



## Perceived Fairness in Performance Appraisal System and Its Relationship with Work Performance

Arene Ursolo Xervaser<sup>1</sup>

Rusli Ahmad<sup>2\*</sup>

Nur Fatimah Abdullah Bandar<sup>3</sup>

Siti Mariam Abdullah<sup>4</sup>

<sup>1,2,3,4</sup>Universiti Malaysia Sarawak, 94300 Kota Samarahan, Sarawak, Malaysia

### ABSTRACT

This study aims to identify employee perceptions of perceived fairness in performance appraisal system and work performance as the performance appraisal system is crucial to evaluate employees' performance in every organization; public or private. A private Oil & Gas company in Miri, Sarawak was chosen for this study. Quantitative research method was employed in this study, and closed-ended questionnaires were used to collect data from respondents. Statistical analysis using One Way ANOVA, Pearson correlation, and Independent sample t-test were used to test the hypotheses. The findings showed that there were no significance differences between the selected demographic factors (age, gender, duration of service, highest educational level, and rank) in performance appraisal system and the work performance. Also, there was a significant relationship between the rating accuracy in the performance appraisal system and work performance. Besides that, there was a significant relationship between employee perceptions of leadership styles in decision making in the performance appraisal system and work performance. The findings also showed that employees are concerned with the evaluation and rating given by their supervisor because the outcomes of the performance appraisal will influence their career development in the organization. Thus, performance appraisal system is crucial in increasing the work performance of employees and organization. Organizations should emphasize the role of the performance appraisal system practiced in their organizations and recognize that it is important in improving employees' performance. Future researchers are encouraged to explore further on the performance appraisal elements that have not been investigated in this study, and conduct the research with a bigger population and sample size.

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E-mail address:

arusli@unimas.my (Rusli Ahmad)

\*Corresponding author

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*Keywords:* Performance Appraisal System; rating accuracy; leadership styles; work performance

### INTRODUCTION

Performance appraisal system (PAS) is needed in every organization as it reflects the performance and behaviour of the em-

ployees. A research done by Mayer and Daviz (1999) mentioned that employees are concerned with the quality approach to reduce variations in performance appraisal because its processes will greatly influence employees' future career in the organization, such as, getting a promotion, rewards, demotion or termination of their job. According to Mohrman, Resnick-West, and Lawler (1990), performance appraisal in most organizations is concerned with the most important aspects of people's sense of what and who they are, since it is dealing with their own competence and effectiveness. Therefore, most organizations have formal appraisal systems to evaluate employees' performance and use the evaluation results to determine pay, promotions, hiring, training, and terminations. With these important uses of performance appraisal, most organizations continue to practice it. However, by merely conducting the performance appraisal system (PAS) is not enough, it must be of value to the organization to do so. More importantly, an ineffective PAS brings about negative consequences which can jeopardize the whole system; and it would be better not to conduct the system at all.

## **BACKGROUND OF THE STUDY**

PAS is crucial in every organization whether it is public or private sector as the means to evaluate employees' performance for further improvements. According to Suhaimi Sudin (2011), the key elements of PAS that will result in successful implementation and acceptance by the employees are organizational justice and fairness. Performance appraisals must be conducted fairly so that employees' work performance is given due recognition and will eventually lead to the achievement of organizational goals and objectives. Choi, Wan Ismail, and Abdul Rasid (2013) mentioned that the disappointment and dissatisfaction arising from poor performance appraisals have encouraged human resource experts

and managers to process and philosophies of PAS. Similarly, a study conducted by Darehzereshki (2013) stated that the extensive frustration and dissatisfaction with performance appraisal have encouraged practitioners and researchers to evaluate the efficiency of PAS. Although a PAS can be acceptable in its structure and design, it may be ineffective or inefficient because of the rejection or disagreement from some users.

Employees will tend to remain in the organization and feel motivated to perform better in work if they are satisfied with their performance appraisal rating. However, it is hard to predict the employees' satisfaction with performance appraisal due to the different behavioural aspects of employee perception (Choi et al., 2013). When the appraisal process adversely affects the employees' attitude and causes dissatisfaction, it will eventually affect the organization's performance. Despite the attention and its immense evolvement across sectors and occupations, some researchers stated that most performance appraisal systems fail (Longenecker & Goff, 1992). This is because, in order to have an effective PAS, the organization needs to have a well-structured PAS which must come from relevant sources and might require multiple sources of reporting, greater cross functional collaboration and good level of communication between the employer and employee (Mustapha & Daud, 2012).

The focus on the purposes of establishing a PAS can be discussed from two perspectives; macro and micro.

### **A Macro Perspective Overview of the Purpose of PAS**

Performance appraisal is conducted for a variety of reasons. According to Dessler and Tan (2009), performance appraisal in China is used widely in the state-owned enterprises for purposes of promotion, training, rewards, transfer, and demotion. It is known that during Mao's regime,

PAS was mainly been used more for cadre rather than for workers, and the main purpose was commonly for job promotion and transfer. Besides, the criteria used were political loyalty and seniority. Only after the economic reforms in 1978, the criterion of political loyalty and seniority has been changed to youth, knowledge, education and management ability. PAS in China was also used for three main purposes, such as, communication, administration, and development.

Meanwhile in South Korea, most Korean companies practise an annual PAS (Dessler & Tan, 2009). Promotion is mainly based on seniority, while the use of PAS for low level employees is employee development. The managers would normally take performance appraisal seriously because they believe PAS can develop employees in return for employees' loyalty towards the company. The appraisal evaluates the person for attributes, such as, sincerity, loyalty, attitude, and initiative in job performance. In term of rewards, Dessler and Tan (2009) mentioned that more Korean companies are practicing a performance-based approach, such as, annual pay which is based on the employees' ability or performance in the job.

### **A Micro Perspective Overview of the Purpose of PAS**

From a micro perspective view, we are looking at the implementation of the performance appraisal system in Malaysia. Based on research review, from the year starting from 1980s to 1990s by Darehzereshki (2013), there are so many negative views and doubts regarding the benefits that Malaysia can provide by implementing the PAS. Due to this, several researchers conducted further studies to examine the significance of PAS in Malaysia. Accordingly, performance appraisal is provided for the diverse nationals within the multinational companies, which are considered as having cultural

sensitivity as international performance appraisal deals with the cultural issues. This can be seen in some Asian countries that practises collectivism which is totally different from western countries which practises individualism. PAS is commonly used in organizations, as it is believed to have an effect on the employees' attitudes, behaviours, and organization performance. Researchers claim that the organizations need to bear the consequences of low quality performance appraisal experiences. In other words, when the employees have low quality performance appraisal experiences, the organization is responsible for having employees with lower job satisfaction and high turnover rate (Darehzereshki, 2013).

According to Mohrman et al. (1990), nowadays, most employers recognize the needs for evaluation. Employers feel that they hold the responsibility to provide feedback to their employees and this is one way of influencing their employees' behaviour. For this reason, employers feel that PAS is something that they are prompted to do. On the other hand, they are hesitant to carry out this process to avoid the uncomfortable, interpersonal and political issues it may bring. This was supported in the study by Darehzereshki (2013) who claimed that many researchers have found unwillingness among most employers to carry out evaluation process. Kondrasuk (2011) highlighted this dilemma in stating that PAS can be both ideal and unnecessary. This is because even a good PAS sometimes does not necessarily function well in an organization. PAS, in its worst case can harm employees' morale, communication and relationships within the organization. Thus, the employer plays an important role as the appraiser in providing fair feedback to their employees.

Besides, Choi et al. (2013) cautioned that the errors made by supervisors during evaluation can contribute to dissatisfaction because such errors result in inaccurate employees' appraisal results. This could happen when the individuals'

beliefs conflict with appraisal statistical reality (Mohrman et al., 1990). Although employees may want to receive feedback on their performance, at the same time they feel uncertain or unsure about receiving it, especially when they feel that the feedback is likely to be negative. Studies have shown that about 80 percent of individuals believe that their performances are above average. Individuals develop these positive beliefs of themselves to fulfill their individual and organization work target. Thus, when their performance evaluation results do not exceed their expectations, they will blame their environments as responsible for their failures. Nevertheless, it is impossible for more than 50 percent of individuals' population to be above average. These positive self-beliefs conflict with the appraisal methods used by employers to identify a certain number of individuals as being below average (Mohrman et al., 1990). Thus, errors committed by supervisors during evaluation must be minimized for the appraisal's effectiveness and the leadership styles in decision making of employers should fit the organization's management style.

From the literature of performance appraisal studies, there is a great emphasis on the study of issues of employee satisfaction (Karimi, Malik, & Hussain, 2011), effectiveness of PAS (see Choi et al., 2013), rater training (Kumar, 2005), organization commitment (Salleh et al., 2013), and performance appraisal decision (Ahmad, 2012). Other than these issues, there is also a growing tendency on the study of perceptions of perceived fairness in PAS. Such studies have been conducted by several researchers, such as, Darehzereshki (2013), Jawahar and Stone (2011), Salleh et al. (2013), Sudin (2011), and Hassan (2005). This new general accepted perspective in performance appraisal research was based on the assumption that perception of perceived fairness in PAS is a fundamental aspect in the implementation of an effective PAS.

## PROBLEM STATEMENT

Generally, there are few prior researches on the employee perceptions of perceived fairness in PAS and work performance as a whole. Most of the research conducted emphasized job satisfaction and employees' commitment towards performance appraisals. In addition, the research is mostly conducted in developed countries. Only a few studies have been cited in developing countries, such as, Malaysia, thereby contributing to a gap in the literature concerning this relationship.

Thus, this study is done to determine the employee perceptions of perceived fairness in performance appraisal system towards the work performance. It is an attempt to hopefully bridge the gap in the literature, in studies related to employees' perceived fairness in PAS towards work performance. Hence this study is conducted to answer several research as follows:

- i. Is there a significant difference between respondents of diverse background in term of their performance?
- ii. Is there a significant relationship in the rating accuracy and work performance?
- iii. Is there a significant relationship in employee perceptions of selected leadership styles (democratic leadership, autocratic leadership, and laissez-faire leadership) and work performance?

## RESEARCH OBJECTIVES

The main objective of this study is to determine the employee perceptions of perceived fairness in the PAS towards work performance. The specific objectives are as follows:

- i. To determine the significant difference between respondents based on selected demographic factors (age,

- gender, duration of service, education level and rank) and work performance.
- ii. To determine the significant relationship between rating accuracy and work performance.
  - iii. To determine the significant relationship between employee perceptions of selected leadership styles and work performance.

To answer the specific research objectives above, several research hypotheses to be tested are stated below:

H<sub>0</sub>1: There is no significant difference between respondents based on selected demographic factor of age in term of their work performance.

H<sub>0</sub>2: There is no significant difference between respondents based on selected demographic factor of gender in term of their work performance.

H<sub>0</sub>3: There is no significant difference between respondents based on selected demographic factor of duration of service in tem of their work performance.

H<sub>0</sub>4: There is no significant difference between respondents based on selected demographic factor of highest educational level in term of their work performance.

H<sub>0</sub>5: There is no significant difference between respondents based on selected demographic factor of rank in term of their work performance.

Ha6: There is a significant relationship between the perceived rating accuracy and the work performance.

Ha7: There is a significant relationship between perceived selected leadership styles and the work performance .

## RESEARCH DESIGN

Research design is the strategy of research, the logic behind it, and the possibility and validity to draw general conclusions (Ahmad, Usop, Ismail, Bujang, & Abu Mansor, 2014). The research design that is used in this study is correlation research. Corre-

lation research is used as it explained the relationship between one or more independent variables and one or more dependent variables. This research design is used as it can produce different kinds of data and there is no need for the researcher to manipulate any variables involved in study. In this research, the independent variables are selected demographic factors (age, gender, duration of services, highest educational level, rank/ position), rating accuracy, and selected leadership styles while the dependent variable is work performance.

This study adapted quantitative method. Ahmad, et al. (2014) mentioned that quantitative method involves developing systematic and sophisticated procedures to test, prove and verify hypotheses. The strengths of quantitative methodology are: it is relatively quick, cheap, simple, and offers useful overview. The findings of reliable data can be used to make generalizations that can contribute to the body of knowledge and can be of use to the organization. On the other hand, the negative aspects of quantitative method are: there is no in-depth explanation, it looks through the narrow lens of information, and the statistical procedures used to analyses data may be reduced. Quantitative method is the most appropriate type of methodology used in this study as it can be used to explain the relationships between variables and for evaluations in comparing outcomes with criterion data.

The instrument used in this study is a questionnaire with a predetermined set of questions that is divided into several sections to obtain data from the respondents. The data gathered from the respondents helped the researcher to answer the research questions stated. Using a questionnaire makes it easier to cover a larger population of sample and the well-structured format enables the data collected to be easily coded for statistical analysis. The negative side of questionnaire is there may be biased information given by the respondents that will affect the validity and reli-



ability of the data.

### Population and Sample

The location for this study is an organization from the private sector; an Oil & Gas Company in Miri, Sarawak. Employees across all the departments in the company were chosen as respondents as each employee has different responsibilities and knowledge on the PAS practiced in the company. Besides, there is a need to highlight the issues of appraisal and evaluation that is practiced in the organization as it is concerned with employees' work performance to achieve career development and to meet the organizational goals and objectives. This is in line with the definition of population by Ahmad et al. (2014); as all people or items with the characteristics that is representative of the entire population. The population in this study involved the employees in the managerial and non-managerial departments. The estimated population in the management is around 110 employees. Due to time constraints in gathering information from a large population, a representative sample was used instead.

Slovin's formula was used to calculate the sample size that we need to take from a population sample. The formula is shown below.

$$n = N / (1 + Ne^2),$$

*Where; n = Number of samples, N = Total population, e = Error tolerance*

The calculation of the minimum sample as formulated by Slovin's formula is shown below.

$$n = 110 / (1 + 110 \cdot 0.05^2) = 86$$

Thus the minimum sample chosen has to be at least 86 respondents. However, a targeted number of 90 respondents were chosen in this study. This is because, by in-

creasing the size of the sample can reduce the sampling error and gain more accurate results. The sampling technique used in this study was probability sampling because of the need to eliminate any possible researcher's bias in collecting the research data, and avoid any sampling error. This probability sampling can assure that there is an equal chance given for the different members of selection and represented the population well. Hence, simple random sampling was used to enable all subsets of the frame to be given equal probability of being selected, which would minimize the chances of biases in the analysis results. But the disadvantages of simple random sampling is a complete list of all member in the population need to be identify as every member are given the equal chances to be selected; and this could be difficult to carry out if it involve sampling from an larger target population.

### Data Collection and Analysis

The data was collected using closed-ended questionnaires. A questionnaire was chosen because it can represent a larger number of samples. All the questions are presented well-structured in the wording forms for the respondents in a uniform way and it can minimize interviewer's bias. In this study, several items in the questionnaire are adapted from several research and some are newly created. The pre-process of the construction of questionnaire was first established to accomplish the research aims and objectives. The languages used in the questionnaire are English and Bahasa Malaysia to make it easier for the respondents to understand. The items in the questionnaires are all closed-ended questions. Responses were rated on a 5-point Likert scale. The questionnaire in this study is divided into 4 sections. Section A is demographic factors of the respondents; Section B is rating accuracy in performance appraisal system; Section C is selected leadership styles in decision mak-

**Table 1: Cronbach’s Alpha of pilot test**

Section	No. of Items	Item Measured	Author	Cronbach’s Alpha
B	10	Rating accuracy in Performance Appraisal System	Adopted from Elverfeldt (2005)	0.849
C	7	Employee perceptions of leadership styles in decision making in Performance Appraisal System	Adopted from Warwick (1981)	0.883
D	6	Work Performance	Created based on Jex (2002) and Mohsin Bashir et al. (2011)	0.817

ing in performance appraisal system; and Section D is work performance. The items in Section B and Section C are adopted from previous researchers, while the items in Section D are self-developed based on the literature review. Table 1, above shows the results of the pilot test for each section of the questionnaire.

Subsequently, statistical analysis was used to analyses and summaries the data obtained. The data was coded and analyzed using Statistical Package Social Science (SPSS) version 20.0. Inferential statistics was used in making inferences. One-way analysis of variance (ANOVA) test was used to determine the differences between more than two groups and Independent t-test was used to compare the variables between two groups. Pearson’s correlation coefficient is used to determine the relationship between the independent variables and dependent variables.

**FINDINGS AND DISCUSSION**

**Demographic Profiles of the Respondents**

The demographic background of the respondents is based on six aspects: age, gender, and race, duration of service, highest educational level and rank. A majority (55.6%) of the respondents were between 20-29 years old. This is followed by 15.6% respondents where age ranges from 30-39 years old. A majority of respondents

(57.8%) were male. On the other hand, female made up of 42.2% respondents. A majority of the respondents (36.7%) were Chinese. A minority (1.1%) of the respondents were Indians. A combination of Malay and Bumiputera outnumbered the Chinese respondents by 60%. A majority (45.6%) of the respondents have served from month to 2 years. In term of educational level, most of the respondents have the qualification of Diploma with 45.6%, followed by 37.8% with Degree, 10.0% with SPM, and the minority were 6.7% with master. A majority (37.8%) of the respondents were working in Engineering. The minority (2.2%) of the respondents were managers.

Research findings in this study were reported in line with seven (7) hypothesis identified in this study and as below;

**H<sub>0</sub>1: There is no significant difference between respondents based on selected demographic factor of age in term of their work performance.**

ANOVA was used to determine the difference between respondents based on selected demographic factor of age in performance appraisal system and the work performance. The independent variable is age whereas the dependent variable is the work performance with ( $F = 1.58, p = .21$ ). Therefore, there is no significant difference between respondents based on the selected

demographic factor of age in performance appraisal system and the work performance. The  $H_01$  is failed to be rejected since there is no significant difference between respondents based on selected demographic factors of age in the PAS and work performance. This finding is supported by Yeara (1995) who showed that age does not affect work performance. However, it contradicts with Hullin and Smith (1965) who stated that job satisfaction with performance is a function of chronological age. Age can affect the job performance of the employees in a way that as experience expands in educational level over the years; the cultural values will also change at different age levels according to the chronological age of workers. In addition, according to Smedley and Whitten (2006) difference of age could be a potential factor for work performance. Shultz and Adam (2007) also stated that there coexist significant differences between age groups concerning work performance.

**$H_02$ : There is no significant difference between respondents based on gender in term of their work performance.**

Results revealed that there is no significant difference between male and female as respondent in how they perceived performance appraisal and work performance ( $p = .805$ ). Therefore, the null hypothesis is failed to be rejected. This finding is supported by studies conducted by Crawford and Nonis (1996) and Shaiful et al. (2009) who mentioned that gender does not have a significant impact on work performance. This finding was also supported by a study done by Springer (2011) who mentioned that gender and salary do not have significant relationship with job performance of employees in United States banks. On the other hand, this finding contradicts the finding of Dean (1997) who claimed that a relationship exists between men and women in job performance. According to Kochan, Bezrukova, Jackson, Joshi, Jehn,

Leonard, Levine, & Thomas (2003), the demographics factors, such as, race and gender were not the only types of differences that influenced work relationships among employees.

**$H_03$ : There is no significant difference between respondents based on factor of duration of service in term of their work performance.**

ANOVA was used to determine the difference between respondents based on selected demographic factor of duration of service in the PAS and work performance. The results revealed there is no significant difference between respondents based on selected demographic factor of duration of service in the PAS and work performance ( $F = .429, p = .732$ ). This finding contradicts with the study done by Rugai and Agih (2008), who mentioned that there is a high relationship between teachers' experience and their job performance; they explained that the longer the duration of service a teacher works in a school, the greater likelihood that productivity will be higher. It is known that the duration of service can affect the work performance of employees because the longer the employees worked, the more experience the employee gathered, and thus the higher the performance of the employee.

**$H_04$ : There is no significant difference between respondents based on highest educational levels in term of their work performance.**

ANOVA was used to determine the differences between respondents based on selected demographic factors of highest educational level in performance appraisal system and the work performance. There is no significant difference between respondents based on selected demographic factor of highest educational level in performance appraisal system and the work performance ( $F = .965, p = .413$ ). This find-



**Table 2: Correlation between the rating accuracy in performance appraisal system and the work performance**

Correlations		Rating Accuracy	Work Performance
Rating Accuracy	Pearson Correlation	1	.547**
	Sig. (2-tailed)		.000
	N	90	90
Work Performance	Pearson Correlation	.547**	1
	Sig. (2-tailed)	.000	
	N	90	90

\*\* . Correlation is significant at the 0.01 level (2-tailed).

ing contradicts with a study done by Daniel (2009) who states that the productivity of an individual depends on the level of their education. This is similar with a study by McBey and Karakowsky (2001); that there is a probability of a causal relationship between education level and work performance.

**H<sub>0</sub>5: There is no significant difference between respondents based on factor of rank in term of their work performance.**

ANOVA was used to determine the difference between respondents based on selected demographic factor of rank in performance appraisal system and the work performance. The results revealed there is no significant difference between respondents based on selected demographic factor of rank in performance appraisal system and the work performance ( $F=.625, p=.681$ ). This finding contradict that of Mohsin Bashir et al. (2011) who found that higher ranking employees are more satisfied with their work performance than lower ranking employee. This finding is supported by Roebuck, Sightler, and Brush (1995) who stated that there is no difference in term of work performance between different positions in an organization. Gbadamosi and Joubert (2005) also mentioned there is no significant relationship between rank and job performance among the public sector employees in Swaziland.

**H<sub>a</sub>6: There is a significant relationship between the rating accuracy in term of thier work performance.**

The result in Table 2 shows there is a significant relationship between perceived rating accuracy in performance appraisal system and the work performance ( $r=0.547, p=0.000$ ). The alternate hypothesis is failed to be rejected as there is a positive significant correlation between the rating accuracy in performance appraisal system and the work performance. This finding is supported by Bernadin, Tyler, and Villanova (2009), who identified a consistent relationship between rater agreeableness and rating behavior across all levels of rate performance. Thus, the rating accuracy given by the appraiser will have an effect on the employee work performance.

**H<sub>a</sub>7: There is a significant relationship between employee perceptions of leadership styles in decision making in performance appraisal system and the work performance.**

Table 3 shows there is a significant relationship between the employee perceptions of leadership styles in decision making in performance appraisal system and the work performance ( $r=.341, p=.001$ ). Thus, it is concluded that H<sub>a</sub>7 is failed to be rejected as there is a positive significant correlation between the employee perceptions of leadership styles in decision mak-

**Table 3: Correlation between the employee perceptions of leadership styles in decision making in performance appraisal system and the work performance  
Correlation between the rating accuracy in performance appraisal system and the work performance**

		Leadership Styles	Work Performance
Leadership Styles	Pearson Correlation	1	.341**
	Sig. (2-tailed)		.001
	N	90	90
Work Performance	Pearson Correlation	.341**	1
	Sig. (2-tailed)	.001	
	N	90	90

\*\* . Correlation is significant at the 0.01 level (2-tailed).

ing in performance appraisal system and the work performance. Leadership is the process of influencing someone to get the work done effectively over a sustained period of time (Kotur & Anbazhagan, 2014). This finding is consistent with that of Church (1995) in Kotur and Anbazhagan (2014), who stated that leadership style of managers at the workplace directly affects workers' performance. Another research done by Bass (1981) that is consistent with the research finding mentioned that the manager's leadership or leader behaviour had a powerful effect on salesperson or employees' attitudes and behaviours. This is similar to a study done by Ben (2011) who stated that the leadership traits of the teachers tend to have their impact on their performances.

### CONCLUSION AND RECOMMENDATIONS

This study focused on one private organization as the research entity. Throughout this study, the relationships of research hypothesis in terms of independent variable and dependent variable have been identified. The results of the study indicated that there is no significant difference between respondent based on selected demographic factors (age, gender, duration of service, highest educational level and rank) in term

of their work performance. Besides, the findings also show that there was a significant relationship between the rating and work performance, and also there was a significant relationship between employee perceptions of leadership styles in decision making and work performance.

The findings of this study are significant contributions to organization, human resource practitioners and research methodology. Performance appraisal system is mostly used in all organizations to help in the evaluation of employees' work performance. The use of performance appraisal in organizations can assist the process of identifying the strengths and weaknesses of the employees, in order to provide suitable training and development as well as to determine job promotion, salary increment and career development plans based on the evaluation of the employees work performance. The findings of this research conclude that employee perceptions of perceived fairness in performance appraisal strongly correlate with employee work performance. Thus, it indicates that organizational justice in dealing with the perceptions of fairness in performance appraisal activities are linked to the motivation theories of Vroom's expectancy theory and path-goal leadership theory affecting work performance. Therefore, this research can help the organization to

implement and improve on the existing organizational justice to give a better impact on the employees' satisfaction and their perception of perceived fairness towards a better work performance.

The research findings can be used as guidelines for human resource practitioners in implementing the performance appraisal system to improve employees' performance, in terms of conducting the evaluation in a fair manner, reducing the rate of rating errors and ensuring that the leadership styles in decision making are not biased. The findings of this study can assist resource practitioners to improve their performance appraisal system, to increase organizational and employee performance. In terms of research methodology, the research findings contribute valid data and sources from the previous studies and provides further clarification on the understanding of the issues related to the study. The findings of the study showed that by using quantitative method, the relationship of research hypotheses can be tested and the research objectives can be achieved through the use of reliable instrument. Future researcher are given the alternatives to decide and choose on what suitable research methods to be used for their studies either; qualitative or quantitative method. This is because both qualitative and quantitative methods will give different insights into the research.

Besides, future researchers can have better and accurate feedback of research findings if they conduct the study using a bigger population and sample size. This is because this present study was focused at only one particular organization in Miri, Sarawak, therefore, the research findings cannot represent the overall population of employee perceptions of performance appraisal system towards work performance.

Future researchers are also encouraged to conduct this study in the government sector as this present study was conducted on a private sector organization. By

conducting future study on the government sector as can provides a comparison on the different perspectives of both the private sector as well as government sector. By comparing both sectors, future researchers can have a better insight and understanding on employee perceptions of performance appraisal system towards work performance, and continuously strive for improvement of better practices in performance appraisal for organizations.

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