

JOB BEHAVIORS AND THEIR IMPACT ON PERFORMANCE APPRAISAL EFFECTIVENESS: CONCEPTUAL PROPOSITIONS

Wali Rahman, Associate Professor, Sarhad University of Science & IT, Peshawar. Email: wali.ba@suit.edu.pk; mayarwali@gmail.com

Haji Rahman, Assistant Professor, Preston University, Islamabad. Email: haji616@yahoo.com

Jawad Hussain, Assistant Professor, University of Malakand. Email: jawadhussain79@gmail.com

Fayaz Ali Shah, Assistant Professor, Islamia College Peshawar. Email: akhoon47@yahoo.com

***Abstract.** The current study is a propositional study which looks employee behaviours and their impact on human resource intervention effectiveness. It is a literature based study. Extant literature has been explored and relationships have been presented in a new way. The study is the first one in conceptually presenting new insights. The study is believed to open a fresh research discussion. It has theoretical implications. The study recommends empirical testing of the proposition presented in this study. The study has all the limitations of a social science research.*

Key words: Performance appraisal, commitment, trust, and job satisfaction

Introduction

To stay alive and maintain a competitive edge in the current business environment, efficiency and effectiveness have remained the only options with organizations. And both of these options are characterized by the quality of employees. Notwithstanding, the only formal way for measuring this quality is performance appraisal. Boswell and Boudreau (2002) consider performance appraisal as one of the most important human resource practices. A plethora of studies (Lee, 2000), Lee and Bruvold (2003), Jawahar (2005), Harter, Schmidt, and Hayes (2002) is available that has looked into a number of factors that affect the level of satisfaction over the effectiveness of performance appraisal system in vogue. It has also been vastly studied that fair performance appraisals have positive effects on the job attitudes and behaviors. And that is why sufficient attention has been given to this human resource activity (Fletcher, 2002). It can be fairly said that 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 (Rahman, 2012).

“Employee’s attitude and behaviour in the workplace is of prime importance in the success of any organization” (Rahman, 2012, p. 1). And this have widely been acknowledged in the extant literature (Harley, 2002; Tessema & Soeters, 2006; Wright, Gardner, & Moynihan, 2003). Understanding the nature of performance appraisal and its role in organizational setup is of prime importance thereof. 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, 2005). In simple words, performance management is a very critical but a troublesome task. 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 decisions afterwards” (Ikramullah, Shah, Hassan, Zaman, & Shah, 2011, p. 37).

Research has generally concentrated by studying the impact of HR interventions on employees’ behaviour. There is a need of looking at human behaviour and its impact of HR interventions in organizations.

Justification and Significance

A large number of researchers Edgar and Geare (2005), Georgellis and Lange (2007), and Meyer and Herscovitch (2001) have referred to the relationship between performance appraisal and employee’s job behaviour. That is why it is highly critical for the success of any organization as it 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 *Organizational level* (like employee’ development, attaining key objectives, and the possible utilization of human resources). However, 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.

History of Performance Appraisal

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. 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. Khan (2007) contends that the history of performance appraisal starts with the dawn of human civilization and to evolution of human history itself. In a nutshell, "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).

Performance Appraisal and Employee Dissatisfaction

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.

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.

It will 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.

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, Ledvinka, & Bergmann, 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. There are a number of issues like consensus or uniformity in pen pointing the exact problem area, absence of openness, transparency, mutual influence and objective standards which contribute to skepticism of performance appraisal and resistance to its implementation (Benson, Debroux, Yuasa, & Zhu, 2000), managers' manipulation, measurement that is based on personal attributes and not on work behaviors or outcomes (Campbell, 1990), the issue of ethics or politics in performance (Tziner, Latham, Price, & Haccoun, 1996), and issue of deliberate and conscious dishonesty in performance evaluation (Campbell & Lee, 1988).

Job Satisfaction and Performance Appraisal

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. It is generally believed that performance appraisal as an HR activity has profound effect on employee satisfaction - for better as well as for worse. It is an organizational way of recognizing employees' contribution to organization. However, if analyzed from the other side a satisfied employee will have minimum issues with the management and good organizational relation will save him organizational

politics in the appraisal system. Resultantly, performance appraisal will be effective. On the basis of this contention the researchers postulate:

Proposition 1: The greater the element of job satisfaction an employee enjoys, the more effective performance appraisal it will be.

Organizational Commitment and Performance Appraisal

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's goals. This will also include an employees' attachment with the performance appraisal system. 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).

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, continuance commitment, and normative commitment*

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*, b). *Organizational factors*, and c). *Non-organizational factors*. All these aspects studied collectively will affect employees' behaviour regarding any human interventions that includes performance appraisal. On the basis of the above discussion it is postulated that:

Proposition 2: The greater the element of commitment that an employee has, the more effective performance appraisal will be.

Employee's Trust and Performance Appraisal

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, Davis, & Schoorman, 1995). According to Misztal (1996) it is an individual property or social system with disproportionate attention to behaviour based on actions at the individual level. 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.

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).

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). 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. In other words, one can easily conclude that implementation of any HR intervention will neither be doubted nor blocked. To sum it up, trust is instrumental in developing an affirmative environment (Rahman & Khan, 2016). From this the researchers conclude:

Proposition 3: The greater the element of trust in performance appraisal, the more effective it will be.

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.

Research Implications and Future Recommendations

The present study presented a few proposition to understand the interplay of the behavioural issues and organizational interventions. The study has strong theoretical implications. First, the study looks at new concepts from a new perspective. Thus, studying the relationships between trust, commitment, and job satisfaction as antecedents of performance appraisal effectiveness will open a new discussion.

The current study has been undertaken to provide a new conceptual foundation that needs to be empirically tested in future. Generally, employees' behavioral outcomes are attributed to effective performance management system. We believe, it could be the other way round. In other words, if employees are committed, trust management and are satisfied, the result will be effective performance appraisal. We have these propositions and recommend that it need to be empirically tested.

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