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Summarizing and Measuring Participants' Perceptions Related to Performance Appraisal Effectiveness

Stephen Henry Gaby
University of Tennessee, Knoxville

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To the Graduate Council:

I am submitting herewith a dissertation written by Stephen Henry Gaby entitled "Summarizing and Measuring Participants' Perceptions Related to Performance Appraisal Effectiveness." I have examined the final electronic copy of this dissertation for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, with a major in Industrial and Organizational Psychology.

David J. Woehr, Major Professor

We have read this dissertation and recommend its acceptance:

Lawrence R. James, Joan R. Rentsch, David W. Schumann

Accepted for the Council:

Carolyn R. Hodges

Vice Provost and Dean of the Graduate School

(Original signatures are on file with official student records.)

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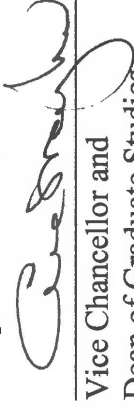
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Accepted for the Council:


Vice Chancellor and
Dean of Graduate Studies

SUMMARIZING AND MEASURING PARTICIPANTS' PERCEPTIONS RELATED
TO PERFORMANCE APPRAISAL EFFECTIVENESS

A Dissertation
Presented for the
Doctor of Philosophy
Degree
The University of Tennessee, Knoxville

Stephen Henry Gaby
August, 2004

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ABSTRACT

The purpose of this dissertation was to summarize the performance appraisal literature regarding the characteristics associated with effective outcomes and then develop an instrument that can be used in field settings to measure these characteristics. A framework based on the organizational justice literature was developed to organize and integrate the various findings from past appraisal research. Characteristics which past research has found to be associated with desired outcomes were grouped into three broad categories which roughly parallel the three types of organizational justice. An instrument was then created drawing on findings from the climate literature which indicate that individuals respond to the environment based on their perceptions of the environment (Brown & Leigh, 1996; James, Hater, Gent, & Bruni, 1978; James & James, 1989).

Three stages of instrument development were conducted in order to develop scales for 12 key appraisal characteristics. Exploratory factor analyses, estimates of reliability, and confirmatory factor analyses were utilized in scale development and evaluation. Analysis of the data found each of the 12 scales to be unidimensional and to possess cross-validated internal consistency reliability estimates above .70.

Confirmatory factor analysis was used to test the proposed three-factor framework. Overall, the fit indices indicate that the three-factor model fits that data relatively well compared with the two-factor models and a one-factor model tested. Correlations and results from dominance analyses were also examined to explore the relationships with outcome variables. Implications of the findings, limitations of the study, and directions for future research are discussed.

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CHAPTER I

INTRODUCTION

Researchers have reported mixed findings and thus, recommendations vary regarding the role of performance appraisal in organizations. Some champion and support appraisals (Cardy & Dobbins, 1994; Fisher, 1979; Larson, 1984; O'Reilly & Anderson, 1980; Ostroff, 1993) while others are skeptical and critical of them (Deming, 1986; Kluger & DeNisi, 1996; Scholtes, 1987; Thomas & Bretz, 1994). Although some organizations implement successful performance appraisal programs, the appraisals in other organizations are ineffective. Consequently, many performance appraisal programs are abandoned because they do not lead to successful outcomes. In order for organizations to avoid making performance appraisal just another “flavor of the month,” an understanding of the factors that make up an appraisal environment conducive to desirable outcomes is essential.

A multitude of factors are present in the performance appraisal process, and research findings indicate that many of these characteristics are related to desirable outcomes. Nevertheless, much of the performance appraisal literature has only examined the effects of a limited number of factors on one or more outcomes, and many of these factors have yet to be examined in the field, outside a lab setting (Burke, Weitzel, & Weir, 1978). Some of the appraisal characteristics which past research has linked to desired outcomes include accountability (London, Smither, & Adsit, 1997), participation (Burke et al., 1978; Cawley, Keeping, & Levy, 1998 Landy & Farr, 1983), having control

over performance being rated (Andrews & Kacmar, 2001), sensitivity of the rater (Beer, 1981), and explanations for ratings (Bies & Shapiro, 1987).

Research suggests that participant perceptions of these characteristics may be the key determinants of an appraisal's success. Perceptions are meaningful because individuals respond to environments in terms of how they perceive them (Brown & Leigh, 1996; James et al., 1978; James & James, 1989). Thus, perceptions mediate the effects of appraisal characteristics, which makes perceptions of these characteristics the most proximate precursors of successful appraisal outcomes. The framework shown in Figure 1-1 can benefit future research and practice by integrating the literature and focusing on obtaining a more thorough understanding of these drivers of appraisal effectiveness.

The objectives of the present study are twofold. The first objective is to summarize the literature regarding effective and successful performance appraisal outcomes in an attempt to develop a comprehensive framework. This review will highlight and synthesize the characteristics of an appraisal environment that past researchers have linked with desirable outcomes, such as satisfaction, motivation, and improved performance. This study will focus on employee perceptions regarding performance appraisal. Specifically looking at employee perceptions of each characteristic is advantageous because focusing on merely a few general perceptions does not allow researchers to pinpoint precise problematic areas in an appraisal process.

The perceptions of these appraisal characteristics will be organized into three categories using key tenets from the organizational justice literature (i.e., procedural

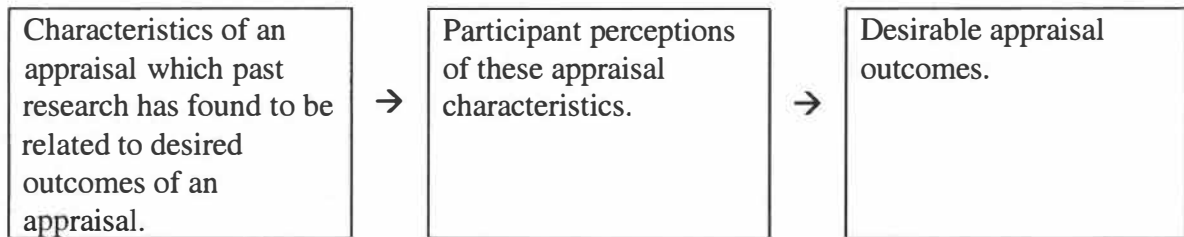


Figure 1-1. Perceptions as the Drivers of Desired Appraisal Outcomes

justice, interactional justice, and distributive justice). Depending on the nature of the perceptions, an organizational intervention directed at modifying participant perceptions regarding one or more appraisal characteristics may be appropriate in order to increase or maintain desired outcomes. Perceptions of these characteristics could also be used to evaluate whether a previous intervention had the desired effect.

Before the framework can be fully utilized, a reliable way to measure these perceptions is needed. Therefore, the second objective of this study is to create and begin validating an instrument to measure participant perceptions regarding an organization's performance appraisal program. An instrument that reliably assesses the perceptions of these key characteristics will be well-suited for use in research and practice.

CHAPTER II

REVIEW OF THE LITERATURE

Overview

According to Cardy and Dobbins (1994), “Performance appraisal has been described as the process of identifying, observing, measuring, and developing human performance in organizations” (p. 1). It can also be defined as “actions taken by (an) external agent(s) to provide information regarding some aspect(s) of one’s task performance” (Kluger & DeNisi, 1996, p. 255). Although one of the most common means of appraisal is the formal performance review meeting between a supervisor and an employee, performance feedback may also be supplied through multi-source feedback programs (e.g., 360-degree feedback), customers, and objective information (e.g., reaching a measurable goal).

The value of performance appraisal has been emphasized many times by researchers in terms of its potential for producing positive outcomes (Cardy & Dobbins, 1994). Larson (1984) explains that “feedback has long been hypothesized to be a key factor for enhancing the overall effectiveness of organizations” (p. 42). Cardy and Dobbins (1994) point out that performance appraisal feeds into the four major management functions described by Fayol (1949), which include planning, organizing, directing, and controlling. For instance, performance appraisals help to communicate performance deficiencies, ensure consistency in evaluation, distinguish among employees, recognize valued performers, and communicate strategic vision (Segal, 2000).

They also provide information that is used when making salary decisions, promotion recommendations, and training and development needs assessments (Ostroff, 1993). Furthermore, performance feedback is a valuable resource that some individuals proactively seek (Ashford & Cummings, 1983) because it fulfills their desire to know how they are performing on the job (Fisher, 1979; Larson, 1984). In short, performance appraisal has potential to generate positive results for organizations and individuals.

Even though the assumption that feedback can lead to positive outcomes has become “one of the most widely accepted principles in psychology” (DeNisi & Kluger, 2000, p. 130), performance appraisals are not always effective. In fact, Kluger and DeNisi (1996) explain that more than one-third of appraisal studies have reported a decrease in performance. One explanation is that performance appraisals take place in environments that are not completely rational, straightforward, or objective (Longenecker, Sims, & Gioia, 1987). According to this perspective, there is no absolute truth in an appraisal, and it is merely a “management tool for achieving outcomes that are desirable given the political context and agenda of the rater” (Cardy & Dobbins, 1994, p. 175).

Thomas and Bretz (1994) contend that performance appraisals often cause more problems than they solve. Some managers have even indicated that their organizations might be “better off with no performance appraisal system at all” (Mohrman, Resnick-West, and Lawler, 1989, p. 1). In fact, Deming (1986) considers performance appraisal to be one of the “Seven Deadly Diseases” effecting organizations. He asserts,

It nourishes short-term performance, annihilates long-term planning, builds fear, demolishes teamwork, nourishes rivalry and politics. It leaves people bitter, crushed, bruised, battered, desolate, despondent, dejected, feeling inferior, some even depressed, unfit for work for weeks after receipt of rating, unable to comprehend why they are inferior (p. 102).

Moreover, Scholtes (1987) believes that “the conventional performance evaluation system is more like a lottery than an objective observation process” (p. 14). He strongly asserts, “...like drugs, performance appraisals or evaluations are demonstrably the wrong thing to do...Just saying ‘no’ to them will rid your organization of a time-consuming demoralizing exercise in pretense and folly” (Scholtes, 1987, p. 15).

Though many shortfalls have been mentioned in the literature, performance appraisals remain prevalent in organizations. Between 74 and 89 percent of organizations have some form of individual performance appraisal despite the flaws that are presumed to exist (Harris, 1994; Murphy & Cleveland, 1991). Even in the midst of the criticisms, feedback from performance appraisal has been referred to as “the most prevalent, and perhaps most important, form of communication” for employees (O’Reilly & Anderson, 1980, p. 290).

Thomas and Bretz (1994) point out, “the topics that occupy the time of academic research are not necessarily those that command the attention of practicing managers” (p. 32). Managers are primarily concerned with the fairness, consequences, and usefulness of performance appraisals, yet the issues addressed most in research are cognitive processing of information, rater/ratee characteristics, and psychometric errors (Banks & Murphy,

1985; Bretz, Milkovich, & Reed, 1992). Banks and Murphy (1985) claim that this different focus of researchers and practitioners “suggests a lack of coordination” and “indicates that researchers’ solutions may not speak to practitioners’ problems” (p. 336). For instance, a performance appraisal that is well-crafted and psychometrically sound can still be ineffective in practice (Cardy & Dobbins, 1994; Roberts, 1992). Hence, research could better contribute to practice by providing a more complete understanding of what leads to desirable appraisal outcomes. In turn, those who implement appraisals should recognize the importance of applying relevant research.

Effective Performance Appraisal

Banks and Murphy (1985) write, “In essence, effective performance appraisal in organizations continues to be a compelling but unrealizable goal” (p. 335). One reason may be that appraisal effectiveness can be characterized in a variety of ways depending on the group one is trying to satisfy (Bracken, Timmreck, Fleenor, & Summers, 2001). Therefore, before appraisal effectiveness can be improved, it must first be understood (Kane & Lawler, 1979).

Past researchers have considered a variety of outcomes, ranging from accurate ratings to increased productivity, when characterizing the desired outcomes of an effective performance appraisal program (see Table 2-1). For instance, operating as a tool to accurately assess the performance of employees (Kinicki, Hom, Trost, & Wade, 1995; Ryan, Daum, Bauman, Grisez, Mattimore, Nalodka, & McCormick, 1995) and yielding high quality performance information (Roberts, 1992) are outcomes that many consider to be important results of an effective performance appraisal system.

Table 2-1.

Appraisal Outcomes Examined in Past Research

| Desirable Outcomes | Past Research |
|--|--|
| Accurately assess the performance of employees | Cardy & Dobbins (1994); Kinicki et al. (1995); Martell & Borg (1993); Ryan et al. (1995); Sanchez & De La Torre (1996) |
| Yield high quality performance information | Roberts (1992) |
| Differentiate good from poor performers | Tziner, Murphy, & Cleveland (2001) |
| Facilitate employee evaluation, guidance, and development | Steers & Lee (1983) |
| Retention of good performers and rehabilitation of poor performers | Roberts (1992) |
| Learning | London & Smither (2002) |
| Organizational Commitment | Cawley et al. (1998); Giles & Mossholder (1990); Ilgen et al. (1979); Larson (1984) |
| Positive employee reactions such as satisfaction | Cawley et al. (1998) Giles & Mossholder (1990); Keeping & Levy (2000); Larson (1984) |
| Increased motivation | Bartol et al. (2001); Dorfman, Stephan, & Loveland (1986); Larson (1984); Roberts (1992); Steers & Lee (1983) |
| Enhanced productivity | Roberts (1992) |
| Behavior change | Bracken et al. (2001); London & Smither (2002) |
| Performance improvement | Cardy & Dobbins (1994); Larson (1984); London & Smither (2002); Roberts (1992) |
| Acceptance | Cardy & Dobbins (1994); Dipboye & de Pontbraind (1981); Maurer & Tarulli (1996); Roberts (1992); Roberts & Reed (1996) |
| Validity | Kane & Lawler (1979) |
| Reliability | Kane & Lawler (1979) |

Tziner, Murphy, and Cleveland (2001) believe that differentiating good from poor performers is a successful outcome. To some, an effective performance appraisal process facilitates employee evaluation, guidance, and development (Steers & Lee, 1983). Other desirable outcomes include the retention of good performers and rehabilitation of poor performers (Roberts, 1992), positive employee reactions (Giles & Mossholder, 1990; Keeping & Levy, 2000; Larson, 1984), organizational commitment (Cawley et al., 1998), increased motivation (Bartol, Durham, & Poon, 2001; Dorfman, Stephan, & Loveland, 1986; Larson, 1984; Roberts, 1992; Steers & Lee, 1983), learning (London & Smither, 2002), enhanced productivity (Roberts, 1992), behavior change (Bracken et al., 2001; London & Smither, 2002), and performance improvement (Cardy & Dobbins, 1994; Larson, 1984; London & Smither, 2002; Roberts, 1992).

Acceptance of both the feedback and the process is another appraisal outcome that has received considerable focus in past research (Cardy & Dobbins, 1994; Dipboye & de Pontbraind, 1981; Maurer & Tarulli, 1996; Roberts, 1992; Roberts, 1994; Roberts & Reed, 1996). Roberts and Reed (1996) state that without acceptance, an appraisal is reduced to a “paper shuffling exercise” and is “ineffective no matter its degree of technical soundness” (p. 36). Additional outcomes that have been explored in research include validity and reliability (Kane & Lawler, 1979). To summarize, positive outcomes of appraisal have the potential to increase both individual and organizational performance (Mohrman et al., 1989).

The Context and Environment

The appraisal context has been identified as the starting point from which other components of an appraisal should be examined because it influences the judgment process, the rating process, the evaluation process, and use of the data (Murphy & Cleveland, 1991). In fact, Tziner et al. (2001) contend that “performance ratings cannot be adequately understood outside of the organizational contexts in which they are assigned” (p. 226). Nevertheless, the context within which the appraisal process takes place is a neglected area in performance appraisal research (Giles & Mossholder, 1990).

James and James (1989) explain that two principles have guided research examining perceptions of the work environment. First, individuals generally respond to environments in terms of how they perceive them. Second, “the most important component of perceptions is the meaning or meanings imputed to the environment by the individual” (James & James, 1989, p. 739). Climate, and more specifically psychological climate, involves how an environment is cognitively represented in terms of its psychological meaning and significance to an individual (James, 1982; James et al., 1978; James & Jones, 1974; Joyce & Slocum, 1982). Moreover, a critical aspect of climate perceptions is the degree to which individuals perceive being personally benefited rather than personally harmed by the environment (James & James, 1989; James & McIntyre, 1996).

Psychological climate functions as an intervening variable that mediates between characteristics of the situation and individual attitudes and behaviors (James et al., 1978; James & Jones, 1974; James & McIntyre, 1996; Kozlowski & Hults, 1987). An

employee's perceptions and valuations of the environment may be more important than the actual environmental characteristics in predicting attitudinal and behavioral responses such as job involvement, effort, and performance (Brown & Leigh, 1996; James et al., 1978; Murphy & Cleveland, 1991). Brown and Leigh (1996) point out that "effort is likely to be sensitive to employees' perceptions of psychological climate... This leads to prediction of a direct positive relationship between psychological climate and employee effort" (p. 361).

Some studies have assessed climate as it relates to a particular area of research (Schneider, 1975; Simons & Roberson, 2003; Zohar, 1980). Kozlowski and Hults (1987) contend that "climate should be regarded as a broad, multifaceted perceptual domain, with construct definition determined by the specific criteria of interest" (p. 542). Schneider and Reichers (1983) maintain that "climates for various issues in organizations do exist, are distinguishable from other constructs such as job satisfaction, and are related to important aspects of organizational functioning" (p. 25).

Although objective measurements of many appraisal characteristics and outcomes, such as accuracy, are difficult to obtain in field settings (Tziner et al., 2001), past research conducted mostly in lab settings shows a relationship between certain appraisal characteristics and a variety of outcomes. The literature also shows that the perceptions individuals have regarding a performance appraisal can have a significant impact on its outcomes (Cardy & Dobbins, 1994; Dipboye & de Pontbriand, 1981; Landy, Barnes, & Murphy, 1978; Pooyan & Eberhardt, 1989; Steers & Lee, 1983; Tziner et al., 2001; Zuber & Behnson, 1998). In fact, Dipboye and de Pontbriand (1981) note "employee opinions

regarding the appraisal process may be as crucial to its long-term effectiveness as the validity and reliability of the measures” (p. 248).

Giles and Mossholder (1990) call for more attention and research to be focused on characteristics and contextual influences in the appraisal process. Burke et al. (1978) maintain, “The general research strategy in this area has been to examine the relationship of one (or more) appraisal interview characteristic to one (or more) interview outcome” (p. 903). Thus, what we know about the appraisal process is fragmented because of single-issue studies conducted in laboratory settings (Bretz et al., 1992). As a result, a theoretical framework describing how the characteristics of a performance appraisal influence behavior and performance is missing in the literature (DeNisi & Kluger, 2000; Keeping & Levy, 2000). Despite this lack of a unified framework, the pieces of theories that exist can be useful (DeNisi & Kluger, 2000).

This dissertation will attempt to accomplish two primary objectives which have not been adequately addressed in past research. First, this chapter will provide a review of the performance appraisal literature with the goal of summarizing and organizing past research findings into a framework that describes the appraisal characteristics likely to result in desirable outcomes. The purpose of this review is to summarize and organize rather than evaluate the findings of past research. Second, after the framework has been described, a measurement tool for assessing these key characteristics via employee perceptions will be constructed.

Organizational Justice

The organizational justice literature can be used to develop a framework that describes the characteristics associated with successful appraisal outcomes. Concerns about fairness and justice were first embedded within the equity theory literature (Tyler, 1994), which holds that perceptions of unfairness and injustice are “a response to a *discrepancy* between what is perceived to be and what is perceived should be” (Adams, 1965, p. 272). In general, employees who perceive that they have been treated fairly reciprocate by providing the organization with desirable behaviors (Masterson, 2001; Moorman, 1991; Simons & Roberson, 2003).

Many activities occurring in organizations are associated with employee perceptions of fairness and justice (Bartol et al., 2001; Sweeney & McFarlin, 1993; Taylor, Masterson, Renard, & Tracy, 1998). Research has shown that perceptions of fairness and justice are important antecedents of participant reactions and behaviors (Burke et al., 1978; Landy et al., 1978; Masterson, Lewis, Goldman, & Taylor, 2000; Vermunt, Knippenberg, Knippenberg, & Blaauw, 2001). In fact, Cardy and Dobbins (1994) emphasize, “With dissatisfaction and feelings of unfairness in process and inequity in evaluations, any appraisal system will be doomed to failure” (p. 54). The framework developed in this dissertation closely parallels the types of fairness described in the organizational justice literature (Masterson, 2001; Moorman, 1991; Pinder, 1988) using three categories: (1) perceptions of the appraisal process (i.e., procedural justice), (2) perceptions of the interpersonal treatment received (i.e., interactional justice), and (3) perceptions of the feedback received (i.e., distributive justice).

Perceptions of the Appraisal Process

Andrews and Kacmar (2001) define procedural justice as “the perceived fairness of the procedures used to determine the allocation of resources” (p. 349). Regarding performance appraisal, procedural justice can be described as the perceived fairness of the procedures used to evaluate performance and determine ratings (Greenberg, 1986). These perceptions may affect participant attitudes and acceptance of the appraisal (Greenberg, 1986; Landy et al., 1978; Taylor et al., 1998). In fact, Landy et al. (1978) believe the success of a performance appraisal rests on the level of confidence the individual being evaluated has in the evaluation process. When a process is perceived as fair, the outcomes are difficult to dispute (Cardy & Dobbins, 1984). Thus, procedures perceived as fair may satisfy people even when the outcomes do not (Barling & Phillips, 1993; Vermunt et al., 2001). Appraisal characteristics that may be perceived as procedural issues include accountability, bias suppression, anonymity, confidentiality, participation, control over performance, purpose of the appraisal, appraisal frequency, and positive consequences. Past research indicates that positive perceptions of these characteristics can facilitate the occurrence of desirable appraisal outcomes.

Accountability

Accountability has been described as one of the most important topics in the area of performance appraisal, particularly in multisource appraisals like 360-degree feedback (Church & Bracken, 1997). London et al. (1997) state, “Accountability is accepting and meeting one’s personal responsibilities, being and/or feeling obligated to someone else or oneself, or having to justify one’s actions to others about whom we care” (p. 163).

Tetlock and Kim (1987) define accountability as “social pressures to justify one’s views to others” (p. 700). In the context of performance appraisal, accountability can be viewed as a motivating force on the participants (Mero & Motowidlo, 1995), and perceptions of accountability can influence attitudes, motivation, and behaviors. London et al. (1997) emphasize that three levels of accountability are important, and they contend that an appraisal process will have the most impact when ratees, raters, and management are all held accountable.

Accountability of the ratee. It has been recommended and encouraged that appraisal processes should include accountability on the part of those who receive the feedback (Coates, 1998; Westerman & Rosse, 1997). For instance, ratees can be held accountable for studying their feedback, discussing the results with their manager, using their feedback to guide development activities, and demonstrating behavior change and improved performance (London et al., 1997). Perceptions ratees have of being held accountable may impact the success of an appraisal by influencing decisions and motivation to make improvements in behaviors and performance (London et al., 1997).

Accountability of the rater. London et al. (1997) believe that raters should be held accountable for the accuracy and usefulness of the feedback they provide. Thomas and Bretz (1994) state that only 22% of managers sampled from Fortune 100 companies reported being held accountable for how well they conduct performance appraisals. And they note, “Basic motivational theory as well as common sense suggests that managers will devote little effort to a somewhat unpleasant chore for which they are not held accountable” (p. 31). Research findings regarding the impact of rater accountability are

mixed (London et al., 1997). Some studies have found that raters who are held accountable to a ratee or to a supervisor make more lenient ratings than raters who are not accountable (Antonioni, 1994; Fisher, 1979; Harris, 1994; Ilgen & Knowlton, 1980; Klimoski & Inks, 1990; Tetlock, 1983). The results of these studies suggest that accountable raters may use ratings for impression management (London et al., 1997), to avoid retaliation (McEvoy, Buller, & Roghaar, 1988), or to show that their views have shifted in the direction of the person to whom they are accountable (London et al., 1997; Tetlock, 1983).

In contrast, other studies have found that rater accountability is related to more accurate ratings, presumably because raters who are held accountable take the appraisal process more seriously and are more motivated to be accurate (Beckner, Highhouse, & Hazer, 1998; London et al., 1997; Mero & Motowidlo, 1995). For instance, Mero and Motowidlo (1995) found that accountable raters attend to more performance information, take more notes that are of higher quality, report being more engaged in the task, and provide more accurate ratings than raters who are not held accountable. They state that accountability should lead to more accurate performance ratings because it makes the appraisal task more salient, it helps raters to focus on the most relevant performance information, and it increases the consistency that performance information is processed. Klimoski and Inks (1990) point out that accountability forces in real organizational work settings may be even more pronounced than those found in many lab studies because of the constant interaction between participants. In general, holding raters accountable in an appraisal process can be associated with desired rater behaviors.

Accountability of the Organization. A third level of accountability is the organization's accountability for the results associated with the program. Mohrman et al. (1989) state, "Performance appraisal is a time-consuming and often difficult task to perform in an organization. It requires skills that many [participants] do not have, and it requires behavior on their part that is often difficult for them to demonstrate" (p. 176). Organizational accountability can be demonstrated by a culture that values and supports doing appraisal well and by a commitment to remove obstacles, offer support, and provide training (Bernardin & Buckley, 1981; Bracken et al., 2001; Mohrman et al., 1989; Wexley, 1986). For example, communication about the dimensions of performance to be assessed is important in order to ensure that evaluation is a main objective when performance information is first encountered (McDonald, 1991; Williams, Cafferty, & DeNisi, 1990). Moreover, training on keeping performance diaries (DeNisi, Robbins, & Cafferty, 1989) and frame-of-reference training (Woehr, 1994) can help raters recall behaviors and provide more accurate ratings. It is crucial that management accepts accountability for providing resources to support behavior changes (London et al., 1997; McGarvey & Smith, 1993). In such cases, organizations increase the likelihood employees will feel commitment to the organization and that successful appraisal outcomes will occur.

Bias Suppression

Colquitt (2001) notes that one standard often used to determine the fairness of a process is the suppression of personal biases, or neutrality. In the context of a performance appraisal, employees may pay particular attention to whether they believe

that ratings were biased by mood, liking, or politics. Past research has found a negative correlation between qualitative aspects of performance appraisals (e.g., satisfaction and acceptance) and perceptions that liking influenced the ratings process (Cardy & Dobbins, 1994; McEvoy & Buller, 1987). Unfortunately, some research findings indicate that ratings may reflect the degree of liking more than the quality or quantity of performance (Alexander & Wilkins, 1982). This is the case because liking can impact the cognitive processing that leads to ratings by tainting the data used at a later point (Alexander & Wilkins, 1982; Cardy & Dobbins, 1994; Robbins & DeNisi, 1994; Varma, DeNisi, & Peters, 1996), and raters in a positive mood generally recall positive information more readily and exhibit greater integration of diverse information (Harris, 1994).

Organizational politics can also introduce bias into an appraisal process. Longenecker et al., (1987) define politics as deliberate attempts to enhance or protect self-interests in conflicting courses of action, and their results found that political behavior is often a part of the appraisal process. Tziner et al. (1996 & 1997) contend that four political behaviors are common in appraisals: (1) avoiding accurate ratings that could antagonize ratees; (2) providing inflated ratings to avoid tension with ratees; (3) using low ratings to teach employees a lesson; (4) providing inflated ratings to employees in return for special favors. Perceptions that politics have biased a performance appraisal process can undermine acceptance, decrease perceptions of fairness, and diminish the appraisal's effectiveness (Bernardin & Beatty, 1984; Tziner, Latham, Price, & Haccoun, 1996).

Anonymity and Confidentiality

Anonymity and confidentiality are major issues in multisource performance appraisal processes like 360-degree feedback and upward feedback (Bracken et al., 2001). Wimer and Nowack (1998) write, “It can be a death knell if confidentiality or anonymity is compromised or if there’s the perception that it has been compromised” (p. 73). For the designers of multisource performance appraisal processes, there is often a balancing act between providing the desired level of anonymity and confidentiality with the need to also hold participants accountable. Pratt (1991) states that an effective appraisal should be one that balances organizational and employee needs and holds all participants accountable.

Anonymity. Bracken et al. (2001) explain that anonymity refers to protecting the identity of the rater. Fear of reprisal for giving accurate and constructive feedback is the primary reason why it has been recommended that multisource appraisals like upward appraisals and 360-degree feedback should be done anonymously. For instance, Antonioni (1994) found that anonymity may decrease subordinates’ potential to inflate ratings of their managers. Moreover, it has been argued that anonymity is critical to the acceptance of the process (McEvoy et al., 1988). This is particularly important in multi-source feedback programs because raters are generally averse to giving low performance ratings, especially if they know the ratees can identify them as the source of the poor ratings (London et al., 1997). As a result, participation and motivation may be negatively affected by a rater’s perception that his or her identity can be determined in multisource appraisals (Westerman & Rosse, 1997).

Confidentiality. Confidentiality of feedback refers to sharing the appraisal results solely with the ratee in order to keep his or her feedback private (Bracken et al., 2001). Perceptions of whether appraisal results will be confidential can influence both the ratings that the feedback givers provide and the willingness of feedback recipients to participate in the process. In fact, the confidentiality of the ratings may be related to the perceived accountability of raters (DeCotiis & Petit, 1978). Harris (1994) explains that a rater may become more accountable as ratings become less confidential. In sum, perceptions of whether an organization maintains appraisal anonymity and confidentiality are likely to influence the motivation and behaviors of participants in multisource appraisals.

Participation

There is evidence to suggest that being allowed to participate in and influence decisions can result in enhanced performance and higher productivity (Vroom, 1964). Nathan, Mohrman, and Milliman (1991) contend that participation gives employees actual and perceived control over their work performance and signals to them that a process is fair. Past appraisal research has reported that when individuals are allowed to participate in an appraisal, they have more positive reactions and are more accepting of the appraisal (Burke et al., 1978; Cawley et al., 1998; Cederblom, 1982; DeGregorio & Fisher, 1988; Dipboye & de Pontbriand, 1981; Dobbins, Cardy, & Platz-Vieno, 1990; Prince & Lawler, 1986; Roberts, 1994; Steers & Lee, 1983; Wexley, 1986).

Cawley et al. (1998) explain that participation can occur at different stages of a performance appraisal process. For instance, employees can participate in setting performance goals which can affect performance through goal acceptance (Landy & Farr,

1983; Roberts, 1994; Wexley, 1986). Korsgaard and Roberson (1995) found that voice during an appraisal, a form of participation defined as “the practice of allowing individuals who are affected by a given decision to present information relevant to the decision” (p. 657), can also have an impact on how performance appraisal systems are viewed. Moreover, having the opportunity to disagree with or appeal ratings received may lead to positive appraisal outcomes (Cropanzano & Folger, 1996).

Thomas and Bretz (1994) believe that employees are rarely allowed to meaningfully participate in performance appraisals. Furthermore, researchers have debated the significance and size of the effect that participation can have on appraisal outcomes. For instance, DeGregorio and Fisher (1988) found that being allowed to participate in an appraisal does not necessarily lead to performance improvements after receiving feedback. Wagner (1994) writes, “research on participation has produced reliable evidence of statistically significant changes in performance and satisfaction that are positive in direction but limited in size” (p. 325). However, he emphasizes that “very small episodic effects can sometimes have strong cumulative consequences if allowed to amass over time” (p. 327). Altogether, research findings indicate that the opportunity to participate in an appraisal can be related to outcomes which make an appraisal effective.

Control Over Performance

Another characteristic associated with desirable appraisal outcomes is the degree to which the appraisal process assesses performance that is under the control of participants. An individual’s perception of having control over performance can be thought of in terms of expectancy, which is a perception regarding the chance that a

behavior will result in an outcome of interest (Mitchell, 1974; Vroom, 1964). In other words, expectancy “refers to a person’s subjective probability, or the perceived likelihood that he can perform at a given level of performance” (Dachler & Mobley, 1973, p. 398). Control over performance can play a significant role in an appraisal’s success due to its connection with self-efficacy, which has been defined as “people’s beliefs about their capabilities to exercise control over their own level of functioning and over events that affect their lives” (Bandura, 1991, p. 257). Findings from past studies indicate that ratees are generally more accepting of and more motivated to use feedback regarding areas they perceive they can control or change (Andrews & Kacmar, 2001; Harris, 1994; Martocchio & Dulebohn, 1994). In fact, individuals who feel they have control over performance “are more likely to recognize and make adjustments required to enact behaviors that will result in rewards” (Andrews & Kacmar, 2001, p. 354).

Perceptions of having control over performance are important because most employees operate within an environment or “system” where they depend on the materials, machines, methods, products, instructions, and information provided to them by the organization or team members (Scholtes, 1987; Walton, 1990). Walton (1990) contends that the degree of control most employees hold over their performance can best be described by the 85-15 Rule, which holds that “85 percent of what goes wrong is with the system, and only 15 percent with the individual person...” (p. 20). Undesirable appraisal outcomes occur when constraints from the system “limit the extent to which individual qualities are able to affect performance behavior” (Waldman, 1994, p. 523). Even so, there is often an implicit focus on personal characteristics when raters attribute

causes of performance (Cardy & Dobbins, 1994; Carson, Cardy, & Dobbins, 1991; Green & Mitchell, 1979; Jones & Nisbett, 1972; Scholtes, 1987; Waldman, 1994). Kreitner and Kinicki (1998) point out, “No one likes to be blamed because of factors they perceive to be beyond their control” (p. 174). Therefore, desirable appraisal outcomes are more likely to occur if employees perceive that the process considers teamwork, removes obstacles, and solves problems that are interfering their job performance (Campion, Papper, & Medsker, 1996; Deming, 1986; Scholtes, 1987; Wexley, 1986).

Purpose of the Appraisal

Mohrman et al., (1989) explain that the ultimate purpose of performance appraisals is to in some way positively influence the organization’s performance. Historically, performance appraisal has been used for a variety of purposes including administrative decisions, developing employees, and to safeguard the organization in case of lawsuits (Murphy and Cleveland, 1991). Ostroff (1993) points out that the purpose of an appraisal can influence the way raters attend to, encode, store and retrieve performance information. According to Tetlock and Kim (1987), “People often use different processing rules when the stakes are high as opposed to low” (p. 706). Past research has found that administrative ratings are usually more lenient and show less discrimination among ratees than developmental ratings (Harris, Smith, & Champagne, 1995; Ostroff, 1993, Tziner et al., 2001). Past findings also indicate that individuals are significantly more favorable in their perceptions of appraisals used for developmental rather than administrative purposes (McEvoy & Buller, 1987). Notwithstanding, Brett and Atwater (2001) caution that participants may perceive an appraisal as evaluative even when it is

developmental. Therefore, when attempting to determine the extent desirable outcomes will occur, perceptions regarding the purpose of an appraisal are consequential.

Appraisal Frequency

An annual appraisal of employees' performance is likely the norm in American organizations (Cederblom, 1982). However, employees may desire more performance feedback than they currently receive (Roberts, 1994). Beer (1981) points out, "In many organizations, supervisors report that they hold periodic appraisal interviews and give honest feedback, while their subordinates report they have not had a performance appraisal for many years or that they heard nothing negative" (p. 27-28). Performance appraisal is most likely to result in behavior improvement or a sustained high level of performance when it is conducted more frequently than once or twice a year (Wexley, 1986). Frequent and timely feedback is associated with acceptance (Cederblom, 1982) and perceptions of accuracy and fairness (Bracken et al., 2001; Landy et al., 1978; London & Smither, 2002; Murphy & Cleveland, 1991). However, very frequent feedback may be detrimental if it causes individuals to sense a loss of personal control (Morgen, Fisher, & Taylor, 1979), or if it distracts individuals who are performing complex tasks (DeNisi & Kluger, 2000). Examining frequency of appraisal by means of participant perceptions may provide a valuable tool in assessing the likelihood that a performance appraisal process will produce the desired results.

Positive Consequences

Steers and Lee (1983) note that employees pay more attention to performance appraisals when positive consequences, such as pay, recognition, advancement, and group

acceptance are associated with performance appraisal participation. Perceived instrumentality is the extent to which an individual believes the outcome in question (e.g., making performance changes or providing accurate ratings) is correlated with the attainment of another outcome (e.g., a reward) (Mitchell, 1974; Vroom, 1964). In other words, instrumentality is “how certain the employee is that a given level of performance will lead to various rewarding or punishing consequences” (Dachler & Mobley, 1973, p. 398).

Napier and Latham (1986) found that raters perceived no consequences for conducting performance appraisals. This is unfortunate because performance appraisal processes that reward raters who provide accurate ratings are more likely to facilitate accurate ratings (Murphy & Cleveland, 1991). Positive consequences related to providing accurate ratings are often uncertain, and raters may be more aware of potential negative consequences (e.g., a strained relationship with the ratee) associated with providing accurate ratings (Harris, 1994). Furthermore, past research has found that employees who perceive that an appraisal is more instrumental for rewards such as pay or promotion report more motivation to improve their performance and more satisfaction with the appraisal (Burke et al., 1978). In general, an appraisal may lead to more desired outcomes if rewards are perceived to be linked to participating in the appraisal (Cederblom, 1982).

Summary of Perceptions of the Appraisal Process

Past research has shown that various characteristics of an appraisal process are associated with a variety of outcomes used to describe an effective and successful

appraisal. The way rater perceives these factors influences their acceptance of the appraisal and willingness to use the feedback to improve performance. Furthermore, rater perceptions of these process factors can affect their motivation to provide accurate and timely ratings. Overall, positive perceptions regarding the appraisal process contribute to an appraisal's effectiveness through their potential to generate desirable outcomes.

Perceptions of the Interpersonal Treatment Received

Interactional justice can be described as “the fairness of the interpersonal treatment received” (Masterson, 2001, p. 595), and it is concerned with “the quality and content of person-to-person interaction as people relate to one another” (Pinder, 1998, p. 334). Colquitt (2001) writes, “Interactional justice is fostered when decision makers treat people with respect and sensitivity and explain the rationale for decisions thoroughly” (p. 386). The manner in which feedback recipients perceive they are treated in performance appraisals can play a critical role in determining their responses (Pinder, 1998; Pooyan & Eberhardt, 1989; Vermunt et al., 2001). In fact, there is evidence to suggest that perceptions of interactions may be more important in determining reactions and behavior in organizations than perceptions of procedures (Moorman, 1991).

Even though some researchers include interactional justice as a part of procedural justice, the perceived fairness of procedures and the perceived fairness of interpersonal treatment have been found to differentially impact outcomes (Barling & Phillips, 1993; Masterson et al., 2000; Simons & Roberson, 2003). Barling and Phillips (1993) believe past research has attributed some effects to procedural justice when interactional justice was manipulated. Masterson et al. (2000) note that “the two perceptions appear to work

through distinct processes to affect different employee attitudes and behaviors” (p. 747). Procedural justice most likely reflects the perceived fairness of an organization while interactional justice probably reflects perceptions regarding the fairness of a supervisor (Colquitt, 2001; Masterson et al., 2000). In general, past research has examined interactional justice along two primary dimensions: sensitivity and explanations (Colquitt, 2001; Colquitt, Conlon, Wesson, Porter, & Ng, 2001). Positive perceptions of these dimensions increase the chances that desired appraisal outcomes will occur.

Sensitivity

Performance appraisals occur within the context of interpersonal relationships and interactions between the raters and ratees. Beer (1981) writes, “There is no substitute for a good supervisor-subordinate relationship. Without such a relationship, no appraisal system can be effective” (p. 32). He also notes many of the barriers to desired appraisal outcomes may be traced to the interactions between the rater and ratee. Nathan, Mohrman, and Milliman (1991) write, “Surprisingly, the interpersonal relationship between a supervisor and subordinate as a contextual factor affecting the success of a performance appraisal review has received only limited attention” (p. 353). Positive perceptions of the appraisal interaction are likely a result of open communication, supportiveness, politeness, respect for rights, treatment with dignity, and offering praise (Beer, 1981; Cederblom, 1982; Mohrman et al., 1989; Tyler, 1994). Moreover, positive perceptions of these interactional characteristics can be important drivers of successful appraisal outcomes (Duarte, Goodson, & Klich, 1994; Nathan et al., 1991; Zuber & Behnson, 1998).

Several aspects regarding sensitivity in the appraisal interaction have been examined in past research. For instance, Vroom (1964) writes that “consideration by a supervisor for the needs or feelings of his subordinates has positive effects on their motivation to perform their jobs effectively” (p. 212). Mohrman et al. (1989) write that without open communication and ongoing coaching, “...it is virtually impossible to have effective performance appraisal” (p. 176). Past researchers have also consistently found that rater supportiveness is related to positive appraisal outcomes like acceptance and motivation (Cederblom, 1982; Dorfman et al., 1986; Wexley, 1986). Zuber and Behnson (1998) consider rater supportiveness to be “the extent to which the rater created a comfortable, non-threatening atmosphere during the performance appraisal interview” (p. 16). Nemeroff and Wexley (1977) found that supportive behavior during an appraisal was a major determinant of satisfaction with the appraisal, satisfaction with the manager, and motivation to improve performance.

Beer (1981) contends, “If a relationship of mutual trust and supportiveness exists, subordinates are more apt to be open in discussing performance problems and less defensive in response to negative feedback” (p. 32). In contrast, he notes that the lack of sensitivity can contribute to defensiveness and/or avoidance. As previous research findings show, when a rater is supportive, polite, sensitive, and respectful during an appraisal, ratees may perceive the performance appraisal as being more fair and just (Landy et al., 1978; Zuber & Behnson, 1998). Positive perceptions of the interactions during an appraisal can influence the motivation and behaviors of participants, which can ultimately contribute to the success of a performance appraisal.

Explanations

Adequate rationale is another component of interactional justice and a characteristic which may lead to desirable appraisal outcomes. Colquitt et al. (2001) note that this is sometimes referred to as informational justice, and they describe it as “explanations provided to people that convey information about why procedures were used in a certain way or why outcomes were distributed in a certain fashion” (p. 427). Pinder (1998) writes that “one of the key factors influencing whether people view relationships to be fair in interactional justice terms is whether apparent violations of justice norms are accompanied by justifications or causal accounts” (p. 334). Bies and Shapiro (1987) define causal accounts as “explanations regarding a person’s responsibility for his or her actions” (p. 201). They write that since individuals are concerned with the appropriateness of a decision maker’s behavior, an explanation indicating rationale for a decision may contribute to perceptions of a fair interaction by eliminating a “worst-case reading of the decision maker’s intentions” (p. 201).

Bies and Shapiro (1987) found that causal accounts “allow people to determine whether the decision maker has suppressed his or her biases and acted according to the prevailing norms of morality” (p. 215). Furthermore, they note that “since the perceived intentions of another person can influence perceptions of unfair treatment, the absence of any causal account for improper action should undermine the feelings of interactional fairness” (p. 202). Nevertheless, a causal account alone is not sufficient to lead to perceptions of interactional fairness; it must explain the rationale for decisions thoroughly (Colquitt, 2001).

Summary of Perceptions of the Interpersonal Treatment

Not only are the outcomes of an appraisal influenced by the participants' perceptions of the process, research findings indicate that the way individuals perceive the interaction and interpersonal treatment during an appraisal are also related to several outcomes of an effective appraisal. For instance, these perceptions are associated with how accepting and motivated the feedback recipients are to use the feedback they receive. Supervisors have unique relationships with and may behave differently toward subordinates (Dansereau, Graen, & Haga, 1975; Dienesch & Liden, 1986; Graen & Scandura, 1987; London & Wohlers, 1991; Vecchio & Gobdel, 1984). Consequently, appraisal interactions "can be expected to vary not only from one supervisor to another, but also across subordinates and situations for any single supervisor" (Larson, 1984, p. 43). This variance in interactions will likely result in differing employee perceptions. Managers who are sensitive and provide explanations to employees during an appraisal likely create an environment that is conducive to desirable appraisal outcomes.

Perceptions of the Feedback Received

Individuals generally hold beliefs about the significance and importance of their contributions (Pinder, 1998). They also hold beliefs regarding how well their contributions are recognized and rewarded within an organization. Adams' (1965) equity theory predicts that perceptions of fairness are a result of comparing one's inputs, outputs, and outcomes with the inputs, outputs, and outcomes of comparison others. A comparison of one's own payoff ratio of outcomes (e.g., rating) to inputs (e.g., level of performance) with the corresponding outcome-input ratio obtained by others determines

whether an individual perceives he or she has been treated fairly (Cropanzano & Folger, 1996). The theory also contends that perceptions of inequity can cause tension and a drive to do something to reduce the dissatisfaction such as decreasing effort, increasing absenteeism, or leaving the organization (Cropanzano & Folger, 1996).

Goodman (1977) contends that distributive justice “represents the sociological counterpart of equity theory” (p. 102). Perceptions regarding distributive justice are concerned with “the distribution of benefits and sanctions among people and deal with questions such as who is to receive how much, and how fairly these outcomes are distributed” (Pinder, 1998, p. 286). In the context of performance appraisals, distributive justice is the perceived fairness of evaluations and ratings received (Greenberg, 1986; Greenberg, 1987). Appraisal characteristics that may be perceived as feedback issues include the usefulness and credibility of the feedback and comparative performance information.

Usefulness of the Feedback

Positive perceptions regarding the usefulness of feedback received are associated with outcomes of an effective performance appraisal system. Maurer and Tarulli (1996) found that “to the extent rating participants believe that the feedback can be used in a constructive development and improvement effort in which ratees can change their skills, participants should feel relatively good about the feedback system” (p. 232). In turn, they are likely to be able to use the feedback to make behavior changes that will improve their performance. Participants probably form their perceptions regarding usefulness based in

part on the dimensions being rated (Maurer & Tarulli, 1996), and feedback that is more job relevant, accurate, and specific will likely be perceived as more useful.

Relevant Feedback. Zuber and Behnson (1998) characterize relevant feedback as being based on “previously set goals, job descriptions, and work behaviors, as opposed to interpersonal relationships, personal characteristics, and political agendas” (p. 18). Past research indicates that employees are more receptive of feedback perceived to be relevant to their work (Dipboye & de Pontbriand, 1981). The perceived job-relatedness of performance appraisal criteria is also positively related to favorable ratee reactions (Zuber & Behnson, 1988) and satisfaction (O’Reilly & Anderson, 1980). Furthermore, Wexley (1986) reports that individuals are more likely to improve their performance when they receive feedback that focuses on observed behaviors rather than personality.

Accurate Feedback. Accuracy of feedback has been defined as “the degree to which the ratee’s rating correctly reflected the ratee’s actual performance” (Zuber & Behnson, 1998, p. 18), and they describe perceived accuracy as “the extent ratees believe that the performance appraisal is an accurate representation of their true work performance” (p. 18). Nathan, Mohrman, and Milliman (1991) write, “Accurate feedback about performance is regarded as critical to an employee’s ability to perform effectively in an organization” (p. 352). Past research has found that perceptions of feedback accuracy are related to perceived appraisal usefulness (Brett & Atwater, 2001) and effective outcomes (Mohrman et al., 1989).

Specific Feedback. Specific feedback evaluates performance using precise criteria rather than using global statements of performance (Zuber & Behnson, 1998). Research

has found a strong relationship between specificity of feedback and participant responses (Zuber & Behnson, 1998). In fact, Landy and Farr (1983) contend that feedback is most useful when it is focused and related to specific goals. Beer (1981) notes, “Feedback about specific incidents or aspects of ‘how’ a person is performing the job is more likely to be heard than broad generalizations, and it will be more helpful to the individual who wants to improve performance” (p. 30). He explains that feedback in the form of “report-card ratings” of traits or performance will probably not be effective, but feedback that describes the consequences regarding specific examples of observed behaviors better equips ratees to identify what needs to be changed. In sum, perceptions that feedback is useful are associated with positive appraisal outcomes.

Credibility of the Feedback

Cederblom (1982) contends that raters must have adequate knowledge of a ratee’s job duties and behavior in order for the feedback to be perceived as credible, and he reports that “appraisal interviews conducted by supervisors who have limited contact and familiarity with subordinates and subordinates’ jobs may not have positive outcomes...” (p. 223). Mohrman et al. (1989) write, “At the minimum, appraisers need to be people who have significant information about the performance of the employee being appraised” (p. 90). Past research indicates that perceptions of credibility (e.g., trustworthiness, expertise, and familiarity) are related to greater acceptance of the feedback (Landy & Farr, 1983) and perceptions of fairness (Landy et al., 1978). For instance, Maurer and Tarulli (1996) found, “The degree to which raters and ratees perceive that raters had an adequate opportunity to observe relevant behavior will be

positively related to attitudes and opinions” (p. 223). In general, perceptions regarding the credibility of the feedback may have an impact on an employee’s acceptance of, satisfaction with, and motivation to use performance appraisal feedback.

Comparative Performance Information

Another feedback characteristic linked to appraisal outcomes by past research is the availability of additional, comparative points of data. Farh and Dobbins (1989) found that providing comparative performance information, such as the performance level of peers, increases agreement between self and supervisor ratings and between self and objective measures. This is most likely a result of fostering a common frame-of-reference concerning what constitutes high, medium, and low levels of performance. Festinger’s (1954) social comparison theory states that individuals have a drive to evaluate their abilities by comparing themselves with others. For instance, an individual can compare his or her ratings with the ratings of other employees in order to gain accurate information about himself or herself or to determine if he or she is treated equitably with fair ratings (Goodman, 1977).

Possessing comparative information may make it difficult for employees to question the ratings they receive. Nevertheless, findings are mixed, and some research regarding comparative performance information shows this type of information can decrease the probability of attaining desirable appraisal outcomes. DeNisi cautions that feedback information which takes the focus off of the task and puts it on the self can actually decrease performance (DeNisi & Kluger, 2000; Kluger & DeNisi, 1996). Furthermore, Pearce and Porter (1986) found that negative outcomes and reactions can

result from comparative performance appraisals, and that this is especially true for those individuals performing below an outstanding level. For this reason, in order to promote desirable appraisal outcomes, feedback that contains comparative performance information should be geared toward keeping the focus on the task.

Summary of Perceptions of the Feedback Received

The findings from past research indicate that feedback which is useful (e.g., relevant, accurate, and specific) plays a critical role in helping employees perform effectively on the job. Moreover, feedback that is perceived to be credible is generally more accepted and can be more motivating to feedback recipients. Finally, comparative performance information that keeps employees focused on the task may contribute to greater acceptance and other desirable appraisal outcomes.

Summary

This chapter provides a review of the existing performance appraisal literature to describe the characteristics associated with successful outcomes. Zuber and Behnson (1998) highlight that all aspects of the performance appraisal can have important implications. A straw broom reference is used to illustrate how the importance of any characteristic is in some way dependent upon the other characteristics. They write,

The integrity of a broom is likely to survive the loss of a single straw, but the more straws that are plucked from the broom, the more likely it is that the broom will fall apart. It follows that the loss of some positive impressions of session characteristics only makes the other positive impressions more likely to fall apart (p. 32).

Synthesizing past performance appraisal research with findings in the areas of psychological climate and organizational justice, a framework (see Figure 2-1) is created where participant perceptions of appraisal characteristics are the drivers of an appraisal's outcomes. Positive perceptions of these characteristics by every employee in an organization do not guarantee positive appraisal outcomes, but negative perceptions by a few individuals can drastically decrease the chances an organization's performance appraisal will produce the desired results. A better understanding of how employees perceive the organizational context in which performance appraisal occurs might improve the degree to which research contributes to practice (Bretz et al., 1992) by providing a more complete understanding of the factors that create an environment which best facilitates achieving desirable outcomes.

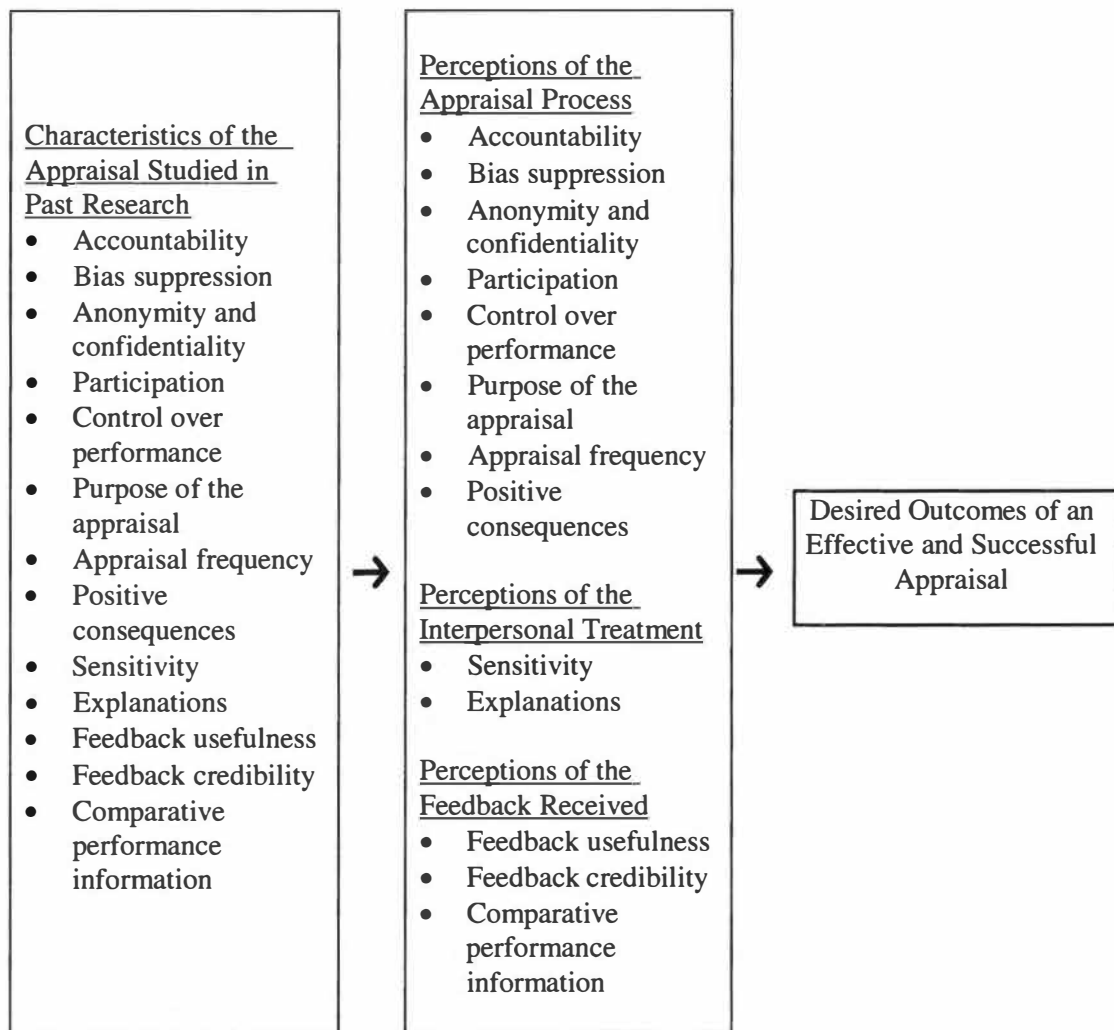


Figure 2-1. Framework of Appraisal Effectiveness

CHAPTER III

THE PRESENT STUDY

Nunnally and Bernstein (1994) note that "...the science of psychology can progress no faster than the measurement of its key variables" (p. 7). Therefore, a measurement tool is essential because it "facilitates objectivity, quantification, communication, economy, and scientific generalization" (Nunnally & Bernstein, 1994, p. 29). DeVellis (1991) notes, "We acquire knowledge about people, objects, events, and processes by observing them. Making sense of these observations frequently requires that we quantify them—i.e., that we measure the things in which we have a scientific interest" (p. 2). In addition, Pedhazur and Schmelkin (1991) write, "A great advantage in using measurement is that one may apply the powerful tools of mathematics to the study of phenomena" (p. 17).

It is necessary to be well grounded in the theory or framework related to the concept to be measured (DeVellis, 1991; Pedhazur & Schmelkin, 1991). The previous chapter summarizes the theoretical ground work from existing research regarding effective appraisal outcomes, and it goes beyond placing the focus on a single issue or on a few appraisal characteristics as has been the general research strategy in this area (Burke et al., 1978). The psychological climate literature is used to emphasize that the perceptions employees have about these appraisal characteristics are important because perception is reality to the participants (Ostroff, 1992). Drawing from the organizational

justice literature, the following broad categories are used to organize findings from past research:

1. Perceptions of the appraisal process: Those perceptions regarding the procedures used during the appraisal. This category includes perceptions of accountability, bias suppression, anonymity, confidentiality, participation, control over performance, purpose of the appraisal, appraisal frequency, and positive consequences.
2. Perceptions of the interpersonal treatment: Those perceptions regarding the interpersonal interaction and treatment received during the appraisal process. This category includes perceptions of sensitivity and explanations.
3. Perceptions of the feedback received: Those perceptions regarding the feedback one receives from an appraisal. This category includes perceptions of feedback usefulness, credibility, and comparative performance information.

Given this framework, many characteristics related to successful appraisal outcomes are known. Many of these characteristics, however, have not been examined in field settings. Instruments have been developed to assess specific appraisal characteristics like the amount and type of feedback information available (Herold & Parsons, 1985) and perceived political considerations (Tziner, Prince, & Murphy, 1997). Yet, a single measure that assesses a more comprehensive and integrated collection of appraisal characteristics does not exist. This dissertation will develop and evaluate the psychometric qualities of such an instrument. The definitions of each characteristic included in the framework are shown in Table 3-1.

Table 3-1.

Definitions of Consequential Appraisal Characteristics

| Characteristic | Definition |
|--------------------------|--|
| Accountability | A motivating force on raters, ratees, or organizational management to meet their personal responsibilities and/or to justify their actions in an appraisal process. |
| Bias Suppression | The appraisal process and the resulting feedback are fair and free of personal biases. |
| Anonymity | The identity of the rater is protected and cannot be determined by the ratee. |
| Confidentiality | Performance ratings and feedback results are shared only with the ratee. |
| Participation | The opportunity at various stages of a performance appraisal process to have influence over the process, such as setting performance goals, presenting relevant information, and appealing ratings received. |
| Control over Performance | Ratees are rated on their performance in areas that they can control or change. |
| Purpose of the Appraisal | The reason for engaging in a performance appraisal process. |

Table 3-1. Continued.

| Characteristic | Definition |
|-------------------------------------|--|
| Appraisal Frequency | The number of times and regularity a ratee receives feedback regarding his or her level of performance. |
| Positive Consequences | Rewards and incentives made available to raters and ratees for participating in the appraisal process in a desired manner. |
| Sensitivity | The extent to which a rater creates a comfortable atmosphere during an appraisal discussion by treating the ratee in a polite, dignified, and respectful manner. |
| Explanations | Causal accounts or rationale given by a rater to justify the reasons why certain ratings were given. |
| Usefulness of the Feedback | The extent to which feedback is relevant, accurate, and specific so that ratees can apply it to make behavior changes. |
| Credibility | The extent that feedback is based on the observation of a ratee's performance by adequately trained raters. |
| Comparative Performance Information | Information describing the performance level of other employees that allows ratees to compare themselves with others. |

Individuals may have different perceptions because of egocentric bias and attribution, differences in organizational level, or different observational opportunities (Harris & Schaubroeck, 1988). Pinder (1998) notes that “the same two people could compare themselves with each other and each conclude that the other has a better deal” (p. 290). James (1982) emphasizes that the appropriate level for studying climate is the individual and that all climates are fundamentally perceptual and psychological. An individual’s perceptions can influence his/her attitudes, reactions, and behavior (Brown & Leigh, 1996; James et al., 1978; James & James, 1989; James & Jones, 1974; Kozlowski & Hults, 1987; Murphy & Cleveland, 1991), and two people may react very differently to the same situation if they have different perceptions as to why it occurred (Cropanzano & Folger, 1996; Pinder, 1998). Therefore, the way an employees perceives a performance appraisal has important ramifications.

A measure that quantifies perceptions of the characteristics known to be related to desired appraisal outcomes will allow researchers and practitioners to obtain a better understanding of the context in which a performance appraisal occurs. The measure will be successful if it is psychometrically sound and reliably measures these employee perceptions. Theoretical and practical benefits from developing such an instrument include contributing to future appraisal research, helping organizations assess readiness for implementing a performance appraisal, and serving as a diagnostic tool to ascertain if any characteristics are impeding desired outcomes. Ultimately, it is hoped that this measure will fill a void in the needs of both researchers and practitioners.

CHAPTER IV

METHODOLOGY

Overview

The development of a measure of employee perceptions regarding performance appraisal occurred in three phases. In the first stage of item generation, a pool of items was written to measure perceptions of the dimensions shown by past research to be associated with effective appraisal outcomes. Special attention was focused on making sure the items fully measured the content of these dimensions. Items were reviewed and assessed by a panel of subject matter experts (SMEs). In the second stage of scale development and evaluation, a revised subset of the initial pool of items was administered to employees who had participated in a performance appraisal. The full sample of participants was randomly split into a scale development sample and a scale evaluation sample. Each scale was tested for unidimensionality and subjected to assessment of reliability. The measure's structure was also tested using confirmatory factor analysis. Reliability estimates and model fit were cross-validated using the scale evaluation sample. Finally, in the third stage, the full sample of participants was used to examine the relationships between the performance appraisal scales and outcome variables and to conduct dominance analyses to determine relative importance of predictors.

Stage 1: Item Generation

The purpose of Stage 1 was to create a pool of items which adequately reflected the domain of characteristics which past research has found to be related to desirable

performance appraisal outcomes. For each performance appraisal dimension, an initial set of items was generated. This is Hinkin's (1995) deductive approach, which bases the items on a classification schema before data collection takes place.

In total, 114 items were written to assess the perceptions appraisal participants have regarding fundamental aspects of performance appraisal in their organization. These items were written to facilitate description of the extent to which each aspect is perceived to be present. The focus on description was intended to emphasize the use of actual experiences as a basis for measuring the perceptions. Since some evidence suggests that negatively worded, or reverse-scored items, may reduce the validity of questionnaire responses by adding confusion or by potentially introducing systematic error (Hinkin, 1995; Jackson, Wall, Martin, & Davids, 1993), all items were phrased positively.

The main concern in the item generation stage was to demonstrate content validity by showing that the measure sufficiently captured the specific areas of interest without assessing any extraneous content (Cronback & Meehl, 1955; Hinkin, 1995). Stone (1978) notes, "A measure has content validity to the extent that items making up the measure are a representative sample of the domain of items associated with the variable being measured" (p. 51). Twelve subject matter experts (SMEs) were recruited to review the items and to determine the degree to which the items are a sample of the domain of interest. These SMEs included individuals with education and/or work experience in the area of performance appraisal. The SMEs included two faculty members employed in a university setting, three human resources professionals in the utility industry, two individuals employed in manufacturing industries, one individual from a service industry,

and four advanced doctoral students in Industrial/Organizational Psychology. Utilizing a procedure known as retranslation (Cascio, 1991), the SMEs were given definitions of the appraisal characteristics and a list of 114 randomly ordered items. Their task was to sort (i.e., retranslate) the items back into the characteristic(s) they best represent. The instructions provided to the SMEs can be found in Appendix A.

Bordens and Abbot (1996) suggest that “for most applications, a percent agreement around .70 is acceptable” (p. 115). For this study, content validity was defined as 75% agreement (i.e., at least nine of the twelve raters classified the item into its intended dimension as their first choice). Eighty-four items achieved this level of agreement. To further refine the number of items and to make the length of the measure more feasible for administering to employees in an organizational setting, the top four items for each characteristic were chosen to remain in the item pool for use in Stage 2. All of the top four items for each characteristic met the threshold of 75% agreement, yet it occasionally appeared that another characteristic was distracting SMEs. In other words, several SMEs listed another characteristic as a second or third choice. To increase content validity, these items were reviewed and rewritten to be more clear. Only three items in the original item pool were written to assess anonymity, and only two items were written to assess confidentiality. These five items met the 75% threshold.

Stage 2: Scale Development and Evaluation

The revised subset of items remaining after Stage 1 was further examined and refined in order to continue the scale development process. The objective at this phase of instrument development was to ensure that the scales were made up of items which best

assessed each of the characteristics measured. Both adequate domain sampling and parsimony of the measure are important considerations at this stage in the scale development process (Hinkin, 1995).

Participants

Two distinct samples made up the participants used in both Stage 2 and Stage 3 of this study. Each sample is described separately in the following sections.

Sample 1. The first sample was made up of employees from a large Southeastern utility who had participated in the organization's performance appraisal system. A total of 558 individuals were contacted with the request to complete the survey. There were 278 useable surveys completed for a response rate of 49.8%. Ages of participants ranged from 23 to 66 years with an average age of 47.7 years ($SD = 7.6$), which did not significantly differ from the average age ($M = 48.0$) of the entire employee population solicited for participation. The majority of the participants from this sample were male (51.4%) and white (88%), which did not significantly differ from the proportions of the entire group solicited. A small number of the participants in this sample indicated being in a supervisory position ($n = 99$). Reported organizational tenure of participants ranged from just under one year up to 32 years with an average organizational tenure of 13.7 years ($SD = 9.6$). On average, participants reported that they had been in their present jobs 5.1 years ($SD = 5.0$).

Sample 2. The second sample was made up of employees from an agricultural extension program of a large Southeastern university who had participated in the organization's performance appraisal system. A total of 801 individuals were contacted

with the request to participate in the survey. There were 436 useable surveys completed for a response rate of 54.4%. Ages of participants ranged from 19 to 68 with an average age of 44.4 years ($SD = 10.7$), which did not significantly differ from the average age ($M = 45.1$) of the entire employee population solicited for participation. The majority of the participants from this sample were female (61.4%) and white (91.%), which did not significantly differ from the proportions of the entire group solicited. A small number of participants in this sample indicated being in a supervisory position ($n = 82$). Reported organizational tenure of participants in the second sample ranged from just under one year up to 41 years with an average organizational tenure of 14 years ($SD = 10$). On average, participants reported that they had been in their present jobs 8.9 years ($SD = 7.8$).

Full Sample. In total, 714 useable surveys were completed out of the 1359 employees solicited yielding an overall response rate of 52.5%. For the full sample, ages of the participants ranged from 19 to 68, with an average age of 45.6 years ($SD = 9.7$). Most of the participants providing demographic information were female ($n = 358$, 56.3%) and most were Caucasian ($n = 578$, 89.9%). A small part of the sample reported being in a supervisory position that provides feedback to employees ($n = 181$, 25.4%). Average organizational tenure was reported at 13.9 years ($SD = 9.8$), and average job tenure was reported to be 7.4 years ($SD = 7.1$).

Procedure

Employees who had participated in the performance appraisal system at their current organization (i.e., as a rater, ratee, or both) were sent an e-mail message that

described the study and contained a link to the on-line survey. Both organizations preferred on-line survey administration rather than distributing an available paper version of the questionnaire. The e-mail to the employees in the utility sample was sent by the human resources representative for each business unit sampled. The e-mail to the employees in the university sample was sent by the dean of the organization. It was requested that participants complete the survey within two weeks. To increase participation, a reminder e-mail was sent to all employees in both groups one week after the first e-mail was sent. This reminder expressed appreciation to those who had already completed the survey and encouraged those who had not yet participated to complete it within one week.

The survey administered to Sample 1 is shown in Appendix B. It asks participants to provide information regarding their perceptions of performance appraisal in their organization as well as to provide information regarding several outcome variables and demographic information. The same survey as shown in Appendix B was administered to the participants in Sample 2. The only difference being that that six additional items were requested to be added solely for their evaluation purposes. Two additional items dealing with general satisfaction were included as well as four open-ended items asking participants to provide comments regarding the performance appraisal system. The open-ended questions asked participants to describe their philosophy regarding performance appraisals, to provide constructive feedback on the current performance appraisal system, and to explain benefits they have personally gained from participating in performance appraisals.

Measures

Performance Appraisal Climate Survey. Fifty-three items were used to assess employee perceptions of performance appraisals in their organization. These items were made up of those remaining after the deletions and revisions from the item generation work in Stage 1. The respondents were asked to indicate the extent to which each item described performance appraisal in their organization using a 7-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Slightly Disagree, 4 = Neither Agree nor Disagree, 5 = Slightly Agree, 6 = Agree, 7 = Strongly Agree). A “Not Applicable” option was also available for participants to use if they did not feel they could adequately respond to an item. The items used to measure perceptions of the various performance appraisal characteristics appear in Table 4-1.

Job Satisfaction. Job satisfaction was one of six outcome measures collected for this study. Job satisfaction was measured using a five item scale of general job satisfaction from Hackman and Oldham’s (1975) Job Diagnostic Survey. The respondents were asked to rate each item using a 7-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Slightly Disagree, 4 = Neither Agree nor Disagree, 5 = Slightly Agree, 6 = Agree, 7 = Strongly Agree). A “Not Applicable” option was also available. Past research has reported reliability estimates for this scale ranging from .74 to .80. In this study, coefficient alpha was .79 in the scale development sample. For the scale evaluation sample, the coefficient alpha was .81. The five items used to measure job satisfaction appear in Table 4-2.

Table 4-1.

Performance Appraisal Climate Survey Items

| Characteristic | Item |
|---------------------|--|
| Accountability | I am held accountable for using the feedback I receive. (1) |
| | I am responsible for making improvements in areas where my performance is rated low. (2) |
| | My supervisor is held accountable for his/her responsibilities in the performance review process. (14) |
| | The performance review process is monitored by upper management/ executives. (19) |
| Bias Suppression | My supervisor avoids giving inflated ratings to employees just because he/she likes them. (12) |
| | My supervisor is fair during the performance review process. (13) |
| | The performance review process is fair. (18) |
| | The performance review process is unaffected by the mood of my supervisor. (20) |
| Anonymity | I am unable to determine exactly who said what about me. (50) |
| | The identity of the feedback giver is protected and can not be determined. (52) |
| | The feedback givers are anonymous. (54) |
| Confidentiality | I am the only employee who has access to my feedback. (49) |
| | The feedback I receive is confidential. (51) |

Table 4-1. Continued.

| Characteristic | Item |
|--------------------------|--|
| Participation | The performance review process gives me an opportunity to express my views about the way my performance is rated. (3) |
| | I have a voice in the performance review process. (4) |
| | I can provide input in the performance review process. (5) |
| | The performance review process allows me to appeal the ratings I receive. (16) |
| Control over Performance | I have the ability to improve my performance on areas that are rated low. (6) |
| | The areas assessed in the performance review are under my control. (15) |
| | The performance review process focuses on behaviors I can change. (17) |
| | The performance review process takes into consideration factors beyond my control that influence my performance. (22) |
| Purpose of the Appraisal | My organization uses the performance review process to make important decisions. (21) |
| | The purpose of the performance review process is to provide me with helpful information about my performance. (23) |
| | The performance review process is used for developmental purposes (e.g., to communicate strengths and areas for improvement). (25) |
| | The performance review process is used for administrative purposes (e.g., to determine pay, promotion, or work assignment). (26) |

Table 4-1. Continued.

| Characteristic | Item |
|--------------------------|---|
| Appraisal Frequency | I know when to expect my performance reviews each year. (7) |
| | My performance is evaluated at least once per year. (9) |
| | My performance reviews occur at the same time each year. (10) |
| | My supervisor and I engage in frequent performance discussions. (11) |
| Positive Consequences | Improvements that I make following my performance review are rewarded. (8) |
| | There are incentives for me to participate in the performance review process. (24) |
| | There are incentives for my supervisor to participate in the performance review process. (27) |
| | I receive positive outcomes when I fully participate in the performance review process. (28) |
| Sensitivity | My supervisor treats me with respect during my performance review discussions. (30) |
| | My supervisor ends my performance review discussions on a positive note. (32) |
| | My supervisor helps me to feel at ease during performance feedback sessions. (34) |
| | My supervisor treats me with consideration during my performance review discussions. (36) |

Table 4-1. Continued.

| Characteristic | Item |
|----------------------------|--|
| Explanations | Adequate explanations are given to me regarding my performance review ratings. (29) |
| | I understand why I received particular ratings. (31) |
| | My supervisor explains why my performance is rated as it is. (33) |
| | My supervisor provides me with rationale for why certain ratings are given. (35) |
| Usefulness of the Feedback | The feedback from my performance review is clear and understandable. (37) |
| | The feedback from my performance review is relevant to my work. (40) |
| | The feedback from my performance review is specific enough to make performance changes. (43) |
| | The feedback from my performance review provides me with useful information. (46) |
| Credibility | The feedback from my performance review is credible. (38) |
| | My supervisor has ample understanding of my job to evaluate my performance. (41) |
| | My supervisor has sufficient knowledge of my performance to provide performance feedback. (44) |
| | My supervisor has the opportunity to observe my work firsthand. (47) |

Table 4-1. Continued.

| Characteristic | Item |
|-------------------------------------|--|
| Comparative Performance Information | My performance review feedback describes how I am doing based on the performance of others in my group. (39) |
| | My performance review feedback describes how my performance compares with others. (42) |
| | My performance review feedback explains my performance relative to the average performance in my organization. (45) |
| | My performance review feedback shows how my performance compares with my supervisor's expectations of my performance. (48) |

Note. Numbers in parentheses are item numbers

Table 4-2.

Job Satisfaction Scale

| Item |
|--|
| Generally speaking, I am very satisfied with this job. |
| I am generally satisfied with the kind of work I do in this job. |
| I frequently think of quitting this job. (R) |
| Most people on this job are very satisfied with the job. |
| People on this job often think of quitting. (R) |

Note. (R) = Reverse scored. From "Development of the Job Diagnostic Survey," by J.R.

Hackman & G.R. Oldham, 1975, Journal of Applied Psychology, 60, 159-170.

Organizational Commitment. Organizational commitment was measured using eight items from Allen and Meyer's (1990) Affective Commitment Scale. Respondents rated each item using a 7-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Slightly Disagree, 4 = Neither Agree nor Disagree, 5 = Slightly Agree, 6 = Agree, 7 = Strongly Agree). A "Not Applicable" option was also available. Past research has reported that the coefficient alpha reliability for this scale is .87. In this study, coefficient alpha was .85 in the scale development sample and .85 in the scale evaluation sample. These items appear in Table 4-3.

Motivation. Motivation to make performance improvements and to meet performance objectives was measured using 3 items written for this study. Respondents rated each item using a 7-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Slightly Disagree, 4 = Neither Agree nor Disagree, 5 = Slightly Agree, 6 = Agree, 7 = Strongly Agree). A "Not Applicable" option was also available. In this study, coefficient alpha was .81 in the scale development sample and .84 in the scale evaluation sample. These items appear in Table 4-4.

Satisfaction with the Appraisal Process. Satisfaction with the performance review was measured using one item written for this study (i.e., "I am satisfied with the performance review process as a whole"). Respondents rated the item using a 7-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Slightly Disagree, 4 = Neither Agree nor Disagree, 5 = Slightly Agree, 6 = Agree, 7 = Strongly Agree). A "Not Applicable" option was also available.

Table 4-3.

Organizational Commitment Scale

| Item |
|---|
| I do not feel “emotionally attached” to this organization. (R) |
| I do not feel a strong sense of belonging to my organization. (R) |
| I do not feel like “part of the family” at my organization. (R) |
| I enjoy discussing my organization with people outside it. |
| I really feel as if this organization’s problems are my own. |
| I think that I could easily become as attached to another organization as I am to this one. (R) |
| I would be very happy to spend the rest of my career with this organization. |
| This organization has a great deal of personal meaning for me. |

Note. (R) = Reverse scored. From “The measurement and antecedents of affective, continuance, and normative commitment to the organization,” by N.J. Allen and J.P. Meyer, 1990, Journal of Occupational Psychology, 63, p. 1-18.

Table 4-4.

Motivation Scale

| Item |
|---|
| I am actively working to improve areas rated low during my last performance review. |
| The performance review process motivates me to improve my job performance. |
| The performance review process motivates me to reach my performance goals. |

Satisfaction with the Supervisor. Satisfaction with the supervisor's role in the appraisal was measured using one item written for this study (i.e., "I am satisfied with the way my supervisor conducts my performance review"). Respondents were asked to rate the item using a 7-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Slightly Disagree, 4 = Neither Agree nor Disagree, 5 = Slightly Agree, 6 = Agree, 7 = Strongly Agree). A "Not Applicable" option was also available.

Satisfaction with the Feedback. Satisfaction with the feedback was measured using one item written for this study (i.e., "I am satisfied with the quality of the feedback I receive from performance reviews"). Respondents were asked to rate this item using a 7-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Slightly Disagree, 4 = Neither Agree nor Disagree, 5 = Slightly Agree, 6 = Agree, 7 = Strongly Agree). A "Not Applicable" option was also available.

Demographics. Information on tenure with the organization (i.e., "What is your tenure in your organization?" for the utility sample and "How many years have you been in a position with this organization" for the university sample) and tenure in current job (i.e., "What is your tenure in your current job?" for the utility sample and "How many years have you been in your current position with this organization" for the university sample) was collected from participants. Age was assessed by asking "What is your age?" and gender by asking "What is your gender (M/F)?" Race was collected by asking participants to choose from a pull-down list of choices. Moreover, participants were asked to provide information regarding the frequency in which they are involved in performance appraisal activities (i.e., "Approximately how many times per year is your

performance rated?” and “Approximately how many times per year do you participate in performance review discussions with your supervisor?”). Participants were not required to respond to any of these questions. All demographic information was provided on a voluntary basis.

Analyses

Initially, the full sample of 714 participants was randomly split into a scale development sample ($n = 400$) and a scale evaluation sample ($n = 314$). Both meet Hinkin’s (1995) recommended sample size of at least 150 for exploratory factor analysis and at least 200 for confirmatory factor analysis.

Using the data from the scale development sample, exploratory factor analysis and internal consistency reliability analyses were conducted to assess the unidimensionality and reliability of each scale. The reliability estimates were replicated using the scale evaluation sample in order to cross-validate the findings. Unit-weighted scale scores were then calculated and used for subsequent analyses.

Next, the scales were subjected to confirmatory factor analysis to test the structure of the instrument. Factor analysis can identify underlying constructs that summarize a set of variables, and it can be used to test hypotheses about an already developed scale. (Ford, MacCallum, & Tait, 1986; Schwab, 1980). Jöreskog and Sörbom (1993) note that there are three situations in which confirmatory factor analysis is generally utilized. First, they describe model generating as a situation where a researcher has specified a tentative initial model. In the second situation, a researcher can examine several alternative

models and select the best model. Finally, the third situation is strictly confirmatory where a single model is tested in order to accept or reject it.

Initially, this dissertation began in the model generating situation of testing the fit of the three-factor framework. In order to ascertain if a better fit could be obtained by modifying the model, three alternative models were also tested. Fit of all four models was compared using the scale development sample. Then, the fit of the three-factor model, which appeared to best represent the data, was cross-validated using the scale evaluation sample.

Although items were also written to measure perceptions regarding feedback from sources other than the official performance appraisal system (i.e., anonymity and confidentiality), less than half of the participants provided data for these dimensions. One explanation for why the response rate to the anonymity and confidentiality items was so low may be that participation in “other” feedback programs like 360-degree feedback is often optional, resulting in a smaller subset of participating employees. Because anonymity and confidentiality are much less relevant to a regular performance appraisal systems in which most employees participate, the decision was made not to proceed with development of the anonymity and confidentiality scales at this time.

Stage 3: Relationships with Other Variables

Schwab (1980) emphasizes the importance of understanding the meaning attributed to the results of a measure. The objective at this stage of instrument development was to explore whether the performance appraisal dimensions differentially relate to other variables of interest.

Analyses

Using the data from the full sample of participants ($N = 714$), bivariate correlations between the 12 performance appraisal characteristics and job satisfaction, organizational commitment, motivation, process satisfaction, supervisor satisfaction, and feedback satisfaction were examined. The relationships with the continuous demographic variables were also examined. Dominance analyses were then conducted to determine the relative importance of the three categories of perceptions in predicting each outcome variable.

CHAPTER V

RESULTS

Stage 1: Item Generation

Data from the 12 SMEs were reviewed to assess content validity of the item pool. For each item, the number of SMEs who provided the intended characteristic as their first choice was examined. A total of 84 items met the 75% (i.e., 9 out of 12) agreement threshold. The top four items measuring each characteristic were selected and reviewed to determine if they met this level of agreement. All items selected met this criteria. Next, the selected items were examined to determine if another characteristic was distracting SMEs. If it appeared that a characteristic consistently distracted SMEs from correctly classifying items into their intended dimensions, the items were rewritten in order to make them more content valid.

Stage 2: Scale Development and Evaluation

Before the analyses were conducted, the full sample of 714 participants was randomly split into a scale development sample of 400 and a scale evaluation sample of 314. Both meet Nunnally and Bernstein's (1994) recommendation to have at least twice as many participants as items when estimating internal consistency reliability. In addition, the size of both samples is acceptable based on Hinkin's (1995) recommended sample size of at least 150 for exploratory factor analysis and at least 200 for confirmatory factor analysis.

Unidimensionality

Exploratory factor analysis is a common and recommended technique used when developing new scales and for refining measures (Ford et al., 1986; Hinkin, 1995; Nunnally & Bernstein, 1994). Using data from the scale development sample, the scales were subjected to exploratory factor analysis in order to assess unidimensionality of each dimension and to make decisions regarding any poorly loading items. Analyses of the items were performed separately by dimension. In order to ensure that each item represented the construct underlying each factor, a factor loading or weight of at least 0.40 was desirable. Each scale was found to be unidimensional, and all item loadings were above .40.

Reliability

Stone (1978) states, “Reliability is a property every measure should possess” (p. 51). Reliability is a necessary pre-condition for validity, and there are two major concerns of reliability assessment: 1) consistency of items within a measure and 2) stability of the measure over time if the attribute is not expected to change over time (Hinkin, 1995). Internal consistency, a technique for assessing reliability, is the extent a scale is composed of highly interrelated items (DeVellis, 1991; Stone, 1978).

Based on the reliability analyses using the scale development sample, each scale attained an acceptable coefficient alpha of .70 as established by Nunnally and Bernstein (1994) for new scales. Upon further examination, it was discovered that both the control over performance scale and the frequency scale had one item which had a relatively low item-total correlation (i.e., .386 and .389) and when deleted would substantially increase

the alpha of each scale. It was decided to delete the one item from the control over performance scale (i.e., “The performance review process takes into consideration factors beyond my control that influence my performance”) and the one item from the frequency scale (i.e., “My supervisor and I engage in frequent performance discussions”). Coefficient alphas obtained from the scale development sample ranged from .74 to .95 and are presented in Table 5-1.

Using the data from the scale evaluation sample, coefficient alphas were replicated for each scale in order to cross-validate the acceptable internal consistency reliability estimates that were found using the scale development sample. All scales attained an acceptable level of .70 as established by Nunnally and Bernstein (1994) for new scales. Coefficient alphas obtained from the scale evaluation sample ranged from .74 to .95 and are also presented in Table 5-1.

Based on the findings demonstrating unidimensionality of the scales and the acceptable reliabilities which were obtained from both samples, the scale evaluation efforts continued. The results suggest that 12 viable scales have been created and that these key appraisal characteristics can be reliably measured using employee perceptions. Therefore, unit-weighted scale scores were calculated and used for subsequent analyses.

Confirmatory Factor Analysis

Confirmatory factor analysis was utilized to examine the structure of the instrument. Hinkin (1995) recommends focusing on specific relationships theoretically justified in the literature review and confirming hypothesized relationships. Using Amos 4.01 (Arbuckle, 1994), the fit of the three-factor framework along with three

Table 5-1.

Scale Reliabilities

| Scale | Number of Items | Coefficient Alpha -- Scale Development Sample | Coefficient Alpha -- Scale Evaluation Sample |
|-------------------------------------|--------------------|---|--|
| Accountability | 4 | .74 | .74 |
| Bias Suppression | 4 | .84 | .82 |
| Participation | 4 | .89 | .85 |
| Control over Performance | 3 | .79 | .80 |
| Purpose of the Appraisal | 4 | .77 | .78 |
| Appraisal Frequency | 3 | .82 | .82 |
| Positive Consequences | 4 | .85 | .82 |
| Sensitivity | 4 | .92 | .95 |
| Explanations | 4 | .95 | .94 |
| Usefulness of the Feedback | 4 | .92 | .92 |
| Credibility | 4 | .85 | .91 |
| Comparative Performance Information | 4 | .84 | .83 |

alternative models was tested. This study examined several fit indices: the chi square model fit statistic (χ^2), Root Mean Square Error of Approximation (RMSEA), Expected Cross Validation Index (ECVI), Comparative Fit Index (CFI), and Normed Fit Index (NFI).

Three-Factor Framework. The first model tested (Model A) is the three-factor framework developed in Chapter 2 (see Figure 5-1). Based on organizational justice research, it was expected that performance appraisal perceptions could be described by three factors (i.e., procedural, interactional, and feedback perceptions). Although the chi square model fit statistic is significant ($\chi^2(51) = 252.45$), the other fit indices indicate that this model has adequate fit (e.g., RMSEA = 0.10; CFI = 0.99; NFI = 0.99). It is important to note that high correlations emerged between the Procedural and Interactional factors ($\Phi = .91$), the Procedural and Feedback factors ($\Phi = .94$), and the Interactional and Feedback factors ($\Phi = .91$). However, Ford et al. (1986) note that “constructs in the real world are rarely uncorrelated” (p. 296).

Two-Factor Models. In order to ascertain whether the fit of the three-factor model could be improved upon, confirmatory factor analysis was also conducted on two alternative two-factor models. These models and their fit indices are described below.

The first two-factor model tested (Model B) combined the procedural and interactional factors (see Figure 5-2). This combination of factors was tested because interactional factors are sometimes considered to be a part of procedural concerns (Colquitt, 2001; Pinder, 1988). Although the chi square model fit statistic is significant ($\chi^2(53) = 298.87$), other fit indices indicate that this model has somewhat adequate

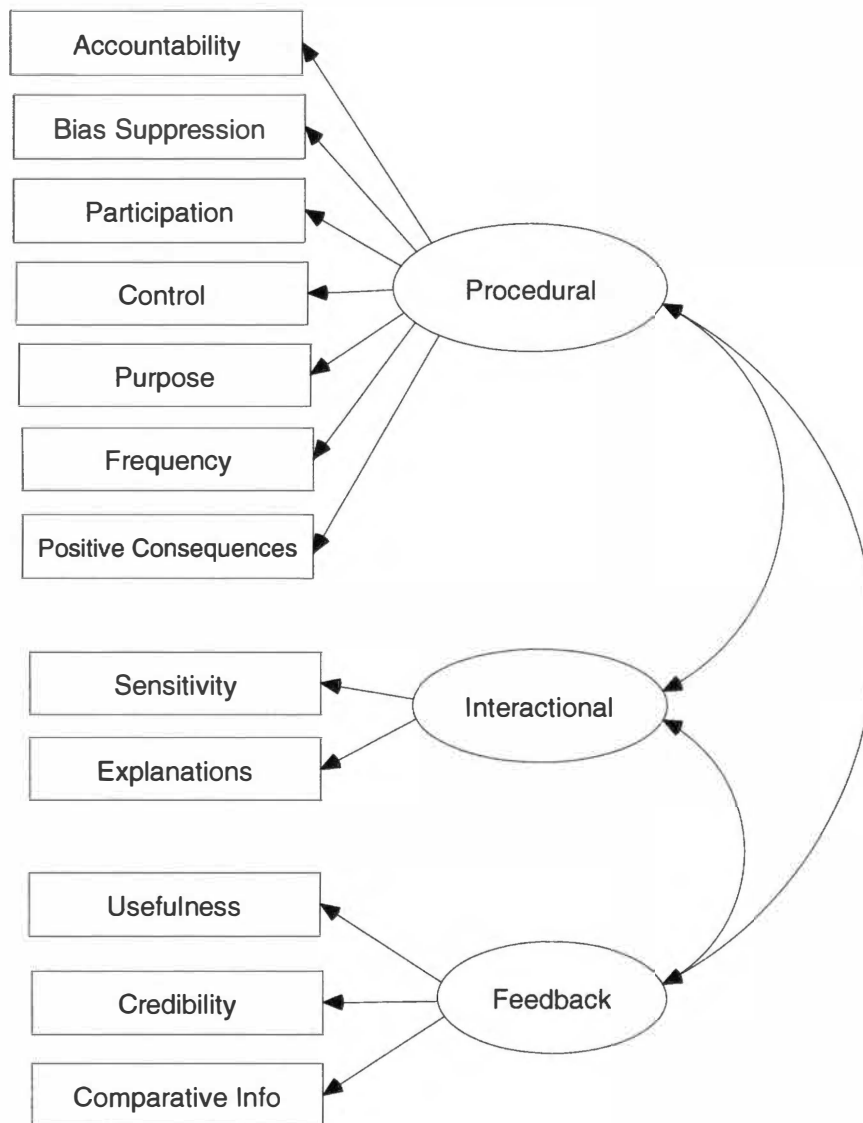


Figure 5-1. Model A: Three-Factor Model of Appraisal Perceptions

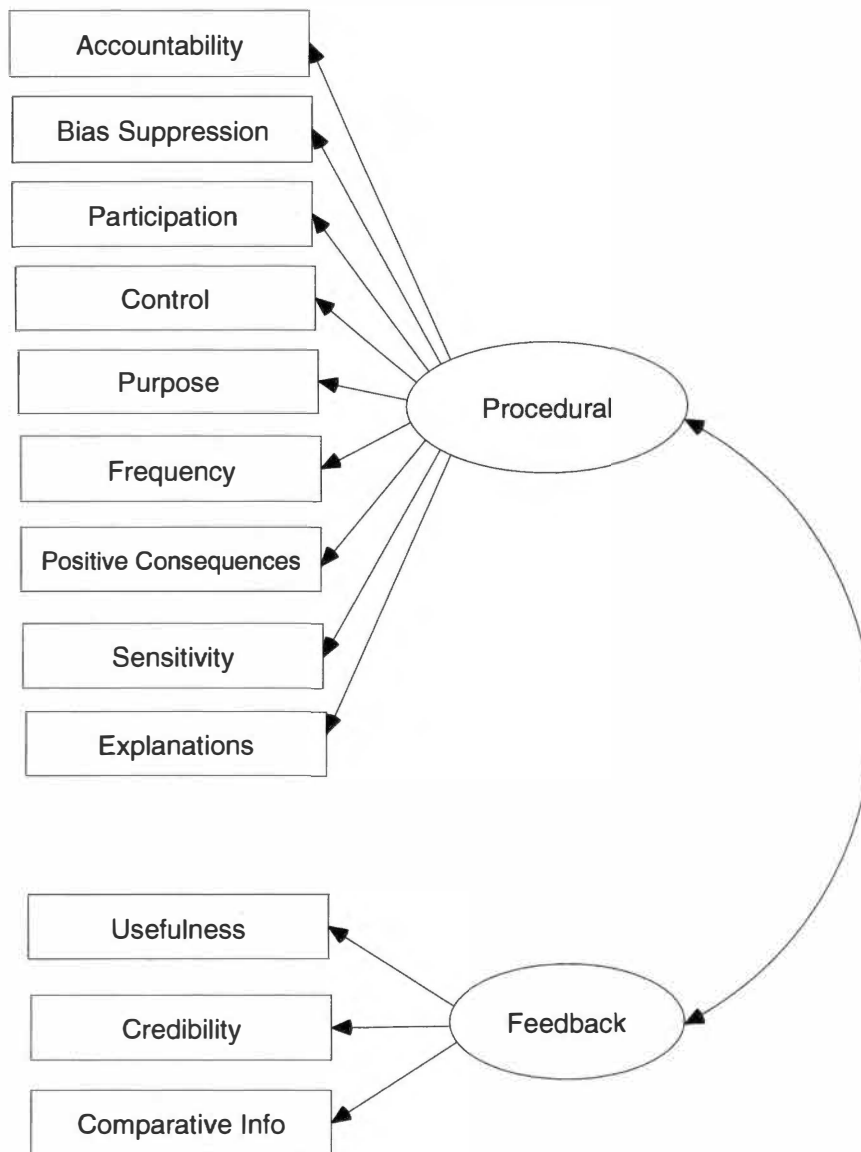


Figure 5-2. Model B: Two-Factor Model of Appraisal Perceptions

fit (e.g., RMSEA = 0.11; CFI = 0.99; NFI = 0.98). Furthermore, a high correlation emerged between the two factors ($\Phi = .95$). The fit of this model was not an improvement over the proposed three-factor model. In fact, it had significantly worse fit than the three-factor model.

The second two-factor model tested (Model C) combined the procedural and feedback factors (see Figure 5-3). The decision was made to test this model due to the high correlation between the procedural and feedback factors ($\Phi = .94$) found when testing the Model A, the three-factor model. Compared to the three-factor model, this model failed to demonstrate improved fit. The chi square model fit statistic is again significant ($\chi^2(53) = 283.71$), but the other fit indices appear to indicate that this model could provide somewhat adequate fit (e.g., RMSEA = 0.11; CFI = 0.99; NFI = 0.98). As with the other two-factor model, a high correlation emerged between the two factors ($\Phi = .93$). The fit of this model was also significantly worse than the fit of three-factor model.

One-Factor Model. In hopes of finding a model with a closer fit, Model D, a one-factor model was tested (see Figure 5-4). This alternative model was tested because all factor correlations that emerged when testing the previously mentioned models were high. This may suggest that fit could be improved by combining all the performance appraisal perceptions into one overall performance appraisal perception factor. As with the other models tested, the chi square model fit test statistic was significant ($\chi^2(54) = 320.92$), and the other fit indices suggest a fit that could be considered somewhat acceptable (RMSEA = 0.11; CFI = 0.98; NFI = 0.98). The fit of this model was significantly worse than the other models tested.

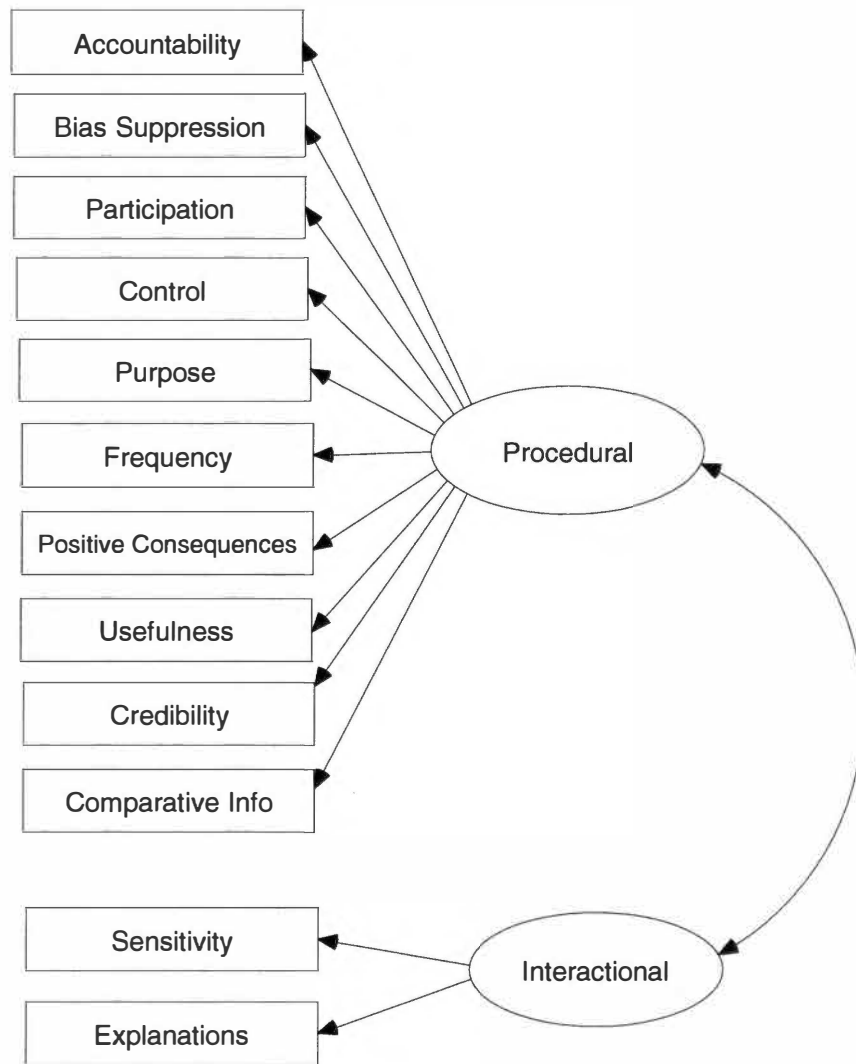


Figure 5-3. Model C: Two-Factor Model of Appraisal Perceptions

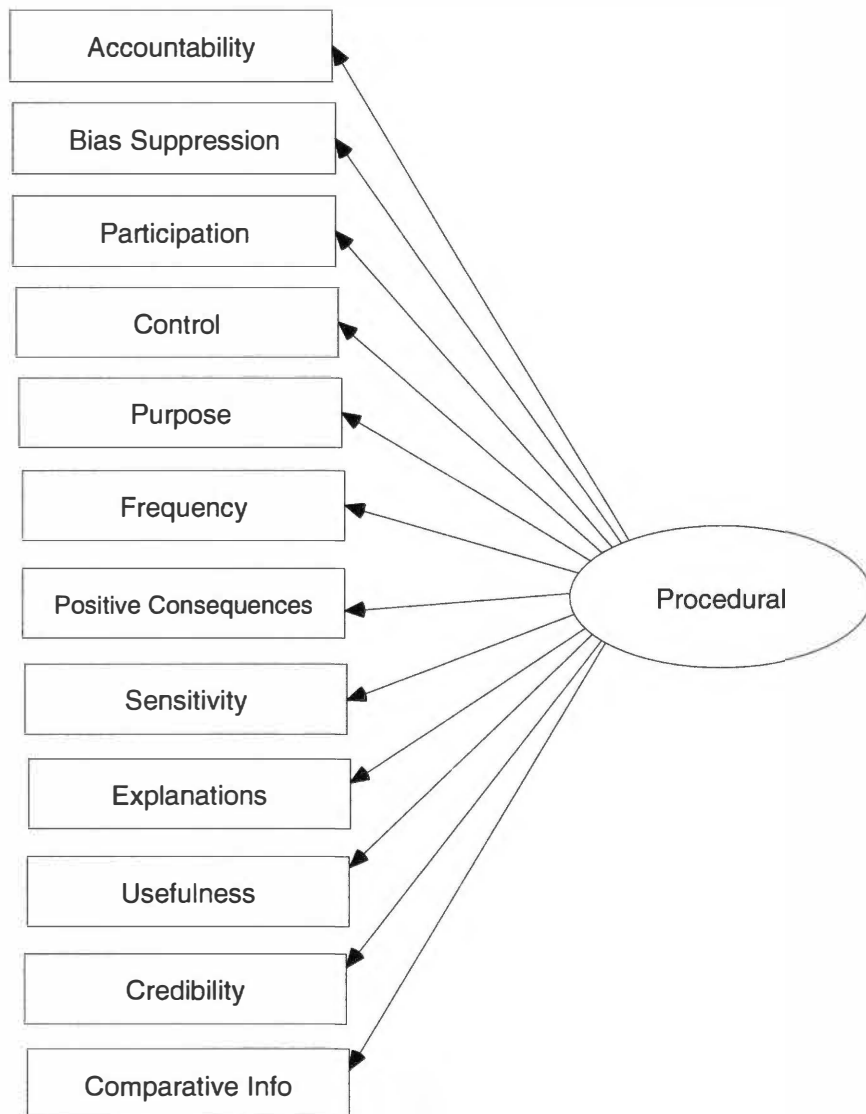


Figure 5-4. Model D: One-Factor Model of Appraisal Perceptions

Summary. An examination of the results indicated that the analysis converged for each of the models. Colquitt (2001) explains that the chi square model fit statistic is a “badness of fit” measure where a greater departure from zero will indicate worse fit. Values for all the models tested were significant, indicating that the models do not provide an exact fit to the data. Considering the sample size used, significant chi square statistics are not surprising.

Browne and Cudeck (1993) recommend an RMSEA value of 0.05 or less as an indicator of close fit, and they note values around 0.08 can represent reasonable fit. Loehlin (1998) notes that some even consider RMSEA values below 0.10 as “good.” None of the models tested in this study meet the RMSEA close fit criteria of 0.05 or less, but the three-factor model’s RMSEA of 0.10 is on the edge of being considered acceptable. Browne and Cudeck’s (1989) ECVI was also used to compare the alternative models. For a given data set, models can be ranked according to the ECVI, and the model with the smallest value provides the best fit (Jöreskog & Sörbom, 1993). The three-factor model has the smallest ECVI value of the four alternative models tested.

CFI and NFI values can range from 0 to 1, and it is generally recommended that these values be greater than 0.90. If the fit is excellent, these indices approach 1 (Loehlin, 1998). The CFI and NFI were high for each model tested (i.e., all were greater than 0.98), which suggests that the models tested in this study provide good fit.

Since the various fit indices are not intended to measure the same thing, Loehlin (1998) recommends that “an informed user should benefit by taking more than one perspective in evaluating the fit of a model” (p. 78). In general, the fit indices suggest

that the four models provide a somewhat adequate representation of the data. Even though the chi square values are significant and the RMSEA values are on the high end of being considered acceptable, taken as a whole the fit indices indicate that each model provides a reasonable overall approximation of the data. Examining all the fit indices, the three-factor model consistently demonstrates a better fit than the other models tested. Overall model fit indices for each of the four models are presented in Table 5-2.

Hinkin (1995) recommends focusing on specific relationships theoretically justified in the literature review and to confirm hypothesized relationships. Confirmatory factor analysis was conducted using the scale evaluation sample to cross-validate the fit of the three-factor model (Model A). This model provided the best fit of the four models tested using the scale development sample. Results from the scale evaluation sample are similar to those derived from the scale development sample ($\chi^2(51) = 246.12$; RMSEA = 0.11; CFI = 0.99; NFI = 0.98). Also, similar to the results found when the three-factor model was tested using data from the scale development sample, high correlations emerged between the factors. The correlation between the Procedural and Interactional factors was high ($\Phi = .88$) as was the correlation between the Procedural and Feedback factors ($\Phi = .94$) and the correlation between the Interactional and Feedback factors ($\Phi = .90$).

A test for equal structures between the scale development and scale evaluation samples was also conducted. A significant difference between the two samples was not found. Results show that for the three-factor model, the two samples have both equivalent fit and equal parameters ($\chi^2(9) = 14.16$, $p = .117$).

Table 5-2.

Comparison of Fit Indices Using Confirmatory Factor Analyses

| Sample | Model | Number of Factors | χ^2 | df | RMSEA | ECVI | CFI | NFI | χ^2 change | df change | p |
|----------------------|-------|-------------------------|----------|----|-------|------|------|------|--------------------|--------------|--------|
| Scale Development | A | 3 | 252.45 | 51 | 0.10 | 0.85 | 0.99 | 0.99 | -- | -- | -- |
| | B | 2 | 298.87 | 53 | 0.11 | 0.95 | 0.99 | 0.98 | 46.42 | 2 | < .001 |
| | C | 2 | 283.71 | 53 | 0.11 | 0.92 | 0.99 | 0.98 | 31.26 | 2 | < .001 |
| | D | 1 | 320.92 | 54 | 0.11 | 1.01 | 0.98 | 0.98 | 22.05 | 1 | < .001 |
| | | | | | | | | | | | |
| Scale Evaluation | A | 3 | 246.12 | 51 | 0.11 | 1.08 | 0.99 | 0.98 | | | |

Stage 3: Relationships with Other Variables

The current study explored whether the performance appraisal dimensions differentially relate to other variables of interest. Means and standard deviations for the performance appraisal dimensions and the outcome variables are shown in Table 5-3. Bivariate correlations were examined, and dominance analyses were conducted to determine relative importance in predicting outcome variables.

Correlational Analyses

Relationships among the 12 performance appraisal dimensions were examined (see Table 5-4). Correlations between the dimensions range from .41 to .77 with a mean correlation of .63. All correlations were significant ($p < .01$). The mean correlation among the seven procedural dimensions is .63, the same as the overall mean correlation. However, the correlations between the two interactional dimensions (.77) and among the three feedback dimensions (.66) are larger than the overall mean correlation.

To determine whether the resultant measures of the performance appraisal characteristics differentially relate to other variables of interest, bivariate correlations between the 12 performance appraisal characteristic scales and job satisfaction, organizational commitment, motivation, process satisfaction, supervisor satisfaction, and feedback satisfaction were examined. Correlations range from .27 to .79, which shows that the degree of association with the outcome variables differs. All correlations were significant ($p < .01$) and are shown in Table 5-5. Correlations between the 12 performance appraisal dimensions and the continuous demographic variables (i.e., age, organizational tenure, and job tenure) are small. These correlations appear in Table 5-6.

Table 5-3.

Means and Standard Deviations for Scales and Outcome Variables

| | N | Min | Max | Mean | SD |
|---------------------------|-----|------|------|------|------|
| Scales | | | | | |
| Accountability | 709 | 1.00 | 7.00 | 5.50 | 1.04 |
| Bias Suppression | 709 | 1.00 | 7.00 | 5.15 | 1.32 |
| Participation | 709 | 1.00 | 7.00 | 4.83 | 1.50 |
| Control | 710 | 1.00 | 7.00 | 4.97 | 1.14 |
| Purpose | 711 | 1.00 | 7.00 | 4.83 | 1.24 |
| Frequency | 711 | 1.00 | 7.00 | 5.54 | 1.08 |
| Positive Consequences | 711 | 1.00 | 7.00 | 4.39 | 1.40 |
| Sensitivity | 711 | 1.00 | 7.00 | 5.89 | 1.10 |
| Explanations | 713 | 1.00 | 7.00 | 5.30 | 1.45 |
| Usefulness | 710 | 1.00 | 7.00 | 5.07 | 1.39 |
| Credibility | 713 | 1.00 | 7.00 | 5.33 | 1.36 |
| Comparative Information | 708 | 1.00 | 7.00 | 4.06 | 1.40 |
| Outcome Variables | | | | | |
| Job Satisfaction | 714 | 1.00 | 7.00 | 5.13 | 1.16 |
| Organizational Commitment | 714 | 1.00 | 7.00 | 4.92 | 1.16 |
| Motivation | 709 | 1.00 | 7.00 | 4.82 | 1.50 |
| Process Satisfaction | 705 | 1.00 | 7.00 | 4.38 | 1.88 |
| Supervisor Satisfaction | 693 | 1.00 | 7.00 | 5.28 | 1.70 |
| Feedback Satisfaction | 704 | 1.00 | 7.00 | 4.76 | 1.71 |

Table 5-4.

Correlations among Performance Appraisal Dimensions

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-----------------------------|------|------|------|------|------|------|------|------|------|------|------|
| 1. Accountability | 1.00 | | | | | | | | | | |
| 2. Bias Suppression | .71* | 1.00 | | | | | | | | | |
| 3. Participation | .61* | .71* | 1.00 | | | | | | | | |
| 4. Control | .64* | .68* | .69* | 1.00 | | | | | | | |
| 5. Purpose | .65* | .62* | .63* | .69* | 1.00 | | | | | | |
| 6. Frequency | .55* | .62* | .55* | .54* | .50* | 1.00 | | | | | |
| 7. Positive Consequences | .64* | .66* | .67* | .65* | .74* | .51* | 1.00 | | | | |
| 8. Sensitivity | .58* | .73* | .62* | .55* | .50* | .59* | .51* | 1.00 | | | |
| 9. Explanations | .64* | .76* | .73* | .67* | .61* | .60* | .61* | .77* | 1.00 | | |
| 10. Usefulness | .68* | .73* | .73* | .74* | .71* | .58* | .67* | .65* | .77* | 1.00 | |
| 11. Credibility | .63* | .75* | .63* | .61* | .54* | .55* | .55* | .70* | .75* | .77* | 1.00 |
| 12. Comparative Information | .53* | .54* | .53* | .54* | .54* | .41* | .52* | .46* | .56* | .66* | .56* |

Note. mean procedural correlation = .63, interactional correlation = .77, mean feedback correlation = .66,

* $p < .01$, N ranged from 704 to 713

Table 5-5.

Correlations with Outcome Variables

| | Job Sat. | Org. Comm. | Motivation | Process Sat. | Supervisor Sat. | Feedback Sat. | Mean Corr. |
|-------------------------|----------|---------------|------------|-----------------|--------------------|------------------|---------------|
| Accountability | .39* | .35* | .59* | .57* | .61* | .61* | .52 |
| Bias Suppression | .39* | .36* | .62* | .67* | .77* | .72* | .59 |
| Participation | .40* | .32* | .59* | .68* | .67* | .70* | .56 |
| Control | .42* | .30* | .59* | .65* | .55* | .66* | .53 |
| Purpose | .39* | .33* | .65* | .63* | .51* | .60* | .52 |
| Frequency | .27* | .30* | .45* | .48* | .59* | .56* | .44 |
| Positive Consequences | .41* | .35* | .62* | .66* | .53* | .62* | .53 |
| Sensitivity | .31* | .32* | .50* | .53* | .74* | .64* | .51 |
| Explanations | .38* | .29* | .60* | .65* | .78* | .76* | .58 |
| Usefulness | .43* | .35* | .72* | .74* | .68* | .79* | .62 |
| Credibility | .40* | .33* | .56* | .61* | .76* | .73* | .57 |
| Comparative Information | .32* | .27* | .52* | .51* | .50* | .55* | .45 |
| Mean Correlation | .38 | .32 | .58 | .62 | .64 | .66 | .53 |

Note. * $p < .01$, N ranged from 683 to 713

Table 5-6.

Correlations with Demographic Variables

| | Age | Org. Tenure | Job Tenure |
|---------------------------|-------|-------------|------------|
| Accountability | .03 | -.02 | -.04 |
| Bias Suppression | .03 | -.05 | -.10* |
| Participation | .12** | .02 | -.05 |
| Control | .01 | -.09* | -.13** |
| Purpose | .03 | -.07 | -.10* |
| Frequency | .03 | -.00 | -.05 |
| Positive Consequences | .10* | -.01 | -.02* |
| Sensitivity | .06 | .02 | -.00 |
| Explanations | .06 | -.04 | -.09* |
| Usefulness | .07 | -.05 | -.11** |
| Credibility | .08* | -.02 | -.06 |
| Comparative Information | .03 | -.03 | -.07 |
| Job Satisfaction | .14** | .00 | -.05 |
| Organizational Commitment | .13** | .14** | .03 |
| Motivation | .03 | -.04 | -.09* |
| Process Satisfaction | .09* | -.03 | -.10* |
| Supervisor Satisfaction | .06 | .03 | -.05 |
| Feedback Satisfaction | .06 | -.03 | -.08* |

Note. * $p < .05$, ** $p < .01$, N ranged from 589 to 648

Dominance Analysis

Dominance analyses were conducted to determine the relative importance of the procedural, interactional, and feedback perceptions as predictors of each outcome variable in multiple regression. Bodescu (1993) writes, “By definition, dominance is obtained only if one variable betters the other in all models” (p. 546). When predicting job satisfaction, organizational commitment, motivation, and satisfaction with the process, the procedural perceptions had the highest relative importance. Interactional perceptions had the highest relative importance in predicting satisfaction with the supervisor. Moreover, feedback perceptions had the highest level of relative importance in predicting satisfaction with the feedback. A summary of the relative importance of the three categories of perceptions in predicting each outcome variable is presented in Table 5-7.

The results of the dominance analyses indicate that the relative importance of the three types of perceptions changes depending on the predicted variable. These findings provide some support for distinguishing between the three separate categories of perceptions. Although past research has found that perceptions regarding procedures have a large impact on the responses and reactions of employees (Cardy & Dobbins, 1984; Greenberg, 1986; Landy et al., 1978; Taylor et al., 1998), the interactional perceptions had significant contributions when predicting satisfaction with the supervisor. Moreover, the feedback perceptions had the most relative importance when predicting satisfaction with the feedback received. This suggests that there is value in looking at all three categories of perceptions.

Table 5-7.

Dominance Analysis

| Dependent Variable | R-square | Predictor | Relative Importance |
|---------------------------|----------|---------------------------|---------------------|
| Job Satisfaction | .27 | Procedural Perceptions | 50.86 |
| | | Interactional Perceptions | 19.42 |
| | | Feedback Perceptions | 29.72 |
| Organizational Commitment | .20 | Procedural Perceptions | 48.65 |
| | | Interactional Perceptions | 24.41 |
| | | Feedback Perceptions | 26.94 |
| Motivation | .59 | Procedural Perceptions | 41.44 |
| | | Interactional Perceptions | 20.71 |
| | | Feedback Perceptions | 37.86 |
| Process Satisfaction | .64 | Procedural Perceptions | 43.61 |
| | | Interactional Perceptions | 22.26 |
| | | Feedback Perceptions | 34.14 |
| Supervisor Satisfaction | .74 | Procedural Perceptions | 32.59 |
| | | Interactional Perceptions | 37.25 |
| | | Feedback Perceptions | 30.16 |
| Feedback Satisfaction | .72 | Procedural Perceptions | 31.98 |
| | | Interactional Perceptions | 31.00 |
| | | Feedback Perceptions | 37.02 |

CHAPTER VI

DISCUSSION

This study was designed to accomplish two primary objectives. First, the findings reported from past performance appraisal research were summarized and organized into a framework which describes the appraisal characteristics associated with desired outcomes. Although many studies in the performance appraisal literature focus on one or two primary issues, few have attempted a multidimensional approach. To address this absence, a comprehensive summary regarding the contextual aspects of a performance appraisal utilizing organizational justice research as an organizing framework was created. Second, this dissertation set out to develop and begin validating an instrument to measure several consequential appraisal characteristics. An instrument which measures participant perceptions of these appraisal characteristics will provide a way to take the knowledge of performance appraisal found in lab studies and examine how this knowledge generalizes when applied in field settings.

Scale Development and Evaluation

Chapters 4 and 5 outline the process of generating items and the subsequent development of the 12 scales (i.e., Accountability, Bias Suppression, Participation, Control Over Performance, Purpose, Frequency, Positive Consequences, Sensitivity, Explanations, Usefulness, Credibility, and Comparative Information). The analyses provide initial evidence indicating that each scale is unidimensional and has acceptable reliability. Reliability estimates were cross-validated and nearly identical alphas were

found using the data from the scale evaluation sample. Overall, these findings provide some indication that 12 viable scales measuring perceptions of performance appraisals have been created.

The structure of the measure was assessed in order to test the specified three-factor framework. Although this model had reasonably acceptable fit, three alternative models were also tested using the scale development sample. Fit indices suggest that the three-factor model provides the best fit compared to the two-factor models and the one-factor model tested. After the three-factor model was deemed to best represent the data, this model was tested again using the scale evaluation sample which produced equivalent fit indices and also equal parameters as when this model was tested with the scale development sample.

Relationships with Other Variables

From an examination of the correlation matrices, it is clear that the variables are highly related. All correlations between the 12 appraisal dimensions are positive and significant ($p < .01$), as are the correlations between the appraisal dimensions and the outcome variables measured. Although all the correlations are positive, they vary in magnitude providing some indication that differential relationships exist. Furthermore, results from dominance analyses provide more support to making a distinction between the three categories of perceptions. The procedural perceptions generally had more relative importance in predicting the outcome measures. However, interactional perceptions were dominant in the prediction of satisfaction with the supervisor, and feedback perceptions were dominant in the prediction of satisfaction with the feedback

received. Valuable information could have been lost if the three categories of perceptions had not been measured separately.

These findings provide some support to maintaining three distinct categories of appraisal perceptions rather than focusing on one overall perception. However, several reasons necessitate caution when drawing this conclusion. First, based on the high correlations between the 12 dimensions and the high correlations between the three factors, it may be that the items in the survey measured the same thing. Second, the scales could have been measuring different variables but employees were not able to fully differentiate between them. Finally, data collection in both organizations surveyed occurred soon after employees had participated in their performance appraisal systems. It was hoped that this proximity in time would allow participants to have a better recall of the extent to which each appraisal characteristic existed. One potential drawback of having the survey closely follow the performance review may be that employees still had a strong overall reaction, either positive or negative, which may have biased the way they responded to the survey. A strong overall reaction could have overshadowed responses to all the items rather than allowing employees to differentiate between the various aspects of the appraisal.

Therefore, it is possible that a single, higher-order general factor as found by James and James (1989) best describes how employees perceive performance appraisal. They describe this factor as an overall assessment of whether the “environment is believed to be personally beneficial versus personally detrimental to the organizational well-being of the individual” (p. 746). Considering the nature of a performance appraisal

and the resulting administrative decisions that are often associated with performance ratings, it seems likely that employees could indeed view appraisals in terms of whether it is personally beneficial versus personally detrimental. An improvement in fit from a hierarchical model was not tested in this study because the second-order general factor is made up of only three factors and therefore the model is just identified.

Implications

From both a scientific and practical perspective, the measurement of employee perceptions of a performance appraisal system is beneficial. The performance appraisal literature contains results from many lab studies which show that several characteristics are related to desired appraisal outcomes. This study emphasizes the value of measuring these characteristics in field settings. Having an instrument to measure the perceptions of performance appraisal characteristics has important research implications because empirical research regarding appraisal in field settings has been limited. This instrument may allow researchers test the generalizability of past findings to organizational settings. Because individuals respond to the environment based on how they perceive it, this measure's use of employee perceptions of the performance appraisal may prove to be a more useful and meaningful way for scientists and practitioners to assess the implementation of performance appraisals in organizations.

The instrument developed in this dissertation may have important implications in terms of examining the climate for performance appraisal as a more complex and broad issue. Most of the previous research on appraisal context has tended to have a narrow focus and address only one or two appraisal characteristics in isolation. The Performance

Appraisal Climate Survey developed in this study could help future researchers take a more multidimensional approach since it assesses a wide range of appraisal dimensions.

Assuming that the appraisal characteristics captured in this instrument represent differentiable aspects of a performance appraisal, measuring them should allow for specific diagnosis of areas for improvement. Therefore, this instrument would have value above and beyond using a more general measure of overall appraisal satisfaction. Even though most organizations have some control over the perceptions employees have regarding performance appraisal, Cropanzano and Folger (1996) explain, “In a work of finite resources people cannot have all of the things they want. ..some perceptions of unfavorable outcomes are inevitable” (p. 81). Nonetheless, an instrument that allows organizational management to specifically pinpoint appraisal characteristics about which employees have unfavorable perceptions may allow management to make modifications that will result in an increased likelihood of desired outcomes (e.g., increased motivation and improved performance).

Before data collected from this instrument is used as an evaluative or diagnostic tool, the level of agreement and consensus among participants should be examined. Aggregations assume individuals perceive organizational events similarly (Jones & James, 1979; Rentsch, 1990). Agreement, or the lack of agreement, can provide valuable insight into how consistently performance appraisals are carried out in an organization. James (1982) notes that aggregate perceptions can “provide a powerful explanatory and predictive tool” (p. 220). However, it is important to note that when perceptions are

aggregated, they remain a property of the individual (Glisson & James, 2002), and it is each individual's perceptions which influence his or her behavior.

Limitations

Common Method Variance

It should be noted that common method variance is a possibility due to the fact that all data were collected from participants using one questionnaire. Hence, this study was based entirely on self-reported data. Some researchers support and others criticize the use of self-reports, yet questionnaires continue to be "the most commonly used method of data collection in field research" (Hinkin, 1995). In order to assess perceptions of individuals, self-report data is particularly prevalent. This study's use of perceptual measures of appraisal characteristics as predictors of self-report outcome measures carries with it all the problems associated with common method variance.

Participants were assured anonymity in their responses and were not asked to provide their name. They were also not required to provide any identifying information. Bennett and Robinson (2000) contend that even if participants are assured anonymity, they may bias their responses when surveyed in an organizational setting. Alternative methods of gathering pertinent data would make it necessary to link objective measures like performance review ratings with the data collected in the survey. However, this would require participants to disclose identifying information, which could increase the chance that their responses are biased by social desirability. Having actual performance information would have provided valuable insight, yet a tradeoff may have been a

reduction in perceived anonymity and the level of candor with which participants responded to the survey.

Response Rate

Although the overall response rate from both organizations surveyed (52.5%) is relatively good when compared with other studies surveying organizations, almost half of the employees invited to complete the survey did not respond. The 47.5% who did not respond may have perceived their performance appraisal processes in a different way from those who completed the survey. It should be noted that the demographic information provided by the participants did not significantly differ from the demographic information of the entire group surveyed. Hence, the responses to the survey can probably be considered a fairly good representation of how those who did not participate might have responded. The number of organizations that allowed their employees to be surveyed is also a concern. Several organizations were contacted with a request to participate in this study, but only two agreed to allow their employees to be contacted. A larger number of organizations participating in the survey would have given a better indication as to how well the instrument would perform across a variety of populations.

Unmeasured Variables

Another limitation of this study is a result of attempting to create an instrument based on the findings of past research. As a result, the scales developed in this dissertation reflect only those characteristics which past researchers have found to be related to positive appraisal outcomes. There may be other important characteristics which have not received the amount of attention in past research as the aspects focused on

in this study. There is also a possibility that the characteristics included in this study were affected by unmeasured variables such as actual performance, performance ratings received, merit pay increases, and training opportunities, which could have overly impacted the results.

Survey Administration

A final limitation of this study concerns the way in which the survey was administered. The questionnaire was administered via e-mail with a link to the survey on the Internet. Both participating organizations indicated that their employees were comfortable with and accustomed to being surveyed by on-line questionnaires. In fact, both organizations preferred that the survey be distributed electronically rather than using an available paper version of the survey. Even though many employees are now familiar with responding to surveys using the Internet, it is possible that this medium of data collection was intimidating to some individuals. This lack of comfort could have resulted in frustration and a decreased response rate.

Future Research

There are several areas where future research would be fruitful. First, future research should continue to examine the relationships between employee perceptions of the 12 appraisal characteristics and desired outcomes in field settings. This will help explore the generalizability of the findings found in past laboratory studies to real-world work environments. It will also promote appraisal research which is more inclusive in scope than past studies which have explored a limited number of appraisal aspects.

Second, it is unclear exactly how employees make distinctions between the different facets of an appraisal. Based on the findings from this study, it is difficult to state definitively that employees perceive a performance appraisal along the lines of three categories of characteristics proposed in this dissertation. It is essential for future research to continue evaluating whether employees distinguish between the various facets of an appraisal, and in turn whether a multidimensional measure of performance appraisal characteristics is warranted. Future research should also explore whether a better way of categorizing and organizing perceptions of appraisal dimensions can be developed. Based on future findings, the instrument developed in this dissertation will need to undergo further testing to assess whether it adequately captures the different perceptions.

Third, future research could be advanced by including other variables that were not assessed in this study. There are several appraisal outcomes that were not included in this study that could be examined to determine if any additional differential relationships with the appraisal characteristics exist. There may also be important appraisal characteristics yet to be examined that are not included in the framework because of their absence or lack of attention in published research.

Fourth, although this study had the intent of developing a quantitative measure to assess perceptions of an appraisal, it may be that the addition of qualitative information could add value in determining the “health” of an organization’s performance appraisal system. By including qualitative data, future research may improve the understanding of how employees perceive their organization’s performance appraisal systems and what aspects are most important in determining their reactions. Finally, future research would

benefit from examining supervisor and subordinate dyads to explore the way each perceives the same appraisal process, interaction, and feedback. Understanding the different perceptions and attributions of the supervisor and subordinate would be valuable when trying to explain their reactions and responses to going through an appraisal.

Conclusion

By reviewing the performance appraisal literature and integrating the findings with research from psychological climate and organizational justice, this study has taken a step forward in attempting to address what Banks and Murphy (1985) describe as the “compelling but unrealizable goal” of effective performance appraisal in organizations (p. 335). To address this elusive goal, a framework describing the drivers of effective appraisal outcomes was created, and an instrument was developed to measure employee perceptions of key appraisal dimensions. Items were generated and the scales were evaluated producing results which suggest the scales are reliable and perform as they should.

The proposed three-factor framework was also examined and appears to adequately represent the data. When compared to three other alternative models, the three-factor model exhibited better fit than the two-factor models and the one-factor model tested. Although results from this study suggest that employees may view performance appraisals as first thought, additional studies in a variety of organizations are needed before stronger conclusions can be made regarding the benefits from measuring the separate appraisal aspects versus measuring an overall evaluation of the appraisal. Bennett and Robinson (2000) emphasize that “no measure can ever be said to be

validated in any final sense” (p. 357). They explain that it takes numerous studies before one can claim that the evidence supports or does not support a measure’s validity.

In summary, this study attempted to measure and identify the structure of performance appraisal perceptions. The intent of this dissertation was to develop and evaluate a multidimensional instrument which is conceptually grounded in theory and can be used in a variety of organizational settings. It is hoped that both the framework and instrument created in this dissertation will be useful to researchers and practitioners, and that they will facilitate much needed performance appraisal research conducted in real-world settings.

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APPENDICES

A. INSTRUCTIONS FOR SME RETRANSLATION

Instructions and Definitions

There are various characteristics that make up an organization's performance appraisal program, and past research has linked many of these characteristics with desired outcomes. However, many of these components are difficult to measure in the field. This study is the first that attempts to measure employee perceptions of an extensive set of appraisal characteristics, which are defined below.

1. **Accountability**—a motivating force on raters, ratees, or organizational management to meet their personal responsibilities and/or to justify their actions in an appraisal process.
2. **Bias Suppression**—the appraisal process and the resulting feedback are fair and free of personal biases.
3. **Anonymity**—the identity of the rater is protected and cannot be determined by the ratee.
4. **Confidentiality**—performance ratings and feedback results are shared only with the ratee.
5. **Participation**—the opportunity at various stages of a performance appraisal process to have influence over the process, such as setting performance goals, presenting relevant information, and appealing ratings received.
6. **Control over Performance**—ratees are rated on their performance in areas that they can control or change.
7. **Purpose of the Appraisal**—the reason for engaging in a performance appraisal process.
8. **Appraisal Frequency**—the number of times and regularity a ratee receives feedback regarding his or her level of performance.
9. **Positive Consequences**—rewards and incentives made available to raters and ratees for participating in the appraisal process in a desired manner.
10. **Sensitivity**—the extent to which a rater creates a comfortable atmosphere during an appraisal discussion by treating the ratee in a polite, dignified, and respectful manner.
11. **Explanations**—causal accounts or rationale given by a rater to justify the reasons why certain ratings were given.
12. **Usefulness of the Feedback**—the extent to which feedback is relevant, accurate, and specific so that ratees can apply it to make behavior changes.
13. **Credibility**—the extent that feedback is based on the observation of a ratee's performance by adequately trained raters.
14. **Comparative Performance Information**—information describing the performance level of other employees that allows ratees to compare themselves with others.

On the following pages are 114 items, which were generated to reflect participant perceptions of these 14 characteristics of a performance appraisal. Most of the items are written to assess the feedback recipient's (i.e., ratee) perspective. However, a few items are written to assess the feedback giver's (i.e., rater) perspective. Using the definitions provided above, please categorize each of the items into one of the 14 performance appraisal characteristics by indicating the characteristic after each item. If no characteristic seems to adequately describe an item, please place a "?" after the item. Also, if you believe an item reflects more than one characteristic, please note each characteristic in the space after the item.

You are playing a very important role in the development of this measure by ensuring that each item appears to be measuring its intended characteristic. Please have responses back to me by Friday, September 12th. If you have any questions, please call me at (865) 974-3161 or e-mail me at sgaby@utk.edu. Thanks! I appreciate your help!

B. PERFORMANCE APPRAISAL CLIMATE SURVEY

A Survey Examining Performance Reviews in Organizations

This survey is one of the first to examine a comprehensive set of characteristics regarding performance reviews from the employee's perspective. Your responses are very important because they will provide valuable information about how employees perceive various aspects of the performance review system.

This survey is voluntary; however your responses are very important. By completing the survey, you are agreeing to participate in this study by providing your perceptions of your organization's performance review system. This survey is anonymous, and you will not be asked to provide your name. Furthermore, your responses to this survey are completely confidential. They will only be reported in summary form; no individual responses will be reported.

Directions:

Scroll through the survey as needed to read its contents and answer all items. Specific instructions appear before each set of questions. Please read each item carefully before responding.

Thank you for participating in this study!

Performance Review Process

Below are items that describe various characteristics of a performance review process. Based on your experience in your organization, use the following scale (Strongly Disagree to Strongly Agree) to choose the extent to which you agree or disagree with these statements.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | | | | | |
|-------------------|---|-------------------|----------------------------|----------------|-------|----------------|----------------|---|---|---|---|---|---|
| Strongly Disagree | Disagree | Slightly Disagree | Neither Agree nor Disagree | Slightly Agree | Agree | Strongly Agree | Not Applicable | | | | | | |
| 1. | I am held accountable for using the feedback I receive. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 2. | I am responsible for making improvements in areas where my performance is rated low. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 3. | The performance review process gives me an opportunity to express my views about the way my performance is rated. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 4. | I have a voice in the performance review process. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 5. | I can provide input in the performance review process. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 6. | I have the ability to improve my performance on areas that are rated low. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 7. | I know when to expect my performance reviews each year. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 8. | Improvements that I make following my performance review are rewarded. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9. | My performance is evaluated at least once per year. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 10. | My performance reviews occur at the same time each year. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 11. | My supervisor and I engage in frequent performance discussions. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 12. | My supervisor avoids giving inflated ratings to employees just because he/she likes them. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 13. | My supervisor is fair during the performance review process. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 14. | My supervisor is held accountable for his/her responsibilities in the performance review process. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 15. | The areas assessed in the performance review are under my control. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 16. | The performance review process allows me to appeal the ratings I receive. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 17. | The performance review process focuses on behaviors I can change. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 18. | The performance review process is fair. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 19. | The performance review process is monitored by upper management/ executives. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 20. | The performance review process is unaffected by the mood of my supervisor. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 21. | My organization uses the performance review process to make important decisions. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 22. | The performance review process takes into consideration factors beyond my control that influence my performance. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 23. | The purpose of the performance review process is to provide me with helpful information about my performance. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 24. | There are incentives for me to participate in the performance review process. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 25. | The performance review process is used for developmental purposes (e.g., to communicate strengths and areas for improvement). | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 26. | The performance review process is used for administrative purposes (e.g., to determine pay, promotion, or work assignment). | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 27. | There are incentives for my supervisor to participate in the performance review process. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 28. | I receive positive outcomes when I fully participate in the performance review process. | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

Performance Review Meetings

Below are items that describe various characteristics of performance review meetings. Based on your experience in your organization, use the following scale (Strongly Disagree to Strongly Agree) to choose the extent to which you agree or disagree with these statements.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------------|----------|-------------------|----------------------------|----------------|-------|----------------|----------------|
| Strongly Disagree | Disagree | Slightly Disagree | Neither Agree nor Disagree | Slightly Agree | Agree | Strongly Agree | Not Applicable |

| | | | | | | | | | |
|----|--|---|---|---|---|---|---|---|---|
| 1. | Adequate explanations are given to me regarding my performance review ratings. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 2. | My supervisor treats me with respect during my performance review discussions. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 3. | I leave with an understanding of why I received particular ratings. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 4. | My supervisor ends my performance review discussions on a positive note. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 5. | My supervisor explains why my performance is rated as it is. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 6. | My supervisor helps me to feel at ease during performance feedback sessions. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 7. | My supervisor provides me with rationale for why certain ratings are given. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 8. | My supervisor treats me with consideration during my performance review discussions. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

Performance Review Feedback

Below are items that describe various characteristics of performance review feedback. This feedback refers to ratings and/or comments that evaluate your job performance. Based on your experience in your organization, use the following scale (Strongly Disagree to Strongly Agree) to choose the extent to which you agree or disagree with these statements.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------------|----------|-------------------|----------------------------|----------------|-------|----------------|----------------|
| Strongly Disagree | Disagree | Slightly Disagree | Neither Agree nor Disagree | Slightly Agree | Agree | Strongly Agree | Not Applicable |

| | | | | | | | | | |
|-----|---|---|---|---|---|---|---|---|---|
| 1. | The feedback from my performance review is clear and understandable. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 2. | The feedback from my performance review is credible. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 3. | My performance review feedback describes how I am doing based on the performance of others in my group. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 4. | The feedback from my performance review is relevant to my work. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 5. | My supervisor has ample understanding of my job to evaluate my performance. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 6. | My performance review feedback describes how my performance compares with others. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 7. | The feedback from my performance review is specific enough to make performance changes. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 8. | My supervisor has sufficient knowledge of my performance to provide performance feedback. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9. | My performance review feedback explains my performance relative to the average performance in my organization. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 10. | The feedback from my performance review provides me with useful information. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 11. | My supervisor has the opportunity to observe my work firsthand. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 12. | My performance review feedback shows how my performance compares with my supervisor's expectations of my performance. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

Other Forms of Performance Feedback

Some employees receive performance feedback that is not part of the official performance review process (e.g., 360-degree feedback, multisource feedback, peer feedback, upward feedback, customer feedback). In your current organization, have you received performance feedback from sources other than your supervisor?

___ Yes ___ No

If you answered “No” to this question, please skip the following questions and go to the next section.

If you answered “Yes,” please describe this feedback and respond to the following set of questions.

Please Describe

Below are items that describe various characteristics of other types of performance feedback besides the official performance review. Based on your experience in your organization, use the following scale (Strongly Disagree to Strongly Agree) to choose the extent to which you agree or disagree with these statements.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------------|----------|-------------------|----------------------------|----------------|-------|----------------|----------------|
| Strongly Disagree | Disagree | Slightly Disagree | Neither Agree nor Disagree | Slightly Agree | Agree | Strongly Agree | Not Applicable |

| | | | | | | | | | |
|----|---|---|---|---|---|---|---|---|---|
| 1. | I am the only employee who has access to my feedback. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 2. | I am unable to determine exactly who said what about me. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 3. | The feedback I receive is confidential. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 4. | The identity of the feedback giver is protected and can not be determined. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 5. | This feedback is credible. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 6. | The feedback givers are anonymous. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 7. | This feedback is used for developmental purposes (e.g., to communicate strengths and areas for improvement). | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 8. | This feedback is used for administrative purposes (e.g., to make pay, promotion, or work assignment decisions). | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

For Supervisors Only

The following items should be answered only if you are a supervisor who has provided employees with feedback in the official performance review program. Based on your **supervisory** experience in your organization, use the following scale (Strongly Disagree to Strongly Agree) to choose the extent to which you agree or disagree with these statements.

If you have not provided official performance review feedback to employees, please skip the following items and go on to the next section.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------------|----------|-------------------|----------------------------|----------------|-------|----------------|----------------|
| Strongly Disagree | Disagree | Slightly Disagree | Neither Agree nor Disagree | Slightly Agree | Agree | Strongly Agree | Not Applicable |

| | | | | | | | | | |
|----|---|---|---|---|---|---|---|---|---|
| 1. | I am held accountable for conducting performance reviews. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 2. | I conduct performance reviews for developmental purposes (e.g., to communicate strengths and areas for improvement). | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 3. | I conduct performance reviews for administrative purposes (e.g., to make pay, promotion, or work assignment decisions). | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 4. | There are positive outcomes for me when I effectively conduct performance reviews. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

Work-Related Statements

Below are several work-related statements. Using the following scale (Strongly Disagree to Strongly Agree), please mark the extent to which you agree or disagree with these statements.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------------|----------|-------------------|----------------------------|----------------|-------|----------------|----------------|
| Strongly Disagree | Disagree | Slightly Disagree | Neither Agree nor Disagree | Slightly Agree | Agree | Strongly Agree | Not Applicable |

| | | | | | | | | | |
|-----|---|---|---|---|---|---|---|---|---|
| 1. | Generally speaking, I am very satisfied with this job. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 2. | I am actively working to improve areas rated low during my last performance review. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 3. | I do not feel "emotionally attached" to this organization. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 4. | I am generally satisfied with the kind of work I do in this job. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 5. | The performance review process motivates me to improve my job performance. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 6. | I do not feel a strong sense of belonging to my organization. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 7. | I frequently think of quitting this job. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 8. | The performance review process motivates me to reach my performance goals. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9. | I do not feel like "part of the family" at my organization. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 10. | Most people on this job are very satisfied with the job. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 11. | I enjoy discussing my organization with people outside it. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 12. | People on this job often think of quitting. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 13. | I really feel as if this organization's problems are my own. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 14. | I think that I could easily become as attached to another organization as I am to this one. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 15. | I am satisfied with the quality of the feedback I receive from performance reviews. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 16. | I would be very happy to spend the rest of my career with this organization. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 17. | I am satisfied with the performance review process as a whole. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 18. | This organization has a great deal of personal meaning for me. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 19. | I am satisfied with the way my supervisor conducts my performance review. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

Please take a moment to tell some information about yourself. This information is requested in order to adequately summarize and describe the group that responded to this survey. This information is optional, but it will help with the interpretation of results.

| | |
|--|--|
| In what organization do you currently work? | |
| What is your tenure in this organization? (numeric value) | |
| What is your tenure in your current position with this organization? (numeric value) | |
| Approximately how many times per year is your performance rated? (numeric value) | |
| Approximately how many times per year do you participate in performance review discussions with your supervisor? (numeric value) | |
| What is your age? | |
| What is your gender? | |
| What is your race? | |

Thank you for your participation in this study!

Vita

Stephen Henry Gaby was born in Greeneville, Tennessee on July 14, 1974. He was raised in Mosheim, Tennessee, along with his sister Rebecca and his brother Andrew, by his parents, Danny and Cathy Gaby. He went to Mosheim Elementary School. He then attended West Greene High School, where he graduated in 1992. Stephen graduated summa cum laude in 1995 from the University of Tennessee, Knoxville. He received an undergraduate degree in Psychology with a minor in Business Administration.

After receiving his degree, he worked for a short time in social services at Colonial Hills Nursing Center before enrolling in the Industrial/Organizational Psychology doctoral program at the University of Tennessee, Knoxville in the fall of 1996. While in graduate school, he gained a wide variety of experience through assistantship work with TDS-Telecom and Frito-Lay and during the internships he held with the Tennessee Valley Authority in Corporate Human Resources and in the TVA University. He received his doctorate in Summer, 2004.