

**Organizational Justice in Performance Appraisal System: Its Effects on
Performance Appraisal Satisfaction and Work Performance.**

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**Organizational Justice in Performance Appraisal System: Its Effects on
Performance Appraisal Satisfaction and Work Performance.**

A Dissertation submitted to the College of Business as a partial fulfilment of the
requirements for the Master of Science (Management)

By

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DECLARATION OF THESIS

I declare that this thesis has not been accepted for any degree and is concurrently submitted in candidature of any other degree.

I hereby declare that any valuable contributions and all resources have been used as an acknowledgement to this research.



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ABSTRACT

Performance appraisal is an integral part on the Human Resource Management system. An organization implements the performance appraisal system to allocate rewards for the employee, provide development advice as well as to obtain their perspectives and justice perceptions about their jobs, department, managers and organization. Further, performance appraisal is an ongoing communication process between employees and supervisors. Superior should set expectations, monitor performance and provide feedback to employees. By having this information it will direct and develop employee performance by identifying training and development needs, correcting problems and determine raises and promotion.

Employees job satisfaction is important for work performance (Suliman, 2007). For improved work performance, the employees also need a good performance appraisal system to provide them with feedbacks regarding their job. However, for the system to be effective it must be perceived as fair (Suliman, 2007). In line with this, the purpose of this study is to identify the effect of employee perception of justice in performance appraisal system on performance appraisal satisfaction and lastly it will affect the work performance too.

Overall, this study was to examine the employees perceptions of organizational justice (distributive, procedural and interactional justice) in performance appraisal system and the effect on performance appraisal satisfaction and work performance. This study also identified the main perceptions that employee have on performance appraisal system and how reliable the system are to them.

ABSTRAK

Penilaian prestasi merupakan salah satu tulang belakang bagi sistem pengurusan sumber manusia. Pada amnya, sesebuah organisasi mengamalkan sistem penilaian prestasi bagi tujuan member ganjaran yang setimpal atas usaha seseorang pekerja, untuk member ruang bagi memperkembangkan potensi serta prestasi diri dan pada masa yang sama untuk mendapatkan persepsi seseorang pekerja dari segi hak kesamarataan dan keadilan terhadap kerja, jabatan, pengurusan dan organisasi tersebut. Sementara itu, penilaian prestasi merupakan satu proses komunikasi yang berterusan diantara majikan dan pekerja. Penyelia atau seseorang pegawai atasan perlu menetapkan objektif yang perlu dicapai oleh seseorang pekerja, menilai prestasi dan memberi maklumbalas yang sepatutnya kepada pekerja tersebut. Dengan adanya maklumat sebegini rupa ia dapat membantu dalam memantapkan serta memperkembangkan prestasi pekerja dengan melihat pada program latihan yang diperlukan, membetulkan segala masalah dan mempertimbangkan kenaikan pangkat dan gaji.

Pada keseluruhannya, kajian yang dijalankan adalah bertujuan untuk mengkaji tanggapan pekerja terhadap keadilan organisasi(distributive, procedural dan interactional justice) dalam proses penilaian prestasi dan bagaimana ianya boleh memberi kesan terhadap kepuasan penilaian prestasi dan prestasi kerja seseorang pekerja. Tambahan, kajian ini juga bertindak dalam mengenalpasti persepsi pekerja yang dominan atau utama terhadap sistem penilaian prestasi dan sejauh mana sistem berkenaan berkesan bagi golongan pekerja serta mencapai matlamatnya.

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TABLE OF CONTENTS

Declaration of Thesis	i
Permission to Use	ii
Abstract	iii-iv
Acknowledgement	v
List of Figures	vi
List of Tables	vii

CHAPTER 1 - INTRODUCTION

1.0 Introduction	1-5
1.1 Problem Statement	5-6
1.2 Research Objectives	7
1.3 Research Questions	7-8
1.4 Hypotheses Tested	8-9
1.5 Significant of the Study	9-10
1.6 Scope and Delimitation	10
1.7 Definition of variables	11-12

CHAPTER 2 – LITERATURE REVIEW

2.0 Introduction	13
2.1 Performance Appraisal System	13-18
2.2 Performance Appraisal Satisfaction	19-23
2.3 Organizational Justice in Performance Appraisal System	23-24
2.3.1 Distributive Justice	24-25
2.3.2 Procedural Justice	25-26
2.3.3 Interactional Justice	26-27
2.4 Work Performance	27-28

2.5 Synthesis	28
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CHAPTER 3 – RESEARCH METHODOLOGY

3.0 Introduction	29
3.1 Research Framework	29-30
3.2 Research Design	30
3.3 Sampling Design	30
3.3.1 Population	30
3.3.2 Sampling	30-31
3.4 Design of Questionnaire	31
3.4.1 Variables and measures	31-32
3.4.1.1 Work Performance	32
3.4.1.2 Organization justice	32-34
3.4.1.3 Performance appraisal satisfaction	34-35
3.5 Data Collection	35
3.6 Data Analysis Procedures	35
3.6.1 Descriptive Statistic	35
3.6.2 Factor Analysis	36
3.6.3 Correlation Analysis	36
3.6.4 Regression Analysis	37
3.7 Synthesis	37

CHAPTER 4 – DATA ANALYSIS AND FINDINGS

4.0 Introduction	38
4.1 Overview of data collected	38
4.2 Demographic Profile of Respondent	38-40
4.3 Factor Analysis	40-41
4.3.1 Organizational Justice	41-44
4.3.2 Performance Appraisal Satisfaction and WP	44-46
4.4 Descriptive Statistics	47

4.5 Reliability	47-48
4.6 Correlation	49-50
4.7 Regression Analysis	50
4.7.1 Relationship btwn employee perceptions of OJ and WP	51
4.7.2 Relationship btwn employee perceptions of OJ and PAS	52-53
4.7.3 Relationship btwn employee perceptions of PAS and WP	53-54
4.8 Relationship btwn employee perceptions of OJ and WP & PAS	54-55
4.9 Summary of Hypothesis Testing	56-57
4.10 Conclusion	57-58

CHAPTER 5 – DISCUSSION

5.0 Introduction	59
5.1 Summary of the study	59-61
5.2 Discussions of Findings	61
5.2.1 Organizational Justice and Work Performance	61-62
5.2.2 Organizational Justice and Performance App Satisfaction	62-63
5.2.3 Performance App Satisfaction and Work Performance	63-64
5.2.4 PAS as a mediator to the relationship of OJ and WP	64
5.3 Implications	64-65
5.4 Conclusion	66-67
5.5 Recommendations for future research	67

References

Appendix ‘A’ : Questionnaire

LIST OF FIGURE

Figure 1: Conceptual Framework **29**

LIST OF TABLE

Table 1: Summary of Demographic Profile	39
Table 2: Rotated Component of Organizational Justice	42
Table 3: Rotated Component of Performance Appraisal Satisfaction and Work Performance	45
Table 4: Descriptive Statistics of the study variables (N=100)	47
Table 5: Reliability Coefficients for the Variables of the Study	48
Table 6: Correlation of Variables	49
Table 7: Regression Result of Organizational Justice and Work Performance	51
Table 8: Regression Result of Organizational Justice and Performance Appraisal Satisfaction	53
Table 9: Regression Result of Performance Appraisal Satisfaction and Work Performance	54
Table 10: Summary of Hypothesis Testing	56

CHAPTER 1

INTRODUCTION

1.0 Introduction

Performance appraisal is an integral part of the Human Resource Management system. An organization implements the performance appraisal system to allocate rewards for the employee, provide development advice as well as to obtain their perspectives and justice perceptions about their jobs, department, managers and organization.

Performance appraisal is an ongoing communication process between employees and supervisors. Superior should set expectations, monitor performance and provide feedback to employees. By having this information it will direct and develop employee performance by identifying training and development needs, correcting problems and determining raises and promotions. Performance appraisal is necessary for the following reasons:

- Provide a review of past work performance and create the opportunity to develop new performance goals.
- Establish lines of communication about employee performance
- Create an opportunity to discuss professional development goals and objectives.
- Document employee performance and provide support increment, promotions or terminations.
- Document corrective action necessary to improve work performance
- It is supervisor's and manager's responsibility to monitor, evaluate and coach employees.

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