employ. Woehr, Sheehan, & Bennett Jr. (2005) observed that the variance present in various ratings is not exclusively the precise and objective result of the individual performance, but is contaminated by other systematic sources. Similarly, researchers (Imada, 1982; Saavedra & Kwun, 1993) believed that peer assessments are vulnerable to two types (systematic and unsystematic) of non-performance influences. Dierdorff and Surface (2007) believe that potential cause of the systematic variance in peer ratings could be the context in which ratings are collected. Because context can be generally conceptualized as a set of moderating factors that influence worker behavior and adaptation (Strong, Jeanneret, McPhail, Blakley, & D'Egidio, 1999). At the same time it is very significant to acknowledge that collecting ratings information collected over a period of time in diverse performance situations is sure to have a time-based component (Dierdorff & Surface, 2007). Their results provide credibility to the discussion that context definitely plays a role and therefore, needs to be taken into account as one of the important systematic source of peer ratings variance.

This interplay of so many factors affecting performance appraisal has made the process complex and ambiguous. The former creates problems when the stage of implantation comes, the latter, however, plays an important role in the sense that it provides the chances to the researchers to explore the hidden aspects of the system. Vakkuri and Meklin (1998) researched the issue and decipher this into two main parts—ambiguity in organizations and ambiguity in performance measurement. The ambiguity in organization is due to two factors. First, performance appraisal has to be taken as a composite entity and when studied should be decomposed into units—organization, team, individual, etc. Second, the social world of performance assessment could hardly be termed a rational one (Davis & Hersh, 1986). This world suffers from conflicting interests, limitations, paradoxes, and uncertainties. All these social complications make the assessment trickier in undertaking. These are further baffled by boundaries of organizational assessment measures, human memory, the complexities of organizations, human sensibilities in recording systems, and also restrictions in communicating.
for and about organizational performance. Consequently, it becomes very rare to arrive at completely rational decisions.

The basic purpose of getting information about an employee’s performance is to use it for the betterment of the organization and for the employee as well. But researchers are cautious about their negative uses or impact. These pieces of information become ‘dysfunctional’ when they thwart objectives achievement. About the dysfunctions of performance measurement P. Smith (1993) enumerates the following seven aspects:

1. *Tunnel vision.* An effective assessment system is only possible when there is a comprehensive database. A wrong assessment occurs when assessment is confined only to the ‘measurable’ areas of an organization’s activities. When appraisals are subjected purely to restrictions and procedural limitations, they cause dysfunctions. This approach is termed tunnel vision.

2. *Sub-optimization.* This sort of error in assessment occurs when in larger organizations where organization main goals have no congruence with the units’ goals. The sub-unit may try to optimize its narrow objectives, which sometime happen to be different, while ignore the larger perspective.

3. *Myopia.* It is a management shortsightedness in appraisals. It means management target achieving short-termed objectives and care less for long-term implications.

4. *Convergence.* As there are hardly any universal assessment standards, it will be highly challenging to compare diverse and peculiar organizational units against each other.

5. *Ossification.* This type of appraisal dysfunction occurs when there is an unwanted penchant for designing detailed and cumbersome assessment criteria.
6. *Gaming.* This type of assessment dysfunction happens when organization start taking appraisal an exclusively reward oriented activity wherein behaviour is only changed just to satisfy the appraisal criteria.

7. *Misrepresentation.* This type of assessment dysfunction occurs when there happens to be mismatch between the true and the reported behaviour. Here organizations have the challenge to opt either to work to improve the actual performance or give emphasis on ‘improving’ the reports of the performance.

There are three good practices which are considered vital to building and maintain valuable assessment systems. They are: a) well designed and carefully formulated assessment criteria; b) trainings for the appraisers to enable them to make best possible assessments; and c) making the assessment acceptable to the employees. Noe, et al. (2006) talk about five important criteria to use to evaluate performance management system. They are elaborated in the pages to come. See figure (*Figure 6*) below:
Strategic congruence. An organization exists only to achieve its goal(s). To achieve its goal(s) organization plans and devises strategy. This strategy determines and directs other HR interventions in the organization. Strategic congruence of performance management system of any organization “is the extent to which it elicits job performance that is congruent with the organization’s strategy” (Noe, et al., 2006, p. 53). It means that performance appraisal is relative to that organization. It also stresses the need that it should provide the chance and guidance to the employees to contribute in organization’s success.

Strategic congruence warrants a constant watching of the performance appraisal system. This connotes that when an organization’s strategy changes, its employees’ behaviour needs to change too (Schuler & Jackson, 1987). And this can only be achieved if performance measure criteria are changed. Noe, et al. (2006) link the non-effectiveness of any performance appraisal system with not making the measurement criteria congruent with organization’s strategy.
Performance appraisal and measurement validity. Validity of performance appraisal “is the extent to which a performance measure assesses all the relevant—and only the relevant—aspects of performance” (Noe, et al., 2006, p. 54). In other words a valid assessment system is one that is free from all contamination. The issue of validity according to Cardy and Dobbins (1994) may cause dissatisfaction and feelings of unfairness in process and inequity in evaluation with the system. It has been said that “with dissatisfaction and feelings of unfairness in process and inequity in evaluations, any appraisal system will be doomed to failure” (Noe, et al., 2006, p. 54).

The issue of validity occurs due to the complexity of the intervention. This complexity is embedded in three issues. The first issue is an appraiser’s own conceptual shortcoming. It is definitely a difficult task to objectively assess another person’s performance. It has been contended that assessment of individuals involves subtle psychological and social skills which have been found scares in majority of the managers (Bowles & Coates, 1993). The second issue is the nature of the assessment itself. The very process carries some oppressive or coercive control that organization and managers enjoys over individual staff. Newton and Findlay (1996) term it a bureaucratic management control system. While Carlton and Sloman (1992) considered it a process that most managers happen to be antagonist to it. It also indicates that it gives discretionary powers to a single person for distribution of prizes and promotions (Grint, 1993). For Winstanley and Stuart-Smith (1996) it is policing the performance. In appraisals, there happens, mostly, to adopt a unitary frame of reference in organizations, while in actuality organizations are pluralist systems (Townley, 1990). Similarly, Englemann and Roesch (1996) complained that assessment process disregards the team work aspects of organizations. This can, then be termed a potential conflict between the individualistic approach to an employee assessment being an individual and organization’s managers emphasis and promotion of on teamwork.

D. J. Campbell & Lee (1988) while researching the relationship between self and supervisor appraisal process talk about three constraints that challenge the validity and reliability of performance appraisal. They are: a) informational constraints, b) cognitive constraints, and c) affective constraints. The first type of constraints occurs when there is a lack of information
about what an employee is exactly expected to do and how to do. In simple words, employees do not have a clear idea of what their supervisor expects. This lack of information is not only on the part of the employee but supervisor also partakes it in the shape of his/her shortcomings of understanding the employee’s job. The second class of constraints is of cognitive nature. These constraints occur due to some discrepancies in the complex human information processing procedures. And this provides explanation about differences in the self and supervisory appraisals. The third class of constraints—affective constraints—refers to the discrepancies arise from an array of psychological defense mechanisms. And this can be easily understood from a common sense level; supervisor’s appraisals fall prey to distortion due feelings of threat and guilt. Due to these feelings a supervisor may unconsciously/consiously fails to produce accurate and objective appraisals. This may either be anxiety or jealousy.

These constraints, some way or the other, bring contamination and deficiency affecting the validity of the measurement criteria. Noe, et al. (2006) call a performance measure defective when it fails to measure all aspects of an employee’s performance. Similarly, a system is termed contaminated when irrelevant aspects creep into the performance evaluation system. These two negative aspects of performance assessment measure have been elaborated in the following figure (see Figure 7).

![Contamination and Deficiency in Performance Appraisal](image)

*Figure 7.* Contamination and Deficiency in Performance Appraisal. Mode by Noe, et al.(2006)
Performance appraisal and measurement reliability. Reliability of performance appraisal refers to the consistency of a performance measure; the degree to which a performance appraisal is free from random error. Measuring human behaviour is a very tough job. A number of errors that are common in performance measuring challenge the reliability of the process/system. Deming (1986) objects that assessment systems do not take into account the system factors. Grint's (1993) objection is that assessments are inconsistent and, also, are fundamentally subjective processes. Similarly, Stiles, Gratton, Truss, Hope Hailey, and McGovern (1997) object the indulgence of management in hallow rhetoric about employee development through performance management systems while in actuality they fail to put into practice their espoused views.

Performance measurement acceptability. Performance appraisal is a human activity which is a product of so many factors. This requires a very serious consideration to make it productive. As performance appraisal, in majority organizations, is considered an imposed activity from the management, though it helps the employees as well, making it acceptable to the employees is a critical challenge for the success of any organization. Organizations that lead are presumed to be well aware of latent inaccuracies in the system and take steps to address them. These steps may include training for the evaluators to enhance their potential of precision of their performance ratings. This end can only be achieved if the parties involved have common views about it.

The term acceptability here refers to the extent to which an assessment system is considered to be satisfactory or adequate by those who use it (Noe, et al., 2006). Nathan, et al. (1991) believe that if performance appraisal is perceived unfair, there is greater likelihood of decreasing motivation to improve.

Performance appraisal should not be carried as an activity specifically aimed at correcting wrong doings of the employees. It has to be kept in mind that employees rarely do things wrong on purpose (Cadwell, 1994). Employees’ mistakes are because of lack of knowledge and skills.
They do not understand what is expected of them and if they do they do not have the required skills, or because they have not considered alternative solutions to a problem.

Employees’ acceptance of performance appraisal systems is crucial. This end can be achieved by creating a system that could clearly explain and document as to how the system works. Furthermore, it is essential to make the system easily accessible for all employees. Second, to enhance the validity and acceptance of the assessment system is to encourage employee participation, make them set their own goals and provide a vivid process for the articulation of their genuine grievances and appeals.

Researchers have talked of the following suggestions with the aim to enhance employees’ acceptance and utilization of performance feedback.
See the following exhibit:

1. Appraisals should be based on clear performance standards, be documented and are required to be communicated to the employees.

2. Appraisals be discussed with employees and their views about their performance be sought out.

3. Appraisals and feedback are required to be carried out only by those who are highly familiar with the employee and have affective working relationships with the employees.

4. Appraisals should provide positive feedback on the strengths of the employees and about the potential opportunities for growth.

5. Appraisals should restrict the discussions to only two opportunities of growth in a single sitting.

6. Appraisal system should encourage employees ‘full participant and honour their views.

7. Appraisal system should provide the chance to employees to express their grievances against the appraisal report.

Note: Derived from Kluger and DeNisi (1996), and Greenberg (1986).
**Performance measurement specificity.** Specificity of the performance appraisal means the extent to which performance measure provides clear and lucid guidance to employees regarding expectations of the organization and also elaborates on the aspects as to how they can meet these expectations (Noe, et al., 2006). Measuring the true performance has been found one of the most difficult aspects of the assessment process in a particular period. This necessitates that employees be made aware of the specific areas of their assessment and, at the same time, the assessment criteria should be required to assess exclusively those areas. Apart from the guidance to the employees, relevance of the domain of observation for the ratee is also critical. Relevance mean that the measurement system has been designed to accurately measure the very aspect for which it is presumed to measure (Kane & Lawler, 1979). This relevance can be ensured when the performance criteria reflected in the assessment format have concord with an employee’s task (C. Lee, 1985). According to Decotiis and Petit, (1978) for accurate performance ratings rater’s motivation, appropriate rating standards and the ability of the rater to correctly interpret ratee job behaviour in the light of these standards, are the pre-requisites.

**Common Rating Errors**

Performance Appraisal is a human approach of judging the behaviour of other employees. It is therefore, a subjective approach and is subject to errors. Common errors are;

a. **The Halo Effect:** This type of error occurs when an appraiser let one performance factor dominates his/her opinion.

b. **Recency:** This type of error occurs when a rater’s assessment is found to be based on the end period of the assessment.

c. **Central Tendency:** This type of error occurs when all employees are rated normal or average.
d. **Grouping**: This type of error occurs when assessment is made something like stereotyping.

e. **Holding a Grudge**: This type of assessment error occurs when some previous negativity is used as a launching pad for the current behaviour.

f. **Prejudice**: This error is the result of some biases against race, sex, religion, age, disability, etc.

g. **Favoritism**: This error occurs when an appraiser wants to favour some employee that he/she likes.

h. **Sunflower Effect**: This type of error occurs when an appraiser gives high rating to all and sundry only to make his image as of a good manager.

**Performance Appraisal and Supervisor-Subordinate Interpersonal Relationship**

Performance appraisal is commonly viewed as a mechanical way of controlling the behaviour of an employee. This will be a too narrow approach if taken seriously because ‘formal performance appraisal is only one incident in the ongoing relationship between a supervisor and subordinate that unfolds day in and day out, year after year (Nathan, et al., 1991). Though interactions between superior and subordinate occurring throughout an employee's active job, have essentially been neglected (Inderrieden, Keaveny, & Allen, 1988). The success of any performance appraisal can only be guaranteed if the interpersonal context within which performance appraisal occurs is also considered. In simple words it can be said that performance appraisals are carried out not in vacuum. Rather they occur in the context of rater’s pursuit of specific goals (Tziner, et al., 1996) or occur within the context of the interpersonal relationships between supervisors and subordinates. Therefore, there is a need of studying it within the broader
context of ongoing supervisor-subordinate interpersonal relationship. A number of researchers (Wexley, Alexander, Greenawalt, & Couch, 1980) believe that there exists a perceptual understanding between a supervisor and subordinate of each other's work-related attitudes. And that this understanding affects the supervisor's perceptions of the subordinate's performance and both the subordinate's job satisfaction and evaluation of the supervisor's leadership. This situation engenders in and out group relationship concept which precipitates in bias. This bias manifests itself in the shape of subjective decision when the management distributes organizational rewards.

There are two major sources of perceived help from the organization for employee development. They are: a) the organization; and b) supervisors (Maurer & Lippstreu, 2008). According to them, though they are distinct, they are sources associated and can hardly be separated and help collectively employee development. It is because supervisor happens to be the agent of organization, notwithstanding, demonstrates his/her own emphasis or take developing subordinates a non-serious issue. An organization can help in the development and learning of the employees in a number of ways. They include providing the required resource of skill development and learning that can help improve skills and other job assignments. However, there is a need of a mechanism that could point out where deficiencies lie. Performance appraisal is widely acceptable and viable answer to it.

Inderrieden, et al. (1988) concluded from the findings of their research that interactions between the assessor and the assessee that take place before the actual assessment have deep impact on satisfaction with the assessment process. Employee starts perceiving fairness in the system, and gets motivated to improve performance.

Supervisor is not only tasked with appraising the performance of the employee but he/she has to maintain working relation with the employee as well. In this relation employee expect something of help from supervisor. While supervisor assume the role of a critic and resultantly assessment process does not happen in concord with 'helping' (Drenth, 1984). For Meyer, Kay, & French (1965), and Blau (1964) this role of a critique on the part of the supervisor causes defensiveness and rationalization in the employees which culminate in non-constructive
responses. For Drenth (1984) this is a sensitive matter and there is a greater likelihood of upsetting the relationship between the evaluator and those being evaluated. In the light of these assumptions Boswell and Boudreau (2002) suggest the removing of the evaluative role from the immediate supervisor that may give way to cooperation and constructive relationship.

It is very evident that performance appraisal by its nature is the very test of the supervisor him/herself. He/she should have an in-depth knowledge of work performance, human psychology and employee relations and other variables that affect the process. However, because of an extensively widespread range of human divergences in understanding to execute this role successfully, assessment is one of the most difficult and confusing management areas that are explicitly exposed to such human inaccuracies.

Keeping in mind the importance of this relation and its impact on the organization, it has been realized that a change in management style is needed that reduces the conflict. The concept of participative management style has drastically changed the role of the first-line supervisor over the last few decades. Another aspect of this change is the tilt of performance appraisal from evaluated side to the developmental side. It is asserted that instead of being controllers the supervisors must play the role of facilitators in developing the employee. This does not mean that all has been changed and that traditional method of management has become obsolete. Rather evaluative needs still hold pivotal place because it is necessary in terms of administrative decisions while employee development is the function to take a secondary importance (Boswell & Boudreau, 2002).

This supervisor-subordinate relationship also affects employee’s career issues. Career issues are important to subordinates because an employee is provided with a chance to know where they stand by focusing on how performance can lead to desired career outcomes. Supervisors can also provide information about employees’ career that can satisfy their important personal growth and development needs (Nathan, et al., 1991).
Benefits/Utility/Uses of Performance Appraisal

Performance appraisal is a multifaceted HR activity and can be used for a variety of purposes in an organization. In other words, performance appraisal is always conducted with multiple organizational goals. According to Levine (1986) the most common uses of assessments are looking for employees training needs, administrative decisions, and merit review. Researchers (J. B. Prince & Lawler, 1986; Williams, et al., 1985; Zedeck & Cascio, 1982) have focused their attention on the uses of performance appraisal, some are conflicting, as important predictor of employee attitudes towards their supervisor, the job, and the performance appraisal process. The above attitudinal outcomes are further subject to the individual’s perception of the process. If people differently perceive its purposes, there is likelihood that attitudinal outcomes may also vary (Boswell & Boudreau, 1997). For example, researchers (Boswell & Boudreau, 1997) believed that talking about administrative decisions during the annual review would interfere the constructive discussion aimed at future performance improvement. According to Flippo (1980) performance appraisals should actually stimulate and guide employee development. He, therefore, saw employee development as an imminent and indispensable function or activity of an organization that conducts performance appraisal systematically. However, if purposes of performance appraisals are conflicting, it may hinder the assessment system in achieving organizational goals attached with the system. Or may, probably, cause some negativity in employee’s behavior and organizational performance (Boswell & Boudreau, 1997).

Broadly speaking, performance appraisal has two purposes:

Administrative purposes: It provides information that help management in taking administrative decisions like employees promotion, determining salary, as well as providing documentation that can justify these decisions; and

Development purposes: Information collected from assessment can also be used to analyze training requirements, development needs and planning, and the like. Feedback and coaching based on such
information help management to work for improvement of day-to-day performance (Robbins & Coulter, 1999).

For Ubeku (1975), the main elements of performance appraisal can be classified into two parts namely: what the organization wants from the exercise and what the individual employee wants in order to appreciate his prospects and enable him to organize their self-development.

According to Torrington and Sutton (1973) performance appraisal is meant to serve the following purposes:

1. “To improve performance in the present job;

2. To allocate salary increases in relation to achievement;

3. To indicate any need to change the job incumbent; and

4. To uncover particular talent of any sort and to let the workers know how the company considers their progress and prospects”.

It is generally agreed that this human resource activity is carried out to benefit the organization and employees at same time. Therefore organizations are required to make the activity in such a manifest way that employees observe and perceive that the assessment system has the potential of meeting their needs. Besides, the organizations also make it sure that the issue raised by employees, and if they happen in concord with the organization strategy should make them part of the future planning process. Benefits of performance appraisal for individual, supervisor and for the organization are enumerated below:
Advantages for the individual:

→ Employee gains a healthier understanding of his/her job

→ Provides the chance to the employee to understand clearly as to how and where he/she fits into the scheme of the organization

→ Provides more lucid understanding of the monitoring and of the assessment process and gets more as to how his/her performance is observed

→ Helps to improve understanding of an individual’s strong and weak areas and also spots out the developmental needs

→ Provides the chance to look for ways for performance improvement

→ Provides the chance to discuss and clarify developmental and training needs with the management

→ Provides base for reaching a consensus with the supervisor on achieving his/her objectives for the next year.

Advantages for the line manager/supervisor:

→ It provides opportunities to them to express and exchange views and opinions in the absence of routine work pressure of work

→ Provides a good opportunity to spot latent difficulties or weaknesses

→ Provides the chance to understand the limitations of the resources available
→ Provides the chance to collectively plan and define objectives for the next period

→ Provides a chance to look into their own role

→ Provides the opportunity to plan and sort out ways for performance improvement

→ Provides an opportunity to see if further delegation and coaching is needed

→ Also provides a chance to motivate employees of the team that he/she works with.

**Advantages for the organization:**

→ Provides structured methods for identification and assessing human potentials

→ Provides the requisite information about employee’s expectations and aspirations

→ Provides information on the basis of which the decisions about promotions are made and also promotes motivation

→ Provides a chance to review succession planning for the organization

→ Provides information needed for making decisions about training

→ Provides latest information to update employee’s records

→ Provides an opportunity to career counseling

→ Provides one of the best channels for communication of information
Performance appraisal as a tool for collecting information. It is through the information collected from appraisals that administrative decisions are taken. Decisions taken on information from appraisal works as a feedback to the employees telling them how management perceives their contributions to the organization and how the decisions are affected by performance. Most appraisals assume that every individual in a working organization wants and needs to know how well he/she is doing, and that appraisals and appraisal interviews satisfy this need.

In the same vein, the objectives of performance appraisal, according to Henderson (1985) include: aid in performance feedback, compensation administration, promotion decision, identifying management development needs, manpower planning and validation of selection procedures. For Strauss and Sayles (1980) performance appraisal serves to facilitate long range personal planning, since it becomes easier to determine who should be promoted now and who should be ready after further experience and training.

Performance appraisal as a developmental tool. Appraisal has always been a mean to some end. If the end is employee development, self-appraisal has been considered a vehicle for personal development (Steel, 1984; Wexley & Klimoski, 1984). Because self-appraisal has some benefits. They are: exposing areas of divergence, analyzing weak and strong areas and potential for improvement, provide an opportunity to conduct more satisfying and constructive assessment interviews, and the like. However, it is presumed that different constraints, some way or the other, hamper the fruition of these benefits. It is, therefore, suggested that if the end is to use self-appraisal as an effective developmental tool, it is necessary that the distortions summarized in Figure 7, be held to a minimum.

According to Scott (2001) a well-formulated employee assessment system should have such qualities which when a manager exploits enable him/her to actually gauge an employee's present performance and his/her future needs in the organization. It should also have the ability to distinguish strong and weak performers and to encourage the formers to maintain their high level of performance and motivate the latter that they have the potential to do better. It is an
instrument that helps management to identify and look into employees’ competencies in line with an organization’s core competence and external demands (Ubeda & Santos, 2007).

Performance appraisal provides the chance to judge an employee’s past results and gives him/her guidance for the future. Manager/supervisor is required to make it a point to focus on where the employee has done well. Then it is the most proper time to build on such strengths and to encourage the employee to maintain or improve performance. This recognition and realization, in return, promotes a cordial relationship with the supervisor. Only concentrating on weaknesses demoralize employees. It will be good to identify and concentrate on employees’ strengths. This would send a message with positive approach to future performance (Cadwell, 1994).

Performance appraisal opens an avenue for improvement. It provides the required information to let the supervisor know in which areas the employee has got an improved behaviour and this can be capitalized for improving other potential areas. These opportunity areas also identify current training and development needs. It is here that supervisors, when employ performance appraisal as a development tool, set performance goals for each employees. These goals should follow the principle of SMART—specific, measurable, attainable/acceptable, realistic, and time bound. It is suggested that supervisor should make these goals difficult but achievable, challengeable but realistic. The supervisor should empower the employees to achieve these goals.

It is very necessary for the supervisor to provide proper feedback to reinforce & sustain performance. It is of a prime importance that employees are required to have first-hand knowledge about their own performance. Then employees be provided with the necessary advice and assistance for their performance improvement. Therefore, it is of a prime importance that an appraiser/supervisor be a good coach to help employee to achieve career goals in addition to being a boss. During all the process the supervisor is required to determine the training needs of the employee whether an employee is deficient in some areas and that training could be an effective remedy. To conclude it, if an organization wants to survive in the global competitive marketplace, it has no option but to acknowledge and work upon the intellectual capital and improve workforce proficiency being the most important drivers of shareholder value.
Performance appraisal as an employee retention tool. Each organization would like that good and efficient employees should remain with the organization. To what extent performance appraisal helps organization in this regard? Researchers (Dobbins, Cardy, & Platz-Vieno, 1990) talk of five outcomes of performance appraisal. They are: a) feedback for performance improvement; b) discourage employees’ inclination to quit, enhance motivation, and other positive behaviour; and c) linking rewards with employee performance. Similarly, Meyer and Allen (1991) hold the opinion that if employees are considered as equal partners in the review process, there is a greater likelihood to increase commitment. Furthermore, it would make the whole process both more productive and more satisfying. Contrarily, when an employee thinks that the supervisor has his/her own favourite social circle, the level of trust becomes the prey. In such situations employees started believing that manager has got biased with them which will result in biased appraisals that would not be trusted.

All these behavioural outcomes can be expected in an atmosphere which is conducive for such behaviour. Therefore, social researchers contend that the development of organization citizenship behaviour is necessary. According to a number of researchers (Konovsky & Pugh, 1994; J. P. Meyer & Allen, 1997; Wong, Ngo, & Wong, 2006) there is a great relationship between behavioural outcomes and organizational citizenship behaviour. Researchers (Arthur, 1994; Eisenberger, et al., 2001) contended that employees are more satisfied when they are provided with their development needs within their jobs and which induce them to work hard so that they may contribute in the good performance of the organization. Developmental opportunities provided by the organization boost employees’ motivation and confidence in their work. Subsequently, employees might repay their organization with the likeliness of extending their self-fulfillment, leading to reduced turnover intention (Foong-ming, 2008).

The long history of performance appraisal clearly connotes that this HR intervention is highly critical for the success of any organization. Meta-analysis of over 70 studies by Rhoades, Eisenberger, and Armeli (2001) reported consistent antecedents and consequences of perceived organizational support. However, the success of this perceived organizational support in the case of employee development depends on three factors: a) development of performance appraisal in the light of SMART principles; b) its implementation and execution; and c) employees’
perception of the intervention. In the process of development of performance appraisal it is recommended that best practices be exploited while formulating assessments which are all inclusive of all sorts of evaluations. The two uses of performance appraisal—evaluative and developmental (Cleveland & Murphy, 1992)—have commonly been recognized. These two uses are affected differently by the performance appraisal keeping in view employee perception of the activity. If the activity is merely evaluative then according to Cleveland and Murphy (1992), employee’s reaction has been found satisfactory if it is connected with appraisal-reward. But evaluative performance appraisal is looked at with some negativity. Contrary to that, if the activity is carried out with the developmental use then, according to Milkovich and Boudreau (1997), it is looked at positively.

Studies carried out by Cleveland, Murphy, and Williams (1989) revealed that nearly 70% of the respondents reported that performance appraisal moderately affected its developmental use. Some researchers, like Gaines (1994) have referred to the developmental side of the assessment system. They opine that assessments provide chance to the employees to understand betterly how they can improve within the organization. While Boswell and Boudreau (2002) state that when employees perceive that performance appraisal is being used for developmental purpose, this works as a clear message of recognizing their current value and future prospects with the organization, resulting in positive affect. They conclude that developmental activities increase appraisal and appraiser satisfaction.

**Some other uses.** There are, broadly speaking, two types of performance appraisals: open and confidential. In the first type, an employee is allowed to examine his/her appraisal report and comment on it by either accepting or rejecting it. The appraiser discusses the contents of the appraisal form with the appraisee, explaining why he/she scored whatever grades he/she has been awarded. The subordinate finds himself/herself in a position to defend his/her action or accept the faults/shortcomings. If the subordinate participates in decisions that will affect him/her in the work environment, he/she is more likely to change for the better or improve on his/her output. Richards (1959) has talked in the same vein. The open appraisal system also eliminates surprises
that may occur when the appraisal results are released because the subordinate must have been made aware of the situation during the discussion with the superior. This type of performance appraisal has many advantages when properly applied. It is objective and comprehensive. It tends to reduce acts of victimization and increase level of motivation for improvement of employees performance on-the-job. But there are some disadvantages of open reporting of performance appraisal as well. The interview between the appraiser and the appraisee may be confrontational. The method may be subjective in that the appraiser knowing that his ratings will be seen by the subordinate may tend to give him high scores just to make him happy.

The confidential reporting neither allows the subordinate to have access to their appraisal report nor can comment on them. Everything is done secretly. This system tends to be subjective and is under severe criticism. It is said that here supervisors tend to appraise the man and not the job thereby punishing people who are not in their good books. This does not do any good for the organization because employees are demoralized and consequently productivity is affected. At the same time it does not motivate workers since they are ignorant of how they are appraised.

The control of undesirable employee behaviour has since long been a great challenge for the managers. It is generally believed that punishment is imposed with the goal to change undesirable subordinate behaviors. Punishment if explained is the application of some negative consequence aimed at changing an undesirable behavior of a subordinate. Its wide application as a managerial tool in different shapes is ubiquitous. Thus, subsequent performance is an important punishment outcome (Ball, Trevino, & Sims, 1994). This managerial controlling tool is receiving increasing research attention. This interest is the result of the erosion of the conservative wisdom that castigation should be evaded or used as a last resort because it creates undesirable emotional and behavioral side effects (Arvey & Jones, 1985; D. Organ & Hamner, 1982). While conducting organizational punishment research, Arvey and Jones (1985) barely found any association between organizational punitive actions and the subsequent job performance or satisfaction of employees.

Later research by Ball, et al. (1994) second the view of Arvey and Jones (1985). They believe punishment receives different reactions from different individuals because they have
different self-concept and belief in a just world. Individuals who enjoy strong belief in a just and ordered world do not object its application for they think employees deserve it when they make violation of organizational norms, rules, and policies. In contrast, employees at the other side of the pole attribute blame for undesired behaviors to the situation, to others, or to fate.

**Performance Appraisal and Job Satisfaction**

Job satisfaction, in the current context, by definition is a pleasurable emotional state resulting from the appraisal of one’s job or an effective reaction or attitude to one's job. It is the level of contentment of an individual with his/her performance of the job. It is an evaluative statement of how one feels about his/her job (Robbins, 2002). It is affected by the management style and culture, employee involvement, empowerment and other organizational interventions. It is a complex function of a number of variables. Performance appraisals one among them that can have a profound effect on employee satisfaction - for better as well as for worse. It is an organizational way of recognizing employees’ contribution to organization. Researchers have since long recognized the influence of social recognition as a motivating force. The presence of an appraisal system indicates that organization has interest and stakes in employees’ performance. This alone can have a deep impact on employee’s behaviour and attitude. According to March (1958) an employee's perception of the desirability of leaving the organization is directly a function of the level of satisfaction with the work role. There are five aspects that make up an individuals’ level of job satisfaction: pay, promotion, supervision, the work itself and co-workers (Hanisch, 1992). Job satisfaction is a result of employee's perception of how well their job provides those things that are viewed as important.

Each person has different reasons for liking or disliking a job. An employee may be content with some aspects of the current job but at the same time may not be at ease with some other aspects of the same job. This can be clarified by an example: a faculty member may be content with the designation and office environment but may feel discomfiture with the available career opportunities or the level of income attached with the job. Anyway, majority of the researchers would be unanimous in the claim that it is in the best interest and benefit of the
employers to maintain high levels of job satisfaction. For when employees enjoy job satisfaction, productivity, creativity, and commitment to the employer are corollaries. Similarly, dissatisfaction in performance appraisal will affect the performance appraisal system (Cardy & Dobbins, 1994).

Employees are affected by human resource interventions in the organization so is the level of their job satisfaction. As performance appraisal affects many aspects of their working attitude, positive or negative results are the corollary of this management intervention. The studies conducted by Edgar and Geare (2005), and Georgellis and Lange (2007) have found that employee development has positive association with employees’ level of job satisfaction. When employees start believing that organizations are sincere to provide development opportunities for them, they will definitely reciprocate (Georgellis & Lange, 2007).

According to Milliman, Nason, Zhu, and De Cieri (2002) those employees who get less from the appraisal system have been found to express discontentment with both the appraisal process and with decisions that have been made on information of that very process. And according to Belau (1999) this may have far reaching effects on overall job satisfaction and commitment (Catano, Darr, & Campbell, 2007).

According to Koster, Grip, and Fouarge (2009) employee development is associated with job satisfaction in different ways. They are: first, organizations committed to employee development can cause to charge them emotionally attached to their respective organizations; second, employees may get the message that organizations’ trainings are signals of organizations’ readiness and concerns for the maintenance or growth of the competences of the workforce; and third, the development of new skills and abilities augment the level of the employees’ employability within the organizations as well as outside the circles (C. H. Lee & Bruvold, 2003). On the basis of the above, they hypothesized that professed support in employee development has positive association with job satisfaction. Similarly, according to Shahzad, et al. (2008) proper explanation and management of assessments lead to job satisfaction and professional commitment amongst teachers. While Rahman (2006) opines that commitment to teaching is a function of teacher’s attitude towards performance appraisal system.
Performance Appraisal and Organizational Commitment

Organizational commitment, by definition, is a bond between an individual and the organization. Employee commitment is important because high levels of commitment lead to several favorable organizational outcomes (Chughtai & Zafar, 2006). In a general sense, it is an employee’s engagement which restricts freedom of action. It is the strength of an employee’s involvement in and identification with the organization (Robbins, 2002). According to Allen and Meyer (1990) it is a psychological state that binds an individual to the organization (i.e., makes turnover less likely). Similarly, for Meyer and Allen (1997) a committed employee is likely not to part ways with the organization through thick and thin. Such an employee works with sincerity and devotion and exploits all his/her potentials to the maximum level, takes care of organization’s assets and, above all, shares company goals. For Meyer and Herscovitch (2001) it is a stabilizing or obliging force that gives direction to behavior (e.g. restricts freedom, binds the person to a course of action. It consists of three components: identification with the goal’s and values of the organization, a desire to belong to the organization, and a willingness to display efforts on behalf of the organization. Researchers (Kinicki, Kreitner, Cole, & Dawn, 2006; Spector, 1997) consider job satisfaction a global construct or as a constellation of different dimensions to which the employee reacts effectively.

Majority of the researchers, though vary in definitions, have a general consensus on the three components of organizational commitment which Porter and Steers (Porter & Steers, 1973) has discussed more than three decades back. They are: i) an employee’s firm belief in and acceptance of the organization’s goal; ii) an employee’s readiness to exploit all efforts; and iii) an employee’s explicit desire not to leave the organization. When an organization’s management expresses its commitment in the training and development of its employees, irrespective of the fact what the organization management has in its mind, this sends a message to the employees that they are valued and their contribution is recognized. This helps the employees in raising their morale and encourages their commitment to the organization.
Majority of the literature on organizational commitment revolve around the framework developed by Meyer and Allen (1991) to measure three different types of organizational commitment:

→ **Affective commitment:** This type of commitment refers to an employee’s emotional attachment, and desire to retain membership in the organization. An employee that has strong affective commitment is presumed to stay with the organization because he/she ‘wants to’.

→ **Continuance commitment:** This type of commitment refers to employee’s evaluation as if the costs of leaving the organization exceed the costs of staying in the organization. An employee who perceives that the costs of leaving exceed the costs of staying would remain in the organization because he/she ’need to’.

→ **Normative commitment:** This type of commitment refers to an employee’s perception of obligation to the organization. An employee who has high levels of this type of commitment would stay within the organization because he/she feels it ‘ought to’.

Irrespective of the type, commitment is a psychosomatic state that is associated with an employee's attachment with the organization that he/she works for. This attachment affects his/her decision whether to remain within the organization or should part ways with it. Mowday and Richard (1979) found organizational commitment is dependent on three major factors. They are:

a). **Personal factors:** personal characteristics include age, tenure, gender, family status educational level, need for achievement, sense of competence, and sense of professionalism;

b). **organizational factors:** organizational characteristics include structure, organizational culture, and organizational level policies, and
c). **Non-organizational factors:** non-organizational factors include cost of investment and employment alternatives.

Each of these categories of factors might contribute to the development on the different dimensions of organizational commitment at varying degrees (Laka-Mathebula, 2004).

When employee development becomes the goal of the organization, employees’ skill development, furtherance of organization’s mission, and struggle to achieve career goals become the consequences. Here managers signal that the organization values each employee’s professional growth as a priority (Scott, 2001) which engenders organizational commitment. Mohrman Jr. et al. (1989) believe that there is likelihood that the employee whose performance is under review may get encouraged and motivated to perform effectively.

To conclude, it can be said that organizational commitment has been studied from two angles: commitment-related attitudes and commitment-related behaviors. Buchanan (1974) considered the former as a one-sided, affective alignment with the goals and values, and also to the organization for its own sake. For Mowday, Steers, and Porter (1979) it is a state wherein an employee identifies himself/herself with a particular organization and strives to preserve membership with the aim to facilitate these goals. The latter is considered a more powerful and is directed by an internal assumed normative pressures that compels the individual employee to perform in a way that supplements organizational goals and interest (Wiener, 1982). In this sense, organizational commitment is viewed as (1) willingness to remain with and not to leave the organization for personal interest; (2) willingness to be an efficient and effective employee to enhance organizational effectiveness; (3) willingness not to leave the organization in difficult times and to make personal sacrifice; and (4) willingness to accept organization's values and goals.
Performance Appraisal and Employee’s Trust

Trust has been defined by a number of researchers. It is a way of controlling employee’s work behaviour and employee’s positive psychological reaction to the controlling system which ensures and sustains manageable relations and keeps employees happy. It is a readiness of an employee to be susceptible to the actions of the organization with the hope that the latter will perform an action important to the former, irrespective of the potential of checking or controlling the other party (Mayer, et al., 1995). According to Misztal (1996) it as an individual property or social system with disproportionate attention to behaviour based on actions at the individual level. For Wolfe (1976) trust is a personality variable and therefore individual’s characteristics like feelings, emotions, and values have central importance in building and maintaining trust. While Gambetta (1988) defined it in organizational context by terming it an employee’s confidence that the organization will perform an action that is beneficial to him/her. Trust is a “reliance upon the behavior of a person in order to achieve a desired but uncertain objective in a risky situation” (Giffin, 1967, p. 105). In simple words it involves risk taking. Trust is such a relationship wherein both the parties believe that their actions have corresponding effects on the other. However, they share their ideas, their concerns or issues candidly.

Trust is central when it comes to deal with another person. It is a person’s degree of buoyancy in the words and actions of another (Lewicki, McAllister, & Bies, 1998). Organizations can accomplish almost anything with it. But without it, every day is a struggle filled with friction and uncertainty. It has been observed that organizations give nodding acknowledgment to the importance of trust, but they are generally misguided in their understanding in depth. It is very important and plays an important role in all human resource processes especially in the process of performance appraisal (Annamalai, Abdullah, & Alazidiyeen, 2010). Ashford, et al. (1989) termed trust an important aspect of organization.

In organizational management perspective researchers (Brockner, Siegel, Daly, Tyler, & Martin, 1997) believe that it influences a number of subordinate’s work attitudes and behavior. According to Laka-Mathebula (2004) three factors are essential for effective trust. They are: a) ability—the competence to supply what the trustor expects; b) integrity—that the partner is not a
cheater; and c) benevolence—that trustee has an altruistic intention. When trust levels are high, employees have been found supportive, committed to management and to the organizations that the management represent (Chughtai & Zafar, 2006). This trust is developed when employees perceive that they are treated fairly (Wong, et al., 2006). Therefore, employees enjoying high levels of trust have been found comfortable and hardly raise reservations on the decisions taken by the management because they believe that management do whatever is best in their interest as well as in the interest of the organization.

It is very difficult to state that a certain performance appraisal report is either objective or subjective. Anyway, the central factor that influences the success of any assessment system is the very reaction to the system of those persons being evaluated (K. R. Murphy & Cleveland, 1991). Similarly, Simmons and Lovegrove (2002), believe that it is essential for the supervisors to take the appraisee as an important stakeholder in the whole system. Here trust stands at the centre. Lack of trust in any assessment system and negative reaction towards it can be a source of failure of the system. This trust can be garnered when the system has the element of the perceived fairness of an appraisal system (K. R. Murphy & Cleveland, 1991). Fairness has been identified as the most important assessment issues that organizations face (Bretz, et al., 1992). And that is why employees' reactions to the system are very important for the long-term effectiveness of the system (Mount, 1984). It has been noted that when employees perceive unfair treatment they are likely to react in the same coin by changing their job attitudes (Vigoda, 2000). This reaction also negatively affects their satisfaction as well (Taylor, Tracy, Renard, Harrison, & Carroll, 1995).

Trust has a number of determinants that researchers have referred to in their research findings. Researchers (Bartolome, 1989; Carnevale & Wechsler, 1992; J. Cook & Wall, 1980; Mayer, et al., 1995; Nyhan, 2000) have found trust as a function of feedback on performance, job security, mutual respect, empowerment, ethical environment, past interaction, open communication, expertness, benevolence, competency, and moral integrity organizational climate built by supervisory relations.

When we talk of trust in relation to performance appraisal, we talk about Murphy and Cleveland (1991) views regarding the acceptability and reaction of both the appraiser and the
appraisee to the system. This perceptual reaction—fairness—to the assessment system is very crucial for its operational effectiveness (Cardy & Dobbins, 1994). It has consistently been contend that assessment process fairness is a prerequisite for a high level of trust (Carnevale & Wechsler, 1992; Mayer & Davis, 1999). For example, Bartolome (1989) opines that when one wants to enhance trust among employees one should be mindful of an objective and impartial performance appraisal.

The relationship of human resource management practices and trust have widely been researched. The levels of trust can facilitate or hamper the effective implementation of human resource management practices (Whitener, 1997). One example will be suffice to explain it: the most common method of monitoring employees’ involvement in job is through direct observation. And from this observation supervisors assess employees’ behaviors. However, it is not always possible for supervisor to observe all dimensions of behaviors and, therefore, it could be hardly termed a feasible coordination and control mechanism in workplace (Staples & Ratnasingham, 1998). Trust has the potential to fill the vacuum. Similarly, other human resource management practices like training and development, promotion, compensation….and performance evaluation affect the development of trust.

Trust is divided in two parts: trust and trustworthy. The former is related with believing in the other people and the latter being trustworthy is related with deserving the trust that the other people feel for you. Both parts—trusting other people and their trusting you—have a vital importance (Yilmaz, 2008). In organizational context an employee’s trust means he/she is confident about any applications and policies that will affect the organization and having positive expectation about them (Lewicki, et al., 1998). In this sense, organizational trust is an individual’s comprehension of the organizational support, belief of the management being trustworthy (Mishra & Morrissey, 1990). Sitkin and Roth (1993) suggest that the concept be addressed from four angles: a) trust purely personal trait; b) trust as an individual behaviour; c) trust as affected by the context or situation; an d) trust as a management mechanism. While Hosmer (1995) suggests it should be studied from five angles. They are: a) economic exchanges; b) individual’s expectations; c) interpersonal relations; d) social structures; and e) ethical principles.
In the light of the above different approaches (Rousseau, Sitkin, Burt, & Camerer, 1998) found similarities within these approaches with three important facets of trust. They are: a) trust in another party in a sense that the other party will reciprocate benevolently; b) no one has the supernatural power to control or force the other party to satisfy the expectation—which means that there exists risk as one cannot be dead sure about the intention of the other party to satisfy the expectation; and c) trust requires some level of dependency on the other party. This means that action of one party has a corresponding outcome of the second party.

McAllister (1995) studied trust from its two dimensions: cognition-based trust and affect-based trust. According to him the former is based on rational thinking that constituting evidence of trustworthiness such as demonstrated responsibility and competence. While affect-based trust consists of emotional bonds between two parties who express genuine care and concern for the welfare of each other. For him some level of cognition-based trust is necessary for affect-based trust to develop. Staples & Ratnasingham (1998) incorporating McAllister’s two dimensions of trust developed their own model of five outcomes. The model is reproduced below:

![Figure 8: The Research Model by Staples and Ratnasingham (1998)](image-url)
Trust does not occur in vacuum. It has been argued by researchers (Kovnovsky & Pugh, 1994; J. P. Meyer & Allen, 1997; Wong, et al., 2006) that there is a great relationship between trust and organizational citizenship behaviour (OCB)—an employee-employer relationship wherein employees are encouraged to behave as they like and are not bounded by any specific restrictions mandated by their employers. They are: supervisors, subordinates, co-workers and top managers. They all form the organization environment and employees monitor this environment in assessing whether to place trust in the management. Researchers (McCauley & Kuhnert, 1992; J. P. Meyer & Allen, 1997) have also referred to the bases of trust in organizations. According to them they are: participation in decision making, job security, professional development and performance appraisal.

Trust in the performance appraisal process and the recognition of its potential of distinguishing between individuals in terms of their performance is crucial. Here it has been suggested that organizations should make their appraisal systems more clear and transparent, make its objective clear and understandable, and also enable the employees to have a wholesome comprehension of how the system works. Appraisals procedures and standards should be displayed, made within the reach of all, and sundry. The second approach in this regard is to cheer employee’s partaking in the process. This participation may manifest itself in activities like personal goal setting and creating some well-designed and easy route to employees to voice their grievances.

Researchers have extensively discussed two types of justice: procedural and distributive. The former pertains to the fairness of the process used in determining outcomes. The research in this regard has focused attention on variables, such as decision and process control and interpersonal treatment. It has been associated with the perceived fairness of performance appraisals. The latter refers to the perceived fairness of the outcomes. Notwithstanding, it has also been researched that the level of trust and fairness differs between supervisor and subordinates. According to Mount (1984) supervisor are more satisfied than subordinates with most aspects of the appraisal system.
The issue of trust formation has got a prominent position in the behavioural studies. Therefore, studying the antecedents of trust is important. Researchers have different views. The most comprehensive approach is that of Marquis (2002). They are:

a. **Competence based factors:** refer to the effectiveness of leadership and the manager’s ability to ensure that the organization survives in a competitive market place (Mishra & Morrissey, 1990);

b. **Benevolence based factors:** the behaviour describing the willingness of one party to do the right thing by the other party;

c. **Integrity based factors:** refer to the trustor’s perception that the trustee will act honestly and will adhere to set principles that the trustor deems acceptable;

d. **Autonomy based factors:** refer to the sharing and delegation of control with the employee or consultation and involvement in decision making process (Whitener, 1997);

e. **Individual factors—dispositional trust, self-efficacy and values:** refer to an individual’s general predisposition to trust other people (Whitener, 1997), or individual’s differences regarding degree of trust that stem from early trust experiences (Kramer, 1999); and

f. **Contextual factors:** refer to organizational structure, human resource policies and procedures, and organizational culture (Whitener, 1997).

To have a viable trust, employee-supervisor relationship plays a vital role. As supervisors promote associational contacts with their workforce, value their perceptions of organization’s obligations, employees’ trust in organization is enhanced (Whitener, 1997). Resultantly, supervisor-subordinate interactions cause frequency and tend to become direct (Wong, et al., 2006), and subordinates view them management in persona. Here the management should make the employees to be aware of the management expectations, the management monitoring of
observing employee’s performance to accrue those expectations, and the relationship between the organization reward system and employee’s workplace behavior. Management is supposed to make it clear that it has good will and takes care of the employees and would not let things happen to give them harm. Therefore, trust in management is the result of an employee’s experience with management. Organizations should understand that an individual has the potential of evaluating policies and procedures that management employs to arrive at conclusion. An environment of trust let employees to decide things in a way that may affect workplace activities. And this is where an employee tend to state that he/she trusts the judgment of management (A. Campbell & Tawadey, 1992). Employees tend to perceive a well-formulated human-resource system as suggestive of management’s helpfulness, and incline to reciprocate by reposing high trust in management (Whitener, 2001).

Lack of trust causes some negative organizational outcomes. Researchers (Kerfoot, 1998; Mishra & Morrissey, 1990) believe that the level of trust has a corresponding effects on the creative nature of an employee. With a low level of trust, an employee tends to exert less effort towards organizational goals. Researchers (Greenberg & Cropanzano, 2001; Tzafrir, 2004; Whitener, Brodt, Korsgaard, & Werner, 1998) have extensively discussed the issue of trust in modern organizations as intangible resource from two perspectives—exchange theory and resource base view.

**Exchange theory:** This theory has been based on social exchange theory of reciprocity—I will help that person who helps me. This perspective has been transported into organizational relationship. Therefore, this rule demonstrates the management expectations of recognition, empowerment, investment in training, and other favours that will be reciprocated. No doubt, the norm of reciprocity can also be operative in negative consequences like fear, conflicts, and other mistrusting acts but in an organizational set up they are required to be dealt with in kind (Tzafrir, 2004). Thus, this theory emphasizes the development of relations that takes time and which involves both trust and uncertainty. From this perspective trust in employee will engender trust for organizations.
**Resource-base view:** Instead of treating employee relation as equivalent to social exchange transaction, this perspective takes a more specific view and emboldens a change toward some inherent employee’s characteristics of potentials and their relative contribution to organizational value creation. The theory suggests that essential employee skills are required to be developed and sustained by the organization. However, those that have peripheral value are suggested to be outsourced (Lepak & Snell, 1999). A resource may either be tangible or intangible asset that brings high ROI over long periods of time. The HRM system is one such organizational asset, which enhances firm performance (Tzafrir, 2004). This system has various organizational consequences including procedural justice, improved communication, and employee development. If all these consequences are the result of a fair play and distributed among organizational members, it will create and promote a unique culture of trust in the organization. Thus, a trust culture tend to create a sustained competitive advantage (J. Barney, 1991). Employee is basically a social entity but works in an organization. He/she is affected by and affects the organization in both the ways. Therefore, if both perspectives of trust are combined, manager may get a more wide-ranging perception of how to make employment more striking and rewarding (Tzafrir, 2004).

To conclude, organizations in common want to be successful. But their success is dependent upon the satisfaction of their respective customers. These customers’ satisfaction is mostly associated with employees of the organizations. Good service delivery on the part of the employees results from their sense of trust and goodwill toward the organization. Therefore, taking care of employees’ well-being should be the top strategic priority for developing their trust in organization. However, it is not only perks, privileges, and mere pats on the back to get employees tuned in and turned on. It takes a comprehensive approach on how to maintain positive adult-to-adult association within the workplace. It also takes the right kind of “people-first” systems, policies, and practices to put that perspective into practice and make it all work.
Performance Appraisal and Turnover Intentions

Employee’s turnover by definition is a permanent movement of the employee beyond the boundary of the organization. Turnover intent signifies an employee’s intention to leave an organization. It has been defined as a willful, reasoned and thoughtful decision to part ways with an organization (Tett & Meyer, 1993). Employees’ turnover is a much studied phenomenon (Yousaf, 2008) and has been a central research topic for nearly 90 years (Cotton & Tuttle, 1986). Though world data is not available, Abbasi and Hollman (2000) estimated that the total costs of turnover in organizations equaled approximately $11 billion annually. Employees leave organization which affect them and organizations in so many ways, but there is no defined or universally accepted reasons why people leave organizations. And that is why there is a greater focus on people leaving rather than entering the organization (Price, 2001). Anyway, it is considered a reasoned action that mediates the relationship between attitudes and behaviour.

Intension to leave a job is an outcome of so many factors. For Berry (2010), these factors include an employee’s own attitudes about the job, appraiser, peers, management, organizational structure, his employability, external available jobs opportunities, and self may cause a behavioral predisposition to retain the membership or withdraw from the organization. Similarly, for other researchers (Arnold & Feldman, 1982; Cotton & Tuttle, 1986) employee’s own feelings of job related organizational decision, compensation level, union, time in the organization, job satisfaction, demographic variables, family size, trust, commitment, etc. and to observe if a particular job can satisfy his/her expectations, corresponding by the expressed intention to search for another job and market offerings affect an employee’s decision to leave.

Retaining best talent is certainly a critical task for HR managers. Therefore, this has entrapped the attention of the researchers. But employees cannot be retained by force. They need to be kept engaged. Many researchers (Buckingham, Coffman, Simon, & Audio, 1999; Seijts & Crim, 2006) consider employee engagement as one of the important factors in this regard. For them employee engagement is that status of an employee when he/she gets involved in job, enjoys enthusiasm about the job, and, above all, is satisfied with the job at hand. Employees who are disengaged tend to perform poorly, are always in search of alternatives, and not satisfied with
the management. They tend to have negative sentiments about the management and the organization (Gubman, 2004). Employee engagement, according to Buckingham, et al. (1999) are those characteristics that attract and retain the most productive employees. For Berry (2010) it is composed of: compensation, tangible and intangible benefits, career prospects, work environment, and affiliation. Managers are required to look into these all and keep the employees engaged.

Two perspectives: the human capital theory and the social exchange theory have widely been acknowledged. The first perspective suggests investing in employee development may enhance the employability and may cause turnover (Becker, 1962; Green, Felstead, Mayhew, & Pack, 2000). The other perspective holds that investment in employees may increase their productivity which will generate positive perceptions in employees about the organization’s efforts to support their development (C. H. Lee & Bruvold, 2003). Researchers agree that employees are prepared to reciprocated organizations’ support through their work performance (Eisenberger, et al., 2001). When employees perceive that management takes interest in them by investing in them in their personal development, management creates value for itself which makes them attractive. This satisfaction with rewards convey the message that both the individual and the organization are willing to invest time and effort to honour this organization-employee relationship (Foong-ming, 2008). Because of this feeling of management support in employee development, they have rare intention to quit (Koster, et al., 2009). This investment helps in reducing employees’ turnover intentions (G. S. Benson, Finegold, & Mohrman, 2004).

There happens to be a lack of unanimity for advocating any one theory that determines and could provide the best explanation for turnover intentions. However, Huselid (1995) in his comprehensive empirical study of 1000 organizations observed significant backing for the hypothesis that investment in employees has association with lower labour turnover. He further adds that if organizations are willing to retain quality employees, they should practice progressive career-related human resource practices that ensure the improvement of employee’s skills, knowledge, and abilities.
Employee turnover intentions have common negative consequences which include financial and reduced morale among remaining employees (C. H. Lee & Bruvold, 2003). Therefore, organizations exert efforts to decrease this behaviour by working to increase employees’ commitment to organization, e.g. investment in their training (Koster, et al., 2009). Studies conducted by Arthur (1994), and Hung & Wong (2007) with social exchange perspective supported the presence of a negative link between employee’s participation in training and behaviour to quit through empirical data.

It has to be kept in mind that the decision whether to remain in or quit a certain organization is neither idiosyncratic nor it occurs in vacuum. It is, in majority of the cases, a rational decision on the part of an employee and is a behavioural outcome which matures after a period of time. According to Mobley (1977) it occurs after a decision process (see Figure 9). According to him this process starts when an individual employee starts feeling of dissatisfaction about his/her present job. In the same vein Hom & Griffeth (1991) claimed that employees’ withdrawal decisions are comprised of three items: a) start thinking to quit; b) start search for new job; and c) decide to quit.
Figure 9  A model of Employee Turnover Decision Process. Model by Mobley (1977).
Performance Appraisal and Organizational Culture

By definition, it is the specific collection of norms and norms shared by people and groups in an organization. These codes are instrumental in controlling their work behaviour, their interaction with each other within the organization and with stakeholders outside the organization. Performance appraisal is one norm or value that management utilizes to control and manage employees’ behaviour. As there hardly exists an absolute organizational culture, an absolute appraisal system cannot be thought of. Researchers (Kavanagh, 1982; Landy & Farr, 1980) after undertaking reviews of the performance appraisal literature conclude that there hardly exists any exclusive performance rating format which may ensure performance rating accuracy. Organization culture plays an important role in determining the role of the performance appraisal system. Whatever the form of an appraisal system may be its success is heavily conditioned by the organization's tasks and culture. Its crucial role has been elaborated in these words: "that factors such as the nature of jobs, culture and organizational structure can combine to create an environment in which 'best practice' in the accepted sense of the word may not be an effective strategy" (F. Wilson & Beaton, 1993, p. 167).

Diverse studies on appraisal process (K. Murphy et al., 1996; K. R. Murphy & Cleveland, 1991; K. R. Murphy & Cleveland, 1995) have talked about the centrality of understanding appraiser-appraiser's attitudes and beliefs about the assessment and about the organizational contexts that such assessments occurs. It has been observed (Banks & Murphy, 1985) that many of the seeming inadequacies of assessment ratings are the consequences of goal-driven, adaptive behaviors rest with the rater and not being the causes of rater's inability to provide true evaluations. These shortcomings cannot be termed “rating errors” and thereby cannot be “cured” by using different rating scales or improved rater training. There is a need of change in raters’ perception of organizational norms (Tziner, et al., 2005).

According to Bernardin and Orban (1990) a rater's perceptions of the degree to which others bias their performance appraisals may influence performance appraisals process. This perception of raters inflation or distortion of ratings is likely to reduce confidence in the performance appraisal system; raters who believe that the prevailing norm is to give high (or low) ratings are likely to distort their own ratings in the same direction (Murphy & Cleveland,
In addition to that there have been several recent studies of political factors in performance appraisal (Longenecker, et al., 1987). It has also been observed that raters often use the performance assessment system as an instrument for realizing specific self-centered objectives such as image improvement or affecting positive relationships with subordinates (Murphy & Cleveland, 1995). According to Tziner, et al. (2005) raters that believe in such political dimension of performance appraisals are less likely to provide accurate or useful evaluations of their subordinates' performance than raters who see the performance appraisal system as a credible and useful gauge of individuals' performance. Hutchinson (1995) puts it another way. According to him key to a successful evaluation process is the formal attention which it gives to the contextual considerations. These contents include political, historical, and educational that an individual works in. This aura provides consistency to the traditional process of performance appraisal and consequently oblique the objectives attached with the system.

**Performance Appraisal and System Support**

There is a plethora of research on the performance appraisal from individual, team or group, organizational, and environmental perspectives. In addition to these perspectives, Ketchen et al. (1997) thoroughly studied the role of organizational configurations in performance appraisal. By definition, organizational configurations could be groups of organizations that share common profile of organizational characteristics (Miller, Friesen, & Mintzberg, 1984). Similarly, Miles, Snow, Meyer, & Coleman (1978) described four configurations—defender, prospector, analyzer, and reactor. This classification has been determined by examining stable relationships among structural and strategic variables. Ketchen, et al. (1997) elaborate them. For them, defender organizations are those that have narrow market domains with centralized organizational structures, less complex coordination mechanisms, and a single technology. While prospectors tend to have broad domains with decentralized structures, more complex coordination mechanisms, and use multiple technologies. Public universities in Khyber Pakhtunkhwa can be classified as defender even though they have an extensive market domain. Notwithstanding, we are dealing with human behaviour, therefore, water tight compartmentalization can never be ensured.
System support can be discussed from another angle as well. This is the complexity of the organization. Organizations with few subunits or departments tend to be less complex and highly coordinated while those with many departments are more complex and less coordinated. When researchers talk of different uses of performance appraisal they have such different organizational compulsions in mind. Cleveland, et al. (1989) conclude their research on the findings that less complex organizations utilize performance assessments to help system sustain and make decisions within individuals. These organizations prefer the developmental uses of performance appraisal. While complex organizations utilize these assessments for making decisions between the persons and therefore, prefer the administrative uses of the appraisals.

The central idea in the organizational configurations is the assumption that there hardly exists absolute organizational structure; and that the best possible way to understand organizational phenomena is to identifying distinct, internally consistent sets of firms and their relationships to their environments and performance outcomes over time. It will, therefore, be futile to search one universal set of relationships that hold across all organizations. The performance appraisal outcomes are, therefore, affected by organizational configurations. Researchers attribute this to structural contingency theory that bespeaks of the societal conditions. In the light of these conditions, according to Burns & Stalker (1961) two types of organizational structure emerges—mechanistic and organic—that prosper in particular types of environments. The former is successful in stable environment, the latter in a dynamic environment. Thus the structural contingency theory postulates that successful organizations are those that enjoy environmental fit.

Summary

This chapter provided the theoretical base for the model in detail. Widespread support for the theoretical relationships has been provided with sufficient references. The stage has been set for testing and confirming the model.
CHAPTER 3

RESEARCH PROPOSITIONS

Overview

In the preceding chapter efforts have been carried out to dig out possible theories that interlink various variables in the available literature on the subject. It has been tried utmost to make it clear as to which elements are important and should be included in the study. This chapter is supposed to discuss the association among constructs of the study. And based on those associations several propositions would be presented and lastly, the summary of the chapter would be presented.

Introduction

Performance appraisal is an important feature in human resource management within an organization. Because of its role it has a strong association with workers behavior (K. R. Murphy & Cleveland, 1995). Organizational support theory suggests that investment in human resource is regarded as organizational care and such organizations win the appreciation of employees. This means that investment in employees' development practices would signal that this is organizational support and care for employees (Foong-ming, 2008). Similarly, a host of researchers (Eisenberger, et al., 2001; Eisenberger, Cummings, Armeli, & Lynch, 1997) believe that employees are sensitive in repaying the organization with extra effort and loyalty.
Fletcher & Williams (1996) believe that there is strong contribution of appraisal in determining employee attitudes. For Redman (1993) the widespread use of performance appraisal in large public services in the UK, such as the National Health Service (NHS), is the valuable contribution to line managers’ discussion with staff on their past performance, discussing personal development plans and training and development as positive issues.

The following section discusses the relationships among the constructs of this study, and introduces several propositions based on those relationships.

**Propositions**

Proposition is a statement about any concept. By definition it is a statement that describes concepts that are required to be judged as true or false if the statement is about some observable phenomena (Cooper & Emory, 1995). This study will test the following propositions, present in the form of theories, by means of empirical data.

**Performance appraisal and employee development.** From the literature review in the previous chapter on performance appraisal, its historical perspective and its continuity in small and large organizations alike clearly tells us that this human resource intervention is highly critical for the success of any organization. Further diagnoses of this activity makes it evident that performance appraisal has always been carried out with multiple organizational purposes that include determining employees training needs, salary decisions, merit review and feedback to employees. These organizational goals are central to researchers as they are important predictors of employee attitudes towards their jobs, supervisor, and the performance assessment system (J. B. Prince & Lawler, 1986; Williams, et al., 1985). The above attitudinal outcomes are further subject to the individual’s perception of the performance appraisal (Boswell & Boudreau, 1997). McElroy (2001) contends that organizations that invest in trainings give the message to employees about organizations’ commitment to the development of the employees. In this way
organizations create a reputation for valuing and developing their employees. This not only attracts the best mind in the market but also retain employees.

It is through performance appraisal that management gets information on employees which can be utilized for training needs analysis, employee career planning, identifying weak and good performers. Feedback and coaching based on assessments information provide the basis for improving day-to-day performance (Robbins & Coulter, 1999). Flippo (1980) goes a step further and does not consider it a mere tool for getting information on employees, rather performance appraisals should stimulate and guide employee development. He, therefore, sees employee development as an imminent and indispensable function or activity of an organization that conducts performance appraisal systematically.

The possible link between performance appraisal and different attitudinal and behavioural outcomes has extensively been explored in the relevant literature and has been presented in chapter two. Some researchers like Gaines (1994) believe that performance appraisal provides the chance to the employees to understand more precisely as to how they can improve their performance. Similarly, Boswell & Boudreau (1997) state that when employees perceive that performance appraisal is being used for developmental purpose, this works as a signal of their current value and future prospects in the organization. If employees differently perceive its purposes, then there is likelihood that these outcomes may also vary. Researchers opine that conducting salary discussions during the annual performance review may affect the constructive discussion of plans for future performance improvement. Similarly, they further explain that if the goals of performance appraisal are conflicting, it may hinder the individual and the organization to accrue the positive benefits attached with the intervention; it can even be contributing negatively to individual behavior and organizational performance.

The relevant literature on the subject provides a theoretical rationale for linking performance appraisal with employee development. Though this relationship is not exclusive as there are other diverse management interests and organizational goals, it is definitely the one that benefits both the organization and the individual employee. Due to this relative advantage of
employee development in performance appraisal in the available research and rationale discussed above, the following proposition is suggested.

**Proposition 1:** The quality of an employee's performance appraisal influences his/her perceptions of employee development.

**Employee development, job satisfaction, organizational commitment, employee trust, and turnover intentions.** There is a common adage: change is the only permanent feature of this world. And that is why demographers are of the opinion that the future workforce would be considerably diverse from the workforce of the past. This underscores the importance of employee development. The uphill task for the today’s management is not only to retain talented workforce, but to keep them fully engaged at each stage of their work lives (Lockwood & SPHR, 2007). Raymond and Liegh⁶ opine that a well-designed performance management system with a serious training and development program should be the basic principles of any organization’s employee development efforts. This is helpful because such principles guide organizations to work on those individual competences which are required for the promotion of business strategy (Moore, Cheng, & Dainty, 2002).

Job satisfaction, in the performance appraisal context, is an evaluative statement that expresses an employee’s reaction about his/her job (Robbins, 2002). It has been found that when employees perceive unfair treatment, they may change their job attitudes as a reaction (Vigoda, 2000). This reaction may manifest itself more in terms of employee satisfaction (Taylor, et al.,

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⁶Raymond F. Messer, PE, is the president and chairman of the board of Walter P. Moore. He is chairman-elect of the Executive Committee for CASE and has served as chairman for the Business Practices Committee for CASE. Leigh A. Mires is a Professional in Human Resources and serves as the manager of organizational development and training for Walter P. Moore.
According to Guest (2001) job satisfaction, employee commitment and motivation are gauges of an organization’s training and development measures. And when organization treats employees as valued assets it proves to be a source of competitive advantage through their commitment, adaptability and quality of skills and performance. It is affected by employee involvement, organizational culture, management style, empowerment and other human resource interventions. It is a complex function of a number of variables. Performance appraisal is one among them. It has a profound effect on employee satisfaction. It is an organizational way of recognizing employees’ contribution to organization. Researchers have since long recognized the influence of social recognition as a motivating force. The presence of an appraisal system indicates that organization has interest and stakes in employees’ performance. This alone can have a deep impact on employee’s behaviour and attitude. According to March (1958), an employee's perception of the desirability of leaving the organization is directly a function of the level of satisfaction with the work role.

For Tzafrir (2004) investment in employees is a clear message for trust creation. It is believed that this investment would be reciprocated by the individual by not betraying the organization.

From the above discussion it can be concluded that there is a relationship between employee development and job satisfaction. The following proposition is suggested thereof:

**Proposition 2a:** An employee's perceptions of development influence his/her job satisfaction.

Another behavioural outcome that is affected by organizational intervention is organizational commitment. It is a psychological state that affects an individual’s attachment to the organization. An employee is termed committed when he/she maintains membership in a certain organization through thick and thin. This employee works with sincerity and devotion and exploits all his/her potentials to the maximum level, takes care of the organization’s assets and, above all, shares company goals (J. P. Meyer & Allen, 1997). Commitment works as a stabilizing force and gives meaning and direction to behavior (J. P. Meyer & Herscovitch, 2001).
The question is how an employee’s commitment be won? There is a rationale answer to this question: when an organization happens to satisfy an employee’s expectations.

An employee’s needs and desires can be many and diverse. Though it is impossible to satisfy them all, organization’s seriousness in employee’s interests is always reciprocated. When management expresses its commitment to the training and development—an employee’s career need—of its employees. This helps the employees to raise their morale and encourages their commitment to the organization. Therefore, realizing an employee’s development needs is an attempt to affect his organizational commitment.

From the above discussion it can be concluded that there exists an association between organizational commitment and employee development. The following proposition is suggested:

**Proposition 2b: An employee's perceptions of development influence his/her organizational commitment.**

Another behavioural outcome that is affected by organizational intervention is employee’s trust. Trust is a way of controlling employee’s work behaviour and his/her positive psychological reaction to the management that ensures and sustains manageable relations and keeps employees happy. Misztal (1996) considers it as an individual property or social system that carries a disproportionate attention to behaviour based on actions at the individual level. At the same time it is considered an employee’s trust on the organization’s sincerity and whatever the organization does will not be detrimental to him/her Gambetta (1988). Organizational interventions are always judged and weighed very seriously by employees. The level and intensity of trust is enhanced when an employee feels that a certain intervention is beneficial to him/her and can be helpful in promoting his/her interest.

Trust has a number of determinants (Carnevale & Wechsler, 1992; Mayer, et al., 1995; Nyhan, 2000). Employee development is one among them. It is the level of trust that can affect implementation of human resource management practices (Whitener, 1997). The two parts of
trust—trusting other people and their trusting you—have a vital importance (Yilmaz, 2008). In organizational context an employee’s trust means he/she is confident about any applications and policies that will affect the organization and having positive expectation about them (Lewicki, et al., 1998). In this sense, organizational trust is an employee’s perception of the support that the organization provides and trust that he/she reposes in the management (Mishra & Morrissey, 1990).

A large number of researchers (Bartolome, 1989; Carnevale & Wechsler, 1992; J. Cook & Wall, 1980; Mayer, et al., 1995; Nyhan, 2000) have referred to a number of determinants in their research findings. Researchers have found trust as a function of feedback on performance, job security, mutual respect, empowerment, ethical environment, past interaction, open communication, expertness, benevolence, competency, moral integrity, and organizational climate built by supervisory relations. In organizational management perspective, according to Brockner, et al. (1997) it affects a number of subordinate’s work attitudes and behaviour.

From the above discussion it can be concluded that there is a relationship between employee development and organizational trust. Therefore, the following proposition is suggested:

Proposition 2c: An employee's perceptions of development influence his/her organizational trust.

According to Yousaf (2008) employees’ turnover is a much studied phenomenon. It has engrossed the attentions of the researcher for nearly 90 years (Cotton & Tuttle, 1986). Though world data is not available, Abbasi and Hollman (2000) estimated that the total costs of organizational turnover equaled approximately $11 billion annually. Employees leave organization which affect them and organizations in so many ways. However, there is no defined or universally accepted reason(s) why people leave organizations. And that is why there is a greater focus on people leaving rather than entering the organization (Price, 2001). Anyway, it is considered a reasoned action that mediates the relationship between attitudes and behaviour.
The challenge for human resource managers is to retain key employees. However, employees cannot be retained by force. They need to be engaged. For many researchers (Buckingham, et al., 1999; Seijts & Crim, 2006) engagement means an employee’s involvement in his/her job, his/her enthusiasm about it, and the level of satisfaction with the current work. Engagement is such a phenomenon that makes an individual to remain involved in a certain organization. Employee engagement has many facets. According to Berry (2010) career (including advancement, training, and employment security) is one them.

From the above discussion it can be concluded that there is a relationship between employee development and employees’ turnover intentions. Therefore, the following proposition is suggested:

Proposition 2d: An employee's perceptions of development influence his/her turnover intention.

Organizational commitment and turnover intentions. As has been defined above, commitment is a bond between organization and the individual employee. Researchers have a general consensus on the three components of organizational commitment: 1) a person’s strong belief in and acceptance of the organization’s goal, 2) a person’s willingness to exert considerable effort on behalf of the organizations, and 3) a person’s definite desire to maintain membership. Maintaining membership means to stay in the organization. According to Meyer and Allen (1997) a “committed employee is one who will stay with the organization through thick and thin, attends work regularly, puts in a full day, protects company assets and who shares company goals”. Studies by Angle and Perry (1981), and Jenkins (1993) have revealed that there exists a negative relationship between turnover intentions and organizational commitment.

Chughtai and Zafar (2006) contend that employees committed to their respective institutions are likely not to leave their organizations and also likely to exert more efforts on behalf of the organization and, therefore, are also likely to be better performers than the uncommitted employees.
From the above discussion it can be concluded that there is a relationship between employee commitment and his/her turnover intentions. Therefore, the following proposition is suggested:

**Proposition 3:** An employee's perceptions of organizational commitment influence his/her turnover intentions.

**Job satisfaction, organizational commitment, and turnover intentions.**

Employee’s satisfaction from his/her job is the result of so many factors by itself. Among these factors motivation (intrinsic and extrinsic) has a central role which by itself is derived from reward (intrinsic and extrinsic)—(Faizal, 2005). If an employee is satisfied why he/she should think of leaving the organization? Longer stay in an organization means sharing of its values and norms for longer time thereby striving to improve the performance of the organization. When performance appraisal is carried out with the purpose to develop the employees, it will work as a reward which will motivate the employee and culminate in employee satisfaction. This satisfaction will help to strengthen an employee’s commitment and loyalty which are the prerequisites of higher performance.

Anyway, researchers agree that organizations would enjoy a better position only and if their employees are highly satisfaction. This satisfaction among employees has been found strongly correlated with increased creativity, productivity, and commitment to organization. Employees’ dissatisfaction has longitudinal effects on commitment (Catano, et al., 2007).

Whether organizational commitment predicts job satisfaction or otherwise, has got the status of a chicken-and-egg debate. However, majority of the researchers are unanimous over the claim that job satisfaction is a predictor of organizational commitment (Porter & Steers, 1973; Rose, 1992).

Numerous studies are available wherein researchers have discussed the association of job satisfaction and organizational commitment. Researchers (Busch, Fallan, & Pettersen, 1998) are
in concord by asserting job satisfaction being a significant predictor of organizational commitment. Therefore, job satisfaction is seen as one of the determinants of organizational commitment (Mannheim, Baruch, & Tal, 1997). It is thus expected that highly satisfied workers will be more committed to the organization (Malik, Nawab, Naeem, & Danish, 2010).

From the above discussion it can be concluded that there is an association between job satisfaction and organizational commitment. Therefore, the following proposition is suggested:

**Proposition 4a: An employee's perceptions of job satisfaction influence his/her organizational commitment.**

According to March (1958), an employee's perception of the desirability of leaving the organization is directly a function of the level of satisfaction with the work role. High levels of satisfaction, loyalty, and organizational commitment affect an employee’s decision to maintain membership in the organization. Higher organizational performance is dependent on higher individual performance (Faizal, 2005). Cotton and Tuttle (1986) also found negative association of turnover with the overall job satisfaction. Similarly, studies carried by Yousaf (2008) noticed the existence of a possible negative association between performance appraisal satisfaction and turnover intentions of employees.

Studies conducted by Ahmad, et al. (2010) for examining the impact of performance appraisal on attitudinal outcomes like job satisfaction and turnover intentions in semi-government organizations of Pakistan, have supported the hypotheses that performance appraisal is positively related to employee job satisfaction and negatively related to turnover intentions. When employees are satisfied, they have fewer absences and there is less turnover (Robbins, 2002).

A host of studies (Dormann & Zapf, 2001; Hellman, 1997; Karsh, Booske, & Sainfort, 2005; Muchinsky & Tuttle, 1979; Tett & Meyer, 1993) have researched job satisfaction as an important variable in job turnover studies.
From the above discussion it can be concluded that there is an association between job satisfaction and turnover intentions. Therefore, the following proposition is suggested:

**Proposition 4b:** An employee's perceptions of job satisfaction influence his/her turnover intentions.

**Employee trust, organizational commitment, job satisfaction and turnover intentions.** Research is abundant on links between trust and other organizational outcomes. Trust and organizational justice are important foci of study in management research (Wong, et al., 2006). It assists supportive behavior, reduces frictions, and reduces transaction costs at work (Rousseau, et al., 1998). It has been found as a significant predictor of organizational commitment (J. Cook & Wall, 1980). Though trust in management and organizational commitment are distinct concepts, both have psychological relationships that affect one another and an employee’s relation with the organization.

Researchers (Brockner, et al., 1997) contend that trust influences subordinate’s work attitudes and behavior. Chughtai and Zafar (2006) believe that with high levels of trust, employees have been found committed to management and to the organizations. Similarly, when levels of trust happen to be low they have corresponding effects creative nature and the individual employee exert less effort towards organizational goals (Kerfoot, 1998; Mishra & Morrissey, 1990). According to Kollock (1994) commitment arises from the feeling of trust. If an employee believes in the trustworthiness of an organization, this belief increases his commitment (Burke & Stets, 1999; Dirks & Ferrin, 2002; Liou, 1995). However, Brockner, et al. (1997) found that trust has a positive, although non-significant, effect on employee commitment.
From the above discussion it can be concluded that there exists an association between trust and organizational commitment. Therefore, the following proposition is suggested:

Proposition 5a: An employee's perceptions of trust influence his/her organizational commitment.

Performance appraisals should properly articulate the contributions made by staff. If an organization wants that its employees should trust it and exploit their potential in the best interest of the organization, it also needs to create a climate of trust and communicate the message that people are indeed its greatest asset. According to Poon (2004) a significant element that affect fairness perceptions is the judgment that is based on evidence. This means that a rater should apply performance standards constantly across employees without falsification by outside pressure, or personal biases. And if there is trust in co-workers, supervisor, and management, such atmosphere of overall trust is believed to lead to job satisfaction.

Trust denotes absence of anxiety and doubt. According to Dirks & Ferrin (2001) trust results in more cooperation, positive attitudes, and quality performance. According to them there exists a positive association between trust and job satisfaction. Similarly for Driscoll (1978) trust in decision making at any level is strongly associated with overall job satisfaction, as well as specific satisfaction with participation in a decision-making program.

From the above discussion it can be concluded that there exists an association between trust and job satisfaction. Therefore, the following proposition is suggested:

Proposition 5b: An employee's perceptions of trust influence his/her job satisfaction.
Employee’s permanent movement beyond the boundary of the organization has never been a whimsical decision. It is considered as a seasoned and deliberate decision to leave the organization (Tett & Meyer, 1993). Therefore, it has become a much studied phenomenon (Yousaf, 2008) and has entrapped the attentions of researchers for nearly 90 years (Cotton & Tuttle, 1986).

There are factors that affect this decision process. Trust is one among them because trust by definition is a way of controlling employee’s work behaviour and employee’s positive psychological reaction to the controlling system which ensures and sustains manageable relations and keeps employees happy. Retaining key employees has always been an important and challenging task for human resource managers. Here researchers (Buckingham, et al., 1999; Seijts & Crim, 2006) suggest that employees be kept ‘engaged’. Engagement can be seen in the shape of employee’s involvement, his/her enthusiasm about the job, and satisfaction with the current job. Gubman (2004) believes that disengaged employees happen to be poor performers, active in search for job outside the organization, and also express negative comments about the very organization and the management they work with.

In organizational management perspective it has been observed to affect a number of subordinate’s work attitudes and behavior (Brockner, et al., 1997). If McAllister (1995) second dimension of affect-based trust is looked at, it is an emotional bond between two parties who express genuine care and concern for the welfare of each other. Trust plays a crucial role in the vitality of this bond.

From the above discussion it can be concluded that there exists an association between trust and turnover intentions. Therefore, the following proposition is suggested:

Proposition 5c: An employee's perceptions of trust influence his/her turnover intentions.
The Mediating Effect of Employee Development. As acquiring knowledge has got a central importance for organizations, the required training and development practices have also got decisive position for a firm’s success (Martin, Pate, & McGoldrick, 1999). Performance appraisal as human resource intervention has been viewed differently by different researchers. It is because it serves different purposes in different circumstances. The outcomes attached with the performance appraisal are subject to what the management want it to do and how the employees perceive it. Conducting performance appraisal management has many diverse ends to achieve. Among these ends if management gives weightage to employee development certain attitudinal behaviours are expected as consequences. Employees, according to Waldman, et al. (1987) are satisfied with their performance appraisal system if it has three elements: 1) reward outcomes, 2) current performance development, and 3) future development.

C. H. Lee and Bruvold (2003) noted that higher affective commitment is dependent on employees’ perceptions of performance appraisal as development oriented activity. In the same vein, Jawahar (2005) contends that satisfaction with assessment process has a positive association with job satisfaction and commitment towards the organization while negatively associated with intention to quit. Harter, et al. (2002) cited development as positively related to retention. The extant literature available on behavioural outcomes widely supports the notion that human resource practices can affect the development of both organizational commitment and trust.

The role of a mediator can easily be understood by explanation provided by Baron and Kenny (1986). According to them a variable can be termed as mediator when: i) the independent variable (performance appraisal) significantly affects the mediator (employee development) shown by path “a” in Figure 10 below; ii) the independent variable significantly affects the dependent variables (job satisfaction, organizational commitment, employee trust, and turnover intentions) shown by path “c”; iii) the mediator has significant unique effects on the dependent variable shown by path “b”; and iv) the effect of the independent variable on the dependent variables shrinks upon the addition of the mediator to the model.
McElroy (2001) contends that organizations that invest in employees’ trainings sends the message to employees about organizations’ commitment to the development of the employees. In this way organizations create a reputation for valuing and developing their employees. This serves double purpose of attracting the best mind in the market on the one hand and retain them on the other hand.

Every individual needs a career where he/she finds opportunities for his/her growth. Employee development is very essential towards that very end. Employees should have a clear perception that there is a career development path for them that they are destined to achieve their cherished goals through hard work. It has become an organization truism that a potential individual will never remain stagnant at a place. Therefore, where there is no development opportunity, such employees will definitely leave.

Study carried out by Meyer and Smith (2000) reported that perceived organization support as mediator for human resource management practices affect organizational commitment. Similarly, studies carried out by Allen, Shore, and Griffeth (2003) reported perceived organizational support mediates supportive HR practices and studies by Stinglhamber
and Vandenberghe (2003) of job conditions on turnover via organizational commitment and job satisfaction. Similarly, Hardré (2003) puts it in another way by saying that turnover is heavily affected by motivation, organizational commitment, and job satisfaction.

From the above discussion it can be concluded that there exists a mediation between trust and turnover intentions. Therefore, the following proposition is suggested:

**Proposition 6:** Perceptions of employee development mediate the relationships among performance appraisal and job satisfaction, organizational commitment, employee trust, and turnover intentions.

**Summary**

This chapter contained discussion on the relationships among the constructs. It also carried discussion on several propositions with support from various research findings.
CHAPTER 4

RESEARCH METHODOLOGY

Overview

The very title of the chapter clarifies the purpose of the chapter. Here the methodology being utilized in the research will be described and explained. Key components of this chapter include: introduction, research pyramid, brief description of the population followed by a discussion of the sample and the determination of a proper sample size, data collection instruments and methods, reliability and validity, and finally methods of statistical analyses.

Introduction

By definition, research methodology is, “broadly speaking, the way in which a researcher conducts research. It is the way in which he chooses to deal with a particular question” (Jonker & Pennink, 2010, p. 17). For Silverman (2005) it is a general approach to studying research topics. According to Bogdan and Taylor (1975) it is the approach that a researcher adopts while addressing a research problem and seek answers. In simple words it refers to the precise way of getting and processing the data within the framework of the research process. Therefore, it plays a vital role because it gives definite shape to dispersed human understanding of a social issue. It is way of extracting meaning from facts, gives clarity and empirical acceptability to research findings.

Selection of proper methodology is critical to any research. But narrowing down it to writing a questionnaire, collecting a limited set of data and, then applying of some rudimentary statistics is incorrect (Jonker & Pennink, 2010). They advise that the choice of any research
methodology must be according to the nature of the research question and the theoretical perspective that are used to explore and conceptualize the issue at hand. Notwithstanding, for any good piece of research, accurate choices is central to research success.

Methodology is action reading. Action reading means: preparing a type of repertoire, based on a set of premises, (theoretical) considerations and practical conditions, according to which the researcher structures the logic of his research given the question he wants to answer”. This means that the researcher should have justification for choosing a specific research approach based on diverse requirements of a research question. Therefore, “a methodology is not only about doing research, it is about acting” (Jonker & Pennink, 2010, p. 22).

The Research Pyramid

To have a clear understanding of the subtle difference between research methodologies, research methods, and research techniques, reference to Jonker and Pennink (2010) research pyramid is highly relevant. Though they are mainly concerned with Applied Research, their relevance to basic scientific research can hardly be winked at (see Figure 11).
They believe that a researcher needs to consider this pyramid as a (logical) chain of interconnected events. These events start from rather abstract (on the paradigm level—at the top of the pyramid) and close on very concrete (on the technique level—at the bottom of the pyramid). They contend that if a researcher makes proper choices from the very onset of the research, the research will be sound. However, they admit that this is a very difficult task. Therefore, it will be not out of place to reproduce the elaboration put forward by Jonker and Pennink (2010) with the purpose to make the difficult decision-making process easy to understand and to bring the point home.

“The pyramid is composed of four levels. These are:

1. The research paradigm: how the researcher views ‘reality’. A paradigm is expressed in his ‘basic approach’

2. The research methodologies: ‘a way’ to conduct the research that is tailored to the research paradigm

3. The research methods: specific steps of action that need to be executed in a certain (stringent) order

4. The research techniques: practical ‘instruments’ or ‘tools’ for generating, collecting and analyzing data” (p. 25)

This pyramid is helpful in enabling the researcher to consciously structure his approach to research. To address the issue of performance appraisal and its possible relationship with employee development and other attitudinal and behavioural outcomes, it has been found logical to apply the above mentioned pyramid here to make it more systematic and convincing.
The Research Paradigm. By definition a paradigm “can be seen as a coherent whole of assumptions, premises and self-evident facts as shared by a certain group of professionals (consultants, researchers, teachers, managers, etc.) with regard to a specific a) domain of reality, either b) a certain object or subject of research, or c) the way in which research can be conducted….Research paradigm is the logic that links the data to be collected to the initial questions of a study” (Jonker & Pennink, 2010, pp. 26, 27). Research is an endeavour to interpret reality. However, there hardly exists a single perception of reality. This researcher has gone through problem-formulating process by using information about the research at hand, defined the research problem, the research objectives and the research question. Thence the researcher has arrived at the conclusion as to what to be examined and why. This has resulted in a theoretical framework for the research. It is essential that there should be a theory because without theory research is not possible. “A theory is a set of systematically integrated concepts, definitions, and propositions that are advanced to explain or predict phenomena (facts); the generalizations we make about variables and the relationships among variables” (Jonker & Pennink, 2010, p. 51). This forms the basic approach. With this theoretical framework a number of hypotheses have been put forwarded to be tested.

The two broad paradigms that Jonker and Pennink, (2010) referred to are: observing the reality through the eyes of the researcher using a closed research question; and observing through the eyes of someone else using an open research question. Social scientists term them positivism—social reality that is objectively determined following the natural sciences model—and post-positivism (phenomenology)—reality that is socially constructed. In broader terms the former is quantitative research while the latter is qualitative research. In quantitative research a researcher creates an image of a certain phenomenon and then examines it. A deep and comprehensive study of the available literature is carried out to see the recognized concepts and findings of other researchers. Using it as a launching pad the researcher formulates the problem definition, set the research objective(s) and the research question(s).

The research at hand uses the first paradigm—the basic approach of observing the reality through the eyes of the researcher. It is seeing the reality through the eyes of the researcher because it is the very researcher who decides what to be observed and measured and what is to
be left out. Again it is the researcher that develops his model and tests the theoretical constructs. Another aspect of this paradigm is that the researcher is not personally involved in the research and to the most possible extent be an objective and independent observer. This is the researcher’s basic approach with the help of which he wants to observe the empirical reality ‘on the basis of the existing knowledge’. This basic approach has been conceptualized in the current study. The model is reproduced below (see Figure 12):

![Diagram](image.png)

**Figure 12** Conceptual Model of the Research

The researcher’s endeavour is to explore the available knowledge and to test “through his research the extent to which the ideas that he has created about reality beforehand are correct; whether they are true or false” (Jonker & Pennink, 2010, p. 28).
**The research methodology.** The second level of the research pyramid is research methodology. The research paradigm is basically theoretical problem definition and provides base for the research while research methodology is putting that definition into a practical form of research. This practical approach is a combination of scientific considerations of research activities that are carried out in a definite order. This helps the researcher to take the most appropriate route to achieve a certain result. Notwithstanding, methodology cannot be set out in the beginning of a research. It is a process which is subject to change due to the continuous dialogue of the researcher with himself, with the supervisor and with the respondents. For Collins and Cobuild (1987) it is a combination of principles for doing something. However, Jonker and Pennink (2010) do not agree with this ‘empty’ definition. For them it not only implies doing research but also specifies the way how to act in a particular situation accompanied by a clear end in the researcher’s mind as well. Methodology “indicates the assumptions, criteria, rules and requirements the researcher needs to choose from and comply with in order to produce results that are obtained in a transparent way” (Collins & Cobuild, 1987, p. 111). It underscores a logical order with the end to achieve the ‘result’. “Defining and defending the logic of this logical order is what methodology is all about”.

Quantitative research may either be ex post facto (hypotheses testing afterwards) or experimental one. The difference between them is because of the degree of intervention on the part of the researcher. In the former a researcher needs to learn what people think and how they perceive. And the best and only possible way is to ask them. According to Babbie (1998) survey research is one of the best methods that the social scientists employ for collecting data for their research when a population under study happens to be too large to study and observe directly. Manheim, Rich, Bahry, and Schrodt (1991) term survey research as one of the most fully developed and extensively used methods in social sciences. Surveys are aimed at describing the opinion of the population through sampling. Tredoux and Smith (2006) talk of two types of research designs—descriptive and relational. The former describes the current state of affairs while the latter empirically examines the relationships among the variables either in a confirmatory or an exploratory manner. The current study is a quantitative research of the latter type having a relational survey designed to explore the possible relationship between employee
development and attitudinal and behavioural outcomes in the context of performance appraisal in the targeted population.

**The research methods.** Methodology is a broader concept and guides the research through the main path of achieving the desired goal or destination. It is a sort of compass or a beacon that researcher has to take help of while navigating towards his end. The researcher cannot reach his long destination in one jump. In simple words, research methods are generalized and established ways of approaching research question(s). The researcher has to take a number of steps, which the methodology does not specify. These steps should follow a very stringent order. The choice of method is determined by the area of research. These steps collectively shape the methodology.

Keeping that order in view the researcher, as a first step, has analyzed the research question in the light of the existing literature thereby establishing relevant concepts and their interdependence. All the variables which are part of the theoretical model have been operationalized. And in the light of those operational definitions questionnaire has been developed to generate the data for analysis which has been piloted to test its validity and reliability.

A researcher is required to collect the most relevant data first and then to analyze it. Until and unless data is collected one cannot analyze it. These logical steps are the methods of his research. These two steps are individually very comprehensive and it is the context that determines them. Keeping in view this fact it can be said that it is partly the research question and partly the situation that provide the direction and shape the methodology.
The research techniques. When a researcher opts for a certain methodology, decides to take the first step (a part of research methods) of that methodology, it is very essential for him/her to be very technical in taking that step. In other words he has to use specific ‘instruments’ or ‘tools’. “Technique roughly implies something like ‘ability’ or ‘experience’, which is expressed in a specific form of ‘acting’ instruction, but also in ‘the specific way a specific issue is considered’…. Techniques can be understood as concrete instructions for acting that have an explicit, compelling and prescribing character” (Jonker & Pennink, 2010, p. 34). Research techniques help the researcher to structure his thoughts properly that lead him to get more logical insights into the subject under consideration. They are tools with the help of which researcher generates, establishes, classifies and then analyzes data.

Jonker and Pennink (2010) classify techniques into ‘action techniques’ and ‘thinking techniques’. The former ones are practical actions like collecting and sorting of data, formatting a questionnaire, sending it using different sources, etc. The latter ones classify thinking activities. These techniques help the research in properly structuring his thoughts and also help him/her in delving deeper into the domain of thinking about the subject under consideration. This choice of techniques is always intentional as with each technique the researcher knows that a particular technique can help in achieving the desired goal faster and efficiently. It can be said that there is always a “presumed relationship between a certain technique and the objective the researcher wants to achieve by using it” (Jonker & Pennink, 2010, p. 35). Action techniques for the analysis of data of the current study have been taken using SPSS for simple statistics, and AMOS (Analysis of Moment Structures) and LISREL (Linear Structure Relations) for Structural Equation Modeling (Confirmatory Factor Analysis).
The Research Model

By definition a model “is nothing more than an abstraction of the way we choose to perceive a specific part, function, property or aspect of reality. It is a representation of a ‘system’ that is intentionally constructed to study some aspect of that system or the system as a whole” (Jonker & Pennink, 2010, p. 52). It serves to visualize ideas, bring to the fore key properties of a phenomenon and help to guide a specific pattern of actions or how things hold together in illustrating relationships. Despite its comprehensive definition a model is by no means an all-inclusive presentation of the reality. It is simply the embodiment of a theory. It might have omitted some important or essential part. A theory just puts a logical order on the observable facts which appears tumultuous and disconnected and guides a researcher to understand them (Key, 1999). He further elaborates it by saying that a theory identifies “relevant variables and the connections between them in a way that testable hypotheses can be generated and empirically established” (Key, 1999, p. 317). This combination of theory and model channelizes a researcher’s labour and ‘makes meaningful sense of empirically generated data or distinguish useful results’.

If the elaboration of Jonker and Pennink (2010) is used, the research model presented in the current research has helped the researcher in the following ways:

a. It has helped the researcher in ‘relating the research to the existing body of literature’. The model also indicates which factors are important and will be taken into account and which are not and to be left out.

b. It has also helped the researcher in structuring the problem, identifying relevant factors and then providing the connections that made it easier to map and frame the problem. It has also helped the researcher to “simplify the problem by reducing the number of properties that have to be included, thus making it easier to focus on the essentials”.

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c. It has helped the researcher in understanding the ‘system’, which means: “identifying the elements of the system, describing the relationships among the elements and understanding how the elements and relationships dynamically interact to result in different states of the system” (Northcutt & McCoy, 2004, p. 27).

Conceptual Model and the Empirical Reality

The research at hand is quantitative in nature as has been elaborated in the research paradigm section above. The researcher has been guided by the research model by H. R. Lee (2000) with some major modification and addition of a variable. Central to this paradigm is the linking of the conceptual model to the empirical reality. To relate it to the existing theories, make it more focused and channelizing the research efforts the researcher has translated the conceptual model and the empirical reality into observable constructs. This is what the social scientists called operationalization. It is the process “of changing a theoretical construct into a concept that can be “seen” in the empirical reality” (Jonker & Pennink, 2010, p. 51). The researcher has tried his level best not to make this translation process exclusively subjective but has taken the help and support from the available literature on the subject. The researcher has extensively studied the relevant literature and in the light of the literature operational definition of all the constructs has been provided (Chapter I). This operationalization of the concepts has led him in formulating the research hypotheses (Chapter I). And then with the help of these definitions the researcher has come up with indicators that are measureable. Again the researcher has translated these indicators into a measurement instrument—questionnaire for the study. This has been achieved through a number of steps. First, the concept has been defined, then translated into indicators and finally each indicator has been embodied into questions.
The Research Criteria

A good research—efficient, methodologically justifiable and which is supposed to produce useful results—always follows some suitable research criteria. These criteria provide a proper ‘justification’ for opting a particular methodology, methods and techniques in a given research. In addition, they also provide sufficient information about the quality of the research. “This justification can take place at three moments during the actual research process: (a) at the start of the research, (b) during the research, and (c) after the research” (Jonker & Pennink, 2010, p. 98)

The researcher has taken pain to follow these criteria in current research in all the three stages during the actual research. They are discussed in detail:

Research criteria at the start of the research. The researcher has started his research with a closed question for which he presented a conceptual model with all the relevant variables to look at the reality as he has perceived. With the help of this model key relationships have been illustrated and hypotheses generated with the end to test them. This has helped the researcher to make his study more focused, well-structured and understandable. The conceptual model, then, operationalized. During this process the importance of various forms of validity has never been winked at. Validity by definition is the degree to which a study exactly assesses the specific concept that the researcher is attempting to measure (Jonker & Pennink, 2010). The two important types of validity at the start of the research are: construct validity and contents validity. According to them construct validity is one-to-one linked to content validity.

Right from the very beginning it has been tried to use only those concepts and theoretical notions from the available literature in the field of performance appraisal which could ‘accurately reflect or assess the specific concept’ supposed to be measured. Conceptual model of the study has been development on the model of H. R. Lee (2000) with some major alteration and addition. This change has widely been supported by the literature in the very domain.
**Research criteria during the research.** The current research is a survey research. The need is to know what the people in the target population think and how they perceive. And the best and only possible way is to ask them. The target population for this research study is the faculty members of the public universities in Khyber Pakhtunkhwa. There are 14 (full) public universities and 02 Degree Awarding Institutes in this province (the list has been provided at annexure C). The total population is approximately 3500. It would be almost impossible to reach each member. As a result, it became necessary to sample the population. And the results are generalized thereof.

The central role in a survey is that of a questionnaire (the measuring instrument). The researcher has developed his own questionnaire, collecting standard questions from various tested questionnaire with some minor customization, in the light of the operational definition to measure the phenomenon. In the development of the questionnaire every effort has been taken so that the instrument be valid and reliable (questionnaire reliability and validity will be discussed later in this chapter). Apart from this it has also been kept in mind that the sample be such that can be termed ‘representative’. As all the universities have participated in the survey, therefore, the sample has a good representation from all the 16 universities.

**Research criteria after the research.** These are the criteria which are applied when a researcher has received responses in the form of filled in questionnaires or recorded interviews. They include treatment of outliers, missing data, analysis of the questionnaire, research findings, conclusion, recommendations and presenting all these in acceptable formats. In the current study a total number of 600 questionnaires have been distributed in all the universities out of which 343 have been received with a turn out rate of 57%. On close scrutiny of all these questionnaires it has been found that 14 questionnaires have major missing data. As this was a meagre number in comparison to the total volume, and it was believed that the generalisability would not be affected, therefore, it was decided to consider the remaining 329 questionnaire for the analysis. There was no outlier found in the data fed into the software.
The data has been analyzed using statistical packages like SPSS 18, Amos 18, and LISREL 8.80. The results after applying these statistical packages have been discussed. And research findings, conclusions and recommendations have been presented under various headings in the relevant chapters in a readable format.

Research Hypotheses and the Conceptual Model

It has been discussed in the research pyramid and the sections that followed that a quantitative research has hypothesis/hypotheses which are put to test. The research hypotheses of the current study are:

Hypothesis 1: The greater the element of employee development in the performance appraisal, the greater the level of perceived employee development.

Hypothesis 2a: Employee development is positively related to job satisfaction.

Hypothesis 2b: Employee development is positively related to organizational commitment.

Hypothesis 2c: Employee development is positively related to employee trust.

Hypothesis 2d: Employee development is negatively related to turnover intentions.

Hypothesis 3: Organizational commitment is negatively related to turnover intention.

Hypothesis 4a: Job Satisfaction is positively related to organizational commitment.

Hypothesis 4b: Job satisfaction is negatively related to turnover intentions.

Hypothesis 5a: Employee trust is positively related to organizational commitment.

Hypothesis 5b: Employee trust is positively related to job satisfaction.

Hypothesis 5c: Employee trust is negatively related to turnover intentions.
Hypothesis 6: Employee development mediate the relationships among performance appraisal, and organizational commitment, job satisfaction, employee trust, and turnover intentions.

The Research Process

The current research is a quantitative research. Conceptual model (Figure 11) provided the detail of the constructs and the relationships among them. This model provided understanding of the problem environment and the role of employee development in it (Chapter 1). Then a comprehensive literature review was undertaken to find sufficient support in the existing literature (Chapter 2 and Chapter 3). The literature review strongly supported the premises of the conceptual model. And then survey was undertaken to link the conceptual reality with the empirical reality and to the test the hypotheses of the study.

The data collected were analyzed using different statistical methods and techniques with the help of statistical packages like SPSS, AMOS and LISREL (Chapter 4); analysis of the data in detail (Chapter 5). And at last discussion and conclusions in the light of the survey were drawn and based on the research, recommendations presented (Chapter 6).

The Target Population

Population is the collective name of the entire group of events, events, or things of interest for researcher and which he/she wants to investigate (Sekaran, 2006). The population of the current study included all faculty members of all the public universities in the Khyber Pakhtunkhwa, Pakistan. According to Higher Education Commission’s official website there are 14 universities and 02 degree awarding institutes in the province. Total faculty members in all these universities are nearly 3500 (see Annexure C). Table 1, below provides the detail about the universities.
Table 1

*Names of Universities and Degree Awarding Institutes in the Khyber Pakhtunkhwa*

<table>
<thead>
<tr>
<th>#</th>
<th>University Name</th>
<th>Main Campus</th>
<th>Website Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Abdul Wali Khan University, Mardan</td>
<td>Mardan</td>
<td><a href="http://www.awkum.edu.pk">www.awkum.edu.pk</a></td>
</tr>
<tr>
<td>2.</td>
<td>Frontier Women University, Peshawar</td>
<td>Peshawar</td>
<td><a href="http://www.fwu.edu.pk">www.fwu.edu.pk</a></td>
</tr>
<tr>
<td>4.</td>
<td>Hazara University, Dodhial, Mansehra</td>
<td>Mansehra</td>
<td><a href="http://www.hu.edu.pk/">www.hu.edu.pk/</a></td>
</tr>
<tr>
<td>5.</td>
<td>Islamia College University, Peshawar</td>
<td>Peshawar</td>
<td><a href="http://www.icp.edu.pk">www.icp.edu.pk</a></td>
</tr>
<tr>
<td>6.</td>
<td>Khyber Medical University, Peshawar</td>
<td>Peshawar</td>
<td><a href="http://www.kmu.edu.pk">www.kmu.edu.pk</a></td>
</tr>
<tr>
<td>7.</td>
<td>Kohat University of Science &amp; Technology, Kohat</td>
<td>Kohat</td>
<td><a href="http://www.kust.edu.pk">www.kust.edu.pk</a></td>
</tr>
<tr>
<td>8.</td>
<td>NWFP University of Agriculture, Peshawar</td>
<td>Peshawar</td>
<td><a href="http://www.aup.edu.pk">www.aup.edu.pk</a></td>
</tr>
<tr>
<td>9.</td>
<td>NWFP University of Engineering. &amp; Technology, Peshawar</td>
<td>Peshawar</td>
<td><a href="http://www.nwfpueotp.edu.pk">www.nwfpueotp.edu.pk</a></td>
</tr>
<tr>
<td>10.</td>
<td>Shaheed Benazir Bhutto University, Dir</td>
<td>Dir (Upper)</td>
<td><a href="http://www.sbbu.edu.pk">www.sbbu.edu.pk</a></td>
</tr>
<tr>
<td>11.</td>
<td>University of Malakand, Chakdara, Dir</td>
<td>Dir (Lower)</td>
<td><a href="http://www.uom.edu.pk">www.uom.edu.pk</a></td>
</tr>
</tbody>
</table>

**Degree Awarding Institutes Name**

<table>
<thead>
<tr>
<th>#</th>
<th>Institute Name</th>
<th>City</th>
<th>Website Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ghulam Ishaq Khan Institute of Science &amp; Technology, Swabi</td>
<td>Topi</td>
<td><a href="http://www.giki.edu.pk">www.giki.edu.pk</a></td>
</tr>
<tr>
<td>2.</td>
<td>Institute of Management Science, Peshawar (IMS)</td>
<td>Peshawar</td>
<td><a href="http://www.imsciences.edu.pk">www.imsciences.edu.pk</a></td>
</tr>
</tbody>
</table>
Sampling Strategy

As it is not possible to study the entire population, sampling is indispensible. It would be better to use such a sampling method that could give a possibly good representative picture. Therefore, it has been decided to use stratified random sampling. This is a method of sampling that divides the population into sub-populations or strata and uses simple random sampling on each stratum. The motivation for this approach was to give each university, irrespective of its size, representation and thereby to reduce bias.

So far the size of the sample is concerned; there is no consensus among the researchers and statisticians. However, there are preferences among the experts depending on the size of the population, number of variables included in the study, number of individual questions asked under each construct and the assumption of the statistical technique. For Sekaran (2006) “sample sizes larger than 30 and less than 500 are appropriate for most research…..in multivariate research (including multiple regression analyses), the sample size should be several times (preferably 10 times or more) as large as the number of variables in the study” (p. 295). While Reisinger, Mavondo, Moutinho, and Rita (2006) talk of absence of any exact sample size for multivariate data analysis technique such as structural equation modeling, recommend a ratio of five to ten respondents for each estimated parameter. The current study followed them in the determination of sample size. 329 faculty members have been taken as sample size for the study. The detail of the sample size is given in Table 2, below:
### Table 2

**Detail of research questionnaire sent and corresponding responses**

<table>
<thead>
<tr>
<th>#</th>
<th>University Name</th>
<th>Questionnaires</th>
<th>Return %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Sent</td>
<td>Received</td>
</tr>
<tr>
<td>1.</td>
<td>Abdul Wali Khan University, Mardan</td>
<td>35</td>
<td>22</td>
</tr>
<tr>
<td>2.</td>
<td>Frontier Women University, Peshawar</td>
<td>35</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Gomal University, D.I. Khan</td>
<td>35</td>
<td>18</td>
</tr>
<tr>
<td>4.</td>
<td>Hazara University, Dodhial, Mansehra</td>
<td>60</td>
<td>30</td>
</tr>
<tr>
<td>5.</td>
<td>Islamia College University, Peshawar</td>
<td>35</td>
<td>20</td>
</tr>
<tr>
<td>6.</td>
<td>Khyber Medical University, Peshawar</td>
<td>35</td>
<td>16</td>
</tr>
<tr>
<td>7.</td>
<td>Kohat University of Science and Technology, Kohat</td>
<td>35</td>
<td>16</td>
</tr>
<tr>
<td>8.</td>
<td>NWFP University of Agriculture, Peshawar</td>
<td>50</td>
<td>33</td>
</tr>
<tr>
<td>9.</td>
<td>University of Engineering, &amp; Technology, Peshawar</td>
<td>40</td>
<td>23</td>
</tr>
<tr>
<td>10.</td>
<td>Shaheed Benazir Bhutto University, Dir</td>
<td>35</td>
<td>22</td>
</tr>
<tr>
<td>11.</td>
<td>University of Malakand, Chakdara, Dir</td>
<td>40</td>
<td>16</td>
</tr>
<tr>
<td>12.</td>
<td>University of Peshawar, Peshawar</td>
<td>70</td>
<td>44</td>
</tr>
<tr>
<td>13.</td>
<td>University of Science &amp; Technology, Bannu</td>
<td>35</td>
<td>12</td>
</tr>
<tr>
<td>14.</td>
<td>University of Swat, Swat</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

**Degree Awarding Institutes Name**

<table>
<thead>
<tr>
<th>#</th>
<th>Degree Awarding Institutes Name</th>
<th>Questionnaires</th>
<th>Return %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Sent</td>
<td>Received</td>
</tr>
<tr>
<td>1.</td>
<td>GIK Institute of Science and Technology, Swabi</td>
<td>30</td>
<td>16</td>
</tr>
<tr>
<td>2.</td>
<td>Institute of Management Sciences, Peshawar (IMS)</td>
<td>30</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>600</strong></td>
<td><strong>329</strong></td>
</tr>
</tbody>
</table>
Tables below show the demographics of the respondents in the pilot study (N=39).

Table 3

**Gender of the faculty members (N=39)**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Male</td>
<td>30</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>9</td>
<td>23</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>39</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Missing System</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>39</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Table 4

**Age of the faculty members (N=39)**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>25-35</td>
<td>26</td>
<td>66.67</td>
<td>66.67</td>
</tr>
<tr>
<td></td>
<td>36-45</td>
<td>10</td>
<td>25.64</td>
<td>92.31</td>
</tr>
<tr>
<td></td>
<td>46 &amp; above</td>
<td>3</td>
<td>7.69</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>39</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
Table 5
Designation of the faculty members ($N=39$)

<table>
<thead>
<tr>
<th>Designation</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecturer</td>
<td>19</td>
<td>48.72</td>
<td>48.72</td>
<td>48.72</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>13</td>
<td>33.33</td>
<td>33.33</td>
<td>82.05</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>3</td>
<td>7.69</td>
<td>7.69</td>
<td>89.74</td>
</tr>
<tr>
<td>Professor</td>
<td>4</td>
<td>10.26</td>
<td>10.26</td>
<td>100.0</td>
</tr>
<tr>
<td>Missing System</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

Data Collection Tool (Research Questionnaire)

As discussed in the research techniques section, researcher needs concrete instructions which help the researcher to structure his thoughts properly to get more logical insights into the subject under consideration. Research questionnaire is one among them. In this regard the researcher has been guided by and has taken help of a number of researchers (Laka-Mathebula, 2004; H. R. Lee, 2000) in developing the questionnaire. The researcher did not find a tested questionnaire, therefore, adapted these questionnaires and developed his own questionnaire from the available literature on the subject. Care was taken in selecting and developing the individual questions in the questionnaire.

The questionnaire can be divided into three main parts. First part, a very short one, has been designed to collect demographic information: university’s name, age, gender, and designation/job title. The second part contained 29 questions on the 6 variables of the study. These questions have been worded in the first person and applied to the real situation. Respondents have been provided with the options to rate their responses on a 5-point Likert scale (1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree). The third part carries six summary questions wherein respondents are required to respond in ‘yes’ or ‘no’. Besides this, respondents have been provided with space to offer their comments/opinion if they like to say something about the system of performance appraisal.
For the sake of respondents’ understanding and simplicity, different instruments were separated into headings. Besides, short definitions have been provided with each section so that the respondents have a clear idea of the concept and keep their responses restricted to the operationalization of the concept. All respondents were asked to record their personal opinion keeping in view their experience in their current university while completing the questionnaire. Copy of the questionnaire is provided in Appendix A.

**Measures**

To measure the constructs of interest six scales have been used in the study. They included measures of the quality of the performance appraisal, employees' perceptions of development, employees' organizational commitment, employees’ overall job satisfaction, employees’ overall trust, and employees' turnover intentions. Measures aimed at collecting demographic information about the respondents including university’ ID, age, gender, and designation.

**Performance appraisal:** The quality of the performance appraisal was measured using 5-item scale. Items have been worded to accommodate the use of a 5-point Likert scale ranging from (1) "strongly disagree" to (5) "strongly agree." Similarly, standard word ‘supervisor’ has been customized with the word ‘management’.

Table 6

**Performance Appraisal Scale**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I believe performance appraisal is perceived as a structured, formal and highly valued</td>
</tr>
<tr>
<td></td>
<td>human resource intervention between me and the management.</td>
</tr>
<tr>
<td>2.</td>
<td>It is perceived as a systematic search of employee’s potentials for development.</td>
</tr>
<tr>
<td>3.</td>
<td>This process is perceived essential for employee’s growth and development.</td>
</tr>
<tr>
<td>4.</td>
<td>I believe it has a central and critical importance in my career.</td>
</tr>
<tr>
<td>5.</td>
<td>I believe the process tracks my performance during my service here.</td>
</tr>
</tbody>
</table>
**Employee development:** Perceptions of employee development were measured using 5-item scale. Items have been worded to accommodate the use of a 5-point Likert scale ranging from (1) "strongly disagree" to (5) "strongly agree." Similarly, standard word ‘organization’ has been customized with the word ‘university’.

Table 7

*Employee Development Scale*

1. I believe developmental efforts of the university have improved my self-awareness, competencies, and employability.
2. I believe I have made sufficient progress to achieve my career goals.
3. I believe university management has provided me with adequate resources needed for my development.
4. Employee development is perceived in a positive way.
5. Employee development decisions are made in an unbiased manner.

**Job Satisfaction:** Job satisfaction was measured using 5-item scale. Items have been worded to accommodate the use of a 5-point Likert scale ranging from (1) "strongly disagree" to (5) "strongly agree." Similarly, standard words ‘organization’ and ‘supervisor’ have been customized with the words ‘university’ and ‘management’ respectively.
Table 8

*Job Satisfaction Scale*

1. I am satisfied with the job security and working environment.
2. My university takes me as an asset and I am satisfied with the progress I have made.
3. My university takes me as an asset and I am satisfied with the progress I have made.
4. Performance appraisal is valuable to me as well as to my university.
5. My present job provides me overall satisfaction keeping in view all the present and potential benefits that the university offers.

**Organizational Commitment:** Organizational commitment was measured using 5-item scale. Items have been worded to accommodate the use of a 5-point Likert scale ranging from (1) "strongly disagree" to (5) "strongly agree." Similarly, standard word ‘organization’ has been customized with the word ‘university’.

Table 9

*Organizational Commitment Scale*

1. I think that my present university is a better option for me to stay and work.
2. I consider this university’s problems as my own problems.
3. I am committed to my university as it takes care of my development.
4. I am willing to put in maximum efforts for the success of this university.
5. I would recommend this university to any professional.
**Employee Trust:** Employee Trust was measured using 6-item scale. Items have been worded to accommodate the use of a 5-point Likert scale ranging from (1) "strongly disagree" to (5) "strongly agree." Similarly, standard words ‘organization’ and ‘supervisor’ have been customized with the words ‘university’ and ‘management’ respectively.

Table 10

*Employee Trust Scale*

1. I trust my colleagues and senior management.
2. I believe that university’s development initiatives are beneficial to me.
3. I trust that training and development decisions are made fairly.
4. With confidence I share my work related problems with management.
5. Management has not taken undue advantage of me, given our relationship.
6. My trust on management positively affects my working behaviour.

**Turnover Intentions:** Turnover Intention was measured using 3-item scale. Items have been worded to accommodate the use of a 5-point Likert scale ranging from (1) "strongly disagree" to (5) "strongly agree." Similarly, standard word ‘organization’ has been customized with the word ‘university’.

Table 11

*Turnover Intentions Scale*

1. I would like to leave my present university.
2. I am looking for a new job.
3. I plan to leave my present university as soon as possible.
**Pilot Study of the Survey Instrument**

To assess the internal reliability of the measures and to determine the clarity and readability of the questionnaire pilot study was conducted. For this purpose some 60 questionnaires were distributed in three universities. Thirty nine questionnaires were returned, for a response rate of 65% which, according to Babbie (1998) is a good response. Tests of internal consistency (Cronbach's alpha) were conducted to assess the reliability of each of the scales used. All of the measures included in the questionnaire showed adequate levels of internal consistency reliability. The internal reliability for the measures ranged from .77 for the measure of performance appraisal to .96 for the measure of turnover intentions. Table 12 reports the descriptive statistics for the measures used, including mean, standard deviation, and internal consistency reliability for each measure for pilot study. Demographics of the respondents for the pilot study (N=39) have been presented in the preceding pages (see Tables 3, 4, & 5).
Table 12

*Descriptive Statistics and Reliability Estimates (Pilot Study, N=39)*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performance Appraisal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PerAprl-1</td>
<td>3.85</td>
<td>.875</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>PerAprl-2</td>
<td>3.77</td>
<td>.842</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>PerAprl-3</td>
<td>3.69</td>
<td>1.004</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>PerAprl-4</td>
<td>4.10</td>
<td>.718</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>PerAprl-5</td>
<td>3.92</td>
<td>.807</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td><strong>Employee Development</strong></td>
<td>3.5128</td>
<td>1.0612</td>
<td></td>
<td></td>
<td>0.8300</td>
</tr>
<tr>
<td>EmpDev-1</td>
<td>3.69</td>
<td>1.151</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>EmpDev-2</td>
<td>3.87</td>
<td>1.056</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>EmpDev-3</td>
<td>3.13</td>
<td>1.218</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>EmpDev-4</td>
<td>3.54</td>
<td>.822</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>EmpDev-5</td>
<td>3.33</td>
<td>1.060</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td><strong>Job Satisfaction</strong></td>
<td>3.7026</td>
<td>0.8924</td>
<td></td>
<td></td>
<td>0.8170</td>
</tr>
<tr>
<td>JobSat-1</td>
<td>3.62</td>
<td>.963</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>JobSat-2</td>
<td>3.69</td>
<td>1.004</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>JobSat-3</td>
<td>3.59</td>
<td>.785</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>JobSat-4</td>
<td>3.85</td>
<td>.933</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>JobSat-5</td>
<td>3.77</td>
<td>.777</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td><strong>Organizational Commitment</strong></td>
<td>4.1744</td>
<td>.6947</td>
<td></td>
<td></td>
<td>0.7960</td>
</tr>
<tr>
<td>OrgCmnt-1</td>
<td>4.08</td>
<td>.703</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>OrgCmnt-2</td>
<td>4.28</td>
<td>.686</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>OrgCmnt-3</td>
<td>4.15</td>
<td>.709</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>OrgCmnt-4</td>
<td>4.38</td>
<td>.633</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>OrgCmnt-5</td>
<td>3.97</td>
<td>.743</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td><strong>Employee Trust</strong></td>
<td>3.8034</td>
<td>.8243</td>
<td></td>
<td></td>
<td>0.8670</td>
</tr>
<tr>
<td>EmpTrst-1</td>
<td>3.97</td>
<td>.843</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>EmpTrst-2</td>
<td>4.00</td>
<td>.725</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>EmpTrst-3</td>
<td>3.59</td>
<td>.938</td>
<td>1.000</td>
<td>5.000</td>
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<td>.810</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>EmpTrst-5</td>
<td>3.69</td>
<td>.863</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
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<td>.767</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td><strong>Turnover Intentions</strong></td>
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<td></td>
<td></td>
<td>0.9570</td>
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<td>1.174</td>
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<tr>
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<td>1.180</td>
<td>1.000</td>
<td>5.000</td>
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</tr>
<tr>
<td>TrnInt-3</td>
<td>1.67</td>
<td>1.155</td>
<td>1.000</td>
<td>5.000</td>
<td></td>
</tr>
</tbody>
</table>
Validity and Reliability of the Research Instrument

Assessment of the research instrument is very essential. The objective of this assessment is to see how accurate is the relationship between the measure and the underlying traits the instrument is trying to measure. It is very essential that a research instrument be valid and reliable.

Validity. The validity of a questionnaire is the extent to which it assesses all the relevant—and only the relevant—aspects of the measure. The objective of this assessment is to see how accurate is the relationship between the measure and the underlying traits the instrument is trying to measure. There are four steps. They are:

Face validity. Face validity is the first step in assessing an instrument. The objective of this assessment is to establish whether the measuring instrument looks like it is measuring the correct characteristics. For Burns and Bush (2004) it is the degree to which a measurement “looks like” it measures for what it is designed to measure. For this purpose the instrument was sent to two experts and some faculty members. And after incorporating their views and comments the final instrument was used in the survey.

Predictive validity. This is the second step. The purpose of this test is to see whether the measurement be able to predict other measures of the same thing. This has been ensured by taking standard questions from diverse questionnaires with a little bit customization.
**Content validity.** The purpose of the third step is to see whether the measurement reflects the specific intended domain of the study. According to Hair, Black, Babin, Anderson, and Tatham (2006) “it is the degree of correspondence between the items selected to constitute a summated scale and its conceptual definition” (p.88). For this purpose the relevant domain has extensively been reviewed from which contents of the instrument has been derived.

**Construct validity.** Test of construct validity is one of the most common techniques. The purpose of this test is to see whether the expected pattern of relationships exist among the variables. Therefore, it establishes an agreement between the theoretical concepts and the measuring instrument. Theoretical relationships have been defined which have been empirically examined. There are different methods like using correlation coefficients, factor analysis or simply by judgment (Cooper & Schindler, 2006), for this purpose. Here it has been examined by computing items total correlation and inter-scale correlation. Table 13 demonstrates the results which show internal consistency of the instrument.

Table 13  
*Correlation matrix of pilot study*

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Appraisal</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Development</td>
<td>0.52</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.48</td>
<td>0.67</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.25</td>
<td>0.12</td>
<td>0.36</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Trust</td>
<td>0.54</td>
<td>0.69</td>
<td>0.74</td>
<td>0.28</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Turnover Intention</td>
<td>0.17</td>
<td>0.04</td>
<td>0.06</td>
<td>-0.37</td>
<td>-0.04</td>
<td>1.00</td>
</tr>
</tbody>
</table>
Reliability. Reliability of a research instrument refers to the consistency of a measure; the degree to which an instrument is free from random error. This was measured by using internal consistency method through finding the Cronbach’s alpha. The internal reliability for the measures ranged from .76 for the measure of performance appraisal to .96 for the measure of turnover intentions (Table 12). Burns and Bush, (2004) opine that the closer the reliability coefficient gets to 1.0, the better. Generally Cronbach’s alpha value of 0.60 is considered the lower limit of acceptability (J. F. Hair, et al., 2006). Keeping it in view it can be said the values of alpha here indicate the reliability of the scales that have been used in this study.

Data Collection

When the research questionnaire has been assessed—validity and reliability—major survey was undertaken. Questionnaire tested through pilot study was distributed throughout the universities of the province. This was done through mail and through person where possible and feasible. Participation was voluntary. A total of 600 questionnaires were distributed. In total 343 questionnaires were received back. Out of the total receipts 14 questionnaires were found with major missing data which were not included in the analysis. The detail has been provided above (see Table 2). This constituted a response rate of 55%.

The question if the sample size could be sufficient for analysis has been taken into account. “Sample sizes larger than 30 and less than 500 are appropriate for most research” (Sekaran, 2006, p. 209). However, this is subject to the assumption of the statistical technique that was supposed to be employed in interpreting the data of the study. As Structural Equation Modeling technique was used here, therefore, it can be said that “although there is no correct sample size, recommendations are for a size ranging between 100 to200” (J. F. Hair, et al., 2006, p. 605). While discussing SEM assumptions Reisinger, et al. (2006) recommend 100-400 sample size. Therefore, the sample size of 329 is quite sufficient to satisfy the assumption.
**Statistical analysis.** Statistical analyses were carried out to examine the data by employing various statistical techniques. They include descriptive statistics and Structural Equation Modeling (SEM).

**Descriptive statistics.** In the present age of advanced communication technologies, it is not very difficult to collect a huge amount of data. However, the question is how to comprehend it in its raw form? Descriptive statistics are, thus, essential for knowing the general pattern of responses in the survey. They summarize this data in some meaningful manner and make it easy to understand the underlying information. They include frequency distribution, arithmetic mean, standard deviation and tests of internal consistency (Cronbach’s alpha). These statistics (for the major survey) have been provided in detail in the next chapter. Burns and Bush (2004) consider them foundation for subsequent statistical analysis.

**Structural Equation Modeling (SEM).** Since theoretical framework of the study conceptualized interdependence among the constructs, Structural Equation Modeling (SEM) has been used to assess and measure the constructs and the hypothesized relationships among variables. This statistical technique (SEM) has many names. They are: confirmatory factor analysis, latent variable analysis, covariance structure analysis, and simple LISREL analysis. Structural Equation Modeling (SEM) has two important aspects: 1) it has the power to express the causal processes of study through a series of structural (i.e., regression) equations; and 2) that to have a vivid conceptualization of the theory, these structural relations can be modeled pictorially (Byrne, 1998). The wide range of application of SEM across many disciplines has been due to two reasons “1) it provides a straight forward method of dealing with multiple relationships simultaneously while providing statistical efficiency; and 2) its ability to assess the relationships comprehensively and provide a transition from exploratory to confirmatory analysis” (J. F. Hair, et al., 2006, p. 578).
It is a model-testing procedure through which the goodness-of-fit between the hypothesized model and the sample data is searched out. In this process the hypothesized structure model is applied to the sample data, and then tested as to how well the observed data fit this restricted structure (i.e. small models with fewer posited variables and scales with less indicators). If there exists an adequate goodness-of-fit, then according to Byrne (1998) the model supports the reliability of the hypothesized relations among variables, while on the contrary, if it is inadequate the tenability of such association is rejected.

The effectiveness and wide range application of SEM as efficient statistical tool as compared to other multiple regression techniques has extensively been supported. This popularity of SEM is due to its explanatory ability and statistical efficiency for model testing with a single comprehensive method (Cheng, 2001; J. F. Hair, et al., 2006). In other words, SEM estimates a series of separate, but interdependent, multiple regression equations simultaneously by specifying the structural model. Thus, “it is particularly useful when one dependent variable becomes an independent variable in subsequent relationships” (J. F. Hair, et al., 2006, p. 578). This is a comprehensive statistical approach that simultaneously estimates and tests a series of hypotheses between a set of observed and latent variables (Hoyle, 1995; Reisinger, et al., 2006).

It will not be out of place to elaborate on the process of SEM. It has two stages: measurement model, and structural model. In the first stage the proposed model is supposed to define the association between the observed (manifest) and unobserved (latent) variables. In simple words, the model provides the link between scores on a measuring instrument (i.e., the observed indicator variables) and the underlying constructs they are designed to measure (i.e., the unobserved latent variables). Therefore, it specifies the pattern by which each measure loads on a particular factor (Byrne, 1998). This also helps in looking at the reliability and validity of the observed variables. There are a number of goodness-of-fit indices for validating the measurement model(s). And once the researcher achieves the “best fitting” measurement model, the second stage of structural model is put to validation then.

The structural model provides the possible explanation for the causal relationship among the latent constructs. It also provides the explanation about the direct and indirect influences of
latent variables that have caused changes in the values of other latent variables in the model (Byrne, 1998). This explanation is based upon “a simultaneous regression of the endogenous variables in the hypothesized structural model on the predicted antecedents” (Cheng, 2001, p. 654). Here again goodness-of-fit indices be applied unless the “best fitting” structure model is achieved. And if it happens that the recommended values could not be achieved, then the researcher is required to modify the model in the light of the modification indices.

In SEM there is a need to explain and justify the existence of associations among different constructs through the path coefficients. If some paths, in a structural model, have non-significant coefficient values, deletion and addition of new paths are allowed subject to theoretical justification. This is how nested models are produced for testing the hypothesized model. This helps the researcher to arrive at the “best fitting” incrementally.

From the above explanation it can be concluded that there exists a connection between the characteristics of SEM and purposes of this study. Therefore, for examining the hypothesized relationships among variables in this study, the choice of SEM as a primary statistical technique seems to be logical.

**Statistical Software**

The use of computer software packages for descriptive and inferential statistics has become part and parcel of social research. These software packages not only make a researcher’s task easy and less time consuming but make the results are free from major human errors. Statistical Package for Social Sciences (SPSS) 18th edition was employed for descriptive statistics like frequency distribution, arithmetic mean, standard deviation, etc. However, for SEM technique Amos (Analysis of Moment Structures) has, mostly, been used. Notwithstanding, LISREL (Linear Structural Relations), a little bit more complicated and command plus menu driven program has also been used to confirm the results of Amos—a purely menu driven software.
Ethical Considerations

Ethics mean various things to various people. In research it means what is right or wrong and doing what’s right—this is in regard to effects of the research and in relationships with the participants. In simple word, those who are interested in research ethics examine various ends of the research activities and ask: “is the conduct ethically right or wrong?” (Wikipedia, 2005). For Sekaran (2006) it is a socially accepted way of behaviour that a researcher is exhibiting while conducting research. In common parlance, ethics provides us a common ground for acceptance or rejection of behaviour in terms of the research process.

Since the research process has direct effects on the participants, the following ethical considerations were taken care of:

Confidentiality: Individual’s right to privacy and anonymity has been taken care of. It has been explained in the covering letter to each questionnaire that their responses in the questionnaire will remain a confidential document with the researcher. Efforts were made not to put any question that could reveal sensitive information.

Voluntary participation: Participation in the research endeavour was purely voluntary. The questionnaires have been sent to the participations through mail and have not been made bound by filling in within a restricted and limited timeframe.

Informed consent: All the participants have been informed about the purpose of the research through the covering letter and thence their responses are solicited.

Academic objectivity: The participants had also been informed that the pursuit was purely an academic and research oriented. And that their responses would be analyzed and reported as group data. Ethical considerations have also been ensured by implementing a sound research methodology by following the stated research design.
Summary

This chapter presented a detailed discussion on research methodology. To have an in-depth understanding, research pyramid was discussed in detail. The conceptual model discussed, and hypotheses of the research presented. Then the reader has been apprised of the target population, sampling and data collection tool (questionnaire). All the concepts’ measurement respective scale items were discussed in detail. Then the need for pilot study and its results provided. Validity and reliability of the instrument were also discussed to a reasonable extent. Statistical analysis technique presented with focus on structural equation modeling, supposed to be used to test the proposed conceptual model and research hypotheses. Besides, important statistical software packages being used for descriptive and inferential statistics were also referred to. And finally, ethical considerations were discussed.
CHAPTER 5

ANALYSIS OF THE DATA

Overview

This chapter presents analysis of the data collected during the survey. Key components of this chapter include: introduction, sample characteristics and descriptive statistics, inferential statistics, the results of the hypotheses structural models and final fit model. Amos and LISREL programs have been employed. At the close of the chapter summary has been provided.

Introduction

Statistical analysis is the backbone of research. It makes the research more systematic, presentable, interpretable, conclusive, generalizeable, and academic. The succeeding sections are meant for detailed description and statistical analysis of the data to make the research a purpose oriented academic activity.

Sample Characteristics and Descriptive Statistics

A total of 600 questionnaires were sent to 14 public universities and 02 degree awarding institutes in the province of Khyber Pakhtunkhwa. 343 respondents returned the filled in questionnaires. The response rate remained 57%. Out of the total, 14 questionnaires were found with major missing data and hence dropped out leaving 329 (55%) questionnaires completely filled in for analysis (see Table 2). Descriptive statistics for nominal or ordinal data have been termed meaningful only for summary statistics like frequencies and percentages (Gaur & Gaur, 2006). Therefore, various frequency tables are presented in the succeeding pages to provide a detailed description of the respondents. Demographic variables that were used in the study were: University ID, age, gender, and designation.
Table 14

Descriptive Statistics and Reliability Estimates--Main Survey (N=329)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Alpha</th>
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</tr>
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<tr>
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<td>0.8770</td>
<td>1.0000</td>
<td>5.0000</td>
<td></td>
</tr>
<tr>
<td>EmpTrst-3</td>
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<td>0.9939</td>
<td>1.0000</td>
<td>5.0000</td>
<td></td>
</tr>
<tr>
<td>EmpTrst-4</td>
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<td>0.9810</td>
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</tr>
<tr>
<td>EmpTrst-5</td>
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</tr>
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</tr>
<tr>
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<td></td>
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</tr>
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<td>TrnInt-1</td>
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<td>1.1343</td>
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<td>5.0000</td>
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</tr>
<tr>
<td>TrnInt-2</td>
<td>2.1003</td>
<td>1.1499</td>
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</tr>
<tr>
<td>TrnInt-3</td>
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<td>1.1761</td>
<td>1.0000</td>
<td>5.0000</td>
<td></td>
</tr>
</tbody>
</table>
Frequency tables for the demographic profile of the respondents:

**Age:** Table 15 provides the detail about the age of the respondents. It is clear from this table that majority of the respondents are young (n=172), comprising a valid percentage of 63, followed by middle age (n=83) in terms of categories with a percentage value of 30, while the ratio of the last category (n=21) is round about 8%.

Table 15

_Age of the faculty members (N=329)_

<table>
<thead>
<tr>
<th>Valid Age Group</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-35</td>
<td>172</td>
<td>52.3</td>
<td>62.3</td>
<td>62.3</td>
</tr>
<tr>
<td>36-45</td>
<td>83</td>
<td>25.2</td>
<td>30.1</td>
<td>92.4</td>
</tr>
<tr>
<td>46 and above</td>
<td>21</td>
<td>6.4</td>
<td>7.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>276</td>
<td>83.9</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>53</td>
<td>16.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>329</strong></td>
<td><strong>100</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Gender:** Table 16 provides the detail about the gender of the respondents. The table shows majority of the respondents are male (n=231), comprising a valid percentage of 77, while the percentage of the female respondents is 23 (n=69).
Table 16

*Gender of the faculty member (N=329)*

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Male</td>
<td>231</td>
<td>70.2</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>69</td>
<td>21</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>300</td>
<td>91.2</td>
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<td></td>
<td>Missing System</td>
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<tr>
<td>Total</td>
<td></td>
<td>329</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Designation:** Table 17 provides the detail about the designation of the respondents. The table shows majority of the respondents are Lecturer (n=158), comprising a valid percentage of 49, followed by Assistant Professor (n=113) with a percentage of 35, followed by Professor (n=28) with a percentage of 9, followed by Other (n=17) with a percentage of 5, and then by Associate Professor (n=8) with a valid value of 3%.

Table 17

*Designation of the faculty member (N=329)*

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Lecturer</td>
<td>158</td>
<td>48.0</td>
<td>48.8</td>
</tr>
<tr>
<td></td>
<td>Assistant Professor</td>
<td>113</td>
<td>34.3</td>
<td>34.9</td>
</tr>
<tr>
<td></td>
<td>Associate Professor</td>
<td>8</td>
<td>2.4</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td>Professor</td>
<td>28</td>
<td>8.5</td>
<td>8.6</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>17</td>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>324</td>
<td>98.5</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Missing System</td>
<td>5</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>329</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
Descriptive statistics for the constructs: Table 18 provides the detail about the constructs of the study. The data show that none of the constructs has a very high Mean score on the scale. Only organizational commitment has comparatively high score on mean. All the constructs show somewhat close standard deviation except for turnover intentions. This reflects that the relationships are recognized but lacks of interest in the intervention is manifest. The mean score of turnover intentions is 2.02 corresponds on the other side of the measurement scale. From this it could be concluded that effect of retention is affected by which speaks that faculty members are not willing to leave their respective universities.

Table 18
*Means and Standard Deviation for the Constructs (N=329)*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Appraisal</td>
<td>1</td>
<td>5</td>
<td>3.6644</td>
<td>0.73167</td>
</tr>
<tr>
<td>Employee Development</td>
<td>1</td>
<td>5</td>
<td>3.4261</td>
<td>0.71807</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>1</td>
<td>5</td>
<td>3.6036</td>
<td>0.70916</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>1</td>
<td>5</td>
<td>4.0329</td>
<td>0.70142</td>
</tr>
<tr>
<td>Employee Trust</td>
<td>1</td>
<td>5</td>
<td>3.691</td>
<td>0.72537</td>
</tr>
<tr>
<td>Turnover Intentions</td>
<td>1</td>
<td>5</td>
<td>2.0213</td>
<td>1.07188</td>
</tr>
</tbody>
</table>

Descriptive Statistics for the Summary Questions

Besides the questions that have responses on Likert scale, some summary questions were also asked from the respondents. These questions are reproduced here one by one with the response frequencies in yes/no.
Q # 1: Do you think Performance Appraisal is an essential Human Resource activity for the development of employees?

Table 19 presents the responses to question 1. An overwhelming majority (91%) of the respondents thinks that performance appraisal is an essential activity for development.

Table 19
Responses to question number 1 (N=329)

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>299</td>
<td>90.9</td>
<td>90.9</td>
<td>90.9</td>
</tr>
<tr>
<td>No</td>
<td>28</td>
<td>8.5</td>
<td>8.5</td>
<td>99.4</td>
</tr>
<tr>
<td>Blank</td>
<td>2</td>
<td>0.6</td>
<td>0.6</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>329</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

Q # 2: Do you think Performance Appraisal and employee development are linked?

Table 20 presents the response frequencies to question 2. An overwhelming majority (88%) of the respondents thinks that performance appraisal and employee development are linked.

Table 20
Responses to question number 2 (N=329)

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>289</td>
<td>87.8</td>
<td>87.8</td>
<td>87.8</td>
</tr>
<tr>
<td>No</td>
<td>40</td>
<td>12.2</td>
<td>12.2</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>329</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>
Q # 3: In our Public Sector Service, most supervisors (senior officers) prefer to have a harmonious relationship with their subordinates. In Performance Appraisal a supervisor (senior officer) may have to give negative comments towards the subordinate. Therefore, do you think, in a culture that is arguably based on such conflict avoidance aspects, a reform such as appraisal can perform effectively?

Table 21 presents the responses to question 3. An overwhelming majority (72%) of the respondents thinks that reforms to the system of performance appraisal can work effectively.

Table 21
Responses to question number 3 (N=329)

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>238</td>
<td>72.3</td>
<td>72.3</td>
<td>72.3</td>
</tr>
<tr>
<td>Valid No</td>
<td>91</td>
<td>27.7</td>
<td>27.7</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>329</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Q # 4: Performance Appraisal also requires continuous communication and dialogue between the supervisor and the subordinate. Do you think the university administrative culture is compatible to such a two-way communication mode of work?

Table 22 presents the responses to question 4. Majority (60%) of the respondents thinks that continuous communication and dialogue between the supervisor and the subordinate is required. And that the university administrative culture is compatible to such a two-way communication mode of work.
Table 22
Responses to question number 4 (N=329)

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>196</td>
<td>59.6</td>
<td>59.6</td>
<td>59.6</td>
</tr>
<tr>
<td>Valid</td>
<td>No</td>
<td>133</td>
<td>40.4</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>329</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Q # 5: Do you think the present system of performance appraisal serve the purpose of employee development?

Table 23 presents the responses to question 5. Again majority (63%) of the respondents thinks that the present system of performance appraisal does not serve the purpose of employee development.

Table 23
Responses to question number 5 (N=329)

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>119</td>
<td>36.2</td>
<td>36.2</td>
<td>36.2</td>
</tr>
<tr>
<td>Valid</td>
<td>No</td>
<td>210</td>
<td>63.8</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>329</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Q # 6: If (answer to Q # 5) “No”, then do you think the system be discontinued or needs improvement?

Table 24 presents the responses to question 6. Answer to this question surpasses all the previous response percentage! 95% of the respondents think that the system of performance appraisal be continued but needs improvement.
Table 24

Responses to question number 6 (N=329)

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>16</td>
<td>4.9</td>
<td>4.9</td>
<td>4.9</td>
</tr>
<tr>
<td>Valid No</td>
<td>313</td>
<td>95.1</td>
<td>95.1</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>329</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Inferential Statistics

Descriptive statistics, presented above, reflect the behaviour or characteristics of the sample itself. However, the central focus and end goal of research is to generalize the information collected from the sample to the population from which the sample has been drawn. Here the researcher needs the help of inferential statistics.

Measurement Model

The use of abstract and theoretical concepts, which are the forte of social research, is always subject to measurement error. This is because of the problem with the understanding of the concept by the researcher and then by the respondents. How this measurement error be accounted for? Cheng (2001) suggests the researchers to test the hypothesized associations among constructs before testing the measurement model. Measurement model of the Structural Equation Modeling technique serves the purpose of reducing this error. Measurement model specifies and describes to what extent the observed indicators serve as a measurement instrument for the unobserved constructs. It can be said that the measurement model works as a correspondence between unobserved constructs and observed indicators. The basic purpose of the model testing procedure is to arrive at a close goodness-of-fit between the empirical sample data and the hypothesized model. There are two ways for evaluating measurement model
validity: a test of individual construct separately; and a test measuring all together. In the present study the former procedure has been employed. It is very important to be aware of the fact that measurement and structural models have distinct roles in the overall path model (Loehlin, 1998). Therefore, it is necessary to apply confirmatory factor analysis for the measurement model separately.

Confirmatory Factor Analysis (CFA) has been employed to analyze the appropriateness of the measurement model for each construct separately. For parameter estimation several goodness of fit statistics, including Chi-square ($\chi^2$), Comparative Fit Index (CFI), Root Mean Square Error of Approximation (RMSEA), Goodness-of-fit Index (GFI), and Root Mean Square Residual (RMR), were employed.

Chi-square test has been the traditional measure used to test the closeness of fit which “determines if the sample under investigation has been drawn from a population, which follows some specified distribution” (Gaur & Gaur, 2006, p. 159). Therefore, a non-significant chi-square difference between the empirical data and the model of the study shows that this model is well fitted to the sample data. Second parameter estimation is the Comparative Fit Index (CFI), which provides a measure of complete co-variation in the data. A value of $.90$ indicates an acceptable fit to the data. The third parameter estimation procedure is Root Mean Square Error of Approximation (RMSEA). It is the discrepancy (which is measured in terms of the population) per degree of freedom. Values below $.05$ indicate a good fit, while values up-to $.08$ represent a reasonable fit. Though there is little empirical support for the use of any universal cutoff values in case of RMSEA to determine adequate model fit (Chen, Curran, Bollen, Kirby, & Paxton, 2008), the choice of this cutoff values depends on other factors as model specifications, degrees of freedom, and sample size. The fourth one is Goodness of Fit Index (GFI). It provides the overall degree of fit. Its values range between 0 (poor fit) to 1 (perfect fit). The fifth one is Root Mean Square Residual RMR. It is “the square root of the mean of the squared residuals—an average of the residuals between observed and estimated input matrices” (J. F. Hair, et al., 2006, p. 688). Its values range from zero to 1.00. Values less than $.05$ indicate a good fit.
So far the size of the sample is concerned; there hardly exists any stringent rules for estimating sample size for SEM (Reisinger, et al., 2006). The general rule of thumb according to (J. F. Hair, et al., 2006) is that there should be a minimum of five observations for each estimated parameter. While discussing SEM assumptions Reisinger, et al. (2006) recommend a sample size 100-400, because “SEM analysis of small samples lacks power and is questionable”. The sample size (N=329) of this study, therefore, is in concord with the size that has commonly been recommended.

**CFA for performance appraisal.**  
*Figure 13* presents the original measurement model for the performance appraisal construct. This model is a single factor model with five indicators. By analysis measurement estimation, it has been found that this model did not fit well. The chi-square value of 27.97 with 5 degrees of freedom was statistically significant at $p<0.001$. The other fit statistics showed that the model was not acceptable (RMSEA= 0.118; Standardized RMR= 0.035; GFI= 0.97; CFI= 0.96). Thus, the model was looked into in the light of recommendation of the modification index. The error of the APRL-5 indicator was highly found correlated with other indicators. Therefore, the APRL-5 indicator was dropped. Table 25 provides the final results of confirmatory factor analysis for the PAPRL with four indicators.
Figure 13  Measurement Model for Performance Appraisal
Table 25

Confirmatory Factor Analysis for Performance Appraisal

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Completely Standardized Loadings*</th>
<th>Indicator Reliability</th>
<th>Error Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PerAprl-1</td>
<td>0.75</td>
<td>0.811</td>
<td>0.46</td>
</tr>
<tr>
<td>PerAprl-2</td>
<td>0.86</td>
<td>0.784</td>
<td>0.22</td>
</tr>
<tr>
<td>PerAprl-3</td>
<td>0.75</td>
<td>0.792</td>
<td>0.38</td>
</tr>
<tr>
<td>PerAprl-4</td>
<td>0.59</td>
<td>0.823</td>
<td>0.50</td>
</tr>
</tbody>
</table>

Fit Statistics

Chi-square = 4.11 (df= 2, p = 0.13)
Standardized RMR = 0.015
RMSEA = 0.057
GFI = 0.994
CFI = 0.996

Note: *All t-values were significant at p < .05

CFA for employee development. Figure 14 presents the original measurement model for the employee development construct. This model is a single factor model with five indicators. By analysis measurement estimation, it has been found that this model did not fit well. The chi-square value of 16.6 with 5 degrees of freedom was statistically significant at p<0.005. The other fit statistics were: (RMSEA= 0.084; Standardized RMR= 0.030; GFI= 0.980; CFI= 0.975). The value of (RMSEA= 0.084) exceeds the cut-off values. When looked into detail, the model was modified in the light of recommendation of the modification index. The error of the EmpDev-2 indicator was found highly correlated with other indicator. Therefore, this indicator was dropped. Table 26 provides the final results of confirmatory factor analysis for the Employee Development with four indicators.
Figure 14  Measurement model for Employee Development
Table 26  
Confirmatory Factor Analysis for Employee Development

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Completely Standardized Loadings*</th>
<th>Indicator Reliability</th>
<th>Error Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>EmpDev-1</td>
<td>0.54</td>
<td>0.73</td>
<td>0.50</td>
</tr>
<tr>
<td>EmpDev-3</td>
<td>0.41</td>
<td>0.78</td>
<td>0.55</td>
</tr>
<tr>
<td>EmpDev-4</td>
<td>0.55</td>
<td>0.74</td>
<td>0.40</td>
</tr>
<tr>
<td>EmpDev-5</td>
<td>0.34</td>
<td>0.79</td>
<td>0.56</td>
</tr>
</tbody>
</table>

**Fit Statistics**

Chi-square = 2.7 (df = 2, p = 0.26)  
Standardized RMR = 0.014  
RMSEA = 0.033  
GFI = 0.996  
CFI = 0.998

Note: *All $t$-values were significant at $p < .05$
CFA for job satisfaction. Figure 15 presents the original measurement model for the job satisfaction construct. This model is a single factor model with five indicators. By analysis measurement estimation it has been found that this model did not fit well. The chi-square value of 21.96 with 5 degrees of freedom was statistically significant at \( p < 0.001 \). The other fit statistics were: (RMSEA= 0.102; Standardized RMR= 0.035; GFI= 0.963; CFI= 0.974). These results showed that values for RMSEA and RMR were on high side. Thus, the model was looked into in the light of recommendation of the modification index. The error of the JobSat-4 indicator was found highly correlated with other indicators. Therefore, the JobSat-4 indicator was dropped. Table 27 provides the final results of confirmatory factor analysis for the Job Satisfaction with four indicators.

![Figure 15](image_url) Measurement model for Job Satisfaction

165
Table 27

*Confirmatory Factor Analysis for Job Satisfaction*

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Completely Standardized Loadings*</th>
<th>Indicator Reliability</th>
<th>Error Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>JobSat-1</td>
<td>0.74</td>
<td>0.747</td>
<td>0.46</td>
</tr>
<tr>
<td>JobSat-2</td>
<td>0.68</td>
<td>0.758</td>
<td>0.47</td>
</tr>
<tr>
<td>JobSat-3</td>
<td>0.74</td>
<td>0.722</td>
<td>0.40</td>
</tr>
<tr>
<td>JobSat-5</td>
<td>0.54</td>
<td>0.779</td>
<td>0.67</td>
</tr>
</tbody>
</table>

**Fit Statistics**

- Chi-square = 4.11 ($df = 2$, $p = 0.13$)
- Standardized RMR = 0.015
- RMSEA = 0.057
- GFI = 0.994
- CFI = 0.996

Note: *All $t$-values were significant at $p < .05$
CFA for organizational commitment. Figure 16 presents the original measurement model for the organizational commitment construct. This model is a single factor model with five indicators. By analysis measurement estimation it has been found that this model did not fit well. The chi-square value of 27.03 with 5 degrees of freedom was statistically significant at \( p<0.001 \). The other fit statistics were: (RMSEA = 0.116; Standardized RMR = 0.025; GFI = 0.971; CFI = 0.968). These results showed that value for RMSEA was on high side. Thus, the model was looked into in the light of recommendation of the modification index. The error of the OrgCmt-2 indicator was found highly correlated with other indicators. Therefore, the OrgCmt-2 indicator was dropped. Table 28 provides the final results of confirmatory factor analysis for the Organizational Commitment with four indicators.

![Measurement model for Organizational Commitment](image-url)
Table 28

*Confirmatory Factor Analysis for Organizational Commitment*

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Completely Standardized Loadings*</th>
<th>Indicator Reliability</th>
<th>Error Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>OrgCmnt-1</td>
<td>0.79</td>
<td>0.81</td>
<td>0.33</td>
</tr>
<tr>
<td>OrgCmnt-3</td>
<td>0.77</td>
<td>0.82</td>
<td>0.36</td>
</tr>
<tr>
<td>OrgCmnt-4</td>
<td>0.67</td>
<td>0.83</td>
<td>0.35</td>
</tr>
<tr>
<td>OrgCmnt-5</td>
<td>0.69</td>
<td>0.84</td>
<td>0.39</td>
</tr>
</tbody>
</table>

**Fit Statistics**

Chi-square = 1.54 (df= 2, p = 0.463)

Standardized RMR = 0.008

RMSEA = 0.000

GFI = 0.998

CFI = 1.000

Note: *All t-values were significant at p < .05

**CFA for employee trust.** *Figure 17* presents the original measurement model for the employee trust construct. This model is a single factor model with six indicators. By analysis measurement estimation it has been found that this model did not fit well. The chi-square value of 76.963 with 9 degrees of freedom was statistically significant at p<0.000. The other fit statistics were: (RMSEA = 0.152; Standardized RMR = 0.05; GFI = 0.925; CFI = 0.914). Again the result showed that values for RMSEA and RMR were on high side. Thus, the model was looked into in the light of recommendation of the modification index. The error of the EmpTrst-6 indicator was found highly correlated with other indicators. Therefore, the EmpTrst-6 indicator was dropped. The modified model again did not fit well. The chi-square value of 36.71 with 5
degrees of freedom was statistically significant at $p<0.000$. The other fit statistics showed that the model was still not acceptable (RMSEA = 0.139; Standardized RMR = 0.37; GFI = 0.958; CFI = 0.947). Thus, the model was again modified in the light of recommendation of the modification index. The error covariance of EmpTrst-2 was found highly correlated with other indicators. Therefore, the EmpTrst-2 indicator was also dropped. Table 29 provides the final results of confirmatory factor analysis for Employee Trust. The final CFA for Employee Trust has four indicators.

*Figure 17*  Measurement model for Employee Trust
Table 29
Confirmatory Factor Analysis for Employee Trust

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Completely Standardized Loadings*</th>
<th>Indicator Reliability</th>
<th>Error Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>EmptTrst-1</td>
<td>0.65</td>
<td>0.83</td>
<td>0.42</td>
</tr>
<tr>
<td>EmptTrst-3</td>
<td>0.67</td>
<td>0.84</td>
<td>0.45</td>
</tr>
<tr>
<td>EmptTrst-4</td>
<td>0.75</td>
<td>0.82</td>
<td>0.57</td>
</tr>
<tr>
<td>EmptTrst-5</td>
<td>0.79</td>
<td>0.82</td>
<td>0.62</td>
</tr>
</tbody>
</table>

**Fit Statistics**

Chi-square = 4.901 (df = 2, p = 0.086)

Standardized RMR = 0.017

RMSEA = 0.064

GFI = 0.993

CFI = 0.993

Note: *All t-value were significant at p < .05
CFA for Turnover Intention. Figure 18 presents the original measurement model for the turnover intentions construct. This model is a single factor model with three indicators. By analysis measurement estimation it has been found that this model did not fit well. Therefore, an additional constraint was applied on a second indicator. Table 30 provides the results of confirmatory factor analysis for Employee Turnover Intentions. The CFA for Employee Turnover Intentions has three indicators.

Figure 18 Measurement model for Turnover Intention
Table 30  
Confirmatory Factor Analysis for Employee Turnover Intentions

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Completely Standardized Loadings*</th>
<th>Indicator Reliability</th>
<th>Error Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>TrnInt-1</td>
<td>0.80</td>
<td>0.88</td>
<td>0.25</td>
</tr>
<tr>
<td>TrnInt-2</td>
<td>0.82</td>
<td>0.88</td>
<td>0.23</td>
</tr>
<tr>
<td>TrnInt-3</td>
<td>0.76</td>
<td>0.90</td>
<td>0.33</td>
</tr>
</tbody>
</table>

Fit Statistics

Chi-square = 0.373 (df = 1, p = 0.54)  
Standardized RMR = 0.015  
RMSEA = 000  
GFI = 0.999  
CFI = 1.000

Note: *All t-value were significant at p < .05

CFA for the Measurement Model, and Test of Reliability and Validity

In the preceding sections CFA was presented for each construct separately. There is a need to estimate the overall model fit. This has been done using maximum likelihood method. The goodness-of-fit indices indicated the acceptance of the overall measurement model (see Figure 19). The chi-square value of 498.604 with 215 degrees of freedom was statistically significant at p<0.000. The other fit statistics also supported the fitness of the model. The RMSEA was 0.063; the Standardized RMR was 0.050; the GFI was 0.884; and the CFI was 0.925.
Besides the examination of the loadings for separate indicator, reliability of a construct and variance extracted measures for each construct were also utilized to assess the measurement model. “Reliability is a measure of the internal consistency of the construct indicators, representing the degree to which they indicate the common latent (unobserved) construct” (2006). This provides more reliable measures and makes the researcher confident that there exists consistency in measurement of the individual indicators. Though there is no absolute value for acceptable reliability, a commonly acceptable threshold value is 0.70. Statisticians recommend another measure of testing the reliability and that is through variance extraction method. This method informs us about the common or shared value of variance among the indicators for a construct. Higher values of variance extracted represent greater degree of shared representation of the indicators with the respective construct. According to Hair, et al. (2006) this value should exceed the value of 0.50. Table 31 presents the completely standardized loadings, error variance, the construct reliability, indicator reliability, variance extracted and the fit statistics for the measurement model. All constructs exceed the recommended level of 0.50 for variance extracted and also exceeds the recommended level of 0.70 for construct reliability. These results provided evidence of reliability for constructs of the model in the confirmatory factor analysis.
Figure 19  CFA for overall measurement model (Amos)
### Table 31

**Fit Statistics and Measurement Scale Properties (N=329)**

<table>
<thead>
<tr>
<th>Constructs and Indicators</th>
<th>Completely Standardized Loadings* (t-values)</th>
<th>Indicator Reliability</th>
<th>Error Variance</th>
<th>Construct Reliability</th>
<th>Variance Extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performance Appraisal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structured intervention</td>
<td>0.755 (15.19)</td>
<td>0.779</td>
<td>0.57</td>
<td></td>
<td>0.825</td>
</tr>
<tr>
<td>Search for potential</td>
<td>0.857 (18.18)</td>
<td>0.739</td>
<td>0.74</td>
<td></td>
<td>0.767</td>
</tr>
<tr>
<td>Central of development</td>
<td>0.744 (14.90)</td>
<td>0.769</td>
<td>0.55</td>
<td></td>
<td>0.775</td>
</tr>
<tr>
<td>Central for career</td>
<td>0.597 (11.20)</td>
<td>0.825</td>
<td>0.36</td>
<td></td>
<td>0.775</td>
</tr>
<tr>
<td><strong>Employee Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved competencies</td>
<td>0.740 (14.27)</td>
<td>0.690</td>
<td>0.55</td>
<td></td>
<td>0.767</td>
</tr>
<tr>
<td>Adequate resources</td>
<td>0.625 (11.52)</td>
<td>0.723</td>
<td>0.39</td>
<td></td>
<td>0.767</td>
</tr>
<tr>
<td>Development perception</td>
<td>0.734 (14.13)</td>
<td>0.785</td>
<td>0.54</td>
<td></td>
<td>0.767</td>
</tr>
<tr>
<td>Decision making</td>
<td>0.595 (10.85)</td>
<td>0.746</td>
<td>0.35</td>
<td></td>
<td>0.767</td>
</tr>
<tr>
<td><strong>Job Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working environment</td>
<td>0.675 (12.98)</td>
<td>0.781</td>
<td>0.46</td>
<td></td>
<td>0.768</td>
</tr>
<tr>
<td>Management relationship</td>
<td>0.669 (12.84)</td>
<td>0.715</td>
<td>0.45</td>
<td></td>
<td>0.768</td>
</tr>
<tr>
<td>Progress</td>
<td>0.769 (15.45)</td>
<td>0.688</td>
<td>0.59</td>
<td></td>
<td>0.768</td>
</tr>
<tr>
<td>Overall satisfaction</td>
<td>0.592 (11.01)</td>
<td>0.765</td>
<td>0.35</td>
<td></td>
<td>0.768</td>
</tr>
<tr>
<td><strong>Organizational Commitment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stay option</td>
<td>0.794 (16.40)</td>
<td>0.752</td>
<td>0.63</td>
<td></td>
<td>0.820</td>
</tr>
<tr>
<td>Commitment</td>
<td>0.798 (16.49)</td>
<td>0.761</td>
<td>0.64</td>
<td></td>
<td>0.820</td>
</tr>
<tr>
<td>Maximum success</td>
<td>0.628 (11.96)</td>
<td>0.791</td>
<td>0.39</td>
<td></td>
<td>0.820</td>
</tr>
<tr>
<td>Recommendation</td>
<td>0.681 (13.28)</td>
<td>0.786</td>
<td>0.46</td>
<td></td>
<td>0.820</td>
</tr>
<tr>
<td><strong>Employee Trust</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management trust</td>
<td>0.707 (13.80)</td>
<td>0.781</td>
<td>0.50</td>
<td></td>
<td>0.807</td>
</tr>
<tr>
<td>Fair decision</td>
<td>0.700 (13.64)</td>
<td>0.770</td>
<td>0.49</td>
<td></td>
<td>0.807</td>
</tr>
<tr>
<td>Confidence</td>
<td>0.735 (14.54)</td>
<td>0.747</td>
<td>0.54</td>
<td></td>
<td>0.807</td>
</tr>
<tr>
<td>Undue advantage</td>
<td>0.724 (14.25)</td>
<td>0.733</td>
<td>0.52</td>
<td></td>
<td>0.807</td>
</tr>
<tr>
<td><strong>Turnover Intentions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intent to leave</td>
<td>0.890 (20.17)</td>
<td>0.883</td>
<td>0.79</td>
<td></td>
<td>0.921</td>
</tr>
<tr>
<td>Intent to search</td>
<td>0.904 (20.66)</td>
<td>0.877</td>
<td>0.82</td>
<td></td>
<td>0.921</td>
</tr>
<tr>
<td>Plan to quit</td>
<td>0.883 (19.90)</td>
<td>0.897</td>
<td>0.78</td>
<td></td>
<td>0.921</td>
</tr>
</tbody>
</table>
Fit Statistics

Chi-square = 498.604 ($df = 215$, $p < .000$)

RMSEA = .063

Standardized RMR = .050

GFI = .884

CFI = .925

ECVI = 2.797

ECVI for Saturated Model = 1.683

ECVI for Independence Model = 12.229

Note: * All $t$-values are significant at $p < .05$

Besides reliability, the model should also be valid, which is the extent to which the indicators accurately measure what they are supposed to measure (2006). It is also essential that the data should exhibit convergent validity and discriminant validity. The former tell us about the extent to which different measurement instruments concur in their measurement of the same construct. And according to Byrne (1998), these different instruments should have moderately high scores. This type of validity is assessed by reviewing the $t$-tests for the factor loadings. Table 32 presented factor loadings and $t$-values. These values indicated that all the $t$-values were significantly different from zero at $p < .05$. Therefore, these values are sufficient evidence of convergent validity for constructs in the confirmatory factor analysis.

Similarly, there is also a need that there be minimal correlations between measures of different constructs in the model under study. This is what discriminant validity tells us. It is the extent to which different instruments diverge in their different constructs. Discriminant validity of two constructs can be assessed by many ways. First, it was checked which constructs have strong correlations. Looking at Table 32, the correlation between Employee Development and Job Satisfaction (0.668) has been found comparatively strongly correlated. Therefore, they were put to test for discriminant validity.

According to Fornell & Larcker (1981) discriminant validity can be assessed by comparing the variance extracted estimates for the two constructs with the square of the
correlation between them and to see whether the former values are greater than the latter one. In this study, the correlation between Employee Development and Job Satisfaction was 0.668. The square of this correlation was 0.46. Variance extracted estimates values are given in Table 31. The average variance extracted for Employee Development and Job Satisfaction was 0.71 \([(0.699+0.722)/2\]. Since the average variance extracted for ED and JS was larger than the square of inter-factor correlation which supports the discriminant validity in the confirmatory factor analysis.

Table 32

*Means, Standard Deviation, and Correlations*(N=329)

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>S.D</th>
<th>X1</th>
<th>Y1</th>
<th>Y2</th>
<th>Y3</th>
<th>Y4</th>
<th>Y5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1. Performance Appraisal</td>
<td>3.657</td>
<td>.765</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y1. Employee Development</td>
<td>3.366</td>
<td>.741</td>
<td>.546</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y2. Job Satisfaction</td>
<td>3.577</td>
<td>.742</td>
<td>.514</td>
<td>.668</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y3. Organizational Commitment</td>
<td>4.011</td>
<td>.715</td>
<td>.474</td>
<td>.533</td>
<td>.567</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y4. Employee Trust</td>
<td>3.639</td>
<td>.768</td>
<td>.524</td>
<td>.550</td>
<td>.631</td>
<td>.506</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Y5. Turnover Intentions</td>
<td>2.021</td>
<td>1.072</td>
<td>-.311</td>
<td>-.354</td>
<td>-.397</td>
<td>-.494</td>
<td>-.370</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Note: * All Pearson correlation coefficients are significant at p<.01
The fit statistics also demonstrated values for Expected Cross-Validation Index (ECVI). This statistics is used to measure cross-validation of the study. This index is proposed to assess the cross-validation of the model. By definition it is “an approximation of the goodness-of-fit the estimated model would achieve in another sample of same size” (J. F. Hair, et al., 2006, p. 590). This index measures the discrepancy between the fitted covariance matrix in the sample under study, and the expected covariance matrix that would be obtained in another sample of the same size. According to Byrne (1998) the model having the smallest ECVI value exhibits the greatest potential for replication. The ECVI value of this study demonstrates small value, indicating the great potential for replication (Table 31). Given the lower ECVI value for the measurement model, compared with both the independence and saturated models (Table 31), the measurement model is well fitting and represents a reasonable approximation to the population (Byrne, 1998).

**Structural Model**

After analyzing the measurement model it is time to analyze the structural model. Structural Model is the regression part of the latent variables and depicts the links among the latent variables of the study. In simple words, it defines and demonstrates the relations among the unobserved latent variables. According to Byrne (1998) structural model specifies as to which latent variables directly or indirectly affect changes in the values of other latent variables in the model. Therefore, it depicts causal relationships among the latent variables. *Figure 20* presents the theoretical structural model along with measurement model.
Note: X1, X2, ………, Y19: observed variables or indicators

Figure 20 Theoretical Structural Model
Theoretical structural model. Figure 21 presents completely standardized path coefficients for the theoretical structural model. The $t$-values for all the eleven path coefficients proved to be statistically significant at $p<.001$. A non-significant difference between the measurement model and the theoretical model exists. This, according to Anderson & Gerbing (1988) show that the theoretical model is successful in accounting for the observed relationships among the latent variables. The chi-square value of the theoretical model was 506.565 with 219 $df$, and the chi-square value of the measurement model was 498.604 with 215 $df$ (Table 33). The chi-square difference between the two models was 7.961 with 4 $df$. The critical value with 4 $df$ is 9.488 at $p = .05$. Therefore, these results of the chi-square difference test indicated that the theoretical model achieved an acceptable fit to the data.
Figure 21   A Path Diagram for Theoretical Structural Model
Table 33

*Goodness-of-Fit for the Models*

<table>
<thead>
<tr>
<th>Model</th>
<th>Chi-square</th>
<th>Df</th>
<th>RMSEA</th>
<th>Standardized RMR</th>
<th>GFI</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Null Model</td>
<td>1236.710</td>
<td>230</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Measurement Model</td>
<td>498.604</td>
<td>215</td>
<td>0.063</td>
<td>0.050</td>
<td>0.884</td>
<td>0.925</td>
</tr>
<tr>
<td>Theoretical Model</td>
<td>506.565</td>
<td>219</td>
<td>0.065</td>
<td>0.059</td>
<td>0.875</td>
<td>0.918</td>
</tr>
</tbody>
</table>

**R² for the Endogenous Latent Variables**

<table>
<thead>
<tr>
<th>Variable</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Development</td>
<td>0.487</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.523</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.741</td>
</tr>
<tr>
<td>Employee Trust</td>
<td>0.516</td>
</tr>
<tr>
<td>Turnover Intentions</td>
<td>0.350</td>
</tr>
</tbody>
</table>

Note: * All chi-square tests were significant at p<.001

*Explanation:* The usual interpretation of R² is as the relative amount of variance of the dependent variable accounted for or explained by the independent variable in regression analysis. But this is not valid for relationships in non-recursive system. In SEM and confirmatory factor analysis a better definition of R² for non-recursive system can be obtained by using the reduced-form. Therefore, it can be interpreted as the relative variance of the dependent (endogenous) variables explained or accounted for all the independent (exogenous) variables jointly. Its value shrinks in interdependence technique compared to its value in regression analysis.
Overall model fit (evaluating goodness-of-fit indices). Figure 21 presents the completely standardized path coefficients for the theoretical structural. The t-values for all ten path coefficients proved to be statistically significant at $p<.001$. A non-significant difference between the measurement model and the theoretical model exists. This showed that the theoretical model is successful in accounting for the observed relationships among the latent variables. The chi-square value of the theoretical model was 506.565 with 219 df, and the chi-square value of the measurement model was 498.604 with 215 df (Table 33). The chi-square difference between the two models was 7.961 with 4 df. The critical value with 4 df is 9.488 at $p = .05$.

The application of goodness of fit indices determines whether the model being tested is accepted or otherwise. To test a model in structural equation modeling there are four types of goodness of fit indices. They are: a) Absolute Fit Measures, b) Incremental Fit Measures, c) Non-centrality-based Measures, and d) Parsimonious Fit Measures. It is not possible to report all of them. Reisinger, et al. (2006) are against reporting all of the indices. Similarly, Hair, et al. (2006) advise the researcher to evaluate the proposed model in a series of measures from each type only to achieve consensus on the acceptability of the model.

**Absolute fit measures.** The purpose of applying these measures, according to Reisinger, et al. (2006), is to determine the degree to which the overall model (structural and measurement models) provides an acceptable fit to the data. The two, widely applied, absolute fit measures are chi-square ($\chi^2$) and the Goodness of Fit Index (GFI). According to Hair, et al. (2006) chi-square ($\chi^2$) is the most fundamental measure of overall fit. They further argue that this is the only statistically based measure of goodness-of-fit available in SEM. The ($\chi^2$) (N= 329) = 506.565 (Table 34). However, researchers (Cheng, 2001; Reisinger, et al., 2006) share reservations about achieving a non-significant chi-square. Similarly, it is believed that chi-square tests the hypothesis, not the model fit.

Therefore, Reisinger, et al. (2006) advise the researcher to examine some other measures in order to achieve a better acceptability. GFI is another index within the absolute fit measures
that is a non-statistical measure (J. F. Hair, et al., 2006). The GFI value of 0.875 is not an absolute or best value, however, it is at the marginal acceptance level. These two absolute fit measures indicate that the model is marginally acceptable at best.

**Incremental fit measures.** Incremental fit measures is another class of fit measures. Here the proposed model is compared with some baseline model (also called null or independence model). Non-normed Fit Index (NNFI), also known Tucker-Lewis Index (TLI) is used to compare a proposed model’s fit with a nested baseline or null model. The other index in this class is Incremental Fit Index (IFI) which represents comparisons between the estimated model and a null model (J. F. Hair, et al., 2006). According to Hair, et al. (2006) the values for both these indices are \( \geq 0.90 \) while the calculated values for these indices are 0.905 and 0.918 respectively which are above the threshold values (Table 34). These incremental fit measures indicate that the model is acceptable.

**Non-centrality based fit measures.** This is the third class of model estimation fit measures. This class of fit measures tests the degree of rejection of an incorrect model. The two mostly used indices of this class are the Comparative Fit Index (CFI) and Root Mean Square Error of Approximation (RMSEA). The distinction of RMSEA is that it is not dependent on or affected by the sample size. It is the discrepancy (which is measured in terms of the population) per degree of freedom. According to Hoe (2008) it measures the discrepancy in terms of the population as a whole and not the sample size. Reisinger, et al. (2006) also support the use of RMSEA on the ground that this index yields appropriate conclusions about model quality and provides precise fit. Values below .05 indicate a good fit, while values up-to .08 represent a reasonable fit. However, Chen, et al. (2008) believe that there is little empirical support for the use of any universal cutoff values in case of RMSEA to determine adequate model fit. The choice of this cutoff values depends on other factors as model specifications, degrees of freedom, and sample size.
Here the RMSEA has a value of 0.065, which just falls within the acceptable range of 0.08 or less (J. F. Hair, et al., 2006; Reisinger, et al., 2006). The value of CFI is 0.918, which is greater than the minimum level of acceptable fit 0.90 (Table 34). These fit measures, again, indicate that the model is acceptable.

**Parsimonious fit measures.** Parsimonious fit measures is the fourth class of model estimation. According to Hair, et al. (2006) these measures relate the goodness-of-fit of the model to the number of estimated coefficients required to achieve this level of fit. The only measure applied here is the Normed chi-square. This value can be calculated by getting the ratio to the $df$ ($\text{Normed } \chi^2 = \chi^2/df$). The computed value here is 2.313 which falls within the threshold limits for this measure (Table 34).

Looking at all these goodness of fit indices, it can be concluded that there is a consistent pattern of good support for the overall model as proposed (Table 34).
Table 34

Comparison of goodness-of-fit measures for the structural model

<table>
<thead>
<tr>
<th>Goodness of Fit Measures</th>
<th>Level of acceptable Fit</th>
<th>Calculation of Measures</th>
<th>Acceptability*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a. Absolute Fit Measures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I Likelihood ratio chi-square statistics ($\chi^2$)</td>
<td>Statistical test of significance provided</td>
<td>($\chi^2$) = 506.565 Significance Level: 000</td>
<td></td>
</tr>
<tr>
<td>li Goodness of Fit Index (GFI)</td>
<td>Higher values indicate better fit, no established threshold values</td>
<td>GFI = 0.875</td>
<td>Marginal</td>
</tr>
</tbody>
</table>

| **b. Incremental Fit Measures** | | | |
| I Tucker-Lewis Index (TLI) or Non-Normed Fit Index (NNFI) | Recommended level: $\geq 0.90$ | TLI = 0.905 | Good |
| li Incremental Fit Index (IFI) | Recommended level: $\geq 0.90$ | IFI = 0.918 | Good |

| **c. Non-centrality Based Measures** | | | |
| I Root Mean Square Error of Approximation (RMSEA) | Value up-to 0.05 best fit. Acceptable up-to = 0.08 | RMSEA = 0.065 | Good |
| li Comparative Fit Index (CFI) | Recommended level: $\geq 0.90$ | CFI = 0.918 | Good |

| **d. Parsimonious Fit Measures** | | | |
| I Normed chi square Measures | Recommended level: Lower limit = 1.0 Upper limit = 3.0 to 5.0 | Normed $\chi^2 = \frac{\chi^2}{df}$ = 2.313 | Good |

Hypotheses testing. The hypotheses of the study were tested by using structural equation modeling (SEM). To specify the effects (direct and indirect) of the exogenous variable a path analysis was conducted. Performance appraisal is the exogenous variable; and employee development, organizational commitment, job satisfaction, employee trust, and turnover intention were the endogenous variables. Relationships among various variables were hypothesized. These hypothesized relationships were analyzed in two ways; a test of the overall path model and individual tests. Model estimation procedures for simultaneous equations were used to test the hypothesized model (Figure 23). The results of the hypotheses testing are presented in the table (see Table 36).

Hypothesis 1: The greater the element of employee development in the performance appraisal, the greater the level of perceived employee development.

Hypothesis 1 investigated the relationship between performance appraisal and the perceptions of employee development. Since the standardized path coefficient of 0.70 and the t-value of 9.34 were significant, the hypothesis was strongly supported by the data.

Hypothesis 2a: Employee development will be positively associated to his/her job satisfaction.

Hypothesis 2a investigated the relationship between the perceptions of employee development and job satisfaction. The standardized path coefficient of .43 and the t-value of 4.52 were significant, indicating that employee development perception is positively related to their job satisfaction. Hence the hypothesis is supported.
Hypothesis 2b: Employee development will be positively associated to his/her organizational commitment.

Hypothesis 2b investigated the relationship between the perceptions of employee development and organizational commitment. The standardized path coefficient of .16 and the \( t \)-value of 1.37 were significant, indicating that employee development perception is positively related to their organizational commitment. Hence the hypothesis is supported.

Hypothesis 2c: Employee development will be positively associated to his/her trust.

Hypothesis 2c investigated the relationship between the perceptions of employee development and employee trust. The standardized path coefficient of 0.72 and the \( t \)-value of 8.94 were significant, indicating that employee development perception is positively related to their organizational commitment. Hence the hypothesis is supported.

Hypothesis 2d: Employee development will be negatively associated to his/her intentions to quit.

Hypothesis 2d investigated the relationship between the perceptions of employee development and employee turnover intentions. The standardized path coefficient of 0.15 and the \( t \)-value of 1.243 were significant. Unexpectedly, however, the result revealed a positive relationship between perceptions of employee development and turnover intentions. Therefore, the results did not support the hypothesis.

Hypothesis 3: Organizational commitment will be negatively associated to his/her intentions to quit.

Hypothesis 3 investigated the relationship between the perceptions of organizational commitment and employee turnover intentions. The standardized path coefficient of -0.52 and
the $t$-value of -5.57 were significant, indicating that employees' perceptions of organizational commitment is negatively associated with their turnover intentions. The hypothesis was supported.

**Hypothesis 4a: Job satisfaction will be positively associated to his/her organizational commitment.**

Hypothesis 4a investigated the relationship between the perceptions of employees’ job satisfaction and organizational commitment. The standardized path coefficient of 0.50 and the $t$-value of 3.18 were significant, indicating that employees' perception of job satisfaction is positively related to their organizational commitment. Hence the hypothesis is supported.

**Hypothesis 4b: Job satisfaction will be negatively associated to his/her intentions to quit.**

Hypothesis 4b investigated the relationship between employees’ perceptions of job satisfaction and their turnover intentions. The standardized path coefficient of -0.08 and the $t$-value of -0.46 were significant, indicating that employees' perceptions of job satisfaction is negatively associated with their turnover intentions. The hypothesis was supported.

**Hypothesis 5a: Employee trust will be positively associated to his/her organizational commitment.**

Hypothesis 5a investigated the relationship between employees’ perceptions of trust and organizational commitment. The standardized path coefficient of 0.10 and the $t$-value of 0.81 were significant, indicating that employees’ perception of trust is positively related to their organizational commitment. Hence the hypothesis is supported.
Hypothesis 5b: Employee trust will be positively associated to his/her job satisfaction.

Hypothesis 5b was supposed to investigate the relationship between employees’ perceptions of trust and job satisfaction. The standardized path coefficient of 0.50 and the $t$-value of 5.05 were significant, indicating that employees’ perception of trust is positively related to their organizational commitment. Hence the hypothesis is supported.

Hypothesis 5c: Employee trust will be negatively associated to his/her intentions to quit.

Hypothesis 5c was developed to investigate the relationship between employees’ perceptions of trust and their turnover intentions. The standardized path coefficient of -0.15 and the $t$-value of -1.24 were significant, indicating that employees' perceptions of trust is negatively associated with their turnover intentions. The hypothesis was supported.

Hypothesis 6: Perceptions of employee development will mediate the associations among performance appraisal, job satisfaction, organizational commitment, trust, and intentions to quit.

Hypothesis 6 was put forward to test the mediating effect of employee development. This hypothesis was tested through a process of comparison between the models that had the mediating effect with the one that did not have. The two models (see Figure 22), one that has the mediating effect against the one that does not have) were compared through a chi-square difference test. The chi-square for the former model was 506.565 with 219 degrees of freedom (RMSEA= 0.065; Standardized RMR= 0.059; GFI= 0.875; CFI= 0.918), while the chi-square values for the latter model was 590.874 with 217 degrees of freedom (RMSEA= 0.072; Standardized RMR= 0.113; GFI= 0.869; CFI= 0.899). The difference in chi-square between the two models was 84.309 with 2 degree of freedom. This was a significant difference. This difference between the two models indicates that the model that includes the mediating effects of employee development is better than the model that does not include the mediating effects.
Therefore, performance appraisal affects employees’ organizational commitment, job satisfaction, employee trust, and turnover intentions through its effects on employee development. The hypothesis is supported.

Figure 22  Comparison of the two models of the Mediating Effects
Total and indirect effects of the exogenous variable on the endogenous variables. In a simple relationship the direct effect of X on Y is investigated. Here the direct effect is meant to quantify the influences of X on Y that is not mediated by other variables in the model. But in complex cases this quantity does not adequately represent the target of investigation. Instead, the indirect and total effects need to be addressed which according to Bollen (1989) can help to answer important questions that are not addressed by examining the direct effects. The indirect effects are those that are mediated by at least one other variable. While the total effects are the sum of the direct and indirect effects. Table 35 presents the indirect, direct, and total effects of each construct in the study.

Table 35
Total, Indirect, and Direct Effects among Latent Variables

<table>
<thead>
<tr>
<th>E. Development</th>
<th>Employee Trust</th>
<th>Job Satisfaction</th>
<th>O. Commitment</th>
<th>Turnover Intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DE</td>
<td>IE</td>
<td>TE</td>
<td>DE</td>
</tr>
<tr>
<td>PA</td>
<td>1.67</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ED</td>
<td></td>
<td></td>
<td>0.70</td>
<td></td>
</tr>
<tr>
<td>ET</td>
<td></td>
<td></td>
<td></td>
<td>0.43</td>
</tr>
<tr>
<td>JS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note:
PA = Performance Appraisal, ED = Employee Development
ET = Employee Trust, JS = Job satisfaction
OC = Organizational Commitment, DE = Direct Effect
IE = Indirect Effect, TE = Total Effect
Table 36

Summary of Hypotheses Testing

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1  The greater the element of employee development in the performance</td>
<td>Supported</td>
</tr>
<tr>
<td>appraisal, the greater the level of perceived employee development.</td>
<td></td>
</tr>
<tr>
<td>H2a Employee development is positively related to job satisfaction.</td>
<td>Supported</td>
</tr>
<tr>
<td>H2b Employee development is positively related to organizational</td>
<td>Supported</td>
</tr>
<tr>
<td>commitment.</td>
<td></td>
</tr>
<tr>
<td>H2c Employee development is positively related to employee trust.</td>
<td>Supported</td>
</tr>
<tr>
<td>H2d Employee development is negatively related to turnover intentions.</td>
<td>Not</td>
</tr>
<tr>
<td>H3  Organizational commitment is negatively related to turnover intention.</td>
<td>Supported</td>
</tr>
<tr>
<td>H4a Job satisfaction is positively related to organizational commitment.</td>
<td>Supported</td>
</tr>
<tr>
<td>H4b Job satisfaction is negatively related to turnover intentions.</td>
<td>Supported</td>
</tr>
<tr>
<td>H5a Employee trust is positively related to organizational commitment.</td>
<td>Supported</td>
</tr>
<tr>
<td>H5b Employee trust is positively related to job satisfaction.</td>
<td>Supported</td>
</tr>
<tr>
<td>H5c Employee trust is negatively related to turnover intentions.</td>
<td>Supported</td>
</tr>
<tr>
<td>H6  Perceptions of employee development mediate the relationships</td>
<td>Supported</td>
</tr>
<tr>
<td>among performance appraisal, and organizational commitment, job</td>
<td></td>
</tr>
<tr>
<td>satisfaction, employee trust, job performance and turnover intentions.</td>
<td></td>
</tr>
</tbody>
</table>
Summary

This chapter presented a detailed discussion on the analysis of the data first through descriptive statistics and then through inferential statistics. Confirmatory factor analysis statistical technique was used to test the fit of the measurement model both for individual constructs and the model as a whole. Construct reliability and validity were examined. Step by step the structural model was explained. At the end, the 12 hypotheses of the study were tested through Structural Equation Modeling (SEM). An analysis of the indirect and total effects of the final model was presented. The statistical analysis supported eleven hypotheses while the empirical data did not supported one hypothesis.
CHAPTER 6

DISCUSSION AND RECOMMENDATIONS

Overview

This chapter presents discussion on the results derived from the analysis of the data in the preceding chapter. Key components of this chapter include: introduction, research findings and discussion, implications of the research, recommendations for future research, and conclusion.

Introduction

As has been said in the first chapter this study was supposed to investigate the impact of performance appraisal on employees’ development perceptions and the effects of those perceptions on employees' work-related attitudes and behavior. This study was set to investigate the following questions: 1) How does the quality of performance appraisal influence employees’ perceptions of development?; 2) How do employee development perceptions relate to the job satisfaction?; 3) How do employee development perceptions relate to the organizational commitment of employees?; 4) How do employee development perceptions relate to the employees’ trust?; 5) How do employee development perceptions relate to the turnover intentions of employees?; and 6) Do development perceptions mediate the relationships among performance appraisal and organizational commitment, job satisfaction, employees trust, and employees’ turnover intentions?
Discussions of the Research Findings

The proposed model is presented in the figure (see Figure 23). This model illustrates the key findings of the study with respect to understanding the antecedent and consequences of employee development.

*The sign of this path was not as hypothesized

Figure 23  The proposed Theoretical Model
The impact of performance appraisal on employee development. In this study it was hypothesized that performance appraisal is a positive predictor of employee development. The analysis of the data supported this prediction. Besides, an overwhelming majority (91%) of the respondents (descriptive statistics of the summary question) expressed their belief that performance appraisal is an essential activity for employee development. If paraphrased in simple words this would mean if an employee perceives a higher level of quality in performance appraisal activity, the employee also perceives a higher level of perceived development. These results support previous researches on the impact of the quality of the performance appraisal on employee development (Mills & Hyle, 1999).

But before jumping into any conclusion about the centrality of this HR activity in case of the universities of Khyber Pakhtunkhwa, there had been found a serious caution in the comments of many respondents (some of them have been reproduced in the Appendix B) in the survey. These respondents explicitly referred to the issue of ethics or politics in performance appraisal (J. Prince, et al., 1991; J. B. Prince & Lawler, 1986; Tziner, et al., 1996; Wexley & Klimoski, 1984). For them the system is wrought more with contaminations and deficiencies (Noe, et al., 2006) and has almost no validity. Though these are extreme views, they are very important and need serious and candid attention. This note of attention is very evident from the summary question # 6 in the survey wherein 95% of the respondents expressed their views for bringing improvement in the system of performance appraisal. Only 5 % of the respondents believed that this HR activity be done away with. However, it is not clear whether this ratio indicated desperation with the system in vogue or the absolute nature of the activity.

Another note of caution is the organizational culture and the system support. The researcher means the role of organizational configurations in performance appraisal (Ketchen, et al., 1997). Organizational configurations refer to the groups of organizations that are sharing a common profile of organizational characteristics (Miller, et al., 1984). All the public universities of the Khyber Pakhtunkhwa share a common profile. They are complex organizations. And in the terminology of Cleveland, et al. (1989) complex organizations use performance appraisal for making decisions between the persons—salary or administrative decisions while less complex organizations use performance appraisal for system maintenance and within individuals
comparisons decisions and give preference to the developmental uses of performance appraisal. This is a note of concern for those who wish development and career advancements.

Anyway, an encouraging majority of the faculty members believed that performance appraisal activity has a central importance in their development. This was the central idea of the research and which has been approved by the empirical data.

The impact of employee development on organizational commitment, job satisfaction, employee trust, and turnover intentions. Empirical evidence supported the hypothesized relationships in terms of employee development vis-a-vis organizational commitment, job satisfaction and employees’ trust. Employee development has a direct positive influence on organizational commitment. It is a psychological state that affects an employee’s relationship with the organization, and accounts for his/her decision to continue or discontinue membership in the organization. Empirical evidence supported the previous researches (J. P. Meyer & Herscovitch, 2001). An employee has diverse desires in employment perspectives. And it is simply not possible to address them all; nonetheless, organization’s seriousness in employee’s interests is always reciprocated. When management expresses its commitment to the training and development—an employee’s career need—of its employees, it is a way to make the employees feel valued and as part of the organization. This helps the employees in raising their morale and engenders their commitment to the organization. Therefore, realizing an employee’s development needs is an attempt to affect his/her organizational commitment.

Similarly, empirical data supported the hypothesis of relationship between employee development and job satisfaction. Thereby it lent support to many studies (Guest, 2001; Taylor, et al., 1995; Vigoda, 2000). For example when employees feel unfairly treated, they are likely to react by changing their job attitudes (Vigoda, 2000), especially with respect to employee satisfaction (Taylor, et al., 1995). It is a common sense experience that people tend to be more satisfied with outcomes they expect. Employees may compare the adequacy of the rewards they
receive to their expectations. Thus, if employees feel discontent, it would affect their behaviour. Service in education organization is commonly presumed to be more development oriented as compared to service in non-education organizations. Therefore, if employees are provided with more chances for development as rewards they would behave positively. Resultantly, this would further strengthen their trust on the management and would become more committed towards their work.

It was also hypothesized that employee development has a positive influence on employee trust. The empirical data has supported this hypothesis. The results support the studies by Brockner, et al. (1997); Chughtai and Zafar (2006); and Wong, et al. (2006). Employees with high level of trust feel that management has their best interests as employees have at their heart and are comfortable allowing management to make decisions that impact employees. It has many determinants (Carnevale & Wechsler, 1992; Mayer, et al., 1995; Nyhan, 2000). Employee development is one among them. It is the very level of trust that can influence the successful implementation of human resource management practices (Whitener, 1997). The two parts of trust—trusting other people and their trusting you—have vital importance (Yilmaz, 2008). When it is said that there exists employee trust it means an employee is confident about any applications and policies that will affect the university and having positive expectation about them. This means the empirical data did not support, in totality, the work of Tzafrir (2004), and March (1958). For some researchers (Buckingham, et al., 1999) employees should be kept engaged. This will attract and retain the most productive employees. Disengaged tend to perform poorly, are always in search of alternatives, and not satisfied with the management. They tend to have negative sentiments about the management and the organization (Gubman, 2004).

However, contrary to hypothesis 2d in this study, employee development is positively associated with turnover intentions. In other words, even if employees do not perceive any development efforts on the part of the management, they are less likely to leave their respective universities, and satisfied with his or her work. It is not very clear as to what could be the best possible explanation for turnover behaviour. Huselid (1995) in his comprehensive empirical study of 1000 organizations found considerable support for the hypothesis that investment in high performance work practices are associated with lower labour turnover. However, it is clear
that the decision whether to remain in or quit a certain organization is neither idiosyncratic nor it occurs in vacuum. It is a rational decision on the part of an employee and is a behavioural outcome which matures over a period of time. According to Mobley (1977) it occurs after a decision process (*Figure 7*).

Here, in the present study, it could be said that there are some factors which affect this decision on the part of the faculty members. First, university job is a very coveted job and majority of the members once join it, are less likely to quit even if some expectations are not fulfilled as desired. Second, the prospects outside the public sector domain are not attractive which could compel them to bet. Third, the development perspective has not got that much importance as observed in the advanced countries. Therefore, making it as a launching pad for such vital decision would require a maturation period. Fourth, there are possibilities of some deficiencies in the sample-specific attributes and relationships. Combining all these reasons the development perceptions negative relation with decision to quit seem valid and rational.

**The mediating effect of employee development.** The basic purpose of understanding performance assessment (here the exogenous variable in the study) is the prediction of certain outcomes. As has been noted earlier, employees’ development (the endogenous variable) perceptions directly or indirectly affect their attitudes and behaviour. The exogenous variable had a positive indirect effect on organizational commitment, job satisfaction, employees’ trust and turnover intentions. From this it can be concluded that faculty members perceive quality of this human resource intervention as more positive with the exception of its contrary effects on turnover intentions which should have been negative. These relationships underscore the importance of the employee development and the notion of reciprocity. Employees who believe that dedicated organizations provide development opportunities for the benefit of the employees, are expected to behave reciprocally (Eisenberger, et al., 2001; Georgellis & Lange, 2007; C. H. Lee & Bruvold, 2003).

The sense of reciprocity is an innate human quality. Organizational citizenship behaviour revolves around this aspect. When members of an organization feel that they are treated as
assets, they reciprocate. And organizations become more effective if its members are satisfied (Ostroff, 1992). Similarly, Prowse and Prowse (2009) contend that if organizations are serious in job improvement, they are required to motivate, develop and enhance employee’s job satisfaction. These are all, one way or the other, the expression of social exchange theory—I will help that person who helps me. Of course, the norm of reciprocity might take the negative form as well, which includes the expectations that hostilities, fear, insincerity, and other distrusting acts will be dealt with in kind (Tzafrir, 2004), if people make unfair judgments in social exchanges. Thus, social exchange theory emphasizes the development of relations over time and indicates that a successful social exchange circle involves both trust and uncertainty. People who accept organizational decisions are likely to cooperate with the organizations and vice versa. Thus, performance appraisal affects employees’ perceptions of development, and this perception prompts employees to reciprocate with their work-related outcomes.

The relationships among job satisfaction, organizational commitment, and turnover intentions. Organizational commitment and job satisfaction has been found associative as hypothesized. Job satisfaction has a positive direct influence on organizational commitment. The results of the current study supported previous research on the impact of job satisfaction on organizational commitment (Catano, et al., 2007; Porter & Steers, 1973; Price, 1977; Rose, 1992). Similarly, it was hypothesized that job satisfaction has a negative effect on turnover intentions. The results, again, supported the previous studies (Ahmad, et al., 2010; Dormann & Zapf, 2001; Karsh, et al., 2005; Lambert, Lynne Hogan, & Barton, 2001; Porter & Steers, 1973; Robbins, 2002; Tett & Meyer, 1993).
The relationships among organizational commitment, and turnover intentions. Organizational commitment has also a positive direct influence on employees’ turnover intentions as was hypothesized. Again this lent support to the studies by Angle and Perry (1981); Chughtai and Zafar (2006) Meyer and Allen (1997).

The relationships among employee trust, organizational commitment, job satisfaction and turnover intentions. Employee trust has a positive direct effect on organizational commitment as was hypothesized. The empirical data supported the hypothesized claim thereby lending support to the previous studies (Chughtai & Zafar, 2006).

It was also hypothesized that trust has a positive effect on job satisfaction. This was also supported by the empirical data and lent support to the previous work (Poon, 2004). Similarly, trust has a negative effect on turnover intentions as was hypothesized. Again the empirical data supported the claim lending support to the previous studies (Yousaf, 2008).

Change and resistance to change. There is an inherent paradox in the change—the desire for change and the resistance to it. Side by side it is very essential for survival in the global world. However, when the proposed change coincides with the desire to change, the resistance seemed to be less intensive. This means employees actively participate in organizational change. This is what Matheny (1988) hypothesized that planned organizational change involves planned personal change at an individual level. From the empirical evidence it is clear that 95 percent of the employees are in favour of change in the appraisal system. And when employees are willing and decided to change, organizational change is most likely to happen (Ijaz & Vitalis, 2011).
Implications of the Research

The present study examined employee development as a mediator in the relationships between performance appraisal and employees' work-related outcomes. The results of this study, that have been presented in the preceding chapter, provide both theoretical and practical implications. First, the study at hand represents the theoretical or empirical research regarding the antecedents and consequences of employee development in the public universities of Khyber Pakhtunkhwa. Though employee development is a much studied phenomenon, the focus of these studies have been towards developed countries on the one hand and has been done by industrial organizational and occupational psychologists (Mueller, et al., 1992) on the other hand. Aycan, et al. (2000) termed Pakistan as ‘under-researched’ country in the field of human resource management practices. Therefore, it can be fairly said that there has been a dearth of any empirical research in the educational institutions of Khyber Pakhtunkhwa. This study revealed the importance and impact of performance appraisal in understanding employees' perceptions of development, and enhanced our understanding of the development factors fundamental to work-related outcomes of the faculty members of the public universities in Khyber Pakhtunkhwa. Consequently, this study provides a basis for the education sector researchers to further test the relationships among these constructs and to replicate.

Second, the present study has been conducted within the context of the organization. This contextual work setting has provided validity of the results of the study. Third, the selection of faculty members of the universities in Khyber Pakhtunkhwa is significant. Employees in universities are significant because their attitudes and behaviors are essential to the quality of education and the success of these universities. They are the major sanctuaries of education in the province because private sector in higher education is in its primary stages. Thus, studying the relationships between employee development and organizational commitment, job satisfaction, employee trust, and turnover intentions may need further investigation.

Fourth, the findings of this study provide stakeholders in the education sector with insights into the formations of employees' development perceptions, and with some guidelines for managing employees by documenting employee development to draw positive attitudinal and
behavioral responses from employees. The results of this study reveal that employee development has a strong influence on employees' commitment, satisfaction and trust. Similarly other attitudinal and behavioural outcomes have interdependence. As universities in the province are entrusted with the onus of providing higher education, taking care of faculty members in terms of development should have central importance in the policies formulation circles. No doubt pay and allowances with other tangible perks and privileges may be derivative factors in the current financial constraints, employee development should not be winked at. In simple words, the management and the employees should understand the importance of employee development for both the employee and for the organization. In addition, performance appraisal had a strong direct effect on employees' perception of development. Therefore, recognizing employees' potential through the quality of this HR intervention might be effective in creating their perceptions of development in outcomes and in the decision-making process.

Similarly, if the university management wants faculty members to be more productive, they are supposed to be encouraged in learning new skills and motivate them to take more responsibility. Training programs are required to be more purpose oriented and unbiased. This could improve employee morale and job satisfaction. Training programs can reveal employees' capabilities and open doors to career development for promotion and better pay.

**Recommendations for Future Research**

It is believed that this study provides a conceptual foundation for employee development. An enhanced understanding of the antecedent of employee development resulted in increased understanding of the employee development factors fundamental to employees' work-related attitudes and behaviors. Future research should examine its impact on employee’s job performance for which theoretical base is also available. The current study is purely quantitative. Therefore there is a need of carrying out a qualitative study with the same variables to get more subtle findings. Besides, research is also needed to examine other antecedents and consequences found to have theoretical base in previous organizational behavior research with the aim to look at a broader organizational environment. This should include employees' perceptions of fairness,
organizational citizenship behavior, and perceived organizational support. One aspect of this study also suggests the need for replication in other settings. As universities are supposed to be development oriented and faculty members are considered more qualified and pro-career oriented, the relative weights of employee development could differ as a function of the type of organization. Therefore, future research conducted in other settings could further improve and enhance the generalisability of the results. It is also recommended that a longitudinal study would be more contributive as it would examine the continuity of the responses and would record the changes that could occur over time. Employees' perceptions of development may be variable in terms of their relationships to other organizational behaviors. Lastly, administrative staff plays a vital role in university management. Their development is as important as is the faculty members’. Therefore, future research should examine their perceptions and work related attitude and behaviours.

**Research Conclusions**

The basic purpose of the current study was to develop a model from the available theoretical base and to test that model that examines the mediating role of employee development that link performance appraisal and employees' work-related attitudes and behaviors. The results of the study provide sufficient insight into the employees' perceptions of development that appear to promote employees' affective responses. The result of the model test indicates that though development perceptions make no direct contribution to turnover intentions, its indirect contributions through employee commitment, trust, and satisfaction are considerable. Similarly, the results also support the interdependence of constructs of the study.

This study, through empirical evidence, indicates that performance appraisal has impact on employees' development perceptions. In other words, the quality of performance appraisal promotes their perceptions of development. Therefore, it is presumed that this study would provide guidelines to help policy makers better understand to look into the development of these perceptions, increase organizational commitment, trust, job satisfaction, and to reduce turnover.
intentions. It is also presumed that this study would be helpful for those at the helm of affairs in making better decisions about faculty members.

Summary

This chapter presented the research findings in a stepwise manner. Impact of various constructs on one another was discussed and support from the existing theory was presented. Research implications were also presented. The chapter also referred to the future research recommendations and then finally conclusion of the research was presented.
Appendix A

QUESTIONNAIRE

Dear Madam/Sir,

I would like to invite you to join me in a research that is about Performance Appraisal (Annual Confidential Report known as Performance Evaluation Report). Professor Dr. Bahadar Shah, Hazara University is supervising this research. The purpose of this research endeavour is to study the interplay of Performance Appraisal, Employee Development and other behavioural outcomes in Public Universities of Khyber Pakhtunkhwa. Your cooperation and participation will be of tremendous help to this research.

There is no right or wrong answers in this survey. I want to know your personal opinion. Let me assure you that this is a purely academic pursuit and is research oriented. Your responses in this questionnaire will be held in the strictest confidence. All data collected from this questionnaire will be analyzed and reported as group data and will only be accessed by the researcher.

Please read carefully the directions at the beginning of each section. Answer all the questions, put it in the enclosed envelope, and return it to the researcher on the address given below. If you have any concern or question(s), please feel free in your expression.

Your time sparing and cooperation is, once again, whole heartedly appreciated!

Yours sincerely,

Wali Rahman,

Ph.D. Scholar,

Address:
A-45, Civil Quarters, Kohat Road,
Peshawar.
Email: mayarwali@gmail.com
Cell No. 0346-5317465
RESPONDENT INFORMATION

Part—I
University’s name: _____________________________________
Designation/Job title__________________________

You have been working in the University for the last…..years. The following statements relate to your attitudes and behaviour about this university. Please read each statement carefully, though some of them may appear similar, and indicate the degree of your disagreement or agreement by ticking the relevant column using the following directions:

<table>
<thead>
<tr>
<th>Strongly Disagree = 1</th>
<th>Neutral = 3</th>
<th>Agree = 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree = 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree = 5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Part—II

Directions: The following set of statements describes your general feelings about Performance Appraisal—periodic evaluation of an employee’s performance measured against the job’s stated or presumed requirements (Performance Evaluation Report—PER)—in your respective university. For each statement, please indicate to which extent you feel it is disagreeable or agreeable. Please tick the relevant column.

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I believe performance appraisal is perceived as a structured, formal and highly valued HR intervention between me and the management.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>It is perceived as a systematic search of employee’s potentials for development.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>This process is perceived essential for employee’s growth and development.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>I believe it has a central and critical importance in my career.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>I believe the process tracks my performance during my service here.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Part—III

*Directions:* The following set of statements describes your general feelings about *Employee Development*—improves employees' self-awareness, competencies, enabling them to improve their employability—in your respective university. For each statement, please indicate to which extent you feel it is disagreeable or agreeable. Please tick the relevant column.

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I believe developmental efforts of the university have improved my self-awareness, competencies, and employability.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>I believe I have made sufficient progress to achieve my career goals.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>I believe university management has provided me with adequate resources needed for my development.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Employee development is perceived in a positive way.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Employee development decisions are made in an unbiased manner.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Part—IV

*Directions:* The following set of statements describes your general feelings about *Job Satisfaction*—a pleasurable emotional state resulting from the appraisal of one's job or an effective reaction or attitude to one's job—in your respective university. For each statement, please indicate to which extent you feel it is disagreeable or agreeable. Please tick the relevant column.

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I am satisfied with the job security and working environment.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>I am satisfied with my working relationship with the management.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>My university takes me as an asset and I am satisfied with the progress I have made.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Performance appraisal is valuable to me as well as to my university.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>My present job provides me overall satisfaction keeping in view all the present and potential benefits that the university offers.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Part—V

**Directions:** The following set of statements describes your general feelings about **Organizational Commitment**—a psychological state that binds an individual to the organization (i.e., makes turnover less likely)—in your respective university. For each statement, please indicate to which extent you feel it is disagreeable or agreeable. Please tick the relevant column.

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I think that my present university is a better option for me to stay and work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>I consider this university’s problems as my own problems.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>I am committed to my university as it takes care of my development.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>I am willing to put in maximum efforts for the success of this university.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>I would recommend this university to any professional.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Part—VI

**Directions:** The following set of statements describes your general feelings about **employee trust**—an organizational way of controlling employee’s work behaviour and employee’s positive psychological reaction to the controlling system which ensures and sustains manageable relations and keep employees happy—in your respective university. For each statement, please indicate to which extent you feel it is disagreeable or agreeable. Please tick the relevant column.

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I trust my colleagues and senior management.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>I believe that university’s development initiatives are beneficial to me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>I trust that training and development decisions are made fairly.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>With confidence I share my work related problems with management.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>Management has not taken undue advantage of me, given our relationship.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>My trust on management positively affects my working behaviour.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Part—VII

Directions: The following set of statements describes your general feelings about Turnover Intention—the relative strength of an individual’s intent toward voluntary withdrawal from an organization—in your respective university. For each statement, please indicate to which extent you feel it is disagreeable or agreeable. Please tick the relevant column.

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I would like to leave my present university.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>I am looking for a new job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>I plan to leave my present university as soon as possible.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Part—VIII

Summary Questions:

1. Do you think Performance Appraisal is an essential Human Resource activity for the development of employees?  
   [ ] Yes  [ ] No

2. Do you think Performance Appraisal and employee development are linked?  
   [ ] Yes  [ ] No

3. In our Public Sector Service, most supervisors (senior officers) prefer to have a harmonious relationship with their subordinates. In Performance Appraisal a supervisor (senior officer) may have to give negative comments towards the subordinate. Therefore, do you think, in a culture that is arguably based on such conflict avoidance aspects, a reform such as appraisal can perform effectively?  
   [ ] Yes  [ ] No

4. Performance Appraisal also requires continuous communication and dialogue between the superior and the subordinate. Do you think the university administrative culture is compatible to such a two-way communication mode of work?  
   [ ] Yes  [ ] No

5. Do you think the present system of performance appraisal serve the purpose of employee development?  
   [ ] Yes  [ ] No
6. If “No”, then do you think the system be discontinued or needs improvement?

| Discontinued | Needs Improvement |

Comments: If you want to add something, the same will be highly appreciated, please.

.................................................................................................................................
.................................................................................................................................
.................................................................................................................................

THANK YOU VERY MUCH!

I really appreciate your time and effort in filling out this questionnaire. It, surely, will be of great help to me. Once again thanks for your patience.

Wish you the very best in your future!
Appendix B: Comments by the Respondents

1. The university management never used this intervention for employee benefit.

2. The evaluation in university has never been given any attention.

3. Though it is a very powerful tool, but has always been used for personal interests.

4. University management creates problems everywhere.

5. Two-way communication between employee and the management is must otherwise no development is possible.

6. Check and balance for assessment of universities be reviewed and political interruption be minimized.

7. I strongly recommend the relationship between employee and management, but unfortunately something happens opposite and worst. Decrease the power of the management and then see the difference.

8. This is a paper work, nothing changes!

9. Before the establishment of quality enhancement cell, there was no established system of performance appraisal, Although it is working well, it needs improvements.

10. There is a serious lack of professionalism in this regard.
11. The management is biased, lazy, dull, and incompetent.

12. The coordination between employee and management should improve and the evaluation process needs to be absolutely fair.

13. Lack of communication, biased judgment, and partiality in any university affect the performance of the employees and the purpose of education is not achieved.

14. The students should also be streamlined in the process.

15. I hope your research in this field will prove productive and would bring positive change in the existing appraisal system.

16. Employees give more preferences to personal interests and political issues than improving academics.

17. Performance appraisal is very important for employee development and it creates healthy environment, so it should be maintained carefully.

18. Nothing has been done. And I am dead sure that this process will continue in future!

19. No weightage is given to performance appraisal report. There is no communication between employees and the management. Both need to be improved.

20. Honesty and merit is important for performance evaluation.

21. Regular monitoring and feedback on performance is essential. Reward on efficient performance be incorporated. Check on illegal/biased use of authority is needed.
22. Universities are going to be converted into private schools, dominated by personal prejudices and monopoly.

23. There needs to be a separate department in any university which evaluates the performance of employee, simply conduct the performance appraisal.

24. Performance appraisal is an essential HR activity. However, its implementation and procedural application need more ethical and sound moral values.

25. Performance appraisal is very essential for the development of an employee. Without it one cannot judge the competencies of an employee.

26. Performance appraisal improves the performance of an employee.

27. No one is ready to listen to, so how the performance appraisal, etc can be improved.

28. Performance appraisal should be open so that everyone can see his/her progress.

29. My commitment for the university is very high but I am not treated on the same ground.

30. In bureaucratic management structures performance appraisal has zero impact. In developing countries, corruption, bad management practices, political appointments, nepotism, etc. destroy all management practices including performance appraisal. It is one tool of management. If other tools do not exist, it alone cannot save the sinking ship! Harvard University recent research suggests: “It is not the right person for the right job makes organizations successful. But the honest person for right job makes organizations successful.
31. The ACR should not be used as Annual Crime Report or Annual Confidential Revenge. The management must understand the usefulness of this scientific tool in total. I consider it very crucial for employee development as well as for organizational development.

32. Performance feedback must be provided on time for corrective action within the possible time.

33. True professional attitude should be inculcated. Open and fair communication channels should be established and honest people should be there to conduct it.

34. Performance standard must be made clear and the employees be encouraged to achieve. Similarly, appraisal feedback is very important coupled with proper reward system.

35. This activity is a mere formality. This system needs greater improvement. Capacity building trainings are required. It seems very difficult for the senior to be unbiased in their appraisals.

36. The results of this research should be articulated to the concerned quarters in due course.

37. Evaluation should be objective not based on sympathy bases.

38. Could have been better. It should be followed by a feedback wherein areas of improvement be highlighted and be connected with career goals.
### Annexure C: List of Universities with Faculty Members

<table>
<thead>
<tr>
<th>#</th>
<th>University Name</th>
<th>Campus</th>
<th>Faculty</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Abdul Wali Khan University, Mardan</td>
<td>Mardan</td>
<td>80</td>
</tr>
<tr>
<td>2.</td>
<td>Frontier Women University, Peshawar</td>
<td>Peshawar</td>
<td>94</td>
</tr>
<tr>
<td>3.</td>
<td>Gomal University, D.I. Khan</td>
<td>D.I. Khan</td>
<td>360</td>
</tr>
<tr>
<td>4.</td>
<td>Hazara University, Dodhial, Mansehra</td>
<td>Mansehra</td>
<td>350</td>
</tr>
<tr>
<td>5.</td>
<td>Islamia College University, Peshawar</td>
<td>Peshawar</td>
<td>430</td>
</tr>
<tr>
<td>6.</td>
<td>Khyber Medical University, Peshawar</td>
<td>Peshawar</td>
<td>100</td>
</tr>
<tr>
<td>7.</td>
<td>Kohat University of Science and Technology, Kohat</td>
<td>Kohat</td>
<td>250</td>
</tr>
<tr>
<td>8.</td>
<td>NWFP University of Agriculture, Peshawar</td>
<td>Peshawar</td>
<td>480</td>
</tr>
<tr>
<td>9.</td>
<td>NWFP University of Engineering. &amp; Technology, Peshawar</td>
<td>Peshawar</td>
<td>215</td>
</tr>
<tr>
<td>10.</td>
<td>Shaheed Benazir Bhutto University, Dir</td>
<td>Dir (Upper)</td>
<td>46</td>
</tr>
<tr>
<td>11.</td>
<td>University of Malakand, Chakdara, Dir</td>
<td>Dir (Lower)</td>
<td>173</td>
</tr>
<tr>
<td>12.</td>
<td>University of Peshawar, Peshawar</td>
<td>Peshawar</td>
<td>599</td>
</tr>
<tr>
<td>13.</td>
<td>University of Science &amp; Technology, Bannu</td>
<td>Bannu</td>
<td>65</td>
</tr>
<tr>
<td>14.</td>
<td>University of Swat, Swat</td>
<td>Swat</td>
<td>Nil</td>
</tr>
</tbody>
</table>

### Degree Awarding Institutes Name

<table>
<thead>
<tr>
<th>#</th>
<th>Degree Awarding Institutes Name</th>
<th>Campus</th>
<th>Faculty</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ghulam Ishaq Khan Institute of Science and Technology, Swabi</td>
<td>Topi</td>
<td>95</td>
</tr>
<tr>
<td>2.</td>
<td>Institute of Management Science, Peshawar (IMS)</td>
<td>Peshawar</td>
<td>63</td>
</tr>
</tbody>
</table>
References


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