The Effect of Rater-Ratee Relationship on Ratee Perceptions of the Appraisal Process

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Research determining the effectiveness of performance appraisal programs has concentrated on evaluating how well PA programs have met several quantitative/ psychometric criteria. Typically, performance ratings have been examined in terms of their reliability, discriminability and/or accuracy. Recent writing, however, suggests the addition of qualitative criteria such as criterion relevancy, data availability, practically, interpretability and utilization. The purpose of this study was to supplement the limited research on overall PA effectiveness by examining the conditions or aspects that are associated with subordinates perceptions of the PA effectiveness, and the moderating effect of rater-ratee relationships on their perceptions of overall PA effectiveness. The underlying hypothesis was that the effectiveness of a given appraisal system can be predicted from employees' attitudes toward a key parameter of the system pertaining to the quality of the perceived relationship between managers and subordinates. Data was collected from 487 subordinates in a large fast food restaurant enterprise. Regression analyses indicated that quality of the rater-ratee relationship is significantly related to ratee satisfaction with the appraisal process. Both perceived accuracy/fairness of rating process and acceptability of the PA system varied as a function of trust in supervisor. Overall, the results emphasizes the importance of ratee satisfaction with the appraisal process in performance appraisal implementation. and demonstrates the need to include ratee perceptions of the appraisal process in models of performance appraisal effectiveness. The findings are discussed in view of future research direction and implications for policies and practices in organizations.

Numerous reviews pertaining to the state and evolution of performance appraisal research points to the fact that the predominant emphasis has been placed on the psychometric qualities of the performance appraisal process. Recently, however, the potential fruitfulness and heuristic value of the cognitive perspective in performance appraisal for reducing rater biases and increasing rater accuracy, is gaining prominence in the literature. The latter was spurred from the view that any coherent and workable theoretical perspective on the rating process, should show some incremental utility over the purely psychometric orientation. Thus, the cognitive approach to performance rating seems to pay greater attention to the attitudinal variables in the rating process.

This study falls into this broader line of research.

The research on performance appraisal (hereafter PA) which concentrates exclusively on measurement strategies (i.e. issues of validity and reliability) is limited, since it does not depend on scale development alone, but is attenuated by behavioral factors unrelated to the measurement instrument. Past research has tended to overlook the contribution of employee perceptions toward the appraisal process in determining the value of an appraisal system. It is reasonable to propose that along with the increasing demand of an appraisal system on the users, satisfaction with rating information will be also taken into account. Acceptable psychometric evidence, is a necessary but not sufficient condition for the acceptance and continued use of an appraisal system. Appraisal systems include numerous other components besides those dealing with formats and psychometrics. These include variables such as the intended use of the system, development and implementation of the system, issues concerning the content and process of the system and the acceptability of the system to the users. All of these factors combine to determine the effectiveness of the performance appraisal system in meeting its intended goals, whether they are concerned with improving human resource management and other administrative decisions, or individual functioning and satisfaction.

One of the attitudinal parameters that influences the effectiveness of an appraisal system is user acceptance. It is quite possible that this criterion has a dramatic impact on the extent to which a developed system will be used successfully. In order for the latter to happen, it must be both relevant and accepted by the users. Furthermore, user acceptance and confidence in the system are crucial to its effects on employee motivation as well as on management control.

Although early research neglected to deal with these issues, there has been a steady, albeit slow, development of research on the identification of parameters that determine employee perceptions and acceptability of PA. Several writers include acceptance as one of their evaluative criteria for appraisal programs (Carroll & Schneier, 1982); Murphy & Cleveland, 1991). According to these authors, user acceptability is one of the most frequently overlooked and perhaps most important system criteria to be studied.

Attitudes toward the fairness and acceptability of rating system seem to be a function not only of objective content characteristics, but also of process and contextual characteristics such as organizational and individual differences (Keely, 1978). Lawler (1967) stated that the ultimate success of a performance appraisal system depends on the confidence of the person being evaluated in the appraisal process itself with significant others (i.e., supervisors).

Building upon Lawler (1967) model, Landy, Barnes and Murphy (1978) have identified various attitudinal correlates of perceived fairness/accuracy of performance appraisal.

In particular, they were not concerned with the characteristics of the rating instrument but rather in the perceptions of system fairness and accuracy in terms of descriptive information regarding rating system processes and reactions to contextual system characteristics. They found the latter to be related to (1) the presence of a formal appraisal program (2) the frequency of appraisal (3) the perception that raters were familiar with the ratees performance levels (4) the perceptions that the subordinates had an opportunity to express his/her feelings when evaluated and (5) the perception that goal setting took place.

In refining Landy et al (1978) model, Barr, Brief and Fulk (1981) emphasized an additional variable that reflects the quality of the overall relationship between the rater and ratee (labelled trust in supervisor). The path analysis procedure showed significant paths from supervisor's knowledge of subordinate performance to the development of action plans and from there to perceived fairness/accuracy. Also the hypothesized paths between supervisors knowledge and both trust in supervisor and perceived fairness/accuracy were significant. Finally, a significant path was found between trust and perceived fairness/accuracy. The refined model suggested by the authors, explained significantly more variance in the perception of fairness and accuracy (42%) than the (29%) suggested by Landy et al. (1978).

In a similar vein, Pooyan and Eberhardt (1989) conducted a study which compared determinants of appraisal satisfaction among supervisory and non-supervisory employees. They found that for non-supervisory employees, discussion of personal development and career during the appraisal interview, supervisor subordinate relations and supervisory problem-solving behavior explained 57% of the variance in appraisal satisfaction. For non-supervisory employee, relationship with their supervisors accounted for 43% of the variance while for supervisory employees sample, interaction with their supervisors was a significant predictor of appraisal satisfaction but accounted for only 1% of the variance. They concluded that supervisor daily interaction with subordinate play a significant role in determining appraisal satisfaction.

Dipboye and dePontbriand (1981) predicted that employees would have favorable impressions towards their last appraisal and the system of appraisal to the extent which they (1) were allowed to participate in the feedback (2) they perceived the rating factors to be job related (3) the appraisals were goal oriented and (4) they perceived their ratings to be favorable. Results indicate that perceived relevance of the job factors, perceived discussion of plans and objectives, and the perceived opportunity to express ones own side in the performance feedback session. All significantly related to both opinions of the appraisal and opinion of the system.

Based on a theory of justice in organizations, Greenberg (1986) extended the work of Landy et al. (1978) by considering the important implication of distributive and procedural factors for an understanding of determinants of fairness in PA. Procedural

factors included the following five components: (1) ability to challenge/rebut evaluation; (2) consistent application of standards; (3) two-way communication during interview; (4) soliciting and input using worker; (5) rater familiarity with ratee work. Distributive factors are defined by the relationship between performance and rating and that between rating and subsequent administrative decisions. These results corroborate findings of pervious research on determinants of fairness in PA.

Evans and McShane (1988) explored which characteristics comprise the appraisal process from the employee perspective and investigated how these characteristics are related to employee perceptions of PA fairness. Using a series of factor analyses of survey data collected in two large organizations, six characteristics were found to be related to employee perception of PA fairness (1) the appraiser's knowledge of the employee job and performance; (2) the opportunity for employee participation; (3) the establishment of specific and relevant job goals; (4) discussion of employee development goals; (5) discussion of company and department goals and (6) feedback on appraisal results. In addition, the favourableness of the most recent appraisal was associated with the employee belief in the overall fairness of the appraisal process in both companies.

Interpersonal and motivational dynamics of the rater ratee relationship has been ignored in most research on ratee perceptions of the PA process. Some researchers call for more studies addressing affective issues in performance appraisal, since affective variables have demonstrated an effect on the accuracy of performance ratings (Cardy & Dobbins, 1986; Tsui & Barry, 1986; Loggenecker et al., 1992; Morin and Dolan, 1992).

Based on the discussion above, and the underlying hypothesis that greater quality of manager-subordinate relationship will result in increased satisfaction with the appraisal system, the following hypothesis is proposed as a framework for this study: Raters who are involved in a supportive rater ratee relationship will have more favorable perceptions of the appraisal process than ratees involved in a non-supportive rater ratee relationship.

Methods and Procedures

Sample

Participants in this study were 487 non-management staff from a large fast food restaurant enterprise located in the province of Quebec. Criteria for participation included (1) a minimum of 3 months seniority, and (2) being involved at least once in an appraisal review. This review provided the basis for the organization annual merit salary increase program. The Vice President of human resources supplied a list of 698 potential participants. An initial letter signed by the vice president of human resources and researchers was sent to potential participants. The letter was printed

on personnel department letterhead and explained the nature of the research, asked for voluntary participation and assured confidentiality of responses. The questionnaires were identified as part of a university research project concerning employee perceptions of the appraisal process. These questionnaires were distributed within two weeks of each respondent's performance review session and were returned by way of internal mail to the researchers within a two week period following their distribution. From the actual sample of 698 subordinates, 487 subordinates served as participants yielding a 69.8% response rate. Included in the sample, 55% were male and 57% were part-time employees (less than 30 hours of work per week).

Instruments

Affect measures - Ratee affect toward the target rate was measured using Tsui and Barry (1986) scales. The three item Affective Relationship Scale and the three item Expectational Effectiveness Scale was used. Internal consistency reliability coefficients of .80 for the three items comprising the Affective Relationship Scale and .90 for specific items included in the Expectational Effectiveness Scale were calculated. In addition to the scales from Tsui and Barry (1986) study, we developed a shorter five item scale from the seven item Leader Member Exchange Scale (Dansereau, Graen and Haga, 1975). Morin and Dolin (1992) reported a reliability coefficient of .86 for five items extracted from the original seven item Leader Member Exchange Scale. Items were adapted from these questionnaires to reflect the organizational setting. Items are scaled on a five point response format so that high scores represent positive affect toward rater and low scores represent negative affect.

Responses to the item scales were factor analyzed. One factor was identified and named "Affective Proximity Scale" with eigenvalue of 2.45. This factor accounted for 82% of the total variance and the factor loading ranged from .80 to .92. These scales were combined (unit weighting) due to a relatively high scale intercorrelation and one factor structure. The composite scale had a revised alpha coefficient of .88. The mean of the composite scale was used as an affect score toward the target rater with possible scores ranging from 1 to 15. Higher scores indicate greater affect toward the target rater. The mean rating for affect scale was 12.69 and the standard deviation was 2.97.

Ratee perceptions of the appraisal process measure - Several reviews of the performance appraisal literature have suggested dimensions which need to be considered when developing performance appraisal systems (e.g., DeCotiis & Petit, 1978; Kane & Lawler, 1979; Bernadin & Beatty, 1984). These sources were consulted and a list of dimensions on which to base the questionnaire was generated. The following appraisal parameters previously identified by Bernardin and Beatty (1984) were included: Source of appraisal, object of appraisal measurement, content of the appraisal, the measurement process, appraisal feedback and the purpose of appraisal.

Moreover, based on an inspection of questionnaires used in other published studies items were adapted which measured the following constructs: Supervisors knowledge of performance, perceived accuracy, perceived fairness and acceptability. In addition, several questions were included to measure frequency of evaluation and perceived use of the appraisal system (developmental and/or administrative).

The final product consisted of 30 questions. It was from items on these questionnaires that measures of perceptions toward certain performance appraisal parameters were obtained. The questionnaire was developed in coordination with the management and the training department as part of a project to revamp the company's entire performance appraisal system. The questionnaire used a five point asymmetrical scale (1 = not at all; 2 = to a very small extent; 3 = to some extent; 4 = to a considerable extend; 5 = to a very great extent). Internal consistency estimate for this scale was .93. The means of 30 items was used as each ratee score. Means scores could range from 1 to 5 with higher scores indicating more favorable perception of the rating process. The mean rating for the ratee perception of the appraisal process measure was 3.76 and the standard deviation was .605.

Procedures and Statistical Treatment

Questions on ratee perceptions of the appraisal process were factor analyzed to obtain the major component of PA effectiveness. The internal consistency (using Cronbach alpha) of each of the scales was then determined. Factor scores were computed within each construct. Finally, stepwise multiple regression analyses were conducted to test hypothesis predicting a relationship between affect toward the target rater and ratee perceptions of the appraisal process. In these analyses, ratee perceptions of the appraisal process (i.e., dependent variable) were regressed upon affect, employment status and sex (i.e., independent variables). No formal hypotheses regarding the effects of sex and employment status on ratee perception of the appraisal process are developed.

Results

Following the administration of ratee perception of the appraisal process questionnaire, the data were factor analyzed. A principal components analysis with a varimax rotation was used to isolate independent factors in the data. Results of factor analysis are reported in Table 1. For clarity, only loadings of .50 and higher, which were used in the scale's construction are presented.

In the factor analysis, the 30 items that were originally included in the questionnaire wee reduced to a total of 19 items based on the requirement that each item have a significant loading and included in a factor with eigenvalue greater than one. Therefore, 11 items were identified that either had insignificant loadings or were included in a

Table 1.

Factor Analysis of Ratee Perceptions of the Rating Process Items (N=487)

F	ACTOR 1 (Perceived fairness / accuracy)	
1.	Considering my skills and the effort I put into my work I am very satisfied	
2.	with my evaluation.	.87
3.	5 FF-mon was what I expected.	.78
<i>3</i> . 4.	most recent appraisal to be fall and accurate.	.78
	and the most recent applaisal.	.77
٥.	l understand why my immediate superior/rater evaluated me as he/she did on my last appraisal.	
6.	Compared to others I am evaluated fairly and accurately.	.73
		.58
\mathbf{F}_{A}	ACTOR 2 (Acceptability of the PA system)	
1.	To what extent do you believed that the present PA system can yield an	
	accurate evaluation of performance.	.73
2.	- Will the blesell pa system	.71
3.	To what extent that the present PA system is an acceptable way to evaluate	
	performance.	.64
4.	To what extent do you believe that the present PA system will increase	
	your overall performance.	.56
Э.	To what extent are you satisfied with the amount and manner in which	
	your superior/rater provides you with information about how well you	
	are performing your job.	.5 i
FA	ACTOR 3 (Perceived fairness of measurement content)	********
1.	To what extent the present PA system is based on factors specifically	
	related to the job.	.86
2.	To what extent do you believe that your performance rating is based on	.00
	total job performance and not only a few aspect of your job.	.76
3.	To what extent does the present PA system take into account all of the	.70
	aspects of your job and not jut a select few.	.69
4.	To what extent does the present PA system is based on specified	.09
	performance standards in your position.	.67
EA		
1.	ACTOR 4 (Perceived use of the PA system)	
1.	and prosent the system should be used for philagne for	
2	performance improvement.	.72
۷.	To what extent the present PA system should be used for growth and	
3	development of employees.	.71
۶. 4	To what extent the present PA system should be used for training.	.66
- -	To what extent the present PA system should be used for promotion.	.58

factor with eigenvalue less than one. Factor scores had a possible range of 1 to 5 with 1 indicating low levels of the variable and 5 indicating high levels of the variable. The four factors solution are labelled:

- 1. <u>Perceived fairness/accuracy</u> reflecting the discrepancy between performance rating received and performance rating expected. Belief that supervisor will rate job performance in an unbiased manner.
- 2. <u>Acceptability of the PA system</u> reflecting satisfaction with appraisal system content, process and outcome.
- 3. <u>Perceived fairness of measurement content</u> reflecting belief that PA system is based on multiple criteria, standards and job related factors that fairly and accurately assess global performance.
- 4. <u>Perceived use of the PA system</u> reflecting perception of system to be used for growth and development or for administrative purpose.

The four factors accounted for 51.5% of the total variance. Reliability estimate for the four factors were computed using Cronbach's Alpha were as follows: Perceived fairness/accuracy, .92; Acceptability of the PA system, .84; Perceived fairness of measurement content, .88; Perceived use of the system, .85. The means, standard deviations and intercorrelations among all study variable are reported in Table 2.

As shown in Table 2, ratee affect for the target rater was significantly related to ratee overall perception of the appraisal process (r=.57, p=.05). The direction of this correlation suggest that positive dyadic relationship with the supervisor was associated with more favorable perception of the appraisal process. The relationship with the supervisor clearly have a large impact on perception of the appraisal process. This finding supports and extends the results obtained by Barr et al. (1981) and Platz (1985), who reported that favourable perceptions of dyadic relationships with the supervisors was a significant predictor of the employee perception of the appraisal process. A moderately high (positive) correlation was found between affect and acceptability of performance appraisal system (r=.56, p=.05). This indicated that positive supervisor/subordinate relationship is related to increase favorable attribute towards appraisal system. Additionally, affect was moderately correlated with perceived fairness/accuracy (r=.51, p=.05). It appears that good interpersonal relationship within the dyad translates into a confidence that the supervisor will rate accurately and ratee might perceive the probability of intentional bias occurring as being low. If poor interpersonal relations existed, the subordinate might not be confident that the supervisor would take appropriate actions to gather information with which to make a more accurate rating. Affect was not significantly related to perceived fairness of measurement content (r=.05, p=.481). Affect was marginally related to perceived use of the PA system (r=.17, p=.05), indicating that positive

Table 2. MEANS, STANDARD DEVIATION AND PRODUCT MOMENT CORRELATIONS AMONG STUDY'S VARIABLES

Variables	Means	S.D.	1	2	3	4	5	6	7	8
1. Affect	12.69	2.96								
2. Overall ratee Perceptions of the rating Process	3.76	.61	.57							
3. Perceived Fairness- Accuracy	3.75	.99	.56	.85						
4. Acceptability of the PA System	3.60	.68	.51	.90	.69	,				
5. Perceived fairness of the Measurement Content	4.26	.70	.05	.43	.15	.30	,			
6. Perceived use of the PA System	3.72	.77	.17	.53	.24	.40	.46	, 		
7. Gender	1.47	.50	.07	.11	.17	.11	.06	.08		
8. Employment Status ^b	1.55	.53	.07	.10	.09	.10	.03	.06	.01	,

^{*:} Males (0); Females (1)

All correlations significant at < 0.05

interaction within supervisor/subordinate dyad will set an appraisal process environment for growth and development. In general, the correlations between affect and index of ratee perception of the appraisal process were of moderate magnitude except where noted. Acceptability of the system and perception of the accuracy/fairness of ratings is largely a function of outcome relating to the supervisor/subordinate relationship.

The correlations between overall perception of the appraisal process and index of ratee perception of the appraisal process were very strong (i.e., Perceived fairness/accuracy, r=.85, p=.05; Acceptability of the PA system, r=.90, p=.05; Perceived fairness of measurement content, r=.43, p=.05; Perceived use of the system, r=.53, p=.05) indicating a great deal of overlap in the information between these measure as operationalized. The comparison of these measures with one another is redundant and in fact their operationalizations are very similar.

b: Full time ratees (0); Part time ratees (1)

A high positive correlation was found between perceived fairness/accuracy and acceptability of the PA system (r=.69, p=.05). This correlation is in a logical direction in that the greater the perceived fairness/accuracy of PA process the greater the acceptability of the PA system. This result is similar to previous published research. For instance, Dipboye and DePontbriand (1981) found that favorability of rating (reinterpreted as perceived fairness/accuracy) was the best predictor of opinions of the appraisal system; perceived use of appraisal was positively correlated with acceptability of the PA system (r=.46, p=.05). The significant relationship of employee perceptions of the developmental use of the appraisal system is not difficult to understand. Employees may believe that their supervisor as well as the organization care for their personal development, thus leading to the acceptability of the appraisal process and the system used. Perceived fairness of measurement content was significantly related to acceptability of PA system (r=.30, p=.05). Criterion measure relevance was associated with employee acceptability confirming the finding of Dipboye and DePontbriand (1981) that an evaluation based on relevant factors was important in determining employee perceptions of the appraisal ratings. Establishment of specific performance measures helps the employee to better understand his or her performance expectations and the importance of various activities. Employees appear to be more positive in their acceptability of PA system when they perceived that their evaluation is based on factors relevant to their jobs. The perceived use of PA was related to perceived fairness of measurement content (r=.46, p=.05). Job related factors in appraisal may provide the basis for employee development. Job related performance appraisal may provide the employee with more useful information for redirecting personal efforts and assessing accomplishments. It help clarify performance requirement by providing descriptive information as well as evaluative information about performance. The PA process must not only be the source of accurate information but it must provide for a meaningful exchange of performance information with the employee. The correlations between perceptions of the appraisal process indices and ratee characteristics (i.e., sex, employment status) and that between affect and ratee characteristics were too low to be of any practical significance.

A series of stepwise multiple regression analyses were conducted to test the hypotheses pertaining to the relationship between ratee affect toward the target rater and ratee perceptions of the appraisal process. Table 3 presents the results of these analyses.

The results indicate that the quality of the rater ratee relationship (i.e., affect) is significantly related to overall ratee perceptions of the appraisal process, perceived fairness/accuracy of the appraisal process and acceptability of the PA system. It explained 26% to 33% of the total variance. The results suggest that ratees had a more favorable perception of the appraisal process when they had a supportive working relationship with their supervisor. Thus, positive interactions may lead ratees to believe that rating are not made in some arbitrary and often time-biased manner, and expect

to have a direct impact on system acceptability. Furthermore, a positive perception of the quality of the interpersonal contact with the supervisor seems to be related to employee satisfaction with the appraisal system in general. Taken together, the hypothesis was supported. The addition of gender variable to the equation, shows also that female have more favorable perception of the appraisal process than male, but it accounts for small amount of the total variance. Gender did not predict perceived use of the PA system. Likewise, another personal variable, employment status, had a marginal contribution to the prediction of fairness of the measurement content; full-time employee perceived greater degree of fairness in the measurement content. And finally, affect did not significantly predict fairness in the measurement content; it significantly predict perceived use of the PA process, but accounted for only 2% of the total variance.

Discussion and Conclusion

The purpose of this study was to examine the relationship between interpersonal factors within superior subordinate dyad, and ratee perceptions of the rating process. Affect toward the target rater was measured as a possible correlate of PA satisfaction. The supervisor-subordinate relationship was found to have a powerful effect on various ratee perceptions indices of the rating process. According to the results obtained in this study, positive relations led to a belief that ratings were accurate. The acceptability of the PA system seems to be an effect of the positive perception of dyadic relationship with the supervisor. The direct effect for a positive dyadic relationship is consistent with the findings of Ilgen, Fisher and Taylor (1979) who reported that the acceptance of feedback depends on source credibility of which one dimension is the recipient trust in the source motive.

The findings also support the results obtained by Barr et al. (1981), Platz (1985) and Pooynan and Eberhardt (1989). They demonstrate that quality of the rater ratee relationship is directly related to ratee perceptions of the appraisal process. Quality of the rater ratee relationship facilitate communication between rater and ratee and increase the flow of information about the appraisal process. It is likely that quality of rater ratee relationship contributed to the clarification and definition of effective performance for the ratee. Thus, ratees were more satisfied with the appraisal process when they had a supportive working relationship with the supervisors. Our findings offer some indirect support that satisfaction is function of both appraisal characteristics and organizational variables (Dobbins, Cardy, Platz-Vieno, 1990). Subordinates were more satisfied with the PA system if there was a favourable climate (i.e., high trust, support and openness). Although there are characteristics of the appraisal process that seems to relate to perception of fairness and accuracy, the amount of trust the subordinate has in the supervisor is probably the most significant predictor of appraisal satisfaction (Fulk et al., 1985). Considering that supervisors play a crucial role in the

Table 3. RESULTS OF STEPWISE REGRESSION ANALYSES PREDICTING VARIOUS RATEE PERCEPTIONS INDICES OF THE APPRAISAL PROCESS (N = 487)

A.Results of stepwise regression analysis predicting overall ratee perceptions of the appraisal process P

Beta

 \mathbb{R}^2

 \mathbb{R}^2

Step

F

P

p<.001

F

13.07

	Oup	 -				
Affect	1	.33	.33	.57	234.78	p<.0001
Gender ^a	2	.01	.34	.14	127.08	p<.001
B.Results the rating		e regression	n analysis	predicting	perceived fairr	ness/accuracy of
	Step	\mathbb{R}^2	R ²	Beta	F	Р
Affect	1	.31	.31	.56	215.97	p<.0001
Gender ^a	2	.02	.33	.15	118.92	p<.001
C.Results	of stepwis Step	R ²	R ²	Beta	F	f the PA system P
Affect	1	.26	.26	.51	168.33	p<.0001
Gender ^a	2	.01	.27	.12	90.20	p<.001
D.Results content	of stepwis	e regression	analysis p	redicting pe	rceived fairnes	s of measuremer
	Step	\mathbb{R}^2	R ²	Beta	F	P
Gender	1	.01	.01	.10	4.87	p<.05
Status ^b	2	.01	.02	12	5.63	p<.001

E.Results of stepwise regression analysis predicting perceived use of the PA system

Beta

.16

 \mathbb{R}^2

.02

Step

1

Affect

 \mathbb{R}^2

.02

 $^{^{}a}$ Males = 0, Females = 1

^b Full time ratees = 0; Part time ratees = 1

success or failure of any appraisal system, we need additional research on the role of supervisory behavior in the successful implementation of the PA system.

Several issues raised in this study suggest direction for future research. One such is the generalizability of the results. The current study relied on a sample of subordinates that was drawn from a single organization and despite the large sample size, the results and conclusions may lack generalizability to other organizations. Because all the measures collected in this research were designed to measure employee perceptions, by necessity, there were subjective in nature. The subjective nature of these data raises the possibility of response bias. A highly useful approach to future research might involve the use of behavioral criteria in addition to fairness in perceptions. The criteria might include grievances or appeals filed regarding the appraisal. Future research of a longitudinal or experimental nature would assist in developing sound causal inferences on determinants of appraisal satisfaction. Finally, a limitation of this study was the fact that the ratee perceptions questionnaire did not contain any items that directly measured subordinate reaction to the PA interview process. The inclusion of several items measuring the effectiveness of the PA interview process would provide additional insight into the conditions which are associated with subordinate perception of overall PA effectiveness.

Regarding practical implications, the important role that supervisors play in determining employee perceptions of the fairness, accuracy and acceptability of appraisal indicate the need for more training and a higher level of interpersonal skills. Our findings suggest that supervisor should be careful to treat employee with respect and fairness. It is not enough to show concern and to ensure fair treatment of employee only at the time of performance appraisal. If appraisal acceptability is a relevant organizational goal then more attention must be paid to training them since interpersonal skills are seen as particularly important as they are shown to have a large impact on all major output of the appraisal process. The ultimate success of rating process in general rests in large part on the quality of rater ratee relationship. Consequently, the acceptance of appraisal in an organization may be more important to long term effectiveness than reliability and validity. The findings also emphasize the need to consider ratee satisfaction with the appraisal process as a dependent measure when evaluating or developing PA system. Ratee perceptions of the appraisal process should be heavily weighted when implementing an effective PA system.

While models exist for such subtopic as rating accuracy and rating cognitive processes, very few model have been developed that identifies and integrate the various factors that potentially influence the perceptions of appraisal system acceptability. This research has extended the available literature in terms of providing a better understanding of the perceptual processes involving PA. It is hoped that future research will examine, elaborate, investigate the relationship between employee acceptance of the appraisal system and other organizationally relevant variables.

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