

HAIGAZIAN UNIVERSITY

**THE EFFECTS OF
PERFORMANCE APPRAISAL ON EMPLOYEES
IN A SAMPLE OF FOR-PROFIT AND NOT-FOR PROFIT
ORGANIZATIONS IN LEBANON**

By

ANI MINAS BABOGLANIAN

A Thesis

Submitted in Partial Fulfillment of the Requirements for the Degree of

Master in Business Administration with a Major in Management

To the Faculty of Business Administration and Economics

At Haigazian University

Beirut, Lebanon

January 2014

HAIGAZIAN UNIVERSITY

THE EFFECTS OF

PERFORMANCE APPRAISAL ON EMPLOYEES

IN A SAMPLE OF FOR-PROFIT AND NOT-FOR -PROFIT

ORGANIZATIONS IN LEBANON

By

ANI MINAS BABOGLANIAN

Approved by:

Dr. Sona Jerejian

First Reader

Assistant Professor in Business Administration

Faculty of Business Administration and Economics

Dr. Akram Tannir

Second Reader

Lecturer in Business Administration

Faculty of Business Administration and Economics

Date of thesis presentation:

28 January 2014

HAIGAZIAN UNIVERSITY

THESIS RELEASE FORM

I, Ani Minas Baboghlanian

- ☐ Authorize Haigazian University to supply copies of my thesis to libraries or individuals upon request
- ☐ Do not authorize Haigazian University to supply copies of my thesis to libraries or individuals for a period of two years starting with the date of the thesis defense.

Signature

Date

DEDICATION

This thesis is dedicated to the most precious people in my life my mother Marie and sister Elo who contributed very much to the success of this research.

ACKNOWLEDGEMENTS

First, I would very much like to thank My Lord who gave me the endurance, the patience, the strength, and the capability to achieve the most important task put in my hands in spite of several obstacles, delays, and difficulties throughout this research study.

Second, I would like to show great appreciation to my advisor Dr. Sona Jerejian who has always been available when needed. Her constant support, guidance, keenness, and passion were a drive for me to achieve what I could not have done without her.

I would like also to express my gratitude to Dr. Akram Tannir for his insight, statistical analysis, and support.

I greatly appreciate the support of my friends and colleagues who made possible the collection of the data.

A special thanks to the respondents who were very serious in answering the survey questionnaire. Their contribution helped tremendously to have accurate results.

Finally, I would like to thank Haigazian University for all the opportunities that they have provided, and especially for the possibility of higher education.

AN ABSTRACT OF THE THESIS OF

Ani Minas Baboghlanian For Master of Business Administration
Major: Management

Title: The Effects of Performance Appraisal on employees in a sample of for-profit and not-for-profit organizations in Lebanon

Introduction: In the organization where I work, a not-for profit organization, service oriented, and faith based, the performance appraisal idea has been a stress-causing factor for me as a subordinate first, and a manager later. When the review time approaches for evaluation, I become stressed and dread the idea of losing my job. Rather than being a way for career development and learning opportunity, the performance appraisal was a threat for me. I was wondering, if the not-for profit organization needs to conduct performance appraisal or not. I thought only for-profit organizations used any performance appraisal. Did we need to conduct it too seriously and stress on its results? Employees dreaded the performance appraisal, were apprehensive as how to fill the questionnaire and discuss the issue in the review meeting, and wondered what would be the results or consequences.

I aimed at collecting data from different not-for-profit and for-profit organizations, targeting employees from different industries. The total number of questionnaires that I have collected

added up to 90, with 64 organizations. I collected 37 questionnaires from not-for-profit organizations and 53 questionnaires from for-profit organizations.

Statistical Analyses: Descriptive statistics were done in order to facilitate the interpretation of the data that were received from the respondents. Reliability Test followed it to show how the variables, the independent and the dependent, are related to each other, and how they show the internal consistency of the scales as a whole. Factor analysis was conducted- a data reduction system, where a group of data are chosen and put in a model in order to test what variables to remove from the model. Multiple regressions with Stepwise method were used to show if there were any significant positive correlation between the performance appraisal and employee responses. Finally, Independent T Test was conducted in order to test the statistically significant difference that exists between the means of two independent groups. In this study, the two groups are not-for-profit and for-profit organizations.

Conclusion: The study revealed that there is a positive relationship between the performance appraisal and the employee responses such as increase in morale, motivation, commitment, satisfaction, lack of stress, and performance improvement. The effects and practices of performance appraisal are not different in for-profit and not-for profit organizations in Lebanon.

TABLE OF CONTENTS

DEDICATION.....	iv
ACKNOWLEDGEMENTS.....	v
ABSTRACT.....	vi
TABLE OF CONTENTS.....	viii
CHAPTER ONE: INTRODUCTION.....	1
1.1. Purpose of the Study.....	1
1.2. Introduction and Statement of the Problem.....	4
CHAPTER TWO: LITERATURE REVIEW.....	7
2.1. Definition of Performance Appraisal.....	7
2.2. Definition of Performance Management.....	9
2.3. Performance Appraisal versus Performance Management.....	10
2.4. History and Evolution of Performance Appraisal.....	11
2.5. Purpose of Performance Appraisal.....	14
2.5.1. Purposes of Traditional Performance Appraisal.....	15
2.5.2. Purposes of Developmental Performance Appraisal.....	16
2.6. Methods of Performance Appraisal.....	17
2.7. Positive Effects of Performance Appraisal.....	23
2.7.1. Motivation.....	23
2.7.1.1. General Theories of Motivation.....	26
2.7.2. Satisfaction.....	26
2.7.3. Participation.....	28
2.7.4. Commitment.....	32
2.8. Positive Employee Reactions to Performance Appraisal.....	35
2.9. Effectiveness of Performance Appraisal.....	38
2.10. Fairness of Performance Appraisal.....	41
2.10.1. Distributive Justice.....	42
2.10.2. Procedural Justice.....	43
2.10.3. Interactional Justice.....	43
2.10.3.1. Interpersonal Justice.....	44
2.10.3.2. Informational Justice.....	44
2.11. Recognition and Performance Appraisal.....	45
2.12. Trust and Performance Appraisal.....	47
2.13. Negative Effects of Performance Appraisal.....	48

2.13.1. Increased Anxiety.....	48
2.13.2. Emotional Exhaustion.....	49
2.13.3. Reduced Productivity.....	51
2.13.4. Lowered Employee Morale.....	52
2.13.5. Barriers.....	52
2.14. Negative Employee Reactions to Performance Appraisal.....	54
2.15. Problems and Challenges of Performance Appraisal.....	56
2.16. Performance Appraisal and Management in Not-For-Profit organizations...	58
2.17. Summary of Literature Review.....	61

CHAPTER THREE: RESEARCH FRAMEWORK AND METHODOLOGY 65

3.1. RESEARCH QUESTIONS.....	65
3.2. HYPOTHESES.....	65
3.3. METHODOLOGY.....	72
3.3.1. Instrument.....	72
3.3.2. Sample size.....	73
3.3.3. Industry selection.....	73
3.3.4. Survey Administration.....	73
3.3.5. Ethical Considerations.....	74

CHAPTER FOUR: STATISTICAL ANALYSES 75

4.1. DESCRIPTIVE STATISTICS.....	75
4.2. RELIABILITY TESTS.....	78
4.3. FACTOR ANALYSIS.....	80
4.4. MULTIPLE REGRESSION ANALYSIS.....	97
4.5. INDEPENDENT-SAMPLES-T-TEST.....	153

CHAPTER FIVE: SUMMARY OF FINDINGS AND RECOMMENDATIONS

5.1. FINDINGS.....	158
5.3. LIMITATIONS.....	168
5.4. RECOMMENDATIONS.....	169

APPENDIX.....170

BIBLIOGRAPHY176

CHAPTER ONE

INTRODUCTION

1.1. Purpose of the Study

The most valuable asset in any organization is the employee, whether this is a not-for profit organization or a for-profit one. The employee is the one who uses his/her skills, creative mind and ideas and implements them in the company in the day to day work life, by using and following the set objectives and by making an effort to accomplish the goals set to achieve the target. The performance appraisal is done usually at the end of the year, based on the standards set before a year, to evaluate the employee performance and accordingly decide to reward or punish, to recognize or rebuke, to increase pay or decrease it, and to develop or not to develop the employee.

In the organization where I work, a not-for profit organization, service oriented, and faith based, the performance appraisal idea has been a stress-causing factor for me as a subordinate first, and a manager later. When the review time approaches for evaluation, I become stressed and dread the idea of losing my job. Rather than being a way for career development and learning opportunity, the performance appraisal is a threat for me.

When I was employed two decades ago, in the same not-for profit organization, there was no performance appraisal system. We used to work day by day without having preplanned objectives, goals, and targets to meet. However, we worked efficiently and with full commitment in a family-like context. The evaluation was done informally. Despite of this

informality, there was room for promotion and I was recognized and promoted several times during this period.

Then management changed. The new manager employed new rules, regulations, and procedures and every aspect of the job was carried out in a formal perspective, where the performance appraisal also was done regularly, with filling questionnaires, having review meetings, discussions, and setting new goals, objectives for the coming year. The organization continued being service oriented and faith based but also became business oriented. As a result, the employees and the manager together revised the vision, mission, and values. New plans were proposed with objectives, goals, and targets to meet at the end of the year to enhance professionalism.

However, the change was radical and difficult. The management's different style and the way of using the performance appraisal were new and demanding. We were wondering, if the not-for profit organization needs to conduct performance appraisal or not. I thought only for-profit organizations used any performance appraisal. Did we need to conduct it too seriously and stress on its results? Everyone dreaded the performance appraisal, was apprehensive as how to fill the questionnaire and discuss the issue in the review meeting, and wondered what would be the results or consequences. The effects of the performance appraisal were positive on some and negative on others. Employee reactions, however, were more negative than positive, and the employees were disappointed; most were searching for other jobs and this negatively affected their daily job productivity. The performance appraisal had positive effects when the employees were

recognized. On the other hand, it had negative effects because the performance appraisal increased the level of employee stress, anxiety, and caused emotional exhaustion.

During this time, I was enrolled in the MBA program. Experiencing the way the performance appraisal was conducted, in our company, and learning different approaches to this issue, I decided that I needed to make a research in this field, to develop a comprehensive and thorough understanding of the purpose, and implications of the performance appraisals in both for the not-for profit organization and for-profit organization, and the impact they may have on employees.

1.2. Introduction and Statement of the Problem

Performance appraisal always engages in setting work principles, standards, objectives and evaluating the employee according to these principles, and providing the employee with feedback about her or his performance with the aim of motivating the employee, and reducing or eliminating poor performance (Dessler, 2011). It is also an important factor of performance management in which the appraisals conducted twice a year or at the end of the year, are official opportunities for interactions between the employees and their supervisors, and where the strengths and weaknesses of the employees are identified, goals are evaluated, and new ones are set (Armstrong & Appelbaum, 2003). Nowadays not-for-profit organizations are facing greater than ever demands to show their ability to perform and to plan for a potential development (Selden & Sowa, 2011). Moreover, Seldon & Sowa (2011) assert that measuring effectively the performance of employees is an important part of measuring the performance of the organization. In general, this is being done through “performance management process”; the not-for-profit organizations, similar to for-profit ones, depend on the ability and on the expertise of their employees to meet organizational goals and perform effectively. Furthermore, a definite aim of performance management is to “align individual performance with organizational performance” (p.252).

The usual performance appraisal method consumes incredible amounts of time and energy emphasizes Nickols (2007). He further states that it often discourages, demotivates, and destroys trust between employee and supervisor relationship. In addition, it adds rudeness and hurts the employee. Demotivating is a lost opportunity for the organization,

both for the employer and the employee. If performance appraisal fails to motivate, disregards to recognize the individual performance and forgets emphasizing the positive, then this continues to bring out the weaker traits. As a result, during the process, the morale, self-esteem, and organizational well-being are lost (Armstrong & Applebaum, 2003).

However, on the other hand, it is very crucial for the managers to keep employees motivated in order to keep organizations carry on. Managers are responsible to motivate employees because motivation improves their productivity Smith explains (as cited by Ummah, 2010). Moreover, motivating employees should be done persistently, and the means to do this is through recognizing their role in the organization (Ummah, 2010).

In order for the organizations to perform better, they should keep their employees satisfied, state Karimi, Malik & Hussain (2011). In other words, employees play an important role when they are satisfied. Furthermore, Seldon, Ingraham & Jacobson state that “employee satisfaction is considered a key to organizational success” (p. 243) (as cited by Karimi, Malik & Hussain (2011). Besides, Malik, Bibi and Rahim (2010) state that employees like to work in organizations where positive environment is provided which helps to the progress of the organization (as cited by Karimi, Malik & Hussain, 2011).

Performance appraisal is used by many large organizations in the United States, say Longenecker & Goff (1992), (as cited by Walsh, 2003). Managers can certify the widespread use of it and human resource managers declare that performance appraisal “is a

critically needed tool for effective human resource management and performance improvement” (p. 1).

Organizations can have difficult appraisal systems and if these appraisal systems are not understood, appreciated, and adopted by the workforce, at the end there will be limited effectiveness Cardy & Dobbins, Carroli & Schneier, Lawler, Murphy & Cleveland state (as cited by Cawley, Keeping, and Levy 1998). Proper performance appraisals increase positive employee attitudes such as “morale, productivity, and job satisfaction.” Fredrickson’s (2003) “broaden-and-build” theory requires that the circumstances that build positive emotions would “broaden people’s modes of thinking and action which, over time, builds their enduring personal and social resources” (p. 163). This positive atmosphere will generate positive feelings and the employees will be able to imagine their role in accomplishing the organization’s objectives (as cited by Cravens, Oliver, Stewart, 2010). However, improper performance appraisals, that have unclear standards, halo effects, central tendencies, leniency or strictness, recency effect, and inaccurate rating of the employees, produces negative attitudes and feelings for the staff and for the company, Smith states (2003); here, employees are affected negatively from performance appraisal, and this causes negative emotions such as “worry, depression, stress and anguish,” state Armstrong and Appelbaum (2003), and brings out “negative psychological responses,” such as, “resistance, denial, aggression, or discouragement.”

CHAPTER TWO

LITERATURE REVIEW

2.1. Definition of Performance Appraisal (PA)

According to Patz (1975), performance appraisal is considered as a significant tool for evaluation, even though it carries several problems. It is also considered an improvement practice for a junior manager. On the other hand, Parab (2007) defines performance appraisal as a unique administrative tool used to motivate and manage personnel, hence it is a controlling tool for managing human resources. It is an official record of the supervisors' views about how the employees' job has been done (Grote, 2011). In addition, the employees help the organization gain competitive advantage in difficult times because performance appraisal is a great occasion that calls into attention their ability of doing a job (Krattenmaker, 2009).

Performance appraisal is used practically by all organizations being that in formal or informal way, states AbdulKadir (2012). However, Pickett (2001) and Swansburg (2002), (as cited by Hai 2012), refer to performance appraisal as a tool for assessing the performance of the tasks by the employee. The definition of performance appraisal always engages in setting work principles, evaluating the employee according to these principles, and providing the employee with feedback about her or his performance with the aim of motivating the employee, and reducing or eliminating poor performance (Dessler, 2011). Moreover, performance appraisal, explains Huber (1980), (as cited by Parab, 2007) provides three purposes: "evaluation, development, and employee protection."

Performance appraisal is an outstanding occasion to be conducted informally through discussions and reaching to conclusions, evaluating the goals identified and continuing to recognize, reward accomplishments and setting new goals. It becomes a facilitator, a catalyst to stay on the right path, explain Armstrong & Appelbaum (2003).

Another idea comes from Hai (2012, p.21-22) who gives a definition of performance appraisal, taking into consideration the effectiveness concern; he says, “It is an on-going, controlled, systematic and periodic evaluation” of the employees’ performance by their managers or other peers. Using the organization’s methods and standards adopted to determine if the duties of the employees are done in the right way, to develop and restore employees’ future job goals and objectives. Furthermore, it is defined “as the process of identification, observation, measuring, recording, and developing the strengths and weaknesses of employees at work, explains Gomez-Mejia, Ntilkin & Cardy, Erasmus & Schenk (as cited by Hai, 2012, p.20).

Finally, the definition of performance appraisal for the modern-day organization is that, it is an important factor of performance management in which the appraisals conducted twice a year or at the end of the year, are official opportunities for interactions between the employees and their supervisors, and where the strengths and weaknesses of the employees are identified, goals are evaluated, and new ones are set (Armstrong & Appelbaum, 2003).

2.2. Definition of Performance Management (PM)

According to Dessler, (2011), the way that individuals' and teams' performance is continuously evaluated by identifying, evaluating, and developing and then aligning their performance with the organization's goals is called performance management.

Performance management is a process that always renews itself as it receives feedback from performance of employees, particularly when key events generate occasions to express the knowledge and help to achieve the set objectives in the organization.

Moreover, performance management is a process of observing human resources, conducting constant discussion of views with them, negotiating, and discussing to find new ways of improvements (M. Mone & London, 2010).

In performance management, the responsibilities of the management are shared and during its process, it lines up "objective setting, ongoing feedback and coaching, performance review, and career development plan." Since performance appraisal is the basis of performance management, it is required to become an important management tool and not as an obligatory suffering. This can facilitate the organization in the direction of sharing its vision through the whole organization (Armstrong & Appelbaum, 2003).

In order to achieve high levels of organization performance, be more competitive and involved, organizations need to excel in performance management. As a result, it will enhance leadership development and support transformational change (M. Mone & London, 2010).

2.3. Performance Appraisal versus Performance Management

The difference between performance appraisal and performance management is that performance appraisal is a year- end event, where the evaluation forms are filled, and performance management is a practice that begins the year where performance strategies are set which are essential to the employee management throughout the year. Dessler (2011) describes three major ways in which performance management differs from performance appraisal. Performance management, he says, is a continuous, daily, or weekly interactions and feedback to make clear that there is a non-stop improvement and it is not a once a year review meeting to evaluate the subordinate's performance. Second, Performance management is "always goal-directed" where the continuous performance appraisal of an employee or a team is evaluated according to the set goals that are put organization wide. Third, performance management stands for always reevaluating and "modifying how the employee and team get their work done"(p.358), and depending on the matter, this means to have more training, shifting employment dealings or introducing the latest motivational plans.

2.4. History and Evolution of Performance Appraisal

The history of performance appraisal is significant. Performance appraisal has been available for centuries as a Chinese practice. The employees were formally evaluated as early as the third century. Chinese philosopher, Sin Yu, destined a rater that worked at the Wei dynasty where “the Imperial Rate of nine Grades seldom rates men according to their merits but always according to his likes and dislikes , Patten describes (as cited by Murphy and Cleveland, 1995, p3). In 1648, in Dublin (Ireland), the legislators were rated according to the personal qualities of employees, Hackett says (as cited by Murphy and Cleveland, 1995). Robert Owen was the first who, in 1800, used the merit rating at his cotton mills in Scotland. At each position, above worker’s station, a wooden cube of various colors was hanged, signaling different degrees of merits. Then the wooden cubes were changed when employees performed better, Heilbroner describes (as cited by Murphy and Cleveland, 1995).

In the US industry, performance appraisal was developed through the work of the industrial psychologists, Patten explains (as cited by Murphy and Cleveland, 1995) at Carnegie-Mellon University in salespersons’ selection. Employees were rated according to the trait psychology (Man-to-Man rating system). At that time, the primary tool of Performance Appraisal became the trait-rating system. However, there were deficiencies in using this system because managers took the role of a judge and not a counselor. Traditionally, performance appraisal was used for administrative purposes such as retention, discharge, promotion and salary decisions Scott, Clothier, and Spiegel explain (as cited by Murphy and Cleveland, 1995). Man-to-Man rating was used after the World

War I to evaluate officers, Scott says (as cited by Murphy and Cleveland, 1995) noting that the trend of performance appraisal was started in the USA in 1813. Man-to-Man rating was considered and used in 1960 for layoff purposes when the government experienced cutbacks, Patten informs (as cited by Murphy and Cleveland, 1995). Industrial employees' appraisal was advanced after the World War I and it is only after the World War II that the appraisal of managers emerged (Murphy and Cleveland, 1995).

It was not until 1950 that appraisal was administered in many companies. Performance appraisal was conducted by 61% of the companies in 1962, Spriegel observes (as cited by Murphy and Cleveland, 1995), but only employees, exempting the top management, Whisler and Harper add (as cited by Murphy and Cleveland, 1995). Organizations were forced to formalize the use of performance appraisal just after the 1964 Civil Rights Act and the 1966 and 1970 Equal Employment Opportunity Commission (EEOC) DeVries, Morrison, Shillman, and Gerlach inform (as cited by Murphy and Cleveland, 1995.) However, improvements were created after the Federal Legislation in 1960 and the Civil Rights and women's movements of the 1960s and 1970s. Researchers indicate that recently 96% of the organizations surveyed had used a formal performance appraisal and the meaning of PA has been enlarged as a tool for Human Resource Management, Latham, Skarlik, Irvine, and Siegel ascertain (as cited by Murphy and Cleveland, 1995). In 1954, Peter Drucker introduced the Management by Objectives (MBO) where managers and employees jointly set goals and employees were appraised according to the short-term goals set, instead of being appraised by their personality. This

approach was very helpful as it showed the way for managers to become counselors (Parab, 2007).

However, another method emerged after the MBO. The employees were appraised according to their behaviors and not units produced or goals not met. This method was called Behaviorally Anchored Rating Scales (BARS), a method planned by Smith and Kendall (1963), (as cited by Parab 2007). Parab (2007) further discusses that the improvement of the PA has advanced and this was for the benefit of the employees and organizations. Moreover, he points out that today Performance Appraisal provides, simultaneously, several purposes and it is vital to differentiate organizational, rater and ratee goals, as Weise and Buckley claim (as cited by Murphy and Cleveland, 1995).

Dr. Aubrey C. Daniels introduced the concept of performance management in 1970. This technology helped in administering the important part of performance, behavior, and results. This knowledge became a significant and primary tool in business, where managing the workforce or system performance happens to be easy for the successful implementation of effective plans and operational goals (Luizzi, 2013).

2.5. Purpose of Performance Appraisal

The most important purposes of performance appraisal are the following: one the concept of sharing and communicating the vision, through the mission statement of the organization to the employees. Two, besides setting operating unit's target, individual targets were set in the organization. An official evaluation of improvement towards the targets set and the detection of the training needs. The performance appraisal is regularly conducted in order to assess the organizational effectiveness, explains Coate (as cited by Parab, 2007).

Performance appraisal serves a selection of acknowledged purposes and provides a few preferred benefits. These select purposes help increase employees' morale, their motivation, facilitate understanding of their potential, and reduce uncertainty about performance. In addition, they aim to reward them, according to their needs, and provide the opportunity for training and development, then help to communicate effectively; decide who will receive promotion, administer career development, counsel and control, and set up corrective measures to reach goals and targets, explain Bratton and Gold, Bowles and Coates studies (as cited by Parab, 2007).

Moreover, the main purpose of the performance appraisal is to make individuals perform better in the organization. There are two significant purposes of performance appraisal, which are: the repair that the organization needs to have in order to be powerful and the knowledge of how the human resources of the organization are operating in order to identify the effectiveness of their workforce, Cummings and Shwab explain (as cited by Parab, 2007).

The performance appraisal guides the organization to identify the weaknesses and strengths of their employees' performance and hence is regarded as an effective tool of monitoring and developments. It will help them capitalize on employee strengths and capabilities to reduce their weaknesses (Parab, 2007).

Furthermore, generally, the purpose of the performance appraisal is to make available precise and objective information of how an employee is doing the job; this is used to present an update to the authentication of the employee selection procedures. Performance appraisals can also put forward the way employees modify their approach and manners to get better in their performance and become more efficient (Duane Schultz, Sydney Ellen Schultz, 1998).

Supervisors review their subordinates' performance for three central reasons. First, in order to decide the salary increase and promotion for the employees, appraisals are a key contribution. Second, appraisals help to put a plan by the supervisors along with their subordinates in order to eliminate poor performance. Finally, according to the strengths and weaknesses of the personnel, the appraisal provides developing career plans, Dessler explains (as cited by Ummah, 2010).

2.5.1. Purposes of Traditional Performance Appraisal

There are two kinds of performance appraisal: the traditional performance appraisal and developmental performance appraisal. The traditional performance appraisal provides the following: The management's feedback on what the individual did or did not do well and if the individuals and the departments achieved good results by reaching the targets

set. Make available employee rewards, promotions, transfer, remuneration, merit raise, etc. Create measures to weigh the efficacy of employee selection and appointment assessment, Human Resource planning and budgeting. Determine and identify the need for training and development and evaluate success of training for developmental issues.

The traditional approach has two serious imperfections. These imperfections are the following: Instead of the performance appraisal being a task looking to the future, the performance appraisal in the organizations looks backwards to the past. Second, the performance appraisal focusing on salary increase, and remuneration, loses its effectiveness and employee focus deter from thinking creatively about the performance goals, Hansen explains (as cited by Ummah, 2010).

2.5.2. Purposes of Developmental Performance Appraisal

The developmental performance appraisal purposes of organizations that add up to the traditional approaches are the following: developmental performance appraisal provides a unique opportunity for employees to point out their dreams and hopes. It provides the chance for the competent, motivated employees to stay in the organization, and give them the chance to grow and develop. In addition, developmental performance appraisal provides the employee a structure to communicate with management and management can support the employee and see what his/her expectations are. Finally, those who perform well are given the encouragement and are helped to build their satisfaction (Ummah, 2010).

2.6. Methods of Performance Appraisal

There are numerous methods managers use in organizations to conduct performance appraisal. They normally and officially use the one method prearranged such as Graphic Rating Scales (GRS), Alternation Ranking, Paired Comparison, Forced Distribution, Critical Incident, Narrative Forms, Behaviorally Anchored Rating Scales (BARS), 360-Degree feedback, and Management by Objectives (MBO), (Dessler, 2011).

Graphic Rating Scales (GRS)

The most accepted and old performance appraisal system is the Graphic Rating Scale. Dessler (2011) explains the meaning of the Graphic Rating Scale as the most accepted and easy method. He states that each scale records the characteristics of the employee such as “communication” or “teamwork” and a variety of performance values such as “unsatisfactory” to “outstanding” or “below expectation” to “role model.” Then the manager rates the employee by putting the sign of check or circles it around that most expresses the employee performance. Finally, the total score is calculated.

Alternation Ranking

This method is used to rank employees according to their characteristics, from the worst to the best employees, because it is simple to differentiate among the worst and the best employees, Dessler (2011). In this way, managers will compare employees to others instead of evaluating employees with various definite standards (HR management Forum, 2009).

Paired Comparison

In paired comparison method you prepare a chart, pair employees for each characteristic whether it is a quantity or a quality of work, and then for each characteristic designate (with a + or a -) and see who will get a better score. After that you add up the +'s for the employees paired and see who has the highest rank. This paired comparison ranking method facilitates the ranking of the employees to be accurate and helps in pairing and comparing subordinates with each other, (Dessler, 2011).

Forced Distribution

The forced ranking method of performance appraisal ranks employees by mandatory distribution. It divides the ranking of the employees' distribution into 3 different categories such as 10 to 20 percent at the top part, 70 to 80 percent at the middle, and the bottom part includes the remaining 10 percent. Those employees ranked at the top categories are considered "high potential" employees who have the potential to develop rapidly, in the leadership programs, and have the chance for career development. However, those that are ranked at the bottom of the categories are deprived of additional benefits such as bonuses and pay increases (HR Management Forum, 2009). Dessler (2009) defines forced distribution, which is very close to grading system on a curve. In this method, you set percentages of the ratees into different categories according to their performance.

The advantages of the forced ranking distribution are as follows: It helps the managers who are reluctant to make decisions, to recognize the best and least qualities of the employees. It also helps in continuously improving the performance of the workforce (HR Management Forum, 2009).

The disadvantages of the forced ranking distribution however, increase damaging competitiveness, reduce cooperation and teamwork, and damage employee morale (HR Management Forum, 2009). In addition, Grote (2005) states that the forced distribution method has an imperfect principle –it is continuously impossible to remove the bottom 10 percent and choose new employees from the available pool to replace them. He further states that the forced distribution ranking method is better used and implemented in organizations for short-term program.

Critical Incident

The superiors who evaluate the subordinate's behavior, during his /her daily duties use the critical incident method. They keep record of the positive and the negative incidents that happen during the job and then every 6 months, they discuss the subordinates' performance according to the recorded examples. Dessler (2011) further describes that collecting incidents is very helpful because it justifies the supervisor's rating and provides examples of the employee's job performance during the year and not just recent incidents. On the other hand, this critical incident method is not helpful to compare employees and make pay decisions, because it does not entail numerical values.

Narrative Forms

The narrative-essay evaluation is not a quantitative method. This method is used by supervisors and managers to identify the strengths and weaknesses of the employees' performance (HR Management Forum, 2009). Dessler (2011) explains that the employee's supervisor has the responsibility of evaluating what the subordinate has done and how the

essential areas developed. In addition, it assists the employee to see the weak and strong points in his/her performance and work on improving these deficiencies.

Behaviorally Anchored Rating Scales (BARS)

The Behaviorally Anchored Rating Scales (BARS) is another appraisal method that Dessler (2011) defines as a tool that combines “narrative critical incidents and quantified ratings.” It offers better appraisals, which are more reasonable than the methods we discussed earlier. Moreover, the (BARS) has advantages such as: more accurate measures of job performance, understandable and clear principles and values, it makes easier for supervisors to give feedback. Independent performance dimensions and BARS assessment are reliable.

360-Degree feedback

The 360-Degree method is an all-inclusive feedback appraisal method, which involves everyone in the organization. In addition, it is known also as “multisource feedback” or “multi-rater feedback.” This happens when the employee receives feedback from all his/her colleagues and customers and whoever is related in carrying out the daily tasks. This form of feedback is acknowledged as 360-degree feedback or appraisal method, Kettley explains (as cited by Parab, 2007).

The 360-degree performance appraisal has many advantages: It offers all-inclusive performance evaluation of the employees; it makes the performance appraisal more trustworthy; the feedback received from colleagues will support self-development; it gives evaluation that is more accurate; it enhances employee responsibilities to their

stakeholders; it is not the duty of the managers alone; and it involves other colleagues. Employees are better motivated with the feedback received (HR Management Forum, 2009).

The disadvantages of 360-degree performance appraisal entail the following: it is time consuming and difficult; it brings tension within the staff because of the feedback exchange, and it is very difficult to know the outcome of these feedbacks.

Management by Objective (MBO)

Peter Drucker introduced Management by Objective (MBO) in 1954. This introduction changed the role of managers from being a judge to a counselor. Employees were evaluated according to this MBO approach and how good they were in achieving their responsibilities and goals, which can be critical and essential in doing their jobs. MBO is a method where the organizational objectives are converted to become an examination. The organizational objectives serve as a strategy for individual goals set up involving the managers and the employees. Then the employees' job results are evaluated according to the set goals. MBO is a process used for planning purposes, which also helps in working out the set goals and achieving the objectives. Furthermore, MBO helps the management to plan and direct and it is considered an approach that is result oriented to conduct the performance appraisal (Parab, 2007 & Schultz & Ellen Schultz, 1998).

Management by Objective (MBO) is used by many organizations and it is considered "the primary appraisal method." Usually it is used with other graphic ratings as a supplement or with other appraisal methods. Generally, organizations that set goals provide feedback jointly and periodically with their subordinates, could engage in informal

and humble MBO program. Nevertheless, MBO is an organization wide set objectives and it refers to the appraisal program, being very formal and comprehensive (Dessler, 2011).

MBO is revealed to be as an entire philosophy in practicing management, rather than being an assessment program or a process, which is a method, where supervisors and employees set the goals, manage, direct, communicate, and discuss. By this method of participating in the work plan, the employee learns and becomes motivated when doing the job. The MBO serves beyond being a supervisor/manager coordination to set up goals; it encourages looking ahead and focusing on goals to accomplish (Armstrong & Appelbaum, 2003). Moreover, Ummah (2010) describes MBO as a performance appraisal method where managers and employees meet to set quantifiable goals. The performance appraisal reduces communication problems through conducting several regular meetings; highlights the results and continuously sets new objectives and revises the old ones.

One of the significant tools of MBO technique is the balanced score card. The balanced score card interprets the mission of the organization and its strategy into a complete range of performance measures. It maintains highlighting to accomplish financial objectives (Armstrong & Appelbaum, 2003).

One of the major advantages of MBO supports the statement that the employee knows best his/her qualities, strengths, weaknesses, and needs. Another advantage of MBO is that its importance points out to the future instead of focusing on the past. Finally, the MBO should satisfy the SMART (Specific, Measurable, Achievable, Relevant and Time-specific) setting, (HR Management Forum, 2009).

2.7. Positive Effects of Performance Appraisal

The performance appraisal can have positive and/or negative effects on the employee. The positive effects are reflected in increased employee motivation, satisfaction, participation, and commitment, and hence increased organizational effectiveness. Also successful and fair performance appraisal inspires trust in employees. The negative effects are reflected in increased anxiety- fear and stress, emotional exhaustion-burnout, lowered employee morale, reduced productivity, and hence in performance appraisal barriers.

2.7.1. Motivation

Motivation is very special and personal to the employee and so are the performance appraisal and the review. Motivation forces the individual to accomplish, respond to, and make one desire different things, persons, and situations in a conduct that maybe strange to us. As a result, to motivate personnel the appraiser needs to be aware, thoughtful, listen carefully, and encourage the appraisee. Most of all, it needs a readiness to fully know the employee you are appraising, and this can't be done in one review once a year (Armstrong & Applebaum, 2003).

There are several definitions of motivation, Gales states (as cited by Ummah, 2010): "it is the set of processes that moves a person toward a goal": Similarly, Kreitner says, "it is the psychological process that gives behavior purpose and direction" (as cited by Ummah, 2010). "It is a predisposition to behave in a purposive manner to achieve specific, unmet needs," Buford, Bedeian, & Lindner explain (as cited by Ummah, 2010). "It is an internal drive to satisfy an unsatisfied need," Higgins says (as cited by Ummah,

2010). It is the will to achieve,” Bedeian formulates (as cited by Ummah, 2010). It is the energizing force that steers people toward desired states (Borgida & Mobilio, 2000, p.347) define (as cited by Bassous, 2010).

The workplaces are facing speedy changes day by day. For this reason, it is very crucial for the managers to keep employees motivated in order to keep organizations carry on. This is a complex task with relation to all the managerial tasks available because managers must realize what the employee drives are through their daily routine jobs in order to keep them motivated. Managers are responsible to motivate employees, because motivation improves their productivity, Smith explains (as cited by Ummah, 2010).

In Seevers’s study (as cited by Ummah, 2010), Seevers describes Human Resource (HR) managers using the performance appraisal and the review process as a serious, well designed means and a method to motivate employees. Careful implementation of performance appraisal is vital, because employees are frustrated with low rates.

Mainly, employees are motivated when they obtain a reasonable and exact evaluation through performance appraisal. In a way the appraisee will have the confidence that justice is being applied in his/her appraisal. Furthermore, the fear that encompasses employees going through performance appraisal is when incorrect and faulty evaluation takes place. Employees expect that their supervisors always recognize and value their accomplishments and support them to beat failures and problems. Those employees who receive both accurate feedback and fair and appropriate allowance during their performance appraisal are expected to be the most motivated. As a result, performance

appraisal has the possibility of encouraging and inspiring employees to increase their job contentment as explained by Taylor, Tracy, Renard, Harrisaon, Carroll (as cited by Seevers, 2004 and by Ummah, 2010).

There are factors that motivate employees such as provision of proper package of benefits: e.g. remuneration, good training, and development. They form a significant set of factors that are forces which make employees exceedingly motivated towards their job and become more productive to yield performance (Parab, 2007). Moreover, motivating employees should be done persistently, and the means to their motivation is through recognizing their role in the organization (Ummah, 2010). Motivation is intrinsic, according to Landes (2006); however, “extrinsic rewards and incentives simply serve to boost intrinsic drives” (p.41), (as cited by Bassous, 2010). Bassous (2010) further cites that younger workers are more easily motivated by external rewards than the long-serving workers (Kovach, 1995; Rai, 2004).

It is very creditable telling employees about their strengths and weaknesses while conducting a performance appraisal, because they are equally important. Discussing and identifying their weaknesses gives way to distinguish, to determine, and to improve performance by finding solutions. Employees need to be told about their weaknesses and this will help them assess the supervisor’s objective opinion and not his/her prejudged idea (P.Burke, 1988).

Demotivating is a lost opportunity for the organization both for the employer and the employee. If performance appraisal fails to motivate, disregards to recognize the

individual performance and forgets emphasizing the positive then this continues to bring out the weaker traits. As a result, during the process, the morale, the self-esteem, and organizational well-being are lost (Armstrong & Applebaum, 2003).

2.7.1.1. General theories of job motivation

The development of modern motivational theories, like Maslow's hierarchy of needs and Herzberg's two-factor motivational model (Thiedke, 2004), made available new characteristics for executive leadership thought, when working with their employees (as cited by Bassous, 2010). Supervisors should have a thorough knowledge of motivation theories, be them content theories or process focused theories, such as Maslow's Theory of Needs (the employees lower and upper levels needs). Vrooms Expectancy theory (the employees belief in accomplishing a task, and the valence of the reward received). Alternatively, Herzberg's Job Design theory (the employees' perceptions of the "hygiene" and "job enrichment" characteristics of their jobs) and incorporating their knowledge of theories while carrying out their performance appraisal will further enhance its appropriateness and utility.

2.7.2. Satisfaction

Employees play an important role in organizations; therefore organizations become better performers where success depends on employee satisfaction (Karimi, Malik, Hussein, 2011). The employee job satisfaction is defined "as how well one's personal expectations at work are in line with outcomes," explains Khan (as cited by Karimi, Malik, Hussein, 2011, p243). Employees take pleasure and struggle to work in organizations that provide encouraging work surroundings and make them feel that they are making a

difference. Moreover, employees who are capable, together help the organizations move ahead. On the other hand, the organization is stressed and struggles to preserve its talented workforce satisfied, Malik Bibi and Rahim state (as cited by Karimi, Malik, Hussein, 2011).

The appraisal systems' effectiveness is affected by connecting the "organizational variables and appraisal characteristics" as proposed by Dobbins, Cardy and Platz-Vieno (as cited by Levi and Williams, 1998, p 55). Moreover, Giles and Mossholder (1990) verified that the level of appraisal systems' difficulty and the way in which the systems are applied were powerfully connected to satisfaction through the appraisal system (as cited by Levy and Williams, 1998).

Normally, the supervisor and the subordinate are both unsatisfied with the appraisal system process, says Meyer (1991). Another research has pointed out that supervisors are more satisfied than the employees are with the appraisal system, because they are more aware and more optimistic, Mount, Pooyan, and Eberhardt state (1989). The three researchers hint that these results are due to the employees' position in the organization to the level of his/her awareness, concerning the performance appraisal. It is obvious that the Perceived System Knowledge (PSK) ought to be connected to appraisal reactions by the employee (as cited by Levy and Williams, 1998). PSK deals with the extent that the individual knows about the performance appraisal process. In addition, the higher the degree of PSK the more the reaction of the employees will be positive (Levy and Williams, 1998).

In a research conducted by Malik, Zaheer, Khan and Ahmed (as cited by Karimi, Malik, Hussein, 2011), the authors found that “job satisfaction” will make the employees stay in the organization. Moreover, in a research conducted by Malik, Ahmad, Saif and safwan, (as cited by Karimi et al., 2011), when employees are more satisfied, they are more productive and this way they will add value to the organization by achieving the set goals professionally. Furthermore, Al-Hussami says (as cited by Karimi et al., 2011), “job satisfaction” assists the workforce to do their job in the organization with attention and devotion.

Often satisfaction has been the most evaluated employee reaction to performance review, Giles & Mossholder state (as cited by Levy and Williams, 1998). In some way, productivity, motivation, and organizational commitment are affected by employee satisfaction because of their satisfaction with the performance appraisal, ascertain, Ilgen, Fisher, & Taylor, 1979; Larson, 1984; Pearce & Porter, 1986; Wexley & klimoski (as cited by Cawley, Keeping, Lisa M., and Levy 1998). Finally, in a performance appraisal circumstance, satisfaction mostly considered is either satisfaction with the “appraisal interview” or satisfaction with the “appraisal system.” Studies were mainly conducted on the appraisal meetings rather than on the appraisal system. Giles & Mossholder & Mount state (as cited by Cawley, Keeping, Lisa M., and Levy 1998).

2.7.3. Participation

Employee participation has been one of the factors of performance appraisal that has been researched the most extensively. In general, research proposes that employee

participation in the appraisal review is linked to having a positive response to the appraisal process. The concept of participation has been understood and used in several ways according to Dipboye & dePontbriand, Giles & Mossholder, Korsgaard & Roberson, Landy, Barnes, & Murphy (as cited by Cawley, Keeping and Levy, 1998).

Earlier studies on this concept of participation in the performance appraisal framework has set apart four forms of participation: who made the talk between the supervisor and the subordinate during the performance appraisal; who put the objectives; whether the employee was given the chance to express his/her opinion of the issue; and whether the employee had a role in the appraisal in some way Burke et al., Greller, Wexley, Singh, and Yukl state, (as cited by Cawley, Keeping and Levy, 1998). Recently more studies indicate that employee participation has continued to shed light on several of these ideas, as described by Gilles and Mossholder, Klein and Snell, Korsgaard and Roberson (as cited by Cawley, Keeping and Levy, 1998).

Further ways of participation in performance appraisal that researchers have put into operation are the opportunity of including self-appraisal and the handling of real participation in the appraisal events. Self –appraisal increases employee participation during the appraisal meeting Farh, Werbel, & Bedeian and Latham & Wexley explain (as cited by Cawley, Keeping and Levy, 1998), which in turn increases employee commitment to the set objectives and makes them accept the criticism done Riggio & Cole explain (as cited by Cawley, Keeping and Levy, 1998).

The opportunity of self-appraisal makes the employee rate his or her performance. As a result, self-appraisal gives the chance to participate in the conversation that is anticipated during the appraisal meeting, and helps in expressing his or her voice in telling about performance. This act links to the fair hearing aspect of the performance evaluation, Folger et al. explain (as cited by Pichler, 2009), which ought to show the way to have more positive reactions to the appraisal practice, Burke et al., and Farh et al. state (as cited by Pichler, 2009). However, Pichler (2009) explains that if there is a disagreement between the supervisor and the subordinate during their communication, related to self-appraisal, then the self-appraisal becomes negative rather than being positive.

Voice is defined as the concept of letting employees who have an effect on decision “to present information that they consider relevant to the decision” Lind and Tyler say (as cited by Cawley, Keeping and Levy, 1998 p.618). Moreover, “voice is intrinsically valued regardless of whether the input influences the decision....voice is valued because it is indicative of one’s status in the group or organization. That is, voice engenders positive attitudes because it is a desired end in itself,” Korsgaard and Robertson explain (1995, p.658), (as cited by Brown and Benson, 2003). There are two explanations of the outcome of voice which are the “value-expressive” and “instrumental” explanations, Korsgaard and Roberson, Lind and Tyler, McFarlin and Sweeny, Tyler, Tyler, Rasinski and Spodick discuss (as cited by Cawley, Keeping and Levy, 1998). The “value-expressive” explains that employees desire to identify the possibility for “self-expression” being fair to the requirements in spite of the end decisions, Tyler et al. state (as cited by Cawley, Keeping and Levy, 1998). The “instrumental” explains that voice is appreciated since it enhances

the possible size of power of control of decisions for a better outcome in the end. As a result, the attitudes of the employees, concerning the decision, influence the voice since employees observe that they had ultimately influenced the decision, Tyler concludes (as cited by Cawley, Keeping and Levy, 1998).

Taking part and being involved in the performance appraisal process, Anderson suggests (1993), (as cited by Cawley, Keeping and Levy, 1998), means that there are diverse steps in the appraisal process: planning, executing and input into the system; self-evaluation before the appraisal review; input when conducting the appraisal and communicating one's outlook; and continuous interview meetings, feedback, and contribution after the appraisal. Simultaneously Burke et al. find that (as cited by Cawley, Keeping and Levy, 1998) two types of participation "influence in planning" and "the opportunity to present ideas and feelings" are distinguished. In addition, goal setting is characterized as a special type of participation in the evaluation process and this means that it is a chance given to the employee to set personal goals for the subsequent appraisal period along with his or her supervisor (Pichler, 2009).

Researchers have found that employee participation in the performance appraisal review helps to build and develop the appraisal system. The supervisor's encouragement, support and the chance given to the employees to participate will enhance their motivation and satisfaction with the appraisal process. It was considered that these effects would take place for the reason that when employees participate they will appreciate the appraisal review process; they will have more trust and make it their own right to be involved in the whole process (Stanley B. Silverman, Kenneth N. Wexley, 2006).

Lovrich, Shaffer, Hopkins, and Yale (1980) did a research involving 367 employees of the Washington state government, where they had found the following results about the percentage of employee participation. The employees (58 percent) believed that taking part in the performance appraisal was the best method which shows that the state is being fair in the performance appraisal than if they had not taking part. This was added to the supervisors' responses (71 percent). Both the employees and supervisors, when given the chance to choose between the participative and non-participative method, they choose the participative method of performance appraisal (Marie Burns Walsh, 2003).

2.7.4. Commitment

Organizational commitment plays an important role in Human resource Management (HRM) as stated by Abdulkadir, Isiaka and Adedoyin (2012) in their research study. They explained that organizational commitment is described extensively as a key factor in management and behavioral sciences, and characterizes the relationship between the employee and the organization. This key factor supports the "attachment of the individual to the organization" Raju and Srivastava state (as cited by Abdulkadir, Isiaka and Adedoyin, 2012) and "is a bond or link of the individual to the organization", Mathieu and Zajac add (as cited by Ahmed, Ramzan, Mohammad and Islam, 2011). Furthermore, Abdulkadir, Isiaka and Adedoyin (2012) state that those employees, who freely continue their relationship with the organization and are devoted to accomplishing its goals, are considered committed to the organization.

Many definitions of organizational commitment reflect certain behaviors and attitudes. The employees' participation in the organization, compared to his/her power of

identification is called organizational commitment. Those employees who have strong belief in the culture of the organization have strong organizational commitment, have the longing to hard work, and continue to stay in the organization, Mowday et al explain (as cited by Salleh, Amin, Muda and Abdul Halim, 2013). Alternative acceptable definition of organizational commitment is “affective, continuance and normative commitment” for Allen et al (as cited by Salleh, Amin, Muda and Abdul Halim, 2013, p122). Moreover, Abdulkadir, Isiaka, and Adedoyin, (2012) call to attention the significance of “emotions, costs and personal values” in producing commitment. Furthermore, Brief’s (1998) study describes the three elements as “emotional attachment” for the “affective commitment,” as “the cost of leaving” for the “continuance commitment,” and as a “normative commitment” for “the individual personal values.”

Additional key factor of organizational commitment is support, as believed by behavioral scientists. Yoon (2002) specifies two-fold procedural model that “job satisfaction” and “organizational support” are explanations of “emotional and cognitive” actions, which bring together organizational commitment in the company. Moreover, this model recommends that the mood of “job satisfaction” and “organizational support” work independently to reconcile the experiences at work and the organizational commitment (as cited by Abdulkadir, Isiaka, and Adedoyin, (2012).

In a further study finding by Mowday, Porter, and Dubin (1974), the relative performance of the employee is linked to the employee commitment to the organization. Employees, who are highly committed, are able to give greater performance to the organization, and those who demonstrate less commitment to the organization, perform

lesser. There are other findings by authors concerning the relationship of commitment and the perception of the individuals about the organizational justice in the performance review. In their research, Sweeney and McFarlin (1992) found that the “distributive justice” forecast a stronger organizational commitment than the “procedural justice” did. In another study, Lowe and Vodanovich (1995) found also that the “distributive justice” forecast stronger organizational commitment than “procedural justice” did (as cited by Ahmed, Ramzan, Mohammad, and Islam, 2011). Finally, if the workers do not consider both the “distributive justice” and the “procedural justice” fair, then the organizational commitment and the results of the performance appraisal, concerning the supervisor, would be negative. However, not considering the stage of the “distributive justice, high “procedural justice” would generate positive assessments, Cropanzano, and Folger state (as cited by Ahmed, Ramzan, Mohammad, and Islam, 2011).

Organizational commitment is an organizational experience for instance, and it shows in “citizenship behavior, achievement, and productivity” Cullen, et al., and Elliot explain (as cited by Salleh, Amin, Muda and Abdul Halim, 2013). In the research study, Elliot states that employees work hard because their commitment to the organization influences their productivity. Moreover, commitment of the individual intends to keep a low turnover and because of low turnover, the organization reduces cost of recruiting, retaining and training. Besides, employees that prove to be committed are also proving to be more ethical and they are all the time available at the workplace, Mathieu states (as cited by Salleh, Amin, Muda and Abdul Halim, 2013). Furthermore, employees become loyal to the organizational standards, Randel et al., conclude (as cited by Salleh, Amin, Muda, and Abdul Halim, 2013).

2.8. Positive Employee Reactions to Performance Appraisal

Researchers nowadays give great attention to employee reactions. Reaction has been considered an important outcome by the performance appraisal researchers such as Zander, Gyr, Blau, Jawaher, Kinicki et al., (as cited by Pichler, 2009). Reaction is defined as an employee response, and an individual outlook of the performance evaluations, which include “Accuracy”, “fairness”, “utility”, “satisfaction” and “motivation to improve” with the performance appraisal, Cawley, Levy and Williams explain (as cited by Pichler, 2009). It is significant to clarify the meanings of these variables, and understand how these variables are linked to the employee reactions. “Accuracy” means that the individual is rated according to his/her actual performance. “Fairness” means how objective was the performance appraisal. “Utility” means how the performance appraisal was helpful and effective in evaluating the job performance. “Satisfaction” means how, in general, the employee is satisfied with the performance appraisal, and “motivation to improve” means how the employee is motivated to enhance his/her performance according to the evaluation criteria, Cawley et al., and Keeping & Levy clarify (as cited by Pichler, 2009).

Another research by Pettijohn & d’Amico (2001), found that attitudes are influenced by employee reactions, such as, “job satisfaction and organizational commitment” and Jawaher (2006) has found that future performance is influenced also by employee reactions.

While negative emotions possibly upset the employee and the supervisor relationship, the performance appraisal can lead to positive outcomes. For instance, salary increases or promotions, and hence positive reaction toward the supervisor, Blau and

Drenth explain (as cited by Boswell and Boudreau, 2003). In a further study by Cobb and Frey (1996), the results showed that the fair practice of leadership, played an important role in the employees' opinion of 'fair leadership' and "on their relationship with the leaders." These conducts influenced their relationship with the supervisor and shaped employees' perception of fair leadership (as cited by Walsh, 2003). Moreover, a research done by Leung, Su and Morris (2001), indicated that "fair interpersonal" behavior from the supervisor brings out positive reactions in the employee, directed to the supervisor as well as towards the organization. Furthermore, "respectful treatment", "fair processes", "relevant criteria", "participation," and "information flow" every single variable, contain positive connection with emotional and behavioral reactions towards performance appraisal. The conclusion is that the concepts of "fairness and justice" are very significant in many organizational practices and one of these is the performance appraisal (as cited by Walsh, 2003).

In contrary to the negative emotions, which focus on narrow behaviors such as fear or fighting, positive feelings are related to open collection of behavior choices. An optimistic feeling gives the employee the tendency to increase his/her involvement in the surroundings where she/he works. As a result, the employee participation is increased, which gives the opportunity to the individual to display one's talents, or to enjoy the atmosphere that is available and learn from what is put forward. This situation is very helpful and positive for the organization where these new opportunities and ideas show the way to new knowledge, Frederickson explain (as cited by Cravens, Oliver, Stewart, 2010). Cravens, Oliver, Stewart (2010) further argue that additional positive emotions that the

employee has will further lead to the expectation that he/she learns and develops. Moreover, the employee who is the most positive will see the problems from a different angle, and develop and understand the difficulties and resources available in the environment. It is also true that a team leader who displays and supports positive feelings between subordinates, as opposed to negative feelings, demonstrate “more innovative problem-solving competencies” Fredrickson & Losada explain (as cited by Cravens, Oliver, Stewart, 2010). Finally, Fredrickson’s (2003) “broaden-and-build” theory requires that the circumstances that build positive emotions would “broaden people’s modes of thinking and action which, over time, builds their enduring personal and social resources” (p. 163). This positive atmosphere will generate positive feelings, and the employees will be able to imagine their role in accomplishing the organization’s objectives (as cited by Cravens, Oliver, Stewart, 2010).

2.9. Effectiveness of Performance Appraisal

As it is stated in the beginning of this study, in the definition of performance appraisal section, Hai (2012, p.21-22) verifies the definition of performance appraisal. Taking into consideration the effectiveness concern in his research, he says that performance appraisal” is an on-going, controlled, systematic and periodic evaluation” of the employees’ performance by their managers or other peers. Furthermore, it is defined as the “process of identification, observation, measuring, recording, and developing the strengths and weaknesses of employees at work, Gomez-Mejia, Ntilkin and Cardy, Erasmus and Schenk ascertain (as cited by Hai, 2012, p.20). These definitions provide the performance appraisal to be an instrument meant for supervising the efficiency and effectiveness of the workforce in any organization, Spicer & Ahmed say (as cited by Hai, 2012). There are several definitions of effectiveness cited by Hai (2012): effectiveness is the word used to assessing the capability of doing an activity to generate an anticipated result (Lin & Sharif, 2009). It focuses on the productivity of performance (Limberg, 2008). It is the evaluation among the set goals and the reached targets (Fraser, 1994). It is the point where the goals are met (Erlendsson, 2002). Peter Drucker showed an intelligent difference between “effectiveness and efficiency,” as effectiveness “doing the right things” and efficiency as "doing things right" (as cited by Hai, 2012). As a result, there are significant points that should be studied: whether the set goals are accomplished or not; the accomplished goals acquired the preferred levels; whether the right things are done during the performance process at the job site or not; whether the problems were solved or not (Hai, 2012). Furthermore, whether the performance appraisal is useful or not, it is a task

showing how healthy the organization is ready to its use, Saiyadain explain (as cited by Hai, 2012).

The effectiveness of performance appraisal most considered as having several facets of principles and measures. It is referred to as a tool for the evaluation of the job performance, which is not straight forwardly measured, but to a certain extent is measured through the evaluation of other employees, Casico, Cardy & Dobbins explain (as cited by Cawley, Keeping & Levy, 1998).

Several ways make the performance appraisal effective. The active involvement of the employee during the appraisal evaluation and during the development process; the supervisor being ready in helpful attitude to make the appraisal constructive; reasonable goals being set jointly; bosses understanding and being familiar with the employee duties and performance , Baker describes (as cited by Parab, 2007-2008). Furthermore, scholars Bernardin & Beatty, 1984; Landy & Farr, 1983; Latham & Wexley, 1981; Lawler, Mohrman, & Resnick, 1984; Murphy & Cleveland, 1995 (as cited by Walsh, 2003) end up with the following effective measures of the performance appraisal system: clarifies the pay details and communicates it clearly; presents to the employee growth possibilities and support; encourages joint planning and working on to set future goals; files all important documents and distinguishes the employee performance; finally, gives the chance to the employee to express his/her feelings, management and explanation of duties.

Because performance appraisal plays an important role in performance management and in the distribution of limited resources, employees who are managing,

and those who are evaluated through the performance appraisal, should have positive attitudes and reactions in order to have effective performance appraisal, Bernardin & Beatty, Cardy and Dobbins and Folger et al., conclude (as cited by Pichler, 2009).

Finally, organizations can have difficult appraisal systems and if these appraisal systems are not appreciated and maintained by the workforce, at the end there will be limited effectiveness Cardy & Dobbins, Carroli & Schneier, Lawler, Murphy & Cleveland state (as cited by Cawley, Keeping, and Levy 1998). Proper performance appraisals increase positive employee attitudes such as “morale, productivity, and job satisfaction.” However, improper performance appraisal produces negative attitudes and feelings for the staff and for the company, Smith (2003).

2.10. Fairness of Performance Appraisal

It is very important to understand “fairness” or “organizational justice” in the relationship of performance appraisal process and practices with the employees’ work satisfaction and commitment, and consequently the employee tendency to look for a different job, explain Sudin (2011). Organizational justice is defined by Cropanzano, Bowen, and Gillilan (2007), “as a personal evaluation about the ethical and moral standing of managerial conduct” (as cited by Sudin, 2011). The authors argued that organizational justice likely creates equal benefits for the employees as well as for the organizations. These benefits are “greater trust and commitment, improved job performance, more helpful citizenship behaviors, improved customer satisfaction, and diminished conflict” p. (68). Fairness forecasts employee behaviors and emotional conditions, and when employees are taken good care of and are treated fairly, they return it back with the attitude of satisfaction and commitment, explains Sudin (2011). Moreover, performance appraisal becomes successful when fairness becomes one of its key components says Walsh (2003). Furthermore, employees’ view of fairness of the performance appraisal is related to their satisfaction with the appraisal system. However, Bretz, Mikovich and Read point out that the performance appraisal problem that organizations face is the perceived fairness of performance appraisal assessment and the performance appraisal system (as cited by Walsh, 2003). The employees become unsatisfied with the performance appraisal because they think that the system is “biased, political, or irrelevant” state Skarlicki and Folger (as cited by Walsh, 2003).

Researchers Murphy and Cleveland have found several conditions (as cited by Walsh, 2003) which, if met, the employees certainly will perceive performance appraisal as fair and accurate. These conditions are met when regular performance appraisal is conducted; a formal appraisal system is available; managers know their job very well; the employee has the opportunity to ask for the scores; the measurement of the performance is appropriate; strategies are put according to the employee weaknesses; and finally there is cooperation in the organization instead of competition.

Researchers have paid great attention to two kinds of organizational justice theory, “distributive and procedural justice.” Distributive justice theory focused on the results of the decisions taken and procedural justice focused on the procedures with which the decisions were made, explains Greenberg (as cited by Pichler, 2009). However, only recently studies were done about the idea of “interactional justice” which consists of two different and specific kinds of justice: “interpersonal” and “informational’ justice. The interpersonal justice reflects the fairness in treating the employees with dignity and respect and informational justice reflects the fairness in informing about the decisions in an adequate and just explanation, Bies & Moag, Bies (as cited by Pichler, 2009).

2.10.1. Distributive Justice

Distributive justice speaks about the amount of specific distribution of “resources” and “awards” to the employees, Milkovich and Newman State (as cited by Sudin, 2011). Researchers Folger and Greenberg put forward distributive justice as “the perceived fairness of the contents and the consequences” (as cited by Sudin, 2011). Moreover, distributive justice is referred by Deutsch as “the perceived fairness on the distribution of

outcomes including conditions and goods that will affect individual well-being” (as cited by Sudin, 2011). Greenberg (1987) further explains, “Perception of fairness of distribution may lead to emotional feelings and behaviors as it relates to cognitive decision.”

Furthermore, Greenberg and Cropanzano describe that negative attitudes and behaviors are produced within the employees when they are treated unfairly (as cited by Sudin, 2011).

2.10.2. Procedural Justice

Procedural justice speaks about the way that outcomes are distributed. It creates, during the decision making process, certain principles leading and identifying the roles of those who participate, Cropanzano, Bowen, and Gillilan state (as cited by Sudin, 2011).

Procedural justice speaks about “the perceived fairness or equity of the procedures used in making decision regarding the distribution of rewards, such as promotion” Lemons and Jones add (as cited by Sudin, 2011). Tang and Sarsfield-Baldwin state that there are five characteristics of procedural justice and they are “fairness, two-way communication, trust in supervisor, clarity of expectations, and understanding of the performance appraisal process” (as cited by Sudin, 2011).

2.10.3. Interactional Justice

Interactional justice is defined as “the quality of interpersonal treatment received during the enactment of organizational procedures”, Bies and Moag state (as cited by Sudin, 2011). They further define it “as the fairness of interpersonal treatment that one receives at the hands of an authority figure during the enactment of organizational processes and the distribution of outcomes.” Interactional justice claims two kinds of

“interpersonal treatment: interpersonal and informational”, Greenberg, Organ and Moorman, Colquitt et al., Bies and Moag state (as cited by Sudin, 2011).

2.10.3.1. Interpersonal Justice

Interpersonal justice talks about behaving with “politeness, dignity, and respect” toward those who are working on the procedures and toward those who decide the outcome of the appraisal. It contains also “interpersonal communication,” Folger and Cropanzano, Greenberg add (as cited by Sudin, 2011). Similarly, Interpersonal justice reveals the “degree of which people are treated with politeness, dignity, and respect by authorities” (Sudin, 2011).

2.10.3.2. Informational Justice

Informational justice talks about the clarifying of “why procedures are used in a certain way” or “outcomes were distributed in a certain fashion.” Informational justice put the attention on the “enactment and explanation of decision making procedures” Greenberg says (as cited by Sudin, 2011).

2.11. Recognition and Performance Appraisal

The role of performance management is to increase and motivate individual performance of the employees explain Selden & Sowa (2012), who state that performance management contributes to increased motivation, because the employee receives performance feedback. When employees know how well they are doing and how frequently they are recognized and appreciated for their achieved goals, and successes, their motivation will increase, and give them the energy to accomplish future performance.

Effective recognition in an organization is like watching a tent when its middle point is lifted up and with it the whole tent is raised except one thing, turnover, state Gostick and Elton (2009). Turnover is costly when good employees are leaving the organization. This happens when organizations are unsuccessful in efficiently recognizing their talented workers achieving the targets set. On the other hand, it is good when poorly performing employees leave the organization.

Gostick and Elton (2009) use the carrot principle and define carrot as an “acceleration tool.” In business, “a carrot is something used to inspire and motivate an employee” (p.9). When recognition is added to the four areas of leadership (goal setting, communication, trust, and accountability (p.21), employee performance, and involvement is enhanced. You build a carrot culture when you make employees experience that they can do everything in the organization. In a carrot culture, an unusual environment, employees feel that they are appreciated, respected, and loved for their help. This kind of environment produces excitement between employees.

One effective technique that motivates employees is rewarding their performance with extrinsic prize, for example, pay, explain Lawler III, Benson & McDermott (2012); this prize can be an effective motivator, the researchers have found, when it is linked to “performance behavior.” The most effective way for an employee performance measurement, is the performance appraisal, which measures individual and team performance. Lawler III, Benson & McDermott (2012) moreover explain that the performance of Human Resources Department and the organization are improved because rewards, if tied to the performance appraisal, advance a better use of the appraisal. In addition to the link between performance appraisal and rewards being a motivator, it also maintains business strategies and talent management. Furthermore, Lawler (2003) in his research has found that tying the performance appraisal to rewards is linked with “more effective performance management systems.” To reward employees financially means to have “positive impact on the perceived effectiveness and acceptance of the system.”

2.12. Trust and Performance Appraisal

Without an excellent “supervisor-subordinate relationship,” performance appraisals cannot be successful and there are no replacements state Nathan, Mohrman Jr., and Milliman (1991). They continue discussing that “interpersonal relationship” between the manager and the employee that takes place during the performance appraisal and the employee participation in the performance review, which is important to his/her career, is a continuous task of this relationship. Further, they have observed “interpersonal relationship” as a major factor of performance appraisal. This factor explains that employees are very much involved and they are able to debate about issues related to their advancement in the organization. In addition, when the employee is treated properly, the trust and the relationship quality are affected in the performance review process, explain Tyler & Lind (1992) and Folger & Cropanzano (1998), (as cited by Hai 2012).

When the performance appraisal is used effectively in an organization, it presents an occasion to enhance trust between employees, state Mayer & Davis (1999). Lewis & Weigert (1985) define trust “as a characteristic of the social fabric that facilitates interactions among parties” (p. 123) (as cited by Mayer & Davis, 1999). This approach facilitates to realize that the more people trust each other the more the system will be improved and increase its ability to function properly. Cummings (1983) considered and hypothesized that self-performance appraisal should be positively related to trust. Moreover, he concluded that if there were feedbacks from the supervisors, the level of trust would increase. Furthermore, the trust of the employee in the organization will increase if the performance appraisal accurately reflects employee performance (as cited by Mayer & Davis 1999).

2.13. Negative Effects of Performance Appraisal

As we stated earlier the negative effects are reflected in increased anxiety- fear and stress, emotional exhaustion-burnout, lowered employee morale, reduced productivity, and hence in performance appraisal barriers.

2.13.1. Increased Anxiety

One of the components of a job that can initiate anxiety is performance appraisal, that being either for the manager or for the employee. Performance appraisal is supposed to be understandable, fair, rewarding, and collaborative. However, this is not always the way it works. Managers focus too much on boring forms and think little on developing plans. Employees usually dread the performance appraisal meetings and reviews and are stressed, and frustrated from “once a year necessary evil”, state Armstrong and Appelbaum (2003). The performance appraisal is framed negatively both by the managers and the employees depicting it as “being called to the principal’s office.” Armstrong and Appelbaum (2003) quote one employee saying, “I hate being judged, and that’s what all appraisals really are.” Furthermore, Paul Munoz, president of HR Group of a consulting firm says that employees are afraid of the performance appraisal because they will hear negative comments, they will hear about their weaknesses, or they will hear about not doing their jobs properly, and they will be criticized more than praised. The performance appraisal is a “horror show,” (as cited by Ballaro, 2008).

Employees also dread the “ghost work” of “downsizing and restructuring” that will occur because of performance appraisal, which makes them more stressful and disappointed. In addition, both the employees and the managers dread that they will get

neither raises nor bonuses, states Krattenmaker (2009). Moreover, he continues that in order for employees to keep away from the anxiety of “fear and fury” and “I’m next in line for the ax,” they need continuous feedback about their “performance” and on the “financial state” of the organization.

Generally, performance review is stressful for employees and tense for the managers because it holds a job related conversation face-to face. The idea is that one person is placed in a position as a judge of the other and deep inside it is painful and uncomfortable, says Grote, (as cited by Knight, 2011).

2.13.2. Emotional Exhaustion

Emotional exhaustion is a factor of burnout. In order to understand the “effects of performance appraisal on employees” there is one way, and that is through understanding “employee burnout.” Emotional exhaustion deprives us from energy and makes us feel that the resources that we used to have are all gone, says Maslach and Jackson (as cited by Brown and Benson, 2003). Wright and Cropanzano define emotional exhaustion as “a chronic state of physical and emotional depletion that results from excessive job demands and continuous hassles” (as cited by Brown and Benson, 2003). The researchers further explain, that employees can be overwhelmed with fatigue, and they become frustrated when they comprehend that they cannot carry on serving clients as they used to be by giving themselves. They are frustrated and afraid to come back to work additional days (as cited by Brown and Benson, 2003). Furthermore, burnout is defined as “a type of stress” according to Cordes and Dougherty (1993) and it is a “distinctive aspect of stress” and it is a “pattern of responses to stressors at work” (as cited by Brown and Benson, 2003).

Emotional exhaustion has two consequences: Negative personal consequence and organizational consequence. The personal consequence is connected to individuals where employees experience “somatic difficulties” such as “colds, gastro-intestinal problems, headaches, and sleep disturbances” state Belcastro and Hays, and weight and eating habit changes state Weisberg and Sagie (as cited by Brown and Benson, 2003). The organizational consequence is connected to the organizational perception of employee turnover increase, says Jackson *et al.*, worsening of work attitude, states Wolpin *et al.*, increased absences, says Firth and Britton, reduced performance, states Maslach and Jackson & Wright and Bonett, and thinking of quitting the job, state Burke and Deszca, (as cited by Brown and Benson, 2003).

Researchers Savicki and Cooley found that employees who feel that they are controlling the work situation experience lower levels of burnout, and contrary to this those who have no control and are being controlled, experience high levels of burnout (as cited by Brown and Benson, 2003).

Employees suffer emotional exhaustion when they are under pressure of experiencing overload, and when resources are insufficient to meet their job objectives. They feel that they are unable to use their skills and they are incapable of carrying their duties and responsibilities effectively. This happens because organizations work on cutbacks, as states Jackson, and due to this the emotional exhaustion levels increase within the employees, continue Cordes and Dougherty, (as cited by Brown and Benson, 2003).

The performance appraisal helps the employees and directs them in how to use their resources for the organization. The performance appraisal sets goals and objectives, gives feedback, and evaluates performance that lines up the employee interest with the organization. When employees have higher interest in the organization, their commitment, and productivity toward the organization improves, describe Kessler and Purcell, (as cited by Brown and Benson, 2003).

Finally, positive feedback helps employees to experience low levels of emotional exhaustion. In addition, Brown and Benson (2003) reached to the conclusion that those employees who experienced fairness in the performance appraisal, and participated in the performance appraisal review and processes, experienced low levels of emotional exhaustion.

During performance appraisal, when employee evaluation is focused on the weaker traits, does not emphasize the positive qualities, and does not identify the real employee performance, the morale, self- esteem and interest in the organization is saturated in the process, explain Armstrong and Appelbaum (2003).

2.13.3. Reduced Productivity

The benefits of performance appraisal are feedback, goal setting, career management, objective assessment, and legal protection states Nickols (2007). These benefits have to be “balanced against” the costs associated with performance appraisal. There are two costs: hard cost and soft cost. The hard cost is expressed in monetary value and the soft cost is measured by its influence on human resources. One of this drawdown

effects is the reduced productivity. Employee's production often is reduced after the performance appraisal. Some reacted that this lasts three months; another one reacted that it will last for six months. Even if the period of the productivity is less than the mentioned time, the costs are huge.

2.13.4. Lowered Employee Morale

The lowered employee morale is related to the negative emotional aspects like "worry, depression, stress, and anguish" for both employees and managers, states Nickols (2007). He acknowledged the hard cost of performance appraisal and then he stated that "the real cost is the emotional anguish as everyone anticipates, prepares for, and works the process" (p.14). The emotional aspects mentioned above are the punishments that are reflected in reduced morale and motivation. These punishments are very harsh because of the bad and unfair use of performance appraisal.

2.13.5. Barriers

Patz (1975) describes two kinds of performance appraisal barriers: systemic barriers and behavioral barriers. The systemic barriers are those barriers that develop when the performance appraisal forms, methods, and processes are put together. While the behavioral barriers are the negative reactions reflected in fear, stress, apprehension, unfairness, and bias. The absence of these barriers will make the performance appraisal successful. Moreover, Patz (1975) further explains that these barriers occur because companies consider the techniques themselves and execute the performance appraisal accordingly and not because the process is bad in itself.

In order to be effective in the performance appraisal, Patz (1975) explains four procedures for reducing systemic and behavioral barriers. Keeping it simple, which setup the finish point between below and average workers. Keeping it separate, performance appraisal should be distinguished by other organizational systems. Keeping it contained, control the system from collecting data for the performance evaluation. Finally, keeping it participative, this is the most successful interpersonal characteristic of performance appraisal.

2.14. Negative Employee Reactions to Performance Appraisal

In contrary to the positive feelings, which are related to open a collection of behavior choices, negative emotions focus on narrow behaviors such as fear or fighting, Fredrickson explains (as cited by Cravens, Oliver, Stewart, 2010). Both supervisors and employees are affected negatively from performance appraisal, which causes negative states such as “worry, depression, stress, and anguish,” state Armstrong and Appelbaum (2003). In addition, Armstrong and Appelbaum (2003 p.185) describe performance appraisal as a system that consumes a surprising vast time and energy which “depresses”, “demotivates”, “destroys trust and teamwork”, and “insults to injury.”

During performance appraisal when employees are criticized, some researchers think, that it cultivates resistance and an excuse that leads to destructive reaction, state Blau, Meyer, Kay and French (as cited by Boswell and Boudreau, 2000). Drenth (1984) notes that performance appraisal is very sensitive issue. Evaluation brings out “negative psychological responses,” for example, “resistance, denial, aggression, or discouragement.” These negative responses result when the performance appraisal review is mainly negative which entail high sensitivity (as cited by Boswell and Boudreau, 2000). Moreover, performance appraisal creates negative feelings towards the supervisor, who is leading the review, when the employee receives a low rate and when he/she discovers unfairness in the system. This also can have effect on the supervisor-employee relationship, explain Milkovich and Boudreau (as cited by Boswell and Boudreau, 2000).

Performance appraisal is destined to failure, suggest Cardy and Dobbins (as cited by Walsh, 2003) because of dissatisfaction of the employees and their thought of

unfairness in the process. Furthermore, Murphy and Cleveland (as cited by Walsh, 2003) state that employee reactions are always significant and any critical reaction puts the appraisal system into trouble.

In a study conducted by Cobb and Frey (as cited by Walsh, 2003), about the effects of fair leadership with respect to the relationship of employees and the supervisors, they have found that having unfair behavior will result in “negative effects on favorable outcomes.” Even when employees benefit from their leaders’ unfair actions in decision-making, they still see their decisions unfair.

2.15. Problems and Challenges of Performance Appraisal

There are numerous, constant problems that Dessler (2011) points out which challenge the performance appraisals. It is better to observe the technical problems of the appraisal that can shed doubt on the entire process. These problems are: unclear standards, halo effect, central tendency, leniency or strictness, recency effect and bias.

When using rating scales such as excellent, good, fair and poor for the quantity of work, quality of work, creativity and integrity, these scales can be inaccurate and may need more interpretation. In addition, they could result in unfair reviews because these scales do not reveal the good and worthwhile characteristics of the employees and these unclear standards may be subjective. The only solution is to include a description of each characteristic that makes the appraisal better explained and reliable.

The halo effect means that the employee in general is evaluated according to one negative trait and this can influence other good traits. For instance, “unfriendly employees” get lower rates rather than the ones who “get along” with other people. To avoid this problem, supervisors need to be more trained.

The central tendency is another problem of performance appraisal where the employees are rated all average. This can be unpractical and may misrepresent the evaluation of the employee. Ranking employees are better than rating them.

The leniency or strictness problem is that managers regularly rate employees all low or all high. This problem can show up when using graphic rating scale. Using a ranking method can help differentiate between low and high performers. A second solution

can be to allocate numbers to the rating percentage for example, 10% “excellent,” 20% “good” etc.

The Recency effect makes the supervisor sightless of what the employee has done during the year and concentrates on the one action that recently was done. This can be solved by writing all the activities done through the year.

Finally, bias means that the differences in the characteristics of the individual like sex, race, and age affect the performance appraisal ratings.

To avoid all these problems it is best to use “multiple raters”, further describes Dessler (2011), for having the manager’s boss evaluate the scores given, or “calibration” meetings to discuss the raised issues further.

There are five important challenges concerning the performance appraisal process according to Seevers (as cited by Ummah, 2010). Seevers describes that in order to identify and decide on the performance appraisal criteria, the measures should be quantifiable, and the information gathered should be selected carefully for evaluation. Second, create an evaluation tool, in order to be able to judge not the employee but rather focus on his/her performance for developmental purposes. Third, the selection of the raters should be done carefully. The raters should have the experience, the knowledge and are trained well enough in order to rate employees accurately. Fourth, raters should avoid errors like bias and be fair and objective in their evaluation criteria of the employee. Finally, the performance appraisal can be rated negatively; consequently, the raters should explain the purpose of the performance appraisal to the employees clearly and how the process is carried on, and how the principles are transmitted into the appraisal form and make them attentive of what is expected from them.

2.16. Performance Appraisal and Management in Not-For-Profit Organizations

We should note here that studies on performance appraisal and management in not-for-profit organizations have been extremely limited. The one article that tries to discuss this issue is: Performance Management and Appraisal in Human Service Organizations: Management and Staff Perspectives by Sally Selden, PHD, and Jessica E.Sowa, PHD, Public Personnel Management, volume 40, No.3, Fall 2011.

These authors state that one of the most challenging factors of not-for-profit organizations is to display effectiveness because of an increasing demand to show how well they can perform and plan for future improvement. Recently, it has been witnessed a flow in attention to the conceptualization and measurement of organizational performance and effectiveness. The most important part of this process of measuring and developing effectiveness is administering the performance of the employees. This task is done by a “performance management process, as the ability of nonprofit organizations to meet their goals is directly dependent upon the ability of the staff to perform effectively,” explain Selden & Sowa (2011, p.251).

The role of performance management is to increase and motivate individual performance of the employees, further explain Selden & Sowa (2012), who state that performance management processes are developed to motivate employees by setting up expectations and presenting feedback about employee’s development toward meeting those expectations. As a result, the organization can decide on conducting trainings for the employees, to address these identified weaknesses for potential growth. Moreover, a

compensation system can be implemented to reward the achievements. Finally, the personal evaluation of the employee should result in higher employee morale, satisfaction, and lower employee turnover. Two factors that affect employee performance in not-for-profit organizations are feedback and recognition. When employees know how well they are doing and how frequently they are recognized and appreciated for their achieved goals, and successes, their motivation will increase, and give them the energy to accomplish future performance.

Therefore, performance appraisal has been adopted in the not-for-profit organizations, and they evaluate their employees annually, further state Selden & Sowa (2011). They are arguing that despite this adoption and use of performance appraisals in not-for-profit organizations, there was little research that has been done about how to carry it out, and how that these Human Resource activities are associated with the efficient performance of the organizations.

There are vast numbers of research studies about performance appraisal in general. However, in the modern days, research about performance appraisal in the not-for-profit organizations is not widespread, state Selden & Sowa (2011). They further explain that, in the review of 300 articles about performance appraisal conducted by Levy and Williams from 1995-2003, not a single research was available which involved the not-for-profit organizations or human services. Moreover, in their research study, studies exploring performance appraisal in not-for-profit organizations were limited.

Not-for-profit organizations use three approaches as stated by Selden & Sowa (2011). First, they use the same performance appraisal techniques used by the human service organizations. For example, in child welfare, they used the MBO and BARS, which provided a rich analysis of the strengths and weaknesses of both approaches.”(p.254). In addition, they established guidelines to decide which method fits the best for their needs. Here was also they used “competency –based feedback.” Second approach was, designing a process that entails the participation of the employees who are examined. Third approach entailed, exploring the employees’ view of the performance management system.

2.17. Summary of Literature Review

Researchers have conducted several studies concerning performance appraisal, which is used by all organizations being that in formal or informal way, says Abdulkadir (2012). Previously performance appraisal has been defined as a significant tool to evaluate employee performance (Patz, 1975). It has also been defined as “ the process of identification, observation, measuring, recording, and developing the strengths and weaknesses of employees at work, explain Gomez-Mejia, Ntilkin & Cardy, Erasmus & Schenk (as cited by Hai, 2012, p.20). However, only recently and for the modern-day organization that performance appraisal has become an important factor of performance management explain, Armstrong & Appelbaum (2003). Performance management according to Dessler (2011) has become the way that individuals’ and teams’ performance is continuously evaluated by identifying, evaluating, and developing and then aligning their performance with the organization’s goals.

Performance appraisal had a significant history, where its use has been identified centuries ago described by Patten (as cited by Murphy and Cleveland, 1995), and it was not until 1950 that appraisal was admired in many companies Spriegel observes (as cited by Murphy and Cleveland, 1995), the concept of performance management was introduced in 1970, Luizzi (2013) informs.

The purpose of the performance appraisal is to reward the employees, provide the opportunity for training and development, promotion, administering career development, counseling and controlling , and setting up corrective measures, explain Bratton and Gold,

Bowles and Coates studies (as cited by Parab, 2007). Performance appraisal has two kinds of purposes: Traditional performance appraisal and Developmental performance appraisal.

Researchers have used several methods of performance appraisal. They officially used the one method prearranged such as Graphic Rating Scales (GRS), Alternation Ranking, Paired Comparison, Forced Distribution, Critical Incident, Narrative Forms, Behaviorally Anchored Rating Scales (BARS), 360-Degree feedback, and Management by Objectives (MBO), (Dessler, 2011).

The positive and negative effects of performance appraisal have been introduced. The positive effects reflected in increased employee motivation, satisfaction, participation, and commitment, and hence increased organizational effectiveness. Also successful and fair performance appraisal inspires trust in employees. Researchers focused on two kinds of organizational justice theory, “distributive and procedural justice.” Distributive justice theory focused on the results of the decisions taken and procedural justice focused on the procedures through which the decisions were made, explains Greenberg (as cited by Pichler, 2009). However, only recently studies were done about the idea of “interactional justice” which consists of two different and specific kinds of justice: “interpersonal” and “informational” justice. Walsh (2003) discusses that knowledge and validity criteria of performance appraisal are interrelated to “system procedural justice” while the “rater procedural justice” is connected to the just hearing and “performance feedback.” She further discusses that organizations advance in understanding the idea of justice when they understand the source of injustice, because they need to focus on improving the right sources of either “rater procedural justice or system procedural justice.” Organizations

need to build up proper performance appraisals and communicate their standards, which are anticipated by the employees.

The negative effects reflected in increased anxiety- fear and stress, emotional exhaustion-burnout, lowered employee morale, reduced productivity, and hence in performance appraisal barriers. Moreover, researchers also focused on the reaction of the employees. They have found that positive and negative reactions influence employee performance. While negative emotions focus on narrow behaviors such as fear or fighting, positive reactions focus on a collection of open behavior choices. An optimistic feeling gives the employee the tendency to increase his/her involvement at work that results in increased employee participation. This gives the opportunity to the individual to display one's talents, enjoy the atmosphere that is available and learn from what is put forward, Frederickson explains (as cited by Cravens, Oliver, Stewart, 2010). The negative reactions happen because employees dread the performance appraisal Appelbaum (2003) explains. Performance appraisal review is stressful for employees and tense for the managers because it holds a job conversation face-to face. The idea is that one person is placed in a position as a judge of the other and deep inside it is painful and uncomfortable says Grote, (as cited by Knight, 2011).

Organizations do not exist without employees whether being that in "private, public, industrial, or service" divisions says Ummah (2010). When employees' performance is high and effective, they contribute towards the success of the organization. Organizations call for high levels of employee performance because employee performance is the result of their skills and motivation (Sheikh, 2003). Moreover, Bolton

(1999) points out that successful performance appraisal facilitate organizations in keeping their talented employees. Employees long for working in an environment where they are treated fairly, have the opportunity to develop, and are motivated to be energetic. Excellent performance appraisal encourages employees and managers sense that they have achieved great things. As a result, both the employee and the supervisor benefit from the use of the performance appraisal and its strategies (as cited by Ummah, 2010).

Organizations benefit from team and individual performance if they are managed properly to carry on the company's objectives, emphasizes Cascio (2003). He highlights that it is not only important to know what is achieved through conducting performance appraisal, but also it is important to know how it is achieved. It is through conducting performance appraisal that successful management addresses the improvement of the individual, team and organizations' skills and talents (as cited by Ummah, 2010). Cascio (2003) further states that individual and team performance evaluation too are "measures of the effectiveness of an organization's HR activities."

CHAPTER THREE

RESEARCH FRAMEWORK AND METHODOLOGY

3.1. and 3.2. RESEARCH QUESTIONS AND HYPOTHESES

3.1. RESEARCH QUESTIONS

Based on my literature review and personal observations, I have formulated my research questions and hypotheses as follows.-

1. Whether a Performance Appraisal system has a positive correlation with employee responses such as motivation, satisfaction, lack of stress, and performance improvement.
2. Whether the effects of Performance Appraisal are not different for for-profit and not-for profit organizations in Lebanon.

3.2. HYPOTHESES

First Set of Hypotheses: For-Profit-Organizations

1st Hypothesis -The practice of a Performance Appraisal system, one that is used as a tool for assessing yearly performance of employee tasks according to certain clear standards and quantifiable measures produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

2nd Hypothesis –The practice of a Performance Appraisal system, the one that gives feedback evaluation about the weaknesses and strengths of employee performance to

eliminate poor performance produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

3rd Hypothesis -The practice of a Performance Management system, one that produces continuous discussions with employees, where setting objectives, expectations, giving feedback on improvements, coaching, and reviewing performance strategies take place, produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

4th Hypothesis -The practice of a Performance Management system, one that provides the employee the opportunity to discuss dreams and hopes for growth and developing career plans, produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

5th Hypothesis -The employee who participates in the Performance Appraisal system produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

6th Hypothesis -The employee who has a role in setting and accomplishing the organizations' objectives produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

7th Hypothesis -When the Performance Appraisal system uses raters who have the experience, knowledge and training to rate employees accurately produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/ productivity, and lack of stress.

8th Hypothesis -When the Performance Appraisal system uses raters who are not biased and objective in their evaluation criteria produces positive employee responses, such as

high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

9th Hypothesis -When the Performance Appraisal system inspires trust because the employee feels it is thoughtful and fair system, produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

10th Hypothesis -When the Performance Appraisal system is perceived as helpful and the supervisor makes the appraisal constructive, and sets reasonable goals, produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

Second Set of Hypotheses: Not-For -Profit-Organizations

11th Hypothesis -The practice of a Performance Appraisal system, one that is used as a tool for assessing yearly performance of employee tasks according to certain clear standards and quantifiable measures produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

12th Hypothesis –The practice of a Performance Appraisal system, the one that gives feedback evaluation about the weaknesses and strengths of employee performance to eliminate poor performance produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

13th Hypothesis -The practice of a Performance Management system, one that produces continuous discussions with employees, where setting objectives, expectations, giving

feedback on improvements, coaching, and reviewing performance strategies take place, produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

14th Hypothesis -The practice of a Performance Management system, one that provides the employee the opportunity to discuss dreams and hopes for growth and developing career plans, produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

15th Hypothesis -The employee who participates in the Performance Appraisal system produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

16th Hypothesis -The employee who has a role in setting and accomplishing the organizations' objectives produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

17th Hypothesis -When the Performance Appraisal system uses raters who have the experience, knowledge and training to rate employees accurately produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/ productivity, and lack of stress.

18th Hypothesis -When the Performance Appraisal system uses raters who are not biased and objective in their evaluation criteria produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

19th Hypothesis -When the Performance Appraisal system inspires trust because the employee feels it is thoughtful and fair system, produces positive employee responses,

such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

20th Hypothesis -When the Performance Appraisal system is perceived as helpful and the supervisor makes the appraisal constructive, and sets reasonable goals, produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

21st Hypothesis-The effects of Performance Appraisal are not different for for-profit and not-for profit organizations in Lebanon.

Third Set of Hypotheses: Overall Both for Not-For -Profit- and For-Profit Organizations

22nd Hypothesis -The practice of a Performance Appraisal system, one that is used as a tool for assessing yearly performance of employee tasks according to certain clear standards and quantifiable measures produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

23rd Hypothesis –The practice of a Performance Appraisal system, the one that gives feedback evaluation about the weaknesses and strengths of employee performance to eliminate poor performance produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

24th Hypothesis -The practice of a Performance Management system, one that produces continuous discussions with employees, where setting objectives, expectations, giving feedback on improvements, coaching, and reviewing performance strategies take place,

produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

25th Hypothesis -The practice of a Performance Management system, one that provides the employee the opportunity to discuss dreams and hopes for growth and developing career plans, produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

26th Hypothesis -The employee who participates in the Performance Appraisal system produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

27th Hypothesis -The employee who has a role in setting and accomplishing the organizations' objectives produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

28th Hypothesis -When the Performance Appraisal system uses raters who have the experience, knowledge and training to rate employees accurately produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/ productivity, and lack of stress.

29th Hypothesis -When the Performance Appraisal system uses raters who are not biased and objective in their evaluation criteria produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

30th Hypothesis -When the Performance Appraisal system inspires trust because the employee feels it is a thoughtful and fair system, produces positive employee responses,

such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

31st Hypothesis -When the Performance Appraisal system is perceived as helpful and the supervisor makes the appraisal constructive, and sets reasonable goals, produces positive employee responses, such as high morale, motivation, satisfaction, commitment, performance/productivity, and lack of stress.

3.3. METHODOLOGY

3.3.1. Instrument

The research that I have conducted is a survey and the only instrument that I used for data collection is the research questionnaire (Appendix). The questionnaire composed of 18 statements, which targeted at studying the effects of performance appraisal and performance management on employees, and whether these effects are positive or negative. The data was collected from employees (non-managerial) who work for for-profit and not-for-profit organizations. However, before administering the questionnaire, a pilot study has been conducted with twenty participants. Ten employees from not-for-profit organizations and ten from for-profit-organizations were selected to fill out the questionnaire and give feedback about the clarity and validity of the questions.

Moreover, several managers of different organizations, after reviewing the questionnaire, provided feedback about the clarity of the questions. One feedback given was to add description under every statement of the performance appraisal methods used. The questionnaire was adjusted according to the feedback received for better understanding.

The questionnaire was prepared using the five-point Likert-Scale: “Strongly Disagree-Disagree-Neutral-Agree and Strongly Agree,” and the respondents have chosen the answer that best describes their response to the questions.

3.3.2 Sample size

The sample size was decided according to the number of independent variables. Based on the number of these variables, the number of observations should not be less than 50 observations. That is five observations for every independent variable. The number of observations were decided by using the ratio 5:1, which is 50 (5x10). However, in order to use the Multiple Regression and Factor Analyses more effectively, the number of observations was increased to 90. Because to conduct a factor analysis, the number of observations should not be less than 50 and it should be large enough to provide sufficient data to have better results of variable correlations.

3.3.3. Industry selection

The organizations are selected from different types and industries. Not-for-profit organizations included charities, faith based, with relief mission, educational, advocacy, social work, youth centered, and libraries, and for-profit organizations included wholesale/retail trading, shipping and clearing, information technology, banking, pharmaceutical, auditing, manufacturing, food and beverages, finance, and Insurance.

3.3.4 Survey Administration

The administration of the survey was done in different ways: one way an official email sent to the director of the organization, who referred the questionnaire to the Human Resource (HR) Department. However, if the organization did not have HR department, the

director referred the questionnaire directly to the employee. A second way consisted distributing the questionnaires personally, directly to employees. A huge effort was committed to follow up with respondents through sending reminders and making frequent phone calls. The administration of this survey was accomplished in one month.

3.3.4. Ethical Considerations

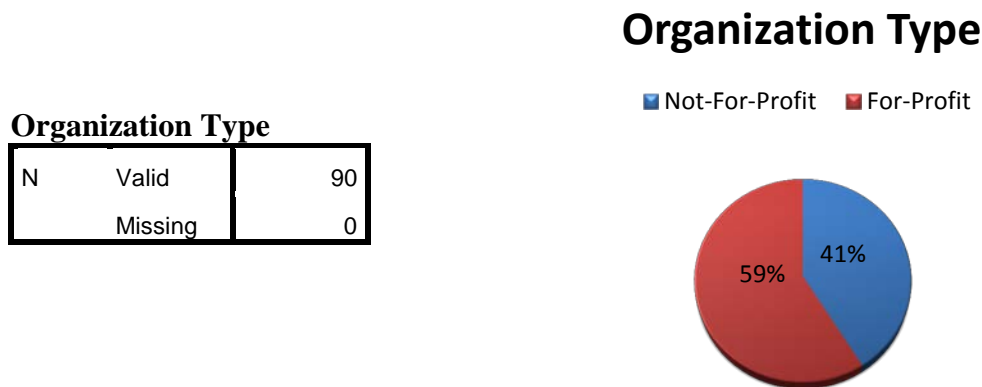
Certain ethical concerns were addressed while administering this research study. The respondents were informed in the covering letter of the questionnaire that all information would be confidential. This was necessary in order to ensure the respondents that they freely and honestly can respond to the questions. In addition, it was asked not to mention their names on the questionnaire; they only would state the type of the organization and their position. Furthermore, they were assured that the information from the survey would be confidential and would only be used in writing the thesis. Finally, the purpose of the survey was introduced, and explained.

CHAPTER FOUR STATISTICAL ANALYSES

4.1. DESCRIPTIVE STATISTICS

Descriptive statistics are used in order to facilitate the interpretation of the data that were received from the respondents.

The research was done considering 64 organizations, by using more than one employee from each organization. Ninety questionnaires were collected from both types. From for-profit organizations, were collected 53 questionnaires, which represent the 59% of the total questionnaires and 37 questionnaires were collected from not-for-profit organizations, which represent 41%. The pie chart below accurately depicts the participation percentage of both types of organizations.



Organization Type		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not-For-Profit	37	41.1	41.1	41.1
	For-Profit	53	58.9	58.9	100.0
	Total	90	100.0	100.0	

Descriptive Statistics of Methods Implemented

Code	Performance Appraisal Methods Practices	Implement
PA005A	Graphic Rating Scales(GRS)	30%
PA005B	Alternation Ranking	10%
PA005C	Paired Comparison	10%
PA005D	Forced Distribution	7.8%
PA005E	Critical Incident	40%
PA005F	Narrative Forms	27.8%
PA005G	Behaviorally Anchored Rating Scales(BARS)	12.2%
PA005H	360-Degree feedback	18.9%
PA005I	Management by Objectives(MBO)	58.9%

From the frequency statistics we can conclude that the method of performance appraisal implemented most frequently is the PA005I, Management by Objective, MBO (58.9%) and the method least implemented is the PA005D, Forced Distribution (7.8%).

The three most frequently implemented performance appraisal methods are Management by Objective MBO, Critical Incident, and Graphic Rating Scale (GRS). However, the methods are not mutually exclusive because organizations may have used several methods.

PA Methods Used in Organizations

PA Methods Used in Organizations	For-Profit	Not-For-Profit	Total
Graphic Rating Scales(GRS)	16	11	27
Alternation Ranking	7	2	9
Paired Comparison	7	2	9
Forced Distribution	5	2	7
Critical Incident	23	13	36
Narrative Forms	11	14	25
Behaviorally Anchored Rating Scales(BARS)	7	4	11
360-Degree feedback	13	4	17
Management by Objectives(MBO)	30	23	53

The organizations were selected from different industries randomly. The for-profit organizations were selected from wholesale/retail trading, shipping and clearing, information technology, banking, pharmaceutical, auditing, manufacturing, food and beverages, finance, and Insurance. The not-for-profit organizations were selected from charities, faith based organizations, with relief mission, educational, advocacy, social work, youth centered, and libraries.

Questions about the demographics were not included in the questionnaire because it was not necessary and would not have helped the research. Therefore, no additional descriptive statistics were produced.

4.2. RELIABILITY TESTS

The purpose of the Reliability test is to show how the variables, the independent and the dependent, are related to each other and to what extent; it shows the internal consistency of the scales as a whole.

The Cronbach's alpha (α) is used to measure this consistency and to see how the questions of the survey, which are prepared using Likert Scale, are reliable. A 0.5 and greater alpha is considered a good internal consistency according to researchers. When we have high inter-correlations between the variables, the Cronbach's alpha increases. The most approved lower level of the Cronbach alpha is 0.7.

First, the reliability test was conducted on all the variables. Second, the test was done on the independent and the dependent variables separately. The tables from this analysis are given below, presenting the Case Processing Summary and the Reliability Statistics.

Reliability test results of all variables:

Case Processing Summary

		N	%
Cases	Valid	90	100.0
	Excluded ^a	0	.0
	Total	90	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.835	.843	17

The Cronbach's alpha is equal to 0.835. This shows high indicator of internal consistency between all the variables in this sample, which is about the practices and uses of performance appraisal and its effect on employees and their performance.

Reliability test results of all the independent variables:

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.784	.795	10

The Cronbach's alpha is equal to 0.784. This shows a good indicator of internal consistency between the independent variables in this sample.

Reliability test results of the dependent variables:

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.768	.782	7

The Cronbach's alpha is equal to 0.768. This shows a good indicator of internal consistency between the dependent variables in this sample.

4.3. FACTOR ANALYSES

Factor analysis is a multivariate technique that discovers essential factors in the differences between groups of independent variables. Its main purpose is to reduce the number of the variables or verify which of the variables explain a relationship. It is often called a data reduction system, where a group of data are chosen and put in a model in order to test what variables to remove from the model.

The Kaiser-Moyen-Olken (KMO) shows the appropriateness of the factor analysis. The measure of sampling adequacy should be closer to one. The range from 0-1 is considered adequate with a minimum of 0.5 as an acceptable criterion to continue with the analysis.

The Bartlett Test of Sphericity is used to determine if the correlation matrix in the factor analysis is an identity matrix. An identity matrix is a correlation matrix where the diagonals are all 1 and the off diagonals are 0.

The Bartlett Test of Sphericity tests the significance of the correlations in the matrix and tests the null hypothesis. If the Bartlett Test of Sphericity has a significant level of less than 0.05, then we reject the null hypothesis. Accordingly, a factor analysis can be performed on the study.

General Factor Analyses

A general factor analysis was performed on the independent variables. The results are stated below:

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.761
Bartlett's Test of Sphericity	Approx. Chi-Square	327.599
	Df	45
	Sig.	.000

The KMO is 0.761, which is greater than 0.5, and the Bartlett Test of Sphericity is significant with alpha 0.000; therefore we can continue with conducting factor analysis.

Communalities		
	Initial	Extraction
PA is used as a tool for assessing Performance	1.000	.773
PA gives feedback about weaknesses and strengths	1.000	.801
PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance	1.000	.707
PM discuss dreams, hopes for growth and developing career plans	1.000	.533
You are participant in PA therefore you are committed	1.000	.426
You have role in setting and accomplishing objectives therefore committed	1.000	.639
PA uses raters who do not have the experience to rate employees accurately	1.000	.777
PA inspires trust because you feel it is a thoughtful, fair system	1.000	.705
PA uses raters who are biased and not objective in evaluation	1.000	.686
PA is helpful because the supervisor makes it constructive and sets reasonable goals	1.000	.658

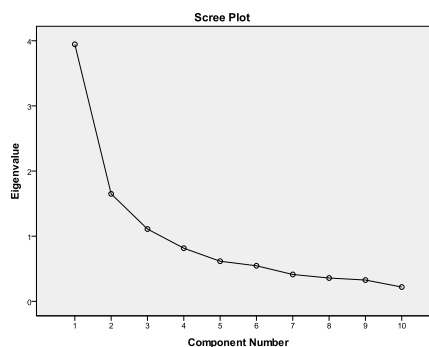
Extraction Method: Principal Component Analysis.

The communalities are listed in the above table. Therefore, we conclude that all the variables are kept. The variable “You are participant in PA therefore you are committed” is not removed from the analysis because it is very close to 0.5.

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.945	39.452	39.452	3.945	39.452	39.452	2.638	26.377	26.377
2	1.650	16.501	55.953	1.650	16.501	55.953	2.421	24.209	50.586
3	1.110	11.097	67.051	1.110	11.097	67.051	1.646	16.464	67.051
4	.816	8.158	75.209						
5	.616	6.157	81.366						
6	.546	5.462	86.827						
7	.412	4.124	90.951						
8	.358	3.581	94.532						
9	.327	3.271	97.803						
10	.220	2.197	100.000						

Extraction Method: Principal Component Analysis.

The Total Variance Explained table above shows three Initial Eigenvalues of greater than 1. Following the rule of the Eigen values that the factors are to be kept and considered significant if Eigen Values are greater than 1. As a result, we will keep the first three components that are extracted, explained by a cumulative of 67.051% of the total variance. These rotated factors, created in this analysis, were capable to describe 67.051% of the original variability to the new dimension



The scree plot above portrays the Eigenvalues aligned with all the factors. The graph illustrates the extracted factors and shows how the curve is flattening after factor three. This means that the factors are getting smaller and smaller of the total variance sequentially.

Rotated Component Matrix ^a			
	Component		
	1	2	3
PA is used as a tool for assessing Performance	.095	.874	-.003
PA gives feedback about weaknesses and strengths	.218	.867	-.040
PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance	.491	.671	.125
PM discuss dreams, hopes for growth and developing career plans	.552	.385	.283
You are participant in PA therefore you are committed	.600	.157	.202
You have role in setting and accomplishing objectives therefore committed	.632	.488	.028
PA uses raters who do not have the experience to rate employees accurately	-.062	.101	.873
PA inspires trust because you feel it is a thoughtful, fair system	.795	.131	-.235
PA uses raters who are biased and not objective in evaluation	.049	-.069	.824
PA is helpful because the supervisor makes it constructive and sets reasonable goals	.797	.109	-.103

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Three Factor Rotated Structure of Performance Appraisal

Independent Variables	Factor 1	Factor 2	Factor 3
-PA is helpful because the supervisor makes it constructive and sets reasonable goals	0.797		
-PA inspires trust because you feel it is a thoughtful, fair system	0.795		
-You have role in setting and accomplishing objectives therefore committed	0.632		
-You are participant in PA therefore you are committed	0.600		
-PM discuss dreams, hopes for growth and developing career plans	0.552		
-PA is used as a tool for assessing performance		0.874	
-PA gives feedback about weaknesses and strengths		0.867	
- PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance		0.671	
-PA uses raters who are biased and not objective in evaluation			0.873
-PA uses raters who do not have the experience to rate employees accurately			0.824

The rotated component matrix reveals three components. These show the relationship between the variables and the factors loading. The higher the factor loadings the better are the relationship between them. However, the factor loadings should be over 0.5 to indicate significance. The table above shows three-factor structure of the performance appraisal. The first factor represents the involvement of the employee in PA and PM that provides constructive feedback and inspires trust, the second factor represents the PA, and PM as an important tool for assessment and the third factor defines the role of the raters concerning the performance appraisal.

Factor Analyses Not-for-profit

KMO and Bartlett's Test^a

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.759
Bartlett's Test of Sphericity	Approx. Chi-Square	163.101
	df	45
	Sig.	.000

a. Only cases for which Organization Type = Not-For-Profit are used in the analysis phase.

The KMO is 0.759, which is greater than 0.5, and the Bartlett Test of Sphericity is significant with alpha 0.000; therefore we can continue with conducting factor analysis.

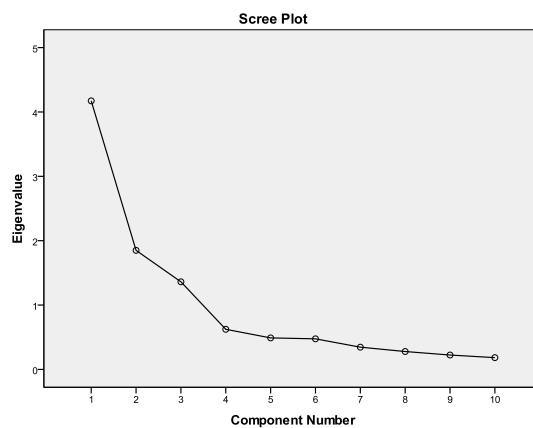
Communalities^a

	Initial	Extraction
PA is used as a tool for assessing Performance	1.000	.709
PA gives feedback about weaknesses and strengths	1.000	.846
PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance	1.000	.785
PM discuss dreams, hopes for growth and developing career plans	1.000	.632
You are participant in PA therefore you are committed	1.000	.681
You have role in setting and accomplishing objectives therefore committed	1.000	.688
PA uses raters who do not have the experience to rate employees accurately	1.000	.772
PA inspires trust because you feel it is a thoughtful, fair system	1.000	.682
PA uses raters who are biased and not objective in evaluation	1.000	.842
PA is helpful because the supervisor makes it constructive and sets reasonable goals	1.000	.746

Extraction Method: Principal Component Analysis.

a. Only cases for which Organization Type = Not-For-Profit are used in the analysis phase.

The communalities are listed in the above table. We can conclude that all independent variables are kept and no one is removed from the factor analysis because they have a communality greater than 0.5.



The scree plot above portrays the Eigenvalues aligned with all the factors. The graph illustrates the extracted factors and shows how the curve is flattening after factor three. This means that the factors are getting smaller and smaller of the total variance sequentially.

Total Variance Explained^a

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.173	41.726	41.726	4.173	41.726	41.726	2.777	27.775	27.775
2	1.850	18.496	60.223	1.850	18.496	60.223	2.631	26.313	54.088
3	1.361	13.611	73.834	1.361	13.611	73.834	1.975	19.745	73.834
4	.623	6.231	80.065						
5	.489	4.894	84.959						
6	.475	4.749	89.708						
7	.345	3.454	93.162						
8	.278	2.778	95.940						
9	.223	2.234	98.174						
10	.183	1.826	100.000						

Extraction Method: Principal Component Analysis.

a. Only cases for which Organization Type = Not-For-Profit are used in the analysis phase.

The Total Variance Explained table above shows three Initial Eigenvalues of greater than 1. Following the rule of the Eigen values, the factors that are to be kept and considered significant are those factors whose Eigen Values are greater than one. As a result, we will keep the first three components that are explained by a cumulative of 73.834% of the total variance. These rotated factors, created in this analysis, were capable to describe almost 74% of the original variability to the new dimension.

Rotated Component Matrix^{a,b}			
	Component		
	1	2	3
PA is used as a tool for assessing Performance	.159	.826	.038
PA gives feedback about weaknesses and strengths	.015	.905	.164
PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance	.421	.776	-.074
PM discuss dreams, hopes for growth and developing career plans	.639	.371	.295
You are participant in PA therefore you are committed	.688	.143	.433
You have role in setting and accomplishing objectives therefore committed	.592	.579	-.043
PA uses raters who do not have the experience to rate employees accurately	.092	.031	.873
PA inspires trust because you feel it is a thoughtful, fair system	.802	.168	.097
PA uses raters who are biased and not objective in evaluation	.001	.044	.916
PA is helpful because the supervisor makes it constructive and sets reasonable goals	.831	.062	-.229

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

b. Only cases for which Organization Type = Not-For-Profit are used in the analysis phase.

Three Factor Rotated Structure of Performance Appraisal

Independent Variables	Factor 1	Factor 2	Factor 3
-PA is helpful because the supervisor makes it constructive and sets reasonable goals	0.831		
-PA inspires trust because you feel it is a thoughtful, fair system	0.802		
-You are participant in PA therefore you are committed	0.688		
-PM discuss dreams, hopes for growth and developing career plans	0.639		
-PA gives feedback about weaknesses and strengths		0.905	
-PA is used as a tool for assessing performance		0.826	
- PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance		0.776	
-You have role in setting and accomplishing objectives therefore committed		0.579	
-PA uses raters who are biased and not objective in evaluation			0.916
-PA uses raters who do not have the experience to rate employees accurately			0.873

The rotated component matrix reveals three components. These show the relationship between the variables and the factors loading. The higher the factor loadings the better are the relationship between them. However, the factor loadings should be over 0.5 to indicate significance. The table above shows three-factor structure of the performance appraisal. The first factor represents the involvement of the employee in PA and PM that provides constructive feedback and inspires trust, the second factor represents the PA, and PM as an important tool for assessment and the third factor defines the role of the raters concerning the performance appraisal.

Factor Analyses For-profit

KMO and Bartlett's Test^a

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.684
Bartlett's Test of Sphericity Approx. Chi-Square	208.657
df	45
Sig.	.000

a. Only cases for which Organization Type = For-Profit are used in the analysis phase.

The KMO is 0.684, which is greater than 0.5, and the Bartlett Test of Sphericity is significant with alpha 0.000; therefore we can continue with conducting factor analysis.

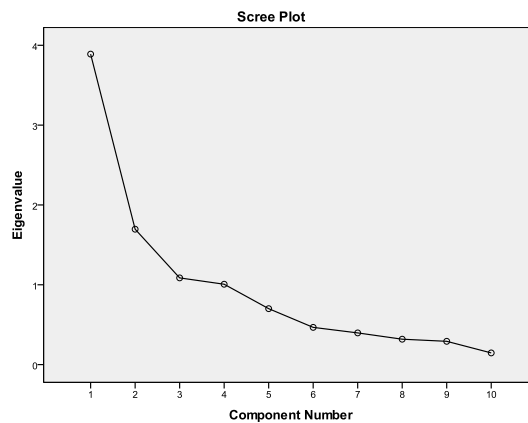
Communalities^a

	Initial	Extraction
PA is used as a tool for assessing Performance	1.000	.858
PA gives feedback about weaknesses and strengths	1.000	.838
PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance	1.000	.741
PM discusses dreams, hopes for growth and developing career plans	1.000	.462
You are participant in PA therefore you are committed	1.000	.885
You have role in setting and accomplishing objectives therefore committed	1.000	.720
PA uses raters who do not have the experience to rate employees accurately	1.000	.772
PA inspires trust because you feel it is a thoughtful, fair system	1.000	.814
PA uses raters who are biased and not objective in evaluation	1.000	.793
PA is helpful because the supervisor makes it constructive and sets reasonable goals	1.000	.796

Extraction Method: Principal Component Analysis.

a. Only cases for which Organization Type = For-Profit are used in the analysis phase.

The communalities are listed in the above table. Therefore, we conclude that all the variables are kept. The variable “PM discusses dreams, hopes for growth and developing career plans” is not removed from the analysis because it is very close to 0.5.



The scree plot above portrays the Eigenvalues aligned with all the factors. The graph illustrates the extracted factors and shows how the curve is flattening after factor four. This means that the factors are getting smaller and smaller of the total variance sequentially.

Total Variance Explained^a

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.890	38.895	38.895	3.890	38.895	38.895	2.344	23.439	23.439
2	1.696	16.962	55.857	1.696	16.962	55.857	2.013	20.126	43.565
3	1.086	10.863	66.720	1.086	10.863	66.720	1.696	16.961	60.526
4	1.007	10.068	76.788	1.007	10.068	76.788	1.626	16.263	76.788
5	.701	7.009	83.798						
6	.466	4.664	88.462						
7	.397	3.972	92.433						
8	.318	3.183	95.617						
9	.292	2.918	98.535						
10	.147	1.465	100.000						

Extraction Method: Principal Component Analysis.

a. Only cases for which Organization Type = For-Profit are used in the analysis phase.

The Total Variance Explained table above shows four Initial Eigenvalues of greater than 1. Following the rule of the Eigen values, the factors that are to be kept and considered significant are those factors whose Eigen Values are greater than 1. As a result, we will keep the first four components that are extracted, explained by a cumulative of 76.788% of the total variance. These rotated factors, created in this analysis, were capable to describe almost 77% of the original variability to the new dimension.

Rotated Component Matrix ^{a,b}				
	Component			
	1	2	3	4
PA is used as a tool for assessing Performance	.919	.106	-.046	.001
PA gives feedback about weaknesses and strengths	.834	.189	.293	-.146
PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance	.588	.390	.409	.275
PM discuss dreams, hopes for growth and developing career plans	.450	.327	.284	.268
You are participant in PA therefore you are committed	.060	.027	.934	-.096
You have role in setting and accomplishing objectives therefore committed	.360	.399	.655	.056
PA uses raters who do not have the experience to rate employees accurately	.166	-.340	.099	.787
PA inspires trust because you feel it is a thoughtful, fair system	.160	.829	.160	-.274
PA uses raters who are biased and not objective in evaluation	-.116	.141	-.128	.862
PA is helpful because the supervisor makes it constructive and sets reasonable goals	.237	.851	.089	.089

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

b. Only cases for which Organization Type = For-Profit are used in the analysis phase.

Four Factor Rotated Structure of Performance Appraisal

Independent Variables	Factor 1	Factor 2	Factor 3	Factor 4
-PA is used as a tool for assessing performance	0.919			
-PA gives feedback about weaknesses and strengths	0.834			
- PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance	0.588			
-PA is helpful because the supervisor makes it constructive and sets reasonable goals		0.851		
-PA inspires trust because you feel it is a thoughtful, fair system		0.829		
-You are participant in PA therefore you are committed			0.934	
-You have role in setting and accomplishing objectives therefore committed			0.655	
-PA uses raters who are biased and not objective in evaluation				0.862
-PA uses raters who do not have the experience to rate employees accurately				0.787

The rotated component matrix reveals four components. These show the relationship between the variables and the factors loading. The higher the factor loadings the better are the relationship between them. However, the factor loadings should be over 0.5 to indicate significance. The table above shows four-factor structure of the performance appraisal. The first factor represents the PA and PM as an important tool for assessment, the second factor represents PA that provides constructive feedback and inspires trust, the third factor

represents the involvement of the employee in the PA, and the fourth factor defines the role of the raters concerning the performance appraisal.

Factor analysis for the dependent variables

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.678
Bartlett's Test of Sphericity	Approx. Chi-Square	1083.074
	df	21
	Sig.	.000

The KMO is 0.678, which is greater than 0.5, and the Bartlett Test of Sphericity is significant with alpha 0.000; therefore we can continue with conducting factor analysis.

Communalities		
	Initial	Extraction
PA increases your morale	1.000	.947
PA increases your motivation	1.000	.975
PA increases your commitment	1.000	.954
PA increases your satisfaction	1.000	.936
PA is stressful because you don't understand its purpose	1.000	.660
PA is stressful because you hear negative comments, and be criticized more than praised	1.000	.737
PA drives you to improve performance and productivity	1.000	.387

Extraction Method: Principal Component Analysis.

The communalities are listed in the above table. We can conclude that one variable, PA drives you to improve performance, and productivity is less than 0.5 but is not removed from the factor analysis.

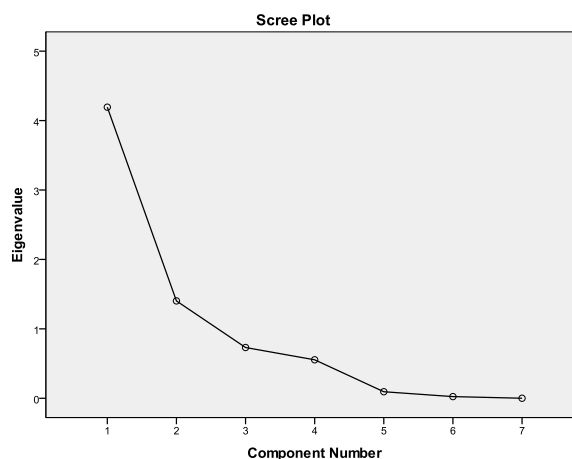
Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.193	59.901	59.901	4.193	59.901	59.901	4.152	59.308	59.308
2	1.403	20.036	79.937	1.403	20.036	79.937	1.444	20.629	79.937
3	.731	10.446	90.383						
4	.554	7.918	98.301						
5	.094	1.346	99.647						
6	.024	.345	99.991						
7	.001	.009	100.000						

Extraction Method: Principal Component Analysis.

The total variance explained table above shows two Initial Eigenvalues of greater than 1.

Following the rule of the Eigen values, the factors that are to be kept and considered significant are those factors whose Eigen Values are greater than 1. As a result, we will keep the first three components that are extracted, explained by a cumulative of 79.937% of the total variance. These rotated factors, created in this analysis, were capable to describe almost 80% of the original variability to the new dimension



The scree plot above portrays the Eigenvalues aligned with all the factors. The graph illustrates the extracted factors and shows how the curve is flattening after factor two. This means that the factors are getting smaller and smaller of the total variance sequentially.

Rotated Component Matrix ^a		
	Component	
	1	2
PA increases your morale	.969	-.086
PA increases your motivation	.983	-.093
PA increases your commitment	.970	-.111
PA increases your satisfaction	.959	-.128
PA is stressful because you don't understand its purpose	-.197	.788
PA is stressful because you hear negative comments, and be criticized more than praised	.107	.852
PA drives you to improve performance and productivity	.578	.228

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Two Factor Rotated Structure of Performance Appraisal

Dependent Variables	Factor 1	Factor 2
-PA increases your motivation	0.983	
-PA increases your commitment	0.970	
-PA increases your morale	0.969	
-PA increases your satisfaction	0.959	
-PA drives you to improve performance and productivity	0.578	
-PA is stressful because you hear negative comments, and be criticized more than praised		0.852
-PA is stressful because you don't understand its purpose		0.788

The table above shows two -factor structure of the performance appraisal. The first factor represents the positive effects of the performance appraisal on employees, and the second factor represents the negative effects of performance appraisal on employees.

4.4. MULTIPLE REGRESSION ANALYSES

Due to the types of organizations in the research, not-for-profit and for-profit, and due to the availability of a large number of the independent variables, a general multiple regression with stepwise method was used first and then it was used for each type of the organization available. Stepwise method is included in the regression analyses in order to select the best predictor of the dependent variable. In addition, independent variables are added to the regression providing that the B coefficients are statistically significant.

The R square is maximized in the regression by adding the variables to the equation one at a time provided that there is a significant increase in the R square.

The table of variables entered/removed is evaluated to include the most predictors for the dependent variable.

The ANOVA table is used to evaluate the F statistics and if there is a significance at level 0.05. If the significance is less than 0.05, the null hypothesis (when R square=0) is rejected and the alternative hypothesis is accepted.

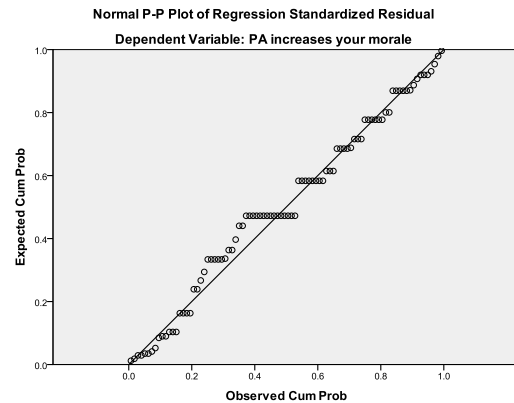
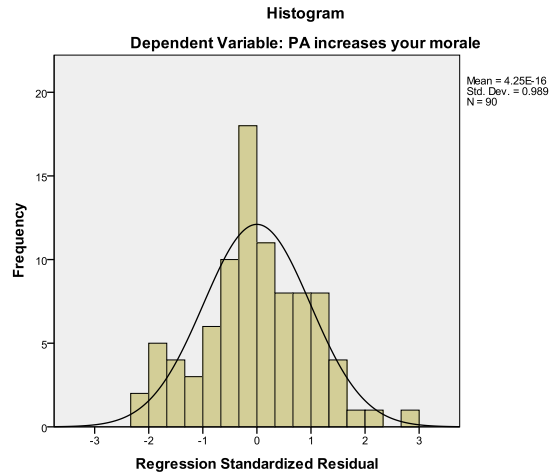
The coefficients from the coefficients table are examined, and if they are positive, this means that there is a positive direct correlation between the independent and the dependent variables.

Finally, the Stepwise Regression Analysis is carried out for all the independent variables stated with each of the dependent variable.

General Multiple Regression

Regression analysis is done for all independent variables with dependent variable

PA006, PA increases your morale.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line.

The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	PA gives feedback about weaknesses and strengths		. Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	PA inspires trust because you feel it is a thoughtful, fair system		. Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA increases your morale

Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.371 ^a	.138	.128	.861
2	.437 ^b	.191	.172	.838

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Predictors: (Constant), PA gives feedback about weaknesses and strengths, PA inspires trust because you feel it is a thoughtful, fair system

c. Dependent Variable: PA increases your morale

The R² in the Model Summary above shows the statistic of how well the model fits. Low

R² in the Model Summary above shows that the model is not adequate for prediction.

However, this is not our aim. Our aim is to discover dependency, which happens to be

significant as ANOVA table shows below. Model 1 in the regression is 13.8% of the

variance of the PA006, PA increases your morale, is explained by the PA002, PA that

gives feedback about weaknesses and strengths. In model 2, 19.1% of the dependent

variable is explained by the PA0015, PA inspires trust because you feel it is a thoughtful,

fair system.

ANOVA^c

Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	14.445	2	7.222	10.275	.000 ^b
	Residual	61.155	87	.703		
	Total	75.600	89			

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Predictors: (Constant), PA gives feedback about weaknesses and strengths, PA inspires trust because you feel it is a thoughtful, fair system

c. Dependent Variable: PA increases your morale

From the ANOVA table above we conclude that the Probability of F statistic (10.275) for

the regression model is significant with 0.000 levels, which is less than 0.05, therefore we

reject the Null Hypothesis and conclude that the independent variables PA gives feedback about weaknesses and strengths and PA inspires trust because you feel it is a thoughtful, fair system, and the dependent variable PA increases your morale are statistically significantly related.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
2	(Constant)	1.911	.457		4.187	.000
	PA gives feedback about weaknesses and strengths	.302	.107	.288	2.813	.006
	PA inspires trust because you feel it is a thoughtful, fair system	.235	.098	.245	2.392	.019

a. Dependent Variable: PA increases your morale(PA006)

We can derive the regression equation from the Coefficients table above:

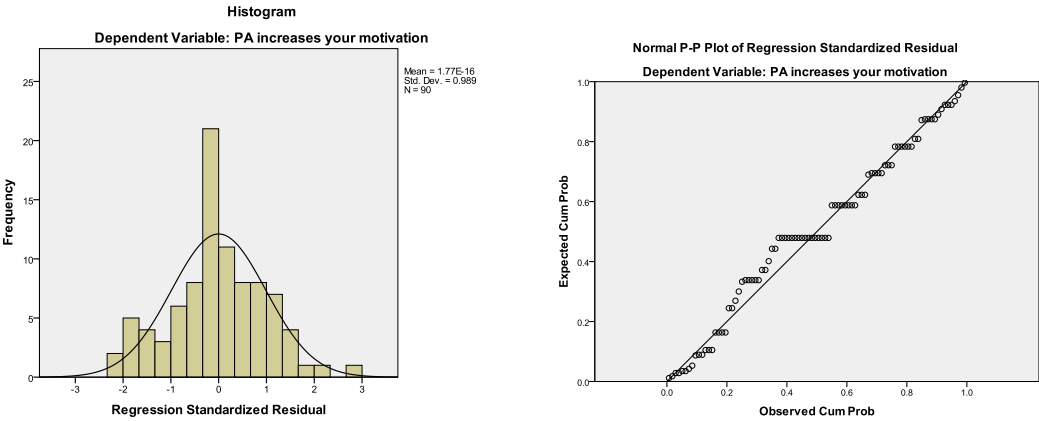
$$PA006 = 1.911 + 0.302(PA002) + 0.235(PA0015)$$

The PA006 characterize the PA increases your morale, PA002 characterize the PA gives feedback about weaknesses and strengths, and PA0015 characterize PA inspires trust because you feel it is a thoughtful, fair system. Therefore, the equation can be interpreted such as, for every unit increase in the PA gives feedback about weaknesses and strengths, the PA increases your morale, increases by (0.302) units, holding all others constant. In addition, for every unit increase in PA inspires trust because you feel it is a thoughtful, fair system, the PA increases your morale increases by 0.235, holding all others constant.

Since all the coefficients are positive and that, the t-values for the available variables are 0.006 and 0.019, which are less than 0.05. This indicates that there is a significant positive

linear relationship between the independent variables PA002, PA gives feedback about weaknesses and strengths, and PA0015, PA inspires trust because you feel it is a thoughtful, fair system, and the dependent variable PA006, PA increases your morale.

Regression analysis is done for all independent variables with dependent variable PA007, PA increases your motivation.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	PA gives feedback about weaknesses and strengths	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	PA inspires trust because you feel it is a thoughtful, fair system	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA increases your motivation

Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.374 ^a	.140	.130	.853
2	.437 ^b	.191	.172	.832

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Predictors: (Constant), PA gives feedback about weaknesses and strengths, PA inspires trust because you feel it is a thoughtful, fair system

c. Dependent Variable: PA increases your motivation

The R² in the Model Summary above shows the statistic of how well the model fits.

Model 1 in the regression is 14% of the variance of the PA007, PA increases your motivation, is explained by the PA002, PA that gives feedback about weaknesses and strengths. In model 2, 19.1% is explained by the PA0015, PA inspires trust because you feel it is a thoughtful, fair system.

ANOVA^c

Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	14.199	2	7.099	10.250	.000 ^b
	Residual	60.257	87	.693		
	Total	74.456	89			

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Predictors: (Constant), PA gives feedback about weaknesses and strengths, PA inspires trust because you feel it is a thoughtful, fair system

c. Dependent Variable: PA increases your motivation

From the ANOVA table above we conclude that the Probability of F statistic (10.250) for the regression model is significant with 0.000 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variables PA gives feedback about weaknesses and strengths and PA inspires trust because you feel it is a thoughtful,

fair system, and the dependent variable PA increases your motivation, are statistically significantly related.

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
2	(Constant)	1.916	.453		4.227	.000
	PA gives feedback about weaknesses and strengths	.304	.107	.292	2.852	.005
	PA inspires trust because you feel it is a thoughtful, fair system	.228	.097	.240	2.342	.021

a. Dependent Variable: PA increases your motivation

We can derive the regression equation from the Coefficients table above:

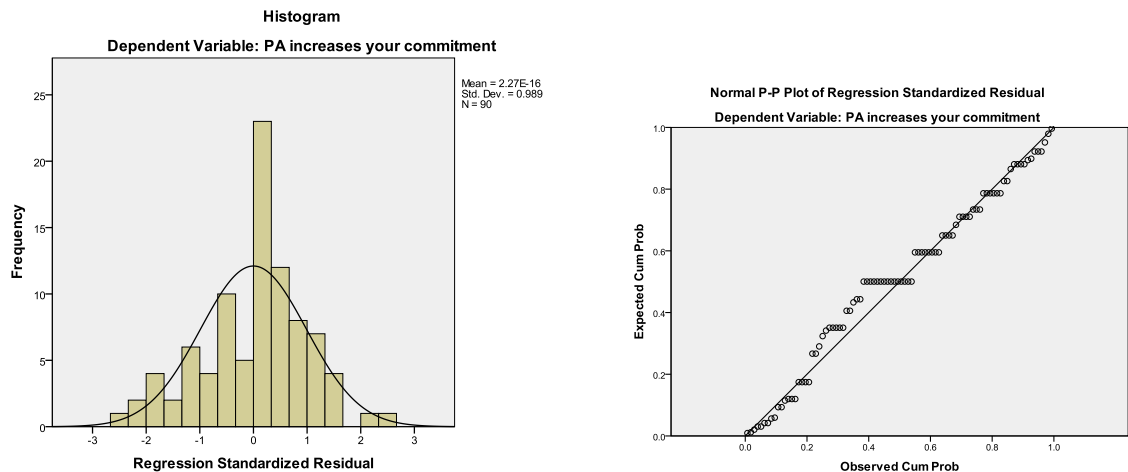
$$PA007 = 1.916 + 0.304(PA002) + 0.228(PA0015)$$

The PA007, characterize the PA increases your motivation. PA002, characterize the PA gives feedback about weaknesses and strengths, and PA0015 characterize PA inspires trust because you feel it is a thoughtful, fair system. Therefore, the equation can be interpreted such as, for every unit increase in the PA gives feedback about weaknesses, and strengths, the PA increases your motivation, increases by 0.304 units, holding all others constant. In addition, for every unit increase in PA inspires trust because you feel it is a thoughtful, fair system, the PA increases your motivation increases by 0.228, holding all others constant.

Since all the coefficients are positive and that, the t-values for the available variables are 0.005 and 0.021, which are less than 0.05. This indicates that there is a significant positive linear relationship between the independent variables PA002, PA gives feedback about

weaknesses and strengths, and PA0015, PA inspires trust because you feel it is a thoughtful, fair system, and the dependent variable PA006, PA increases your motivation.

Regression analysis is done for all independent variables with dependent variable PA008, PA increases your commitment.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	PA gives feedback about weaknesses and strengths		. Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	PA inspires trust because you feel it is a thoughtful, fair system		. Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA increases your commitment

Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.380 ^a	.144	.135	.865
2	.429 ^b	.184	.165	.849

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Predictors: (Constant), PA gives feedback about weaknesses and strengths, PA inspires trust because you feel it is a thoughtful, fair system

c. Dependent Variable: PA increases your commitment

The R² in the Model Summary above shows the statistic of how well the model fits.

Model 1 in the regression is 14.4% of the variance of the PA008, PA increases your commitment, is explained by the PA002, PA gives feedback about weaknesses and strengths. In model 2, 18.4% is explained by the PA0015, PA inspires trust because you feel it is a thoughtful, fair system.

ANOVA^c

Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	14.133	2	7.066	9.796	.000 ^b
	Residual	62.756	87	.721		
	Total	76.889	89			

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Predictors: (Constant), PA gives feedback about weaknesses and strengths, PA inspires trust because you feel it is a thoughtful, fair system

c. Dependent Variable: PA increases your commitment

From the ANOVA table above we conclude that the Probability of F statistic (9.796) for the regression model is significant with 0.000 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variables PA gives feedback about weaknesses and strengths and PA inspires trust because you feel it is a thoughtful,

fair system, and the dependent variable PA increases your commitment, are statistically significantly related.

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
2	(Constant)	1.881	.462		4.067	.000
	PA gives feedback about weaknesses and strengths	.326	.109	.309	2.999	.004
	PA inspires trust because you feel it is a thoughtful, fair system	.203	.099	.211	2.047	.044

a. Dependent Variable: PA increases your commitment

We can derive the regression equation from the Coefficients table above:

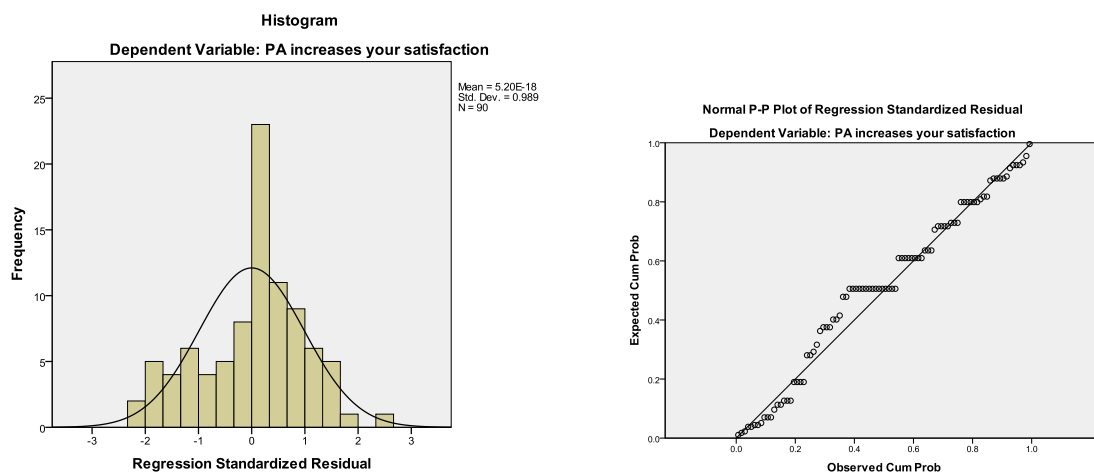
$$PA008 = 1.881 + 0.326(PA002) + 0.203(PA0015)$$

The PA008, characterize the PA increases your commitment. The PA002, characterize the PA gives feedback about weaknesses and strengths, and PA0015, characterize PA inspires trust because you feel it is a thoughtful, fair system. Therefore, the equation can be interpreted such as, for every unit increase in the PA gives feedback about weaknesses, and strengths, the PA increases your commitment, increases by (0.326) units, holding all others constant. In addition, for every unit increase in PA inspires trust because you feel it is a thoughtful, fair system, the PA increases your commitment, increases by (0.203), holding all others constant.

Since all the coefficients are positive and that, the t-values for the available variables are 0.004 and 0.044, which are less than 0.05. This indicates that there is a significant positive linear relationship between the independent variables PA002, PA gives feedback about

weaknesses and strengths, and PA0015, PA inspires trust because you feel it is a thoughtful, fair system, and the dependent variable PA006, PA increases your commitment.

Regression analysis is done for all independent variables with dependent variable PA009, PA increases your satisfaction.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Model	Variables Entered	Variables Removed	Method
1	PA gives feedback about weaknesses and strengths	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	PA inspires trust because you feel it is a thoughtful, fair system	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA increases your satisfaction

Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.348 ^a	.121	.111	.885
2	.412 ^b	.170	.151	.865

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Predictors: (Constant), PA gives feedback about weaknesses and strengths, PA inspires trust because you feel it is a thoughtful, fair system

c. Dependent Variable: PA increases your satisfaction

The R² in the Model Summary above shows the statistic of how well the model fits.

Model 1 in the regression is 12.1% of the variance of the PA009, PA increases your satisfaction, is explained by the PA002, PA gives feedback about weaknesses and strengths. In model 2, 17% is explained by the PA0015, PA inspires trust because you feel it is a thoughtful, fair system.

ANOVA ^c						
Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	13.306	2	6.653	8.892	.000 ^b
	Residual	65.094	87	.748		
	Total	78.400	89			

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Predictors: (Constant), PA gives feedback about weaknesses and strengths, PA inspires trust because you feel it is a thoughtful, fair system

c. Dependent Variable: PA increases your satisfaction

From the ANOVA table above we conclude that the Probability of F statistic (8.892) for the regression model is significant with 0.000 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variables PA gives feedback about weaknesses and strengths and PA inspires trust because you feel it is a thoughtful, fair system, and the dependent variable PA increases your satisfaction, are statistically significantly related.

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
2	(Constant)	1.928	.471		4.092	.000
	PA gives feedback about weaknesses and strengths	.287	.111	.269	2.592	.011
	PA inspires trust because you feel it is a thoughtful, fair system	.228	.101	.234	2.252	.027

a. Dependent Variable: PA increases your satisfaction

We can derive the regression equation from the Coefficients table above:

$$PA009 = 1.928 + 0.287(PA002) + 0.228(PA0015)$$

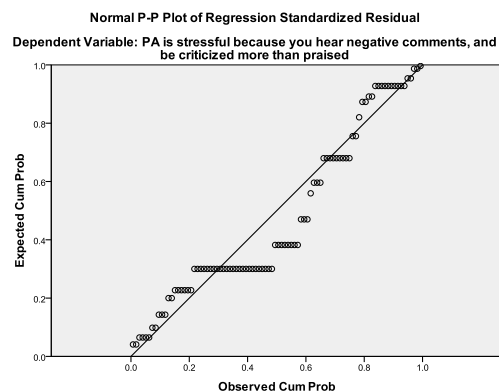
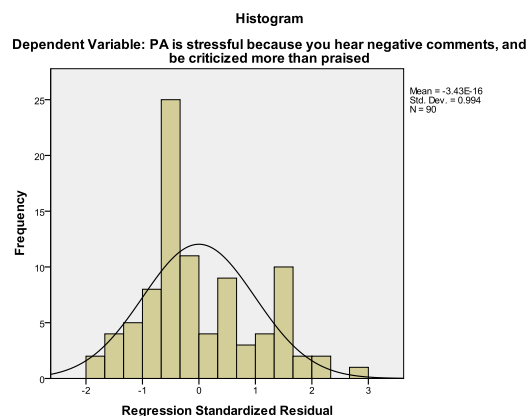
The PA009, characterize the PA increases your satisfaction. The PA002, characterize the PA gives feedback about weaknesses and strengths, and PA0015, characterize PA inspires trust because you feel it is a thoughtful, fair system. Therefore, the equation can be interpreted such as, for every unit increase in the PA gives feedback about weaknesses and strengths, the PA increases your satisfaction, increases by (0.287) units, holding all others constant. In addition, for every unit increase in PA inspires trust because you feel it is a thoughtful, fair system, the PA increases your satisfaction, increases by (0.228), holding all others constant.

Since all the coefficients are positive and that, the t-values for the available variables are 0.011 and 0.027, which are less than 0.05. This indicates that there is a significant positive linear relationship between the independent variables PA002, PA gives feedback about weaknesses and strengths, and PA0015, PA inspires trust because you feel it is a thoughtful, fair system, and the dependent variable PA006, PA increases your satisfaction.

Regression analysis is done for all independent variables with dependent variable PA0010, PA is stressful for you because you do not understand its purpose clearly.

No variables were entered into the regression equation.

Regression analysis is done for all independent variables with dependent variable PA0011, PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	You have role in setting and accomplishing objectives therefore committed		Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA is stressful because you hear negative comments, and be criticized more than praised

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.226 ^a	.051	.040	1.009

a. Predictors: (Constant), You have role in setting and accomplishing objectives therefore committed

b. Dependent Variable: PA is stressful because you hear negative comments, and be criticized more than praised

The R² in the Model Summary above shows the statistic of how well the model fits. The only model in the regression is 5.1% of the variance of the PA0011, PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be

criticized more than praised, are explained by PA0013, you have role in setting and accomplishing objectives therefore committed.

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.804	1	4.804	4.722	.032 ^a
	Residual	89.518	88	1.017		
	Total	94.322	89			

a. Predictors: (Constant), You have role in setting and accomplishing objectives therefore committed

b. Dependent Variable: PA is stressful because you hear negative comments, and be criticized more than praised

From the ANOVA table above we conclude that the Probability of F statistic (4.722) for the regression model is significant with 0.032 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variable, You have role in setting and accomplishing objectives therefore committed, and the dependent variable PA is stressful because you hear negative comments, and be criticized more than praised are statistically significantly related.

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.623	.398		4.079	.000
	You have role in setting and accomplishing objectives therefore committed	.226	.104	.226	2.173	.032

a. Dependent Variable: PA is stressful because you hear negative comments, and be criticized more than praised

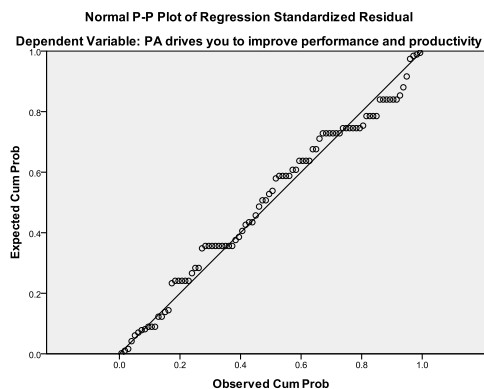
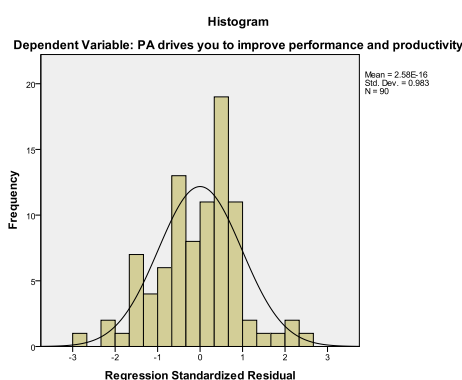
We can derive the regression equation from the Coefficients table above:

$$PA0011 = 1.623 + 0.226 (PA0013)$$

The PA0011, characterize the PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised, and PA0013, characterize you have role in setting and accomplishing objectives therefore committed. Therefore, the equation can be interpreted such as, for every unit increase in the You have role in setting and accomplishing objectives therefore committed, the PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised, increases by (0.226) units, holding all others constant.

Since all the coefficients are positive and that, the t-value for the available variable is 0.032, which is less than 0.05. This indicates that there is a significant positive linear relationship between the independent variable PA0013, you have role in setting and accomplishing objectives therefore committed, and the dependent variable PA0011, PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised.

Regression analysis is done for all independent variables with dependent variable PA0018, you feel the Performance Appraisal drives you to improve your performance and productivity.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line.

The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	PA is helpful because the supervisor makes it constructive and sets reasonable goals	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	PA inspires trust because you feel it is a thoughtful, fair system	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
3	PA is used as a tool for assessing Performance	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA drives you to improve performance and productivity

Model Summary ^d				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.666 ^a	.443	.437	.792
2	.706 ^b	.499	.487	.756
3	.730 ^c	.533	.517	.734

a. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals

b. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals, PA inspires trust because you feel it is a thoughtful, fair system

c. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals, PA inspires trust because you feel it is a thoughtful, fair system, PA is used as a tool for assessing Performance

d. Dependent Variable: PA drives you to improve performance and productivity

In the regression model 1, 44.3% of the total variance in the PA0018, PA drives you to improve performance and productivity is explained by PA0017, PA is helpful because the supervisor makes it constructive, In the second model, 49.9% of the total variance in the PA0018, is explained by PA0015, PA inspires trust because you feel it is a thoughtful,

fair system, increasing the variance by 5.6%. In model 3, 53.3% of the total variance is explained by PA001, PA is used as a tool for assessing performance increasing by 3.4%.

ANOVA ^d						
Model		Sum of Squares	df	Mean Square	F	Sig.
3	Regression	52.962	3	17.654	32.772	.000 ^c
	Residual	46.327	86	.539		
	Total	99.289	89			

a. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals

b. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals, PA inspires trust because you feel it is a thoughtful, fair system

c. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals, PA inspires trust because you feel it is a thoughtful, fair system, PA is used as a tool for assessing Performance

d. Dependent Variable: PA drives you to improve performance and productivity

From the ANOVA table above we conclude that the Probability of F statistic (32.772) for the regression model is significant with 0.000 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variables, PA is helpful because the supervisor makes it constructive and sets reasonable goals, and PA inspires trust because you feel it is a thoughtful, fair system, and PA is used as a tool for assessing Performance, and the dependent variable, PA drives you to improve performance and productivity are statistically significantly related.

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
3	(Constant)	-.113	.452		-.249	.804
	PA is helpful because the supervisor makes it constructive and sets reasonable goals	.567	.113	.465	5.022	.000
	PA inspires trust because you feel it is a thoughtful, fair system	.283	.102	.258	2.779	.007
	PA is used as a tool for assessing Performance	.245	.097	.194	2.535	.013

a. Dependent Variable: PA drives you to improve performance and productivity

We can derive the regression equation from the Coefficients table above:

$$\text{PA0018} = -0.113 + 0.567(\text{PA0017}) + 0.283(\text{PA0015}) + 0.245(\text{PA001})$$

The PA0018, characterize the PA drives you to improve performance and productivity.

The PA0017, characterize PA is helpful because the supervisor makes it constructive. The

PA0015, characterize PA inspires trust because you feel it is a thoughtful, fair system. The

PA001, characterize PA is used as a tool for assessing Performance.

We can conclude from the above equation that for every unit increase in PA0017, the

PA0018 increases by 0.567, and for every unit increase in PA0015, the PA0018 increases

by 0.283, and for every unit increase in PA001, the PA0018 increases by 0.245, holding all

others constant.

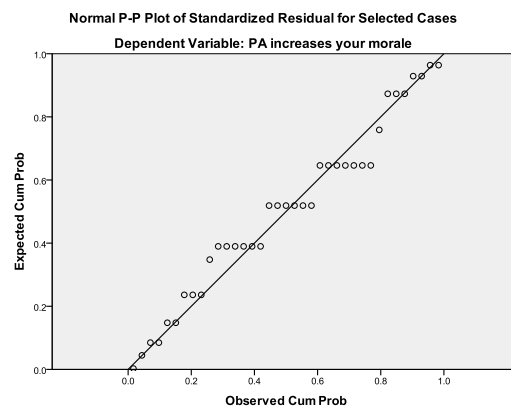
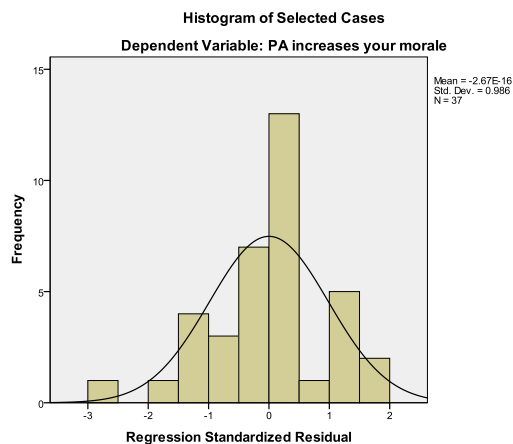
Since all the coefficients are positive and that, the t-values for the available variables are

0.000, 0.007, and 0.013, which are less than 0.05. This indicates that there is a significant

positive linear relationship between the independent variables, PA is helpful because the supervisor makes it constructive, and PA inspires trust because you feel it is a thoughtful, fair system, PA is used as a tool for assessing Performance, and the dependent variable, PA drives you to improve performance and productivity

MULTIPLE REGRESSION ANALYSES – Not-For –Profit

Regression analysis is done for all independent variables with dependent variable PA006, PA increases your morale.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed^{a,b}

Model	Variables Entered	Variables Removed	Method
1	PM discusses dreams, hopes for growth and developing career plans	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA increases your morale

b. Models are based only on cases for which Organization Type = Not-For-Profit

Model Summary^{b,c}

Model	R		R Square	Adjusted R Square	Std. Error of the Estimate
	Organization Type = Not-For-Profit (Selected)	Organization Type != Not-For-Profit (Unselected)			
1	.338 ^a	.206	.114	.089	.704

a. Predictors: (Constant), PM discuss dreams, hopes for growth and developing career plans

b. Unless noted otherwise, statistics are based only on cases for which Organization Type = Not-For-Profit.

c. Dependent Variable: PA increases your morale

The R² in the Model Summary above shows the statistic of how well the model fits. The only model in the regression is model 1, where 11.4% of the variance of the PA006, PA increases your morale, is explained by the PA004, PM discusses dreams, hopes for growth and developing career plans

ANOVA^{b,c}

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.236	1	2.236	4.515	.041 ^a
	Residual	17.332	35	.495		
	Total	19.568	36			

a. Predictors: (Constant), PM discuss dreams, hopes for growth and developing career plans

b. Dependent Variable: PA increases your morale

c. Selecting only cases for which Organization Type = Not-For-Profit

From the ANOVA table above we conclude that the Probability of F statistic (4.515) for the regression model is significant with 0.041 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variable, PM discusses dreams, hopes for growth and developing career plans and the dependent variable, PA increases your morale, are statistically significantly related.

Coefficients^{a,b}

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.045	.415		7.336	.000
	PM discusses dreams, hopes for growth and developing career plans	.230	.108	.338	2.125	.041

a. Dependent Variable: PA increases your morale

b. Selecting only cases for which Organization Type = Not-For-Profit

We can derive the regression equation from the Coefficients table above:

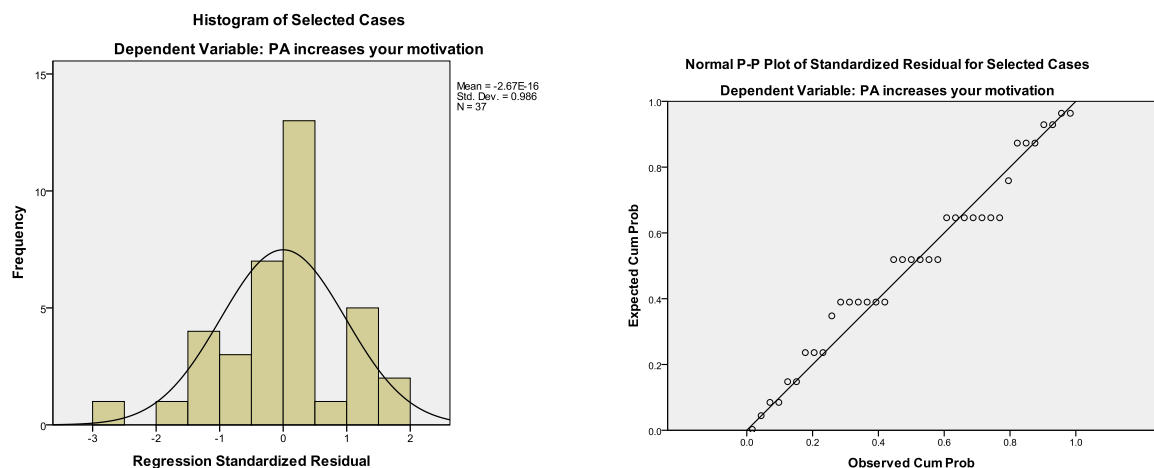
$$PA006 = 3.045 + 0.230(PA004)$$

The PA006, characterize the PA increases your morale, and PA004 characterize PM discusses dreams, hopes for growth and developing career plans.

Therefore, the equation can be interpreted such as, for every unit increase in the PA004, PM discusses dreams, hopes for growth, and developing career plans, the PA006, PA increases your morale, increases by 0.230 units, holding all others constant.

Since all the coefficients are positive and that, the t-value for the available variable is 0.041, which is less than 0.05. This indicates that there is a significant positive linear relationship between the independent variable, PM discusses dreams, hopes for growth, and developing career plans, and the dependent variable, PA increases your

Regression analysis is done for all independent variables with dependent variable PA007, PA increases your motivation.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed^{a,b}

Model	Variables Entered	Variables Removed	Method
1	PM discusses dreams, hopes for growth and developing career plans	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA increases your motivation

b. Models are based only on cases for which Organization Type = Not-For-Profit

Model Summary^{b,c}

Model	R		R Square	Adjusted R Square	Std. Error of the Estimate
	Organization Type = Not-For-Profit (Selected)	Organization Type != Not-For-Profit (Unselected)			
1	.338 ^a	.202	.114	.089	.704

a. Predictors: (Constant), PM discusses dreams, hopes for growth and developing career plans

b. Unless noted otherwise, statistics are based only on cases for which Organization Type = Not-For-Profit.

c. Dependent Variable: PA increases your motivation

The R² in the Model Summary above shows the statistic of how well the model fits. The only model in the regression is model 1, where 11.4% of the variance of the PA007, PA increases your motivation, is explained by the PA004, PM discusses dreams, hopes for growth and developing career plans.

ANOVA^{b,c}

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.236	1	2.236	4.515	.041 ^a
	Residual	17.332	35	.495		
	Total	19.568	36			

a. Predictors: (Constant), PM discuss dreams, hopes for growth and developing career plans

b. Dependent Variable: PA increases your motivation

c. Selecting only cases for which Organization Type = Not-For-Profit

From the ANOVA table above we conclude that the Probability of F statistic (4.515) for the regression model is significant with 0.041 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variable, PM discusses dreams, hopes for growth and developing career plans and the dependent variable, PA increases your motivation, are statistically significantly related.

Coefficients ^{a,b}						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.045	.415		7.336	.000
	PM discusses dreams, hopes for growth and developing career plans	.230	.108	.338	2.125	.041

a. Dependent Variable: PA increases your motivation

b. Selecting only cases for which Organization Type = Not-For-Profit

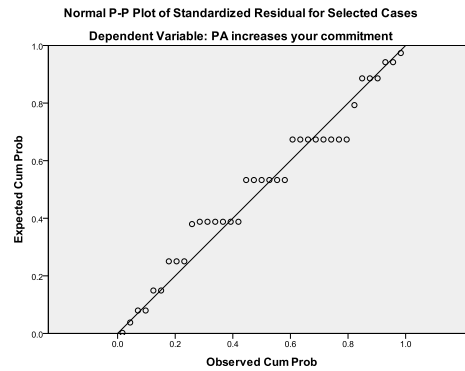
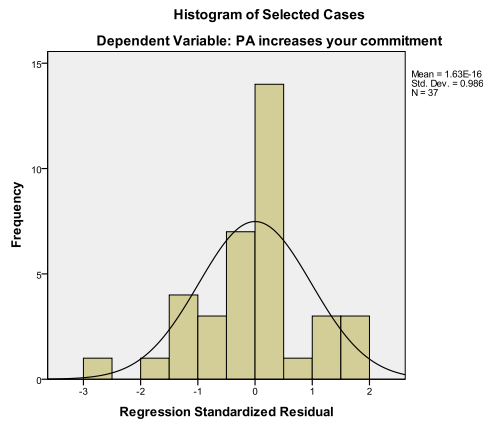
We can derive the regression equation from the Coefficients table above:

$$\text{PA007} = 3.045 + 0.230(\text{PA004})$$

The PA007, characterize the PA increases your motivation, and PA004, characterize the PM discusses dreams, hopes for growth, and developing career plans. Therefore, the equation can be interpreted such as, for every unit increase in the PM discusses dreams, hopes for growth, and developing career plans, the PA increases your motivation, increases by 0.230 units, holding all others constant.

Since all the coefficients are positive and that, the t-value for the available variable is 0.041, which is less than 0.05. This indicates that there is a significant positive linear relationship between the independent variable, PM discusses dreams, hopes for growth, and developing career plans, and the dependent variable, PA increases your motivation.

Regression analysis is done for all independent variables with dependent variable PA008, PA increases your commitment.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed ^{a,b}			
Model	Variables Entered	Variables Removed	Method
1	PM discuss dreams, hopes for growth and developing career plans	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA increases your commitment

b. Models are based only on cases for which Organization Type = Not-For-Profit

Model Summary^{b,c}

Model	R		R Square	Adjusted R Square	Std. Error of the Estimate
	Organization Type = Not-For-Profit (Selected)	Organization Type ~= Not-For-Profit (Unselected)			
1	.374 ^a	.185	.140	.115	.671

a. Predictors: (Constant), PM discuss dreams, hopes for growth and developing career plans

b. Unless noted otherwise, statistics are based only on cases for which Organization Type = Not-For-Profit.

c. Dependent Variable: PA increases your commitment

The R² in the Model Summary above shows the statistic of how well the model fits. The only model in the regression is model 1, where 14% of the variance of the PA008, PA increases your commitment, is explained by the PA004, PM discusses dreams, hopes for growth and developing career plans.

ANOVA^{b,c}

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.558	1	2.558	5.678	.023 ^a
Residual	15.766	35	.450		
Total	18.324	36			

a. Predictors: (Constant), PM discusses dreams, hopes for growth and developing career plans

b. Dependent Variable: PA increases your commitment

c. Selecting only cases for which Organization Type = Not-For-Profit

From the ANOVA table above we conclude that the Probability of F statistic (5.678) for the regression model is significant with 0.023 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variable, PM discusses

dreams, hopes for growth and developing career plans and the dependent variable, PA increases your commitment, are statistically significantly related.

Coefficients ^{a,b}					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	
1	(Constant)	2.959	.396		7.475
	PM discusses dreams, hopes for growth and developing career plans	.246	.103	.374	2.383
					.023

a. Dependent Variable: PA increases your commitment

b. Selecting only cases for which Organization Type = Not-For-Profit

We can derive the regression equation from the Coefficients table above:

$$PA008 = 2.959 + 0.246(PA004)$$

The PA008, characterize the PA increases your commitment. The PA004, characterize PM discusses dreams, hopes for growth, and developing career plans. We can conclude that for every unit increase in PA004, PM discusses dreams, hopes for growth, and developing career plans, the PA008, PA increases your commitment, increases by 0.246, holding all others constant.

Since all the coefficients are positive and that, the t-value for the available variable is 0.023, which is less than 0.05. This indicates that there is a significant positive linear relationship between the independent variable, PM discusses dreams, hopes for growth, and developing career plans, and the dependent variable, PA increases your commitment.

Regression analysis is done for all independent variables with dependent variable PA009, PA increases your satisfaction.

No variables were entered into the regression equation.

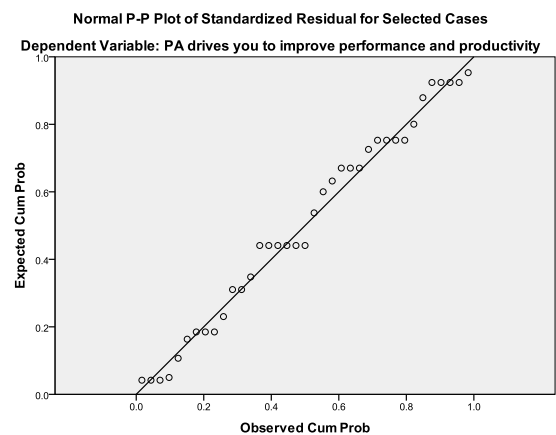
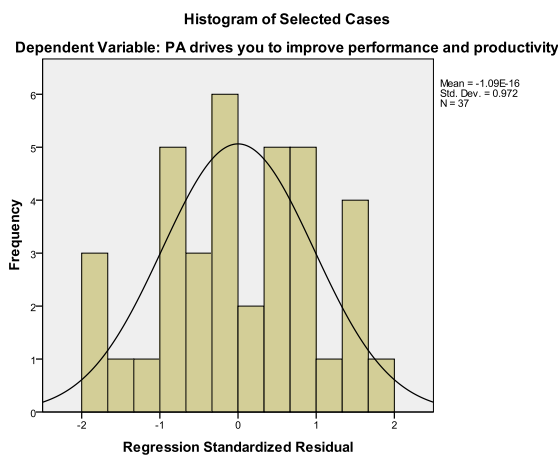
Regression analysis is done for all independent variables with dependent variable PA0010, PA is stressful for you because you do not understand its purpose clearly.

No variables were entered into the regression equation.

Regression analysis is done for all independent variables with dependent variable PA0011, PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised.

No variables were entered into the regression equation.

Regression analysis is done for all independent variables with dependent variable PA0018, PA drives you to improve your performance and productivity.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed ^{a,b}			
Model	Variables Entered	Variables Removed	Method
1	PA is helpful because the supervisor makes it constructive and sets reasonable goals	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	PA inspires trust because you feel it is a thoughtful, fair system	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA drives you to improve performance and productivity

b. Models are based only on cases for which Organization Type = Not-For-Profit

Model Summary ^{c,d}					
Model	R		R Square	Adjusted R Square	Std. Error of the Estimate
	Organization Type = Not-For-Profit (Selected)	Organization Type ~ Not-For-Profit (Unselected)			
1	.747 ^a		.557	.545	.733
2	.824 ^b	.661	.679	.660	.633

a. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals

b. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals, PA inspires trust because you feel it is a thoughtful, fair system

c. Unless noted otherwise, statistics are based only on cases for which Organization Type = Not-For-Profit.

d. Dependent Variable: PA drives you to improve performance and productivity

The R² in the Model Summary above shows the statistic of how well the model fits.

Model 1 in the regression is 55.7% of the variance of the PA0018, PA drives you to

improve performance, and productivity is explained by the PA0017, PA is helpful because the supervisor makes it constructive and sets reasonable goals. In model 2, 67.9% of the PA0018, PA drives you to improve performance and productivity is explained by the PA0015, PA inspires trust because you feel it is a thoughtful, fair system.

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	28.822	2	14.411	35.999	.000 ^b
	Residual	13.611	34	.400		
	Total	42.432	36			

- a. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals
- b. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals, PA inspires trust because you feel it is a thoughtful, fair system
- c. Dependent Variable: PA drives you to improve performance and productivity
- d. Selecting only cases for which Organization Type = Not-For-Profit

From the ANOVA table above we conclude that the Probability of F statistic (35.999) for the regression model is significant with 0.000 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variables, PA is helpful because the supervisor makes it constructive and sets reasonable goals and the PA inspires trust because you feel it is a thoughtful, fair system, and the dependent variable, PA drives you to improve performance and productivity are statistically significantly related.

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
2	(Constant)	-.521	.503		-1.036	.307
	PA is helpful because the supervisor makes it constructive and sets reasonable goals	.627	.144	.511	4.354	.000
	PA inspires trust because you feel it is a thoughtful, fair system	.526	.146	.421	3.594	.001

b. Selecting only cases for which Organization Type = Not-For-Profit

$$\text{PA0018} = -0.521 + 0.627(\text{PA0017}) + 0.526(\text{PA0015})$$

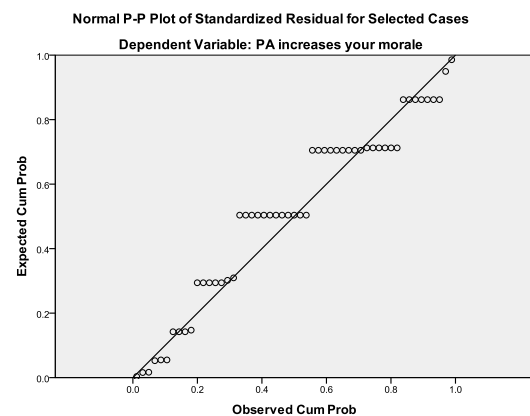
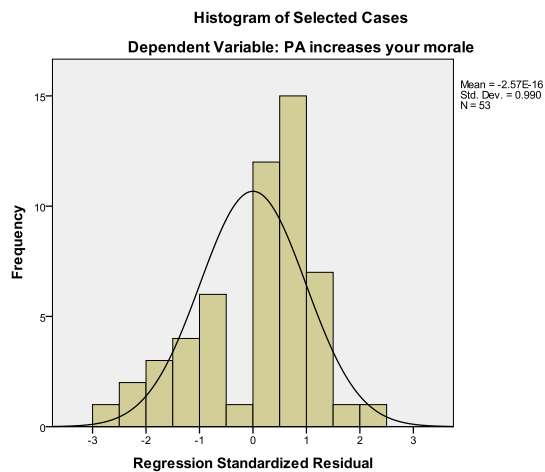
performance, and productivity increases by (0.526), holding all others constant.

0.000, and 0.01, which are less than 0.05. This indicates that there is a significant positive

linear relationship between the independent variables, PA is helpful because the supervisor makes it constructive and sets reasonable goals, and PA inspires trust because you feel it is a thoughtful, fair system, and the dependent variable, PA drives you to improve performance and productivity.

MULTIPLE REGRESSION ANALYSES – For –Profit

Regression analysis is done for all independent variables with dependent variable PA006, PA increases your morale.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed^{a,b}

Model	Variables Entered	Variables Removed	Method
1	PA gives feedback about weaknesses and strengths	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA increases your morale

b. Models are based only on cases for which Organization Type = For-Profit

Model Summary^{b,c}

Model	R		R Square	Adjusted R Square	Std. Error of the Estimate
	Organization Type = For-Profit (Selected)	Organization Type ~= For-Profit (Unselected)			
1	.467 ^a	.145	.218	.203	.926

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Unless noted otherwise, statistics are based only on cases for which Organization Type = For-Profit.

c. Dependent Variable: PA increases your morale

The R² in the Model Summary above shows the statistic of how well the model fits. The only model in the regression is model one, where 21.8% of the variance of the PA006, PA increases your morale, is explained by the PA002, PA gives feedback about weaknesses and strengths.

ANOVA ^{b,c}						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.184	1	12.184	14.206	.000 ^a
	Residual	43.741	51	.858		
	Total	55.925	52			

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Dependent Variable: PA increases your morale

c. Selecting only cases for which Organization Type = For-Profit

From the ANOVA table above we conclude that the Probability of F statistic (14.206) for the regression model is significant with 0.000 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variable, PA gives feedback about weaknesses and strengths, and the dependent variable, PA increases your morale are statistically significantly related.

Coefficients ^{a,b}						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.951	.549		3.556	.001
	PA gives feedback about weaknesses and strengths	.510	.135	.467	3.769	.000

a. Dependent Variable: PA increases your morale

b. Selecting only cases for which Organization Type = For-Profit

We can derive the regression equation from the Coefficients table above:

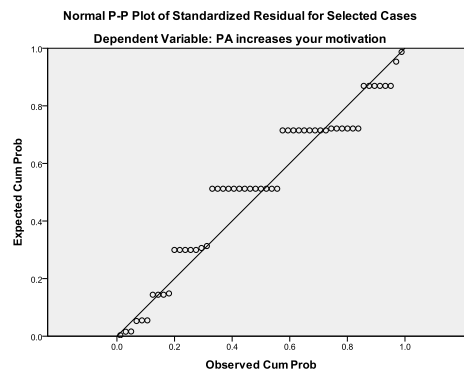
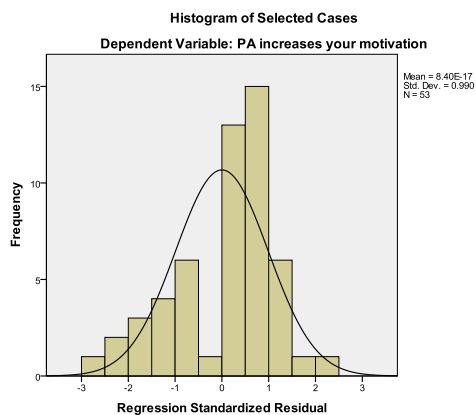
$$PA006 = 1.951 + 0.510 (PA002)$$

The PA006, characterize the PA increases your morale, and PA002 characterize the PA gives feedback about weaknesses and strengths. Therefore, the equation can be

interpreted such as, for every unit increase in the PA gives feedback about weaknesses and strengths, the PA increases your morale, increases by (0.510) units, holding all others constant.

Since the coefficients are positive, and the t-value for the available independent variable is 0.000, which is less than 0.05, we conclude that the independent variable PA002, and the dependent variable PA006, are linear, and statistically significantly positively related.

Regression analysis is done for all independent variables with dependent variable PA007, PA increases your motivation.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed^{a,b}

Model	Variables Entered	Variables Removed	Method
1	PA gives feedback about weaknesses and strengths	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA increases your motivation

b. Models are based only on cases for which Organization Type = For-Profit

Model Summary^{b,c}

Model	R		R Square	Adjusted R Square	Std. Error of the Estimate
	Organization Type = For-Profit (Selected)	Organization Type != For-Profit (Unselected)			
1	.470 ^a	.145	.221	.206	.915

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Unless noted otherwise, statistics are based only on cases for which Organization Type = For-Profit.

c. Dependent Variable: PA increases your motivation

The R² in the Model Summary above shows the statistic of how well the model fits. The only model in the regression is model 1, where 22.1% of the variance of the PA007, PA increases your motivation, is explained by the PA002, PA gives feedback about weaknesses and strengths.

ANOVA ^{b,c}						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.126	1	12.126	14.482	.000 ^a
	Residual	42.704	51	.837		
	Total	54.830	52			

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Dependent Variable: PA increases your motivation

c. Selecting only cases for which Organization Type = For-Profit

From the ANOVA table above we conclude that the Probability of F statistic (14.482) for the regression model is significant with 0.000 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variable, PA gives feedback about weaknesses and strengths, and the dependent variable, PA increases your motivation, are statistically significantly related.

Coefficients ^{a,b}						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.937	.542		3.573	.001
	PA gives feedback about weaknesses and strengths	.509	.134	.470	3.806	.000

a. Dependent Variable: PA increases your motivation

b. Selecting only cases for which Organization Type = For-Profit

We can derive the regression equation from the Coefficients table above:

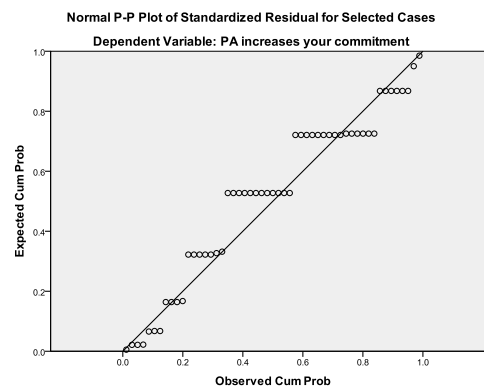
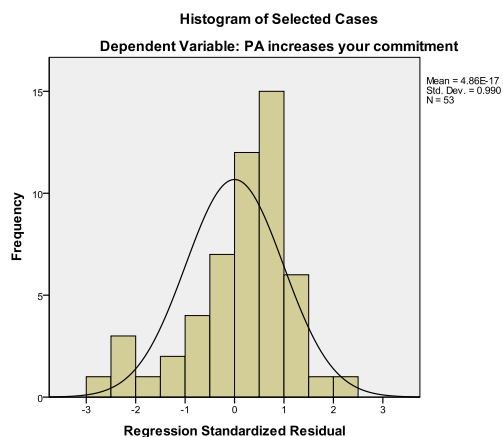
$$PA007 = 1.937 + 0.509 (PA002)$$

The PA007, characterize the PA increases your motivation, and PA002, characterize the PA gives feedback about weaknesses and strengths. Therefore, the equation can be

interpreted such as, for every unit increase in the PA gives feedback about weaknesses and strengths, the PA increases your motivation, increases by (0.509) units, holding all others constant.

Since the coefficients are positive, and the t-value for the available independent variable is 0.000, which is less than 0.05, we conclude that the independent variable PA002, PA gives feedback about weaknesses and strengths, and the dependent variable PA007, PA increases your motivation, are linear, and statistically significantly positively related.

Regression analysis is done for all independent variables with dependent variable PA008, PA increases your commitment.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed^{a,b}

Model	Variables Entered	Variables Removed	Method
1	PA gives feedback about weaknesses and strengths	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA increases your commitment

b. Models are based only on cases for which Organization Type = For-Profit

Model Summary^{b,c}

Model	R		R Square	Adjusted R Square	Std. Error of the Estimate
	Organization Type = For-Profit (Selected)	Organization Type != For-Profit (Unselected)			
1	.453 ^a	.199	.205	.190	.955

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Unless noted otherwise, statistics are based only on cases for which Organization Type = For-Profit.

c. Dependent Variable: PA increases your commitment

The R² in the Model Summary above shows the statistic of how well the model fits. The only model in the regression is model 1, where 20.5% of the variance of the PA008, PA increases your commitment, is explained by the PA002, PA gives feedback about weaknesses and strengths.

ANOVA ^{b,c}						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.011	1	12.011	13.169	.001 ^a
	Residual	46.517	51	.912		
	Total	58.528	52			

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Dependent Variable: PA increases your commitment

c. Selecting only cases for which Organization Type = For-Profit

From the ANOVA table above we conclude that the Probability of F statistic (13.169) for the regression model is significant with 0.001 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variable, PA gives feedback about weaknesses and strengths, and the dependent variable, PA increases your commitment, are statistically significantly related.

Coefficients ^{a,b}						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.909	.566		3.373	.001
	PA gives feedback about weaknesses and strengths	.506	.140	.453	3.629	.001

a. Dependent Variable: PA increases your commitment

b. Selecting only cases for which Organization Type = For-Profit

We can derive the regression equation from the Coefficients table above:

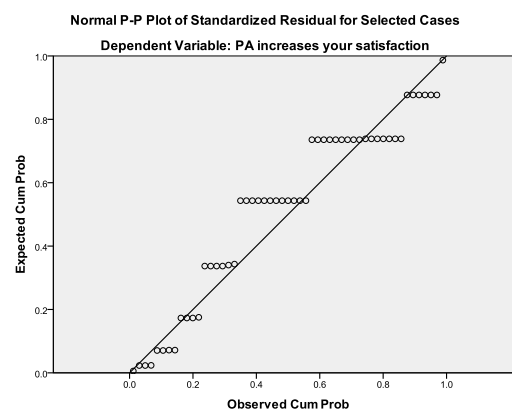
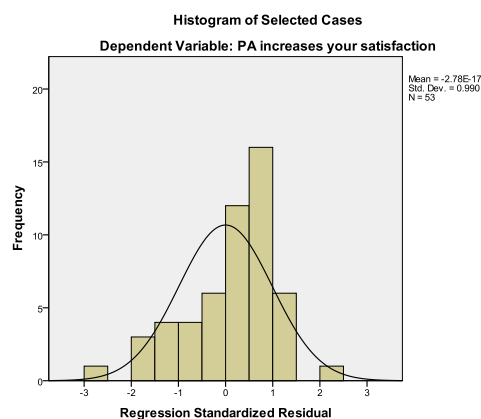
$$PA008 = 1.909 + 0.506 (PA002)$$

The PA008, characterize the PA increases your commitment, and PA002, characterize the PA gives feedback about weaknesses and strengths. Therefore, the equation can be

interpreted such as, for every unit increase in the PA gives feedback about weaknesses and strengths, the PA increases your commitment, increases by (0.506) units, holding all others constant.

Since the coefficients are positive, and the t-value for the available independent variable is 0.001, which is less than 0.05, we conclude that the independent variable PA002, PA gives feedback about weaknesses and strengths, and the dependent variable PA008, PA increases your commitment, are linear, and statistically significantly positively related.

Regression analysis is done for all independent variables with dependent variable PA009, PA increases your satisfaction.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed^{a,b}

Model	Variables Entered	Variables Removed	Method
1	PA gives feedback about weaknesses and strengths	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA increases your satisfaction

b. Models are based only on cases for which Organization Type = For-Profit

Model Summary^{b,c}

Model	R		R Square	Adjusted R Square	Std. Error of the Estimate
	Organization Type = For-Profit (Selected)	Organization Type != For-Profit (Unselected)			
1	.453 ^a	.095	.205	.189	.952

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Unless noted otherwise, statistics are based only on cases for which Organization Type = For-Profit.

c. Dependent Variable: PA increases your satisfaction

The R² in the Model Summary above shows the statistic of how well the model fits. The only model in the regression is model one, where 20.5% of the variance of the PA009, PA increases your satisfaction, is explained by the PA002, PA gives feedback about weaknesses and strengths.

ANOVA ^{b,c}						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.897	1	11.897	13.139	.001 ^a
	Residual	46.178	51	.905		
	Total	58.075	52			

a. Predictors: (Constant), PA gives feedback about weaknesses and strengths

b. Dependent Variable: PA increases your satisfaction

c. Selecting only cases for which Organization Type = For-Profit

From the ANOVA table above we conclude that the Probability of F statistic (13.139) for the regression model is significant with 0.001 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variable, PA gives feedback about weaknesses and strengths, and the dependent variable, PA increases your satisfaction, are statistically significantly related.

Coefficients ^{a,b}						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.880	.564		3.336	.002
	PA gives feedback about weaknesses and strengths	.504	.139	.453	3.625	.001

a. Dependent Variable: PA increases your satisfaction

b. Selecting only cases for which Organization Type = For-Profit

We can derive the regression equation from the Coefficients table above:

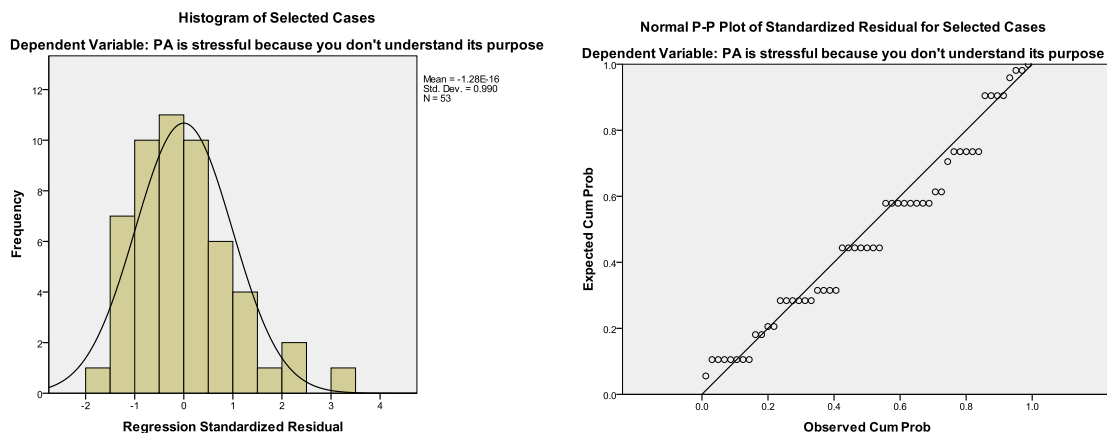
$$PA009 = 1.880 + 0.504(PA002)$$

The PA009, characterize the PA increases your satisfaction, and PA002, characterize the PA gives feedback about weaknesses and strengths. Therefore, the equation can be

interpreted such as, for every unit increase in the PA gives feedback about weaknesses and strengths, the PA increases your satisfaction, increases by (0.504) units, holding all others constant.

Since the coefficients are positive, and the t-value for the available variable is 0.001, which is less than 0.05, we conclude that the independent variable PA002, PA gives feedback about weaknesses and strengths, and the dependent variable PA009, PA increases your satisfaction, are linear, and statistically significantly positively related.

Regression analysis is done for all independent variables with dependent variable PA0010, PA is stressful because you do not understand its purpose.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed^{a,b}

Model	Variables Entered	Variables Removed	Method
1	PA uses raters who are biased and not objective in evaluation	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA is stressful because you don't understand its purpose

b. Models are based only on cases for which Organization Type = For-Profit

Model Summary^{b,c}

Model	R		R Square	Adjusted R Square	Std. Error of the Estimate
	Organization Type = For-Profit (Selected)	Organization Type ~ = For-Profit (Unselected)			
1	.365 ^a	.	.133	.116	.901

a. Predictors: (Constant), PA uses raters who are biased and not objective in evaluation

b. Unless noted otherwise, statistics are based only on cases for which Organization Type = For-Profit.

c. Dependent Variable: PA is stressful because you don't understand its purpose

The R² in the Model Summary above shows the statistic of how well the model fits. The only model in the regression is model 1, where 13.3% of the variance of the PA0010, PA is stressful because you don't understand its purpose, is explained by the PA0016, PA uses raters who are biased and not objective in evaluation.

ANOVA^{b,c}

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	6.338	1	6.338	7.815	.007 ^a
Residual	41.360	51	.811		
Total	47.698	52			

a. Predictors: (Constant), PA uses raters who are biased and not objective in evaluation

b. Dependent Variable: PA is stressful because you don't understand its purpose

c. Selecting only cases for which Organization Type = For-Profit

From the ANOVA table above we conclude that the Probability of F statistic (7.815) for the regression model is significant with 0.007 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variable, PA uses raters who are biased and not objective in evaluation, and the dependent variable, PA is stressful because you don't understand its purpose, are statistically significantly related.

Coefficients^{a,b}

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.208	.334		3.617	.001
	PA uses raters who are biased and not objective in evaluation	.306	.110	.365	2.796	.007

a. Dependent Variable: PA is stressful because you don't understand its purpose

b. Selecting only cases for which Organization Type = For-Profit

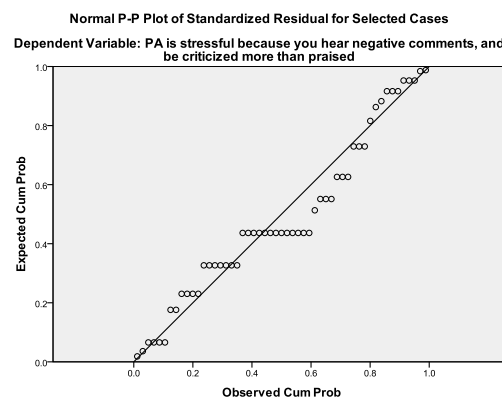
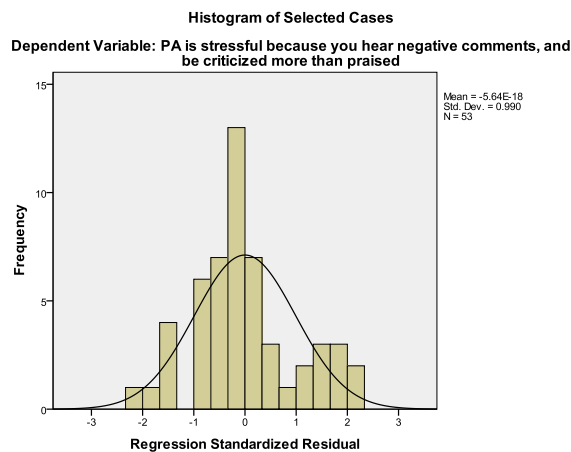
We can derive the regression equation from the Coefficients table above:

$$\text{PA0010} = 1.208 + 0.306 (\text{PA0016})$$

The PA0010, characterize the PA is stressful for you because you do not understand its purpose clearly, and PA0016, characterize the PA uses raters who are biased and not objective in evaluation. Therefore, the equation can be interpreted such as, for every unit increase in the PA uses raters who are biased and not objective in evaluation, the PA is stressful for you because you do not understand its purpose clearly, increases by (0.306) units, holding all others constant.

Since the coefficients are positive, and the t-value for the available independent variable is 0.007, which is less than 0.05, we conclude that the independent variable PA0016, and the dependent variable PA0010, are linear, and statistically significantly positively related.

Regression analysis is done for all independent variables with dependent variable PA0011, PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised.



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line. The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed^{a,b}

Model	Variables Entered	Variables Removed	Method
1	PA uses raters who are biased and not objective in evaluation	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA is stressful because you hear negative comments, and be criticized more than praised

b. Models are based only on cases for which Organization Type = For-Profit

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	Organization Type = For-Profit (Selected)			
1	.315 ^a	.099	.082	.944

a. Predictors: (Constant), PA uses raters who are biased and not objective in evaluation

The R² in the Model Summary above shows the statistic of how well the model fits. The only model in the regression is model 1, where 9.9% of the variance of the PA0011 PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised, is explained by the PA0016, PA uses raters who are biased and not objective in evaluation.

ANOVA ^{b,c}						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.016	1	5.016	5.630	.021 ^a
	Residual	45.437	51	.891		
	Total	50.453	52			

a. Predictors: (Constant), PA uses raters who are biased and not objective in evaluation

b. Dependent Variable: PA is stressful because you hear negative comments, and be criticized more than praised

c. Selecting only cases for which Organization Type = For-Profit

From the ANOVA table above we conclude that the Probability of F statistic (5.630) for the regression model is significant with 0.021 levels, which is less than 0.05, therefore we reject the Null Hypothesis and conclude that the independent variable, PA uses raters who are biased and not objective in evaluation, and the dependent variable, PA is stressful because you hear negative comments, and be criticized more than praised are statistically significantly related.

Coefficients ^{a,b}						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.606	.350		4.586	.000
	PA uses raters who are biased and not objective in evaluation	.273	.115	.315	2.373	.021

a. Dependent Variable: PA is stressful because you hear negative comments, and be criticized more than praised

b. Selecting only cases for which Organization Type = For-Profit

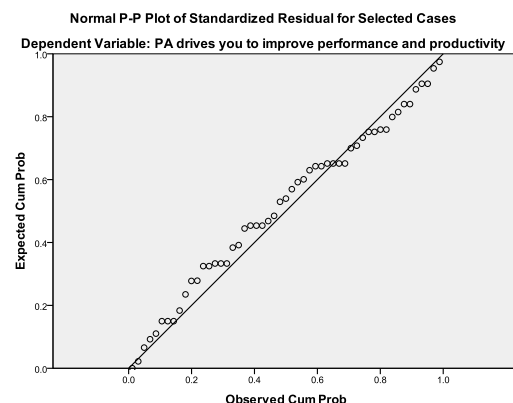
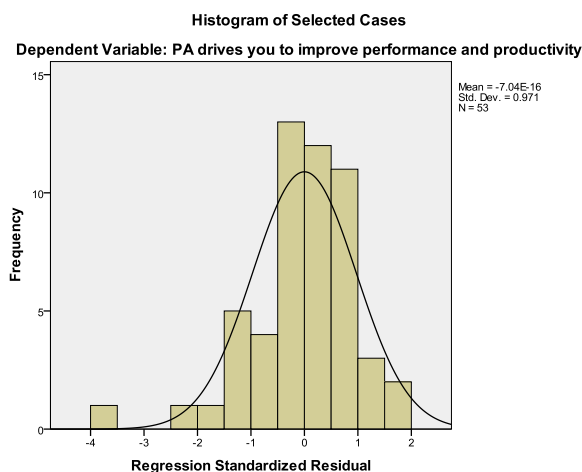
We can derive the regression equation from the Coefficients table above:

$$PA0011 = 1.606 + 0.273 (PA0016)$$

The PA0011, characterize the PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised, and PA0016, characterize PA uses raters who are biased and not objective in evaluation. Therefore, the equation can be interpreted such as, for every unit increase in the PA uses raters who are biased and not objective in evaluation, the PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised, increases by (0.273) units, holding all others constant.

Since all the coefficients are positive and that, the t-value for the available variable is 0.021, which is less than 0.05. This indicates that there is a significant positive linear relationship between the independent variable, PA uses raters who are biased and not objective in evaluation, and the dependent variable, PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised.

Regression analysis is done for all independent variables with dependent variable PA0018, PA drives you to improve performance and productivity



According to the data revealed in the output analysis, the histogram depicts a bell-shaped curve and the Normal P-Plot of the residuals depicts the points closer to the diagonal line.

The Histogram and the P-Plot show that the data is normally distributed.

Variables Entered/Removed^{a,b}

Model	Variables Entered	Variables Removed	Method
1	PA is helpful because the supervisor makes it constructive and sets reasonable goals	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	PA gives feedback about weaknesses and strengths	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
3	PM discuss dreams, hopes for growth and developing career plans	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: PA drives you to improve performance and productivity

b. Models are based only on cases for which Organization Type = For-Profit

Model Summary^{d,e}

Model	R		R Square	Adjusted Square	Std. Error of the Estimate
	Organization Type = For-Profit (Selected)	Organization Type ~ = For-Profit (Unselected)			
1	.643 ^a		.413	.402	.777
2	.705 ^b		.498	.477	.727
3	.736 ^c	.704	.541	.513	.701

a. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals

b. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals, PA gives feedback about weaknesses and strengths

c. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals, PA gives feedback about weaknesses and strengths, PM discuss dreams, hopes for growth and developing career plans

d. Unless noted otherwise, statistics are based only on cases for which Organization Type = For-Profit.

e. Dependent Variable: PA drives you to improve performance and productivity

In the regression model 1, 41.3% of the total variance in the PA0018, PA drives you to improve performance and productivity is explained by PA0017, PA is helpful because the supervisor makes it constructive. In model 2, 49.8% of the total variance in the PA0018, is explained by PA002, PA gives feedback about weaknesses and strengths, increasing the variance by 8.5%. In model 3, 54.1% of the total variance is explained by PA004, PM discuss dreams, hopes for growth and developing career plans increasing by 4.3%.

ANOVA ^{d,e}						
Model		Sum of Squares	df	Mean Square	F	Sig.
3	Regression	28.426	3	9.475	19.263	.000 ^c
	Residual	24.102	49	.492		
	Total	52.528	52			

- a. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals
- b. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals, PA gives feedback about weaknesses and strengths
- c. Predictors: (Constant), PA is helpful because the supervisor makes it constructive and sets reasonable goals, PA gives feedback about weaknesses and strengths, PM discuss dreams, hopes for growth and developing career plans
- d. Dependent Variable: PA drives you to improve performance and productivity
- e. Selecting only cases for which Organization Type = For-Profit

From the ANOVA table above we conclude that the Probability of F statistic (19.263) for the regression model is significant with 0.000 levels, which is less than 0.05, therefore we reject the Null Hypothesis, and conclude that the independent variables, PA is helpful because the supervisor makes it constructive and sets reasonable goals, and PA gives feedback about weaknesses and strengths, and PM discusses dreams, hopes for growth and developing career plans, and the dependent variable PA drives you to improve performance and productivity, are statistically significantly related.

Coefficients ^{a,b}					
Model		Unstandardized Coefficients		Standardized Coefficients	t
		B	Std. Error	Beta	
3	(Constant)	.740	.507		1.460
	PA is helpful because the supervisor makes it constructive and sets reasonable goals	.686	.126	.587	5.428
	PA gives feedback about weaknesses and strengths	.425	.119	.401	3.583
	PM discusses dreams, hopes for growth and developing career plans	-.221	.102	-.243	-2.159

a. Dependent Variable: PA drives you to improve performance and productivity

b. Selecting only cases for which Organization Type = For-Profit

We can derive the regression equation from the Coefficients table above:

$$\text{PA0018} = 0.740 + 0.686(\text{PA0017}) + 0.425(\text{PA002}) - 0.221(\text{PA004})$$

The PA0018, characterize the PA drives you to improve performance and productivity.

The PA0017, characterize PA is helpful because the supervisor makes it constructive, and the PA002, characterize PA gives feedback about weaknesses and strengths. The PA004, characterize PM discusses dreams, hopes for growth, and developing career plans.

We can conclude from the equation that for every unit increase in PA0017, PA is helpful because the supervisor makes it constructive, the PA0018 PA drives you to improve performance, and productivity, increases by 0.686, holding all others constant. In addition,

for every unit increase in PA002, PA gives feedback about weaknesses and strengths, the PA0018, PA drives you to improve performance, and productivity increases by 0.425, holding all others constant. Moreover, for every unit increase in PA004, PM discusses dreams, hopes for growth, and developing career plans, the PA0018, PA drives you to improve performance and productivity decreases by 0.221, holding all others constant.

Since the first two coefficients are positive, and the t-values for the independent variables are 0.000, 0.001, and 0.036 which are less than 0.05, we conclude that the independent variables PA0017, PA is helpful because the supervisor makes it constructive, PA002, PA gives feedback about weaknesses, and strengths, are linear, and statistically significantly positively related to the dependent variable. However, the third coefficient is negative, therefore we conclude that PA004, PM discusses dreams, hopes for growth, and developing career plans and the dependent variable PA0018, PA drives you to improve performance and productivity, are linear, and statistically significantly negatively related.

4.5. INDEPENDENT-SAMPLES T TEST

The independent –samples t-test is used to test the statistically significant difference that exists between the means of two independent groups. In this study, the two groups are not-for-profit and for-profit organizations. It is also called student's T-test, where it is used for the assumption of the normality of the dependent variable, and for the testing of the equality of variances.

The equality of variances is tested by Levene's Test for Equality of Variances. If the significant level is less than 0.05, we reject the "Equality of the Variances" and instead use the "Equal Variances Not Assumed." Moreover, the essential part of this test is to see the "2-tailed significance" level. If the "2-tailed significance" level is less than 0.05, we reject the null hypothesis that the two group means are equal and accept the alternative hypothesis that they are not equal.

Independent t-test was executed on each independent variable in order to see if there are any differences in the effects of performance appraisal practices between not-for-profit and for-profit organizations in Lebanon.

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means	
		F	Sig.	t	Sig. (2-tailed)
PA is used as a tool for assessing Performance	Equal variances assumed	1.063	.305	-.797	.428
	Equal variances not assumed			-.789	.433
PA gives feedback about weaknesses and strengths	Equal variances assumed	3.370	.070	.299	.766
	Equal variances not assumed			.309	.758
PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance	Equal variances assumed	2.758	.100	.919	.361
	Equal variances not assumed			.934	.353
PM discuss dreams, hopes for growth and developing career plans	Equal variances assumed	.020	.888	.065	.948
	Equal variances not assumed			.065	.948
You are participant in PA therefore you are committed	Equal variances assumed	.618	.434	-1.000	.320
	Equal variances not assumed			-.987	.327
You have role in setting and accomplishing objectives therefore committed	Equal variances assumed	.069	.794	-.016	.987
	Equal variances not assumed			-.016	.987
PA uses raters who do not have the experience to rate employees accurately	Equal variances assumed	1.761	.188	-.120	.905
	Equal variances not assumed			-.124	.901
PA inspires trust because you feel it is a thoughtful, fair system	Equal variances assumed	1.272	.262	.241	.810
	Equal variances not assumed			.248	.804
PA uses raters who are biased and not objective in evaluation	Equal variances assumed	1.460	.230	-1.051	.296
	Equal variances not assumed			-1.096	.276
PA is helpful because the supervisor makes it constructive and sets reasonable goals	Equal variances assumed	.000	.982	.285	.777
	Equal variances not assumed			.283	.778

According to the results of the Levene's Test above, which shows significant levels of greater than 0.05, we accept the equality of variances.

If the significant 2-tailed statistics, in the t-test of Equality of means shows the resulted significant levels are greater than 0.05, we accept the equality of variances assumed and reject the equality of variances not assumed.

Therefore, we conclude that the following independent variables are not different for for-profit and not-for profit organizations in Lebanon.

- PA is used as a tool for assessing Performance
- PA gives feedback about weaknesses and strengths
- PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance
- PM discuss dreams, hopes for growth and developing career plans
- You are participant in PA therefore you are committed
- You have role in setting and accomplishing objectives therefore committed
- PA uses raters who do not have the experience to rate employees accurately
- PA inspires trust because you feel it is a thoughtful, fair system
- PA uses raters who are biased and not objective in evaluation
- PA is helpful because the supervisor makes it constructive and sets reasonable goals

Independent t-test was executed for all the dependent variables in order to see if there are any differences in performance appraisal practices between not-for-profit and for-profit organizations in Lebanon.

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means	
		F	Sig.	t	Sig. (2-tailed)
PA increases your morale	Equal variances assumed	2.161	.145	-.355	.724
	Equal variances not assumed			-.376	.708
PA increases your motivation	Equal variances assumed	2.005	.160	-.261	.794
	Equal variances not assumed			-.277	.782
PA increases your commitment	Equal variances assumed	3.857	.053	-.204	.839
	Equal variances not assumed			-.218	.828
PA increases your satisfaction	Equal variances assumed	3.099	.082	-.015	.988
	Equal variances not assumed			-.016	.987
PA is stressful because you don't understand its purpose	Equal variances assumed	.878	.351	.915	.363
	Equal variances not assumed			.900	.371
PA is stressful because you hear negative comments, and be criticized more than praised	Equal variances assumed	.874	.352	.861	.391
	Equal variances not assumed			.845	.401
PA drives you to improve performance and productivity	Equal variances assumed	1.785	.185	-2.003	.048
	Equal variances not assumed			-1.975	.052

According to the results of the Levene's Test above, which shows significant levels of greater than 0.05, we accept the equality of variances of all the dependent variables.

Therefore, we conclude that all dependent variables are not different for for-profit and not-for profit organizations in Lebanon.

- PA increases your morale
- PA increases your motivation
- PA increases your commitment
- PA increases your satisfaction
- PA is stressful because you don't understand its purpose
- PA is stressful because you hear negative comments, and be criticized more than praised
- PA drives you to improve performance and productivity

SUMMARY OF FINDINGS AND RECOMMENDATIONS

5.1. FINDINGS

The main aim of this research study, as acknowledged in the research questions, is to test whether the practice of the performance appraisal (PA) is positively related with employee responses such as motivation, satisfaction, lack of stress, and performance improvement. In addition, it tested whether the effects of performance appraisal are not different for for-profit and not-for-profit organizations in Lebanon.

Overall Organizations

Finding 1:

PA002, PA gives feedback about weaknesses and strengths, and PA0015, PA inspires trust because you feel it is a thoughtful, fair system, have statistically positive correlation with the PA increases your morale PA006, PA increases your motivation PA007, PA increases your commitment PA008, and PA increases your satisfaction PA009.

Finding 2:

PA0013, You have role in setting and accomplishing objectives therefore committed statistically has positive correlation with the PA0011, PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised.

Finding 3:

PA001, PA is used as a tool for assessing yearly performance, and PA0015, PA inspires trust because you feel it is a thoughtful, fair system, and PA0017, PA is helpful because the supervisor makes it constructive and sets reasonable goals statistically have significant positive correlation with PA0018, You feel the Performance Appraisal drives you to improve your performance and productivity.

Not-For-Profit Organizations

Finding 4:

PA004, PM discusses dreams, hopes for growth and developing career plans statistically has significant positive correlation with the PA increases your morale PA006, motivation PA007, and commitment PA008.

Finding 5:

PA0017, PA is helpful because the supervisor makes it constructive and sets reasonable goals and the PA0015, PA inspires trust because you feel it is a thoughtful, fair system are significantly positively related with PA0018, PA drives you to improve performance and productivity.

For-Profit Organizations

Finding 6:

PA002, PA gives feedback about weaknesses and strengths has statistically positive correlation with the PA increases your morale PA006, PA increases your motivation PA007, PA increases your commitment PA008, and PA increases your satisfaction PA009.

Finding 7:

PA0014, PA uses raters who are biased and not objective in evaluation, has statistically significant positive correlation with the PA0010, PA is stressful because you do not understand its purpose clearly

Finding 8:

PA0014, PA uses raters who are biased and not objective in evaluation has statistically significant positive relationship with the PA0011, PA is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised.

Finding 9:

PA 0017, PA is helpful because the supervisor makes it constructive and sets reasonable goals, and PA002, PA gives feedback about weaknesses and strengths have statistically significant positive relationship with PA0018, PA drives you to improve performance and productivity. However, PA004, PM discuss dreams, hopes for growth, and developing career plans is statistically significant but negatively related.

Specific comments on General Findings from Multiple Regression

Analyses

1. In Finding #2, we discover that when employees have a role in setting and accomplishing objectives, they are committed but performance appraisal (PA) is stressful for them, because they expect to hear negative comments, hear about their weaknesses, and be criticized more than praised. This stress here may be caused by the fact that employees are highly accountable because involved deeply in the process of setting and accomplishing objectives, they feel much more responsible.

2. In Finding #4 (related to Not-For-Profit organizations), we discover that Performance Management (PM) discusses dreams, hopes for growth and developing career plans is positively related to PA increases your morale, PA increases your motivation, and PA increases your commitment. However, in For-Profit organizations, the fact that PM discusses dreams, hopes for growth and developing career plans is negatively related to PA is helpful because the supervisor makes it constructive and sets reasonable goals, and PA gives feedback about weaknesses and strengths.

These divergent findings may be due to the differences between the two types of organizations. In the Not-For-Profit organizations, employees seem to need more encouragement.

Specific comments on a few findings from Factor Analyses for

Independent Variables.

We see that the factors that explain the most the total variance are grouped the same way when we look at both types of organizations together and at Not-For-Profit organizations alone. These factors are the PA is helpful because the supervisor makes it constructive and sets reasonable goals, PA inspires trust because the employee feels it is a thoughtful fair system, the employee has a role in setting and accomplishing objectives therefore they are committed, and the employee is a participant therefore he/she is committed. However, For-Profit organizations alone, the more foundational factors such as PA is used as a tool for assessing performance, PA gives feedback about weaknesses and strengths, and PA as a basis, PM is used continuously discussing, setting objectives, reviewing performance explain the most the total variance. This difference, again, may be due to the fact that employees in Not-For-Profit organizations are more appreciative of the consideration shown to them.

Table of Summary of Multiple Regression Analyses Findings

Multiple Regression Analyses

Independent Variables	Dependent Variables	R Square	Statistically Significant Relationship
PA gives feedback about weaknesses and strengths. PA inspires trust because you feel it is a thoughtful, fair system.	PA increases your morale	19.1%	Positive Positive
PA gives feedback about weaknesses and strengths. PA inspires trust because you feel it is a thoughtful, fair system.	PA increases your motivation	19.1%	Positive Positive
PA gives feedback about weaknesses and strengths. PA inspires trust because you feel it is a thoughtful, fair system.	PA increases your commitment	18.4%	Positive Positive
PA gives feedback about weaknesses and strengths. PA inspires trust because you feel it is a thoughtful, fair system.	PA increases your satisfaction	17%	Positive Positive
You have role in setting and accomplishing objectives therefore committed	PA is stressful because you hear negative comments, and be criticized more than praised	5.1%	Positive
PA is helpful because the supervisor makes it constructive and sets reasonable goals PA inspires trust because you feel it is a thoughtful, fair system. PA is used as a tool for assessing Performance	PA drives you to improve performance and productivity	53.3%	Positive Positive Positive

Multiple Regression Analyses- Not-For-Profits

Independent Variables	Dependent Variables	R Square	Statistically Significant Relationship
PM discusses dreams, hopes for growth and developing career plans	PA increases your morale	11.4%	Positive
PM discusses dreams, hopes for growth and developing career plans	PA increases your motivation	11.4%	Positive
PM discusses dreams, hopes for growth and developing career plans	PA increases your commitment	14%	Positive
PA is helpful because the supervisor makes it constructive and sets reasonable goals PA inspires trust because you feel it is a thoughtful, fair system.	PA drives you to improve performance and productivity	67.93%	Positive Positive

Multiple Regression Analyses- For-Profit

Independent Variables	Dependent Variables	R Square	Statistically Significant Relationship
PA gives feedback about weaknesses and strengths.	PA increases your morale	21.8%	Positive
PA gives feedback about weaknesses and strengths.	PA increases your motivation	22.1%	Positive
PA gives feedback about weaknesses and strengths.	PA increases your commitment	20.5%	Positive
PA gives feedback about weaknesses and strengths.	PA increases your satisfaction	20.5%	Positive
PA uses raters who are biased and not objective in evaluation	PA is stressful because you do not understand its purpose	13.3%	Positive
PA uses raters who are biased and not objective in evaluation	PA is stressful because you hear negative comments, and be criticized more than praised	9.9%	Positive
PA is helpful because the supervisor makes it constructive and sets reasonable goals PA gives feedback about weaknesses and strengths. PM discusses dreams, hopes for growth and developing career plans	PA drives you to improve performance and productivity	54.1%	Positive Positive Negative

Independent Sample T Test Findings

The following independent variables are not different for for-profit and not-for profit organizations in Lebanon.

- PA is used as a tool for assessing Performance
- PA gives feedback about weaknesses and strengths
- PA as basis, PM is used continuously discussing, setting objectives, reviewing Performance
- PM discuss dreams, hopes for growth and developing career plans
- You are participant in PA therefore you are committed
- You have role in setting and accomplishing objectives therefore committed
- PA uses raters who do not have the experience to rate employees accurately
- PA inspires trust because you feel it a thoughtful, fair system
- PA uses raters who are biased and not objective in evaluation
- PA is helpful because the supervisor makes it constructive and sets reasonable goals

The following dependent variables are not different for for-profit and not-for profit organizations in Lebanon.

- PA increases your morale
- PA increases your motivation
- PA increases your commitment
- PA increases your satisfaction

- PA is stressful because you don't understand its purpose
- PA is stressful because you hear negative comments, and be criticized more than praised
- PA drives you to improve performance and productivity

5.3. LIMITATIONS

We need to mention here some of the limitations that I have faced during the preparation of my research. Although, I tried to be very careful in preparing it but some of the drawbacks are worth mentioning.

- The majority of the not-for-profit organizations do not conduct performance appraisal because they do not have Human Resource departments. This attitude did not help me much in getting feedback from them. For this reason, the completed questionnaires from the not-for-profit organizations were limited to 37 instead of totaling to 50.
- Compared with the for-profit organizations, there was limited literature concerning the effects of performance appraisal, and its practices in the not-for-profit organizations.
- Overall, it would have been additionally helpful if the study conducted had entailed in-depth interviews with the employees/respondents, at both managerial and non-managerial levels, in both for-profit and not-for profit organizations.

5.4. RECOMMENDATIONS

The results of this study guide me to recommend the following:

- Organizations should recognize and emphasize the positive in individual performance more than the negative, to enhance employee morale, motivation, satisfaction, and commitment, for the purpose of obtaining better performance.
- Organizations should train supervisors about how to conduct PA without bias, to be objective in their evaluation of their subordinates, and be sensitive towards their concerns.
- Not-for-profit organizations in all industries should work on developing and putting a great emphasis on having Human Resource Departments or, at least the HR Function, in order to implement performance appraisal and enhance professionalism. Performance Management must be used to continuously re-evaluate and modify how the employee and the team get their work done, because employees are the most important asset, they contribute much to the success of the organization, and in Not-For-Profit organizations employee expect more from PA and PM systems for their development.

APPENDIX

**Questionnaire Exploring
The Effects of Performance Appraisal on Employees in a Sample of
For-Profit and Not-For-Profit Organizations**

Dear Respondents,

My name is Ani Baboghlanian and I am a student at Haigazian University in Beirut working on my thesis project as part of the requirements of my MBA degree. I would very much appreciate your sincere responses by filling out the attached questionnaire.

The questionnaire is prepared based on Likert – Scale questions and/or statements: Strongly Disagree – Disagree – Neutral – Agree - Strongly Agree. Please read each statement and put a check in the box that signifies your level of agreement with the application of these practices in your organizations.

My research title is **“The effects of Performance Appraisal on employees in a sample of for-profit and not-for-profit organizations in Lebanon.”** Your accurate and frank responses will contribute to have precise results and help me in defending my thesis project successfully.

It will not take you more than 15 minutes to answer to the 18 statements of the questionnaire, which describe the major aspects of Performance Appraisal and Performance Management.

Please know that your answers will be kept strictly confidential. You are not required to identify yourselves or your organizations.

Thank you very much for your willingness, valuable time, and support.

Looking forward to hearing from you,

Sincerely,
Ani Baboghlanian

Choose the type of your organization: ☐ **For–Profit**

☐ **Not–For-Profit**

Your position in the organization -----

No.	In Your Organization	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Performance Appraisal is used in formal or informal ways, as a tool for assessing yearly performance of your tasks according to certain clear standards and quantifiable measures.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Performance Appraisal gives feedback evaluation about the weaknesses and strengths of your performance in order to eliminate poor performance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Using Performance Appraisal as a basis, Performance Management also is used focusing continuously on discussions with employees, setting objectives, expectations, giving feedback on improvements, coaching, and reviewing performance strategies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Performance Management provides an opportunity to you to discuss dreams and hopes for growth and developing career plans.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. What is or are the methodologies that managers use to conduct performance appraisal (check as many as applicable):

☐ **Graphic Rating Scales (GRS)**

Each scale records the characteristics of the employee such as “communication” and a performance values such as “unsatisfactory” to “outstanding” the manager rates the employee by putting the sign of check that most expresses the employee performance. Finally, the total score is calculated.

☐ **Alternation Ranking**

Is used to rank employees according to their characteristics, from the worst to the best employees.

☐ **Paired Comparison**

You prepare a chart, pair employees for each characteristic then for each characteristic designate (with a + or a -) and see who will get a better score. Finally, you add up the +'s for the employees paired and see who has the highest rank.

☐ **Forced Distribution**

Divides the ranking of the employees' distribution into 3 different categories such as 10 to 20 percent at the top part, 70 to 80 percent at the middle, and the bottom part includes the remaining 10 percent.

☐ **Critical Incident**

Managers keep record of the positive and the negative incidents that happen during the job and then every 6 months, they discuss the subordinates' performance according to the recorded examples.

☐ **Narrative Forms**

Is not a quantitative method. This method used by supervisors and managers to identify the strengths and weaknesses of the employees' performance written in an essay form.

☐ **Behaviorally Anchored**

Rating Scales (BARS)

A tool that combines “narrative critical incidents and quantified ratings.”

☐ **360-Degree feedback**

When the employee receives feedback from all his/her colleagues and customers and whoever is related in carrying out the daily job

☐ **Management by Objectives (MBO)**

Where supervisors and employees put together the goals, manage, direct, communicate, and discuss them.

6.	Performance Appraisal increases your morale.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Performance Appraisal increases your motivation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Performance Appraisal increases your commitment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Performance Appraisal increases your satisfaction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Performance Appraisal is stressful for you because you do not understand its purpose clearly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Performance Appraisal is stressful for you because you expect to hear negative comments, hear about your weaknesses, and be criticized more than praised.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	You are a participant in your Performance Appraisal system; therefore, you are committed to it.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13	You have your role in setting and accomplishing the organizations' objectives and therefore are committed to them.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	The Performance Appraisal uses raters (the one who grades our performance) who do not have the experience, knowledge, and training to rate employees accurately.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15	The Performance Appraisal inspires trust because you feel it is a thoughtful, fair system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16	The Performance Appraisal uses raters who are biased and not objective in their evaluation criteria.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17	You feel the Performance Appraisal is helpful, because the supervisor makes the appraisal constructive and sets reasonable goals.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	You feel the Performance Appraisal drives you to improve your performance and productivity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BIBLIOGRAPHY

Abdulkadir, D., Isiaka, S., & Adedoyin, S. (2012). Effects of Strategic Performance Appraisal, Career Planning and Employee Participation on Organizational Commitment: An Empirical Study. *International Business Research*, 5(4), 124-133.

doi:10.5539/ibr.v5n4p124

Ahmed, I. & Ramzan, M. & Mohammad S.K. & Islam, T. (2011, September 5). Relationship Between Perceived Fairness In Performance Appraisal and OCB; Mediating Role of Organizational Commitment. *International Journal of Academic Research*, 3(5), 15-19.

Armstrong S. & Appelbaum M. (2003). Stress-Free Performance Appraisals. Career Press Franklin Lakes, N.J.

Ballaro, B. (2008). Making Performance Reviews Less Stressful--for Everyone. *Harvard Management Update*, 13(1), 3-5.

Bassous, G.M. (2010). Factors that Affect Worker Motivation in Faith-Based Nonprofit Organizations: A Mixed Methodology Study. University of Phoenix. A Dissertation

Bies, R.J. & Moag J.S. (1986). Interactional justice: Communication criteria of fairness Research on Negotiation in Organizations. JAI Press.

Boswell, W. R., & Boudreau, J. W. (2000). Employee Satisfaction with Performance Appraisals and Appraisers: The Role of Perceived Appraisal Use. *Human Resource Development Quarterly*, 11(3), 283-299.

Brown, M., & Benson, J. (2003). Rated to exhaustion? Reactions to performance appraisal processes. *Industrial Relations Journal*, 34(1), 67-81. doi:10.1111/1468-2338.00259

Cascio, Wayne F. (2003). Managing Human Resources, 6th ed. New York: McGraw-Hill Higher Education.

Cravens, K. S., Oliver, E., & Stewart, J. S. (2010). Can a positive approach to performance evaluation help accomplish your goals? *Business Horizons*, 53(3), 269-279.

doi:10.1016/j.bushor.2009.09.005

Cawley, B. D., Keeping, L. M., & Levy, P. E. (1998). Participation in the Performance Appraisal Process and Employee Reactions: A Meta-Analytic Review of Field Investigations. *Journal Of Applied Psychology*, 83(4), 615-633.

Dessler, g. Human Resource Management (12th ed.). (2011). Pearson Ed. Inc., Publishing.

Giles, W. F., & Mossholder, K.W.(1990). Employee reactions to contextual and session components of performance appraisal. *Journal of Applied Psychology*, 175(4), 371-377.

Grote, D. (2005). *Forced Ranking: Making Performance Management Work. Harvard Business School Press Books*, 1.

Grote, D. (2011, July 11). Let's Abolish Self-Appraisal. *Harvard Business Review Blog Network*.

Gostick, A. & Elton, C. (2009). *The Carrot Principle*. Pocket Books.

Greenberg, J.(1987). A taxonomy of organizational justice theories. *Academy of Management Review*, 12, 9-22.

Hai, A. (2010). *Performance Appraisal Effectiveness: An Evaluation of McDonald's in the UK*. LAMBERT Academic Publishing.

HR Management- methods of performance appraisal - Human Resource Management Forum - YourHRWorld.Com on [April 22nd, 2009 at 5:32](#)
[amhttp://www.humanresources.hrvinet.com/performance-appraisal-methods/](http://www.humanresources.hrvinet.com/performance-appraisal-methods/)

Jawahar, I.M.(2006). An investigation of potential consequences of satisfaction with appraisal feedback. *Journal of leadership and organizational studies*, 13(2), 14-28

Karimi, R. & Malik, M.I. & Hussain, S. (2011, December). Examining the Relationship of Performance Appraisal System and Employee Satisfaction. *International Journal of Business and Social Science*, 2(22), 243-247.

Knight, R. (2011, November 3). Delivering an Effective Performance Review. *Harvard Business Review Blog Network*.

Krattenmaker, T. (2009). Appraising Employee Performance in a Downsized Organization. *Harvard Management Update*, 14(5), 3-5.

Lawler III, E.E. & Benson, G. S. & McDermott, M. (2012, June). Performance Management and Reward Systems. *CEO Publication* G 12-10(617).

Levy, P. & Williams, J.R. (1998, December 4). The role of perceived system knowledge in predicting appraisal reactions, job satisfaction, and organizational commitment. *Journal of Organizational Behavior*. doi: 10.1002/ (SICI) 1099-1379(199801)19:1<53:: AID-JOB826>3.0.CO;2-D.

Luizzi, P. (2013, February). Performance Management: A Balanced Approach.
www.FireEngineering.com

- Mayer, R. C., & Davis, J.H. (1999). The Effect of the Performance Appraisal System on Trust for Management: A Field Quasi-Experiment. *Journal of Applied Psychology*, 84(1), 123-136.
- Mone, E.M. & London, M. (2010). Employee Engagement.
- Murphy, K.R., & Cleveland, J.N. (1995). Understanding performance appraisal: Social, organizational, and goal-based perspectives. Thousand Oaks, CA. Sage publications.
- Nickols, F. (2007, spring). Performance Appraisal: Weighed and Found Wanting in the Balance. *THE JOURNAL FOR QUALITY & PARTICIPATION*, 30(1), 13-16.
- Parab, M.S. (2007). Exploring the effectiveness of Performance Appraisal In Multinational Company. A Dissertation
- Patz, A. L. (1975). Performance appraisal: useful but still resisted. *Harvard Business Review*, 53(3), 74-80.
- Pettijohn, C.E. Pettijohn, L.S. & d'Amico, M. (2001a). Characteristics of performance appraisals and their impact on sales force satisfaction. *Journal of Human Resource Department Quarterly*, 12(2), 127-146.
- Pichler, S.M. (2009). Employee reactions to performance appraisal: Development of an integrative framework and meta-analysis. A Dissertation
- Salleh, M. & Amin, A. & Muda, S. & Abdul Halim, M. (2013). Fairness of Performance Appraisal and Organizational Commitment. *Asian Social Science*, 9(2), 121-126.
- Schultz, D.P. & Schultz, S.E. (1998). *Work Today*, (7th ed.).
- Selden, S. and Sowa, J.E. (2011, fall). Performance Management and Appraisal in Human Service Organizations: Management and staff Perspectives. *Public Personnel Management*, 40(3), 251-261.
- Smith, M. H. (2003). Empower staff with praiseworthy appraisals. *Nursing Management*, 34(1), 16-17.
- Sudin, S. (2011, July). Fairness of and Satisfaction with Performance Appraisal Process. *Journal of Global Management*, 2(1), 66-71.
- Umma, S.S.H. (2010). The Impact of Effective Performance Appraisal System: Impact of Performance Appraisal on Employee Motivation. VDM Verlag Dr. Muller.
- Walsh, M.B. (2003, December). Perceived Fairness of and satisfaction with Employee Performance appraisal. A Dissertation

