

Performance Appraisal Satisfaction & Organizational Commitment

Kanika K. Ahuja, Priyanka Padhy & Garima Srivastava

Performance appraisal acts as a fulcrum in relationship between employees and the organization by creating an avenue for continuous communication and feedback. The satisfaction of employees towards performance appraisal affects them in tangible and intangible ways; leading to diverse reactions and behavioral outcomes. This study assesses the strength and direction of the relationship between Performance Appraisal Satisfaction and Organizational Commitment of 112 employees working in 18 private sector organizations in Delhi-NCR. The results established a significant relationship between performance appraisal satisfaction and organizational commitment. Affective and normative commitment and overall commitment were found to have significant correlation with Performance Appraisal Satisfaction. Continuance commitment, however, was not found to have a significant relationship.

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Introduction

Understanding how a diverse range of organizational practices impact employee behavior and outcomes has been at the core of Human Resource Management. One such critical human resource practice is performance appraisal. It is seen as the mechanism for evaluating how each employee's day-to-day performance is related to organizational goals. As a process that reveals employees' strengths and weaknesses, performance appraisal impacts employees in tangible ways through pay raises and promotions, and in intangible ways by enhancing self awareness, and self esteem in some areas and motivating them to improve performance in other areas. Further, by creating a platform for engagement and feedback between both the employee and the organization, performance appraisal acts as a fulcrum in the bidirectional relationship between the employee and the organization.

Interest in the area of how employees react to performance appraisal emerged predominantly in the late 1970s and early 1980s (Landy & Farr, 1980). Four main constructs have been used to investigate employee reactions to performance appraisal systems: satisfaction, fairness, utility and accuracy (Keeping & Levy, 2000). The present study focuses on Performance Appraisal Satisfaction (PAS). Research suggests that when organizations assess employee reactions to performance appraisal systems, employee dissatisfaction with the system is commonly reported. Satisfaction with performance appraisal subsumes satisfaction with the appraisal outcomes, satisfaction with the appraisal interview and satisfaction with the appraisal process (Katavich, 2013).

Research has found each of these components to be important predictors of employee satisfaction with the appraisal system. Informing employees of the purpose of performance appraisal, the policies and procedures which relate to the system, expectations from the employee, how the system will be monitored- aspects of the appraisal process- have all been found to lead to employee satisfaction with the appraisal system (Levy & Williams, 1998). The appraisal interview may be used both for evaluation and developmental purposes. However, employee satisfaction has been found to be higher when it is used for a developmental purpose, since that focuses on helping employees succeed in their roles (Dorfman et al., 1986). Feedback provided during the appraisal interview has been found to be an important predictor

of satisfaction, especially when feedback is specific, goal-oriented and received from a credible source (Jawahar, 2010). Last, while the appraisal yields several outcomes such as pay increments, promotions, professional development etc., the value that a good performance rating holds for an employee is immense.

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PAS has been found to be affected by variables such as the richness of feedback (Kinicki et al., 2004), perceived accuracy (Wood & Marshall, 2008), perceived fairness (Youngcourt et al., 2007), and trust in appraisal (Naji et al., 2015). Similarly, research on PAS as a predictor has been robust. Four major outcomes of effective performance appraisal have been identified: improved employee performance, enhanced motivation, reduced employee turnover, and equity among employees (Selvarajan & Cloninger, 2009). A range of studies have established a positive relationship between PAS and employee outcomes such as motivation, performance and commitment (Weerakkody & Mahalekamge, 2013), motivation, performance and productivity (Mohamed Aly & El-Shanawany, 2016) and behavioral indices like work performance, affective attachment to the organization, motivation improvement and unwillingness to quit job (Fakhimi & Raisy, 2013). Kuvaas (2006b) also reports

a positive relationship between PAS and performance. In India, Singh & Rana (2014) examined the impact of performance appraisal on the motivation of 170 teachers in professional institutes in Uttarakhand and found a significant positive correlation.

Research also indicates that if employees are satisfied with performance appraisal, they have lower intentions of leaving the organization. Ahmed et al. (2010) explored the relationship between PAS, job satisfaction and turnover intentions in semi-governmental organizations in Pakistan and found PAS to be significantly and positively correlated with job satisfaction and significantly and negatively correlated with turnover intention. One of the behavioral outcomes of PAS that is particularly relevant in Human Resource Management is Organizational Commitment (OC) and the current study focuses on this relationship.

Organizational Commitment

Commitment at the workplace has been a major area of interest for academicians, researchers and for those actively involved in the organizational settings. Porter et al. (1974) have defined organizational commitment as “the strength of an individual’s identification with and involvement in a particular organization”. They identify 3 main components: a strong belief in and acceptance of the organization’s goals, a willingness to exert considerable effort on behalf of the organization, and a definite desire to maintain organizational membership. Meyer & Allen (1997) describe

three kinds of commitment. Affective commitment (AC) refers to employees’ emotional attachment to, identification with and involvement in the organization. Continuance commitment (CC) is based on the employees’ awareness about the costs of leaving the organization, making them stay for the sake of the benefits to be obtained or lost if they were to leave. Normative commitment (NC) reflects a feeling of obligation to continue employment out of loyalty, obedience and obligation.

Multivariate studies in the area of organizational commitment have identified a range of individual and organizational factors that affect commitment. Among the individual variables affecting commitment are age and tenure, gender, education, employment alternatives, sense of competence and internal locus of control. Organizational variables affecting commitment are diverse and interacting. These include perceived structure, process, and climate, job satisfaction, organizational culture, organizational socialization, person-organization fit, role conflict and organization citizenship behavior, among others.

PAS as a Predictor of OC

Among the organizational factors affecting OC, PAS holds a prominent place. Existing research attests that satisfaction in the performance appraisal process and outcomes significantly impact different dimensions of OC. Kuvaas (2006b) investigated relationships between PAS and employee outcomes in the form of self-reported work perfor-

mance, affective OC and turnover intention through a cross-sectional survey of 593 employees from 64 Norwegian savings banks. PAS was found to be directly related to AC ($\beta = .19, p < .001$) and turnover intention ($\beta = -.29, p < .001$). Research on sales people suggested that OC is positively associated with the use of explicit evaluative criteria and openness to discussing the appraisal (Pettijohn et al., 2001).

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Studies in the Indian context have established a positive and significant relationship between PAS and OC (Kumar & Krishnaveni, 2008; Singh & Rana, 2013; Saxena & Rai, 2015). Shahnawaz & Juyal (2006) studied the impact of various HRM practices and OC in two organizations and reported that among all the HRM practices, performance appraisal emerged as the most significant predictor of commitment in both the organizations ($\beta = 0.35, p < 0.01$).

Further, among the dimensions of satisfaction in performance appraisal, fairness of the performance appraisal process has been found to have a significant bearing on the commitment of employees. For instance, Salleh et al. (2012) studied the perception of 425 civil servants towards the fairness of performance appraisal and its effect on OC and found that perceived fairness of performance appraisal influenced their commit-

ment towards organization through the mediating factor of satisfaction.

The Present Study

This study aimed to assess the strength and direction of the relationship between PAS and OC of employees working in private sector organizations in Delhi-NCR. Based on the existing literature, the following were hypothesized:

H1: There will be a significant and positive relationship between performance appraisal satisfaction of employees and organizational commitment (total).

H1A: There will be a significant and positive relationship between performance appraisal satisfaction of employees and affective organizational commitment.

H1B: There will be a significant and positive relationship between performance appraisal satisfaction of employees and continuance organizational commitment.

H1C: There will be a significant and positive relationship between performance appraisal satisfaction of employees and normative organizational commitment.

H2: Organizational Commitment (total) of employees will be significantly influenced by their satisfaction with performance appraisal system.

H2A: Affective Organizational Commitment of employees will be significantly influenced by their satisfaction with performance appraisal system.

H2B: Continuance Organizational Commitment of employees will be significantly influenced by their satisfaction with performance appraisal system.

H2C: Normative Organizational Commitment of employees will be significantly influenced by their satisfaction with performance appraisal system.

Sample & Procedure

Data were collected from 112 participants from 18 private sector organizations located in the Delhi/NCR. A minimum of 4 participants per organization were selected through convenience sampling. All the participants were at managerial posts and had served the organization for a minimum period of 1 year. All the organizations had a formal performance appraisal system. The organizations were from diverse industries such as banking, IT, auditing and consulting, real estate, automotive, media, hospitality and FMCG.

In terms of demographic characteristics, the sample included 86 men (76.78%) and 26 women (23.21%). The average age was 35.93 years. The participants belonged to middle/upper socio-economic status, residing in Delhi/NCR region. The average tenure of the participants was 70.26 months with 41.07% participants having tenure between 12-36 months, 20.53% having tenure between 37-60 months, 22.32% having tenure between 61-120 months and 16.07% having tenure of 121 months or above. 39.28% the participants held MBA degrees, while 25% were post graduates and 20.53% were graduates. 15.17% had other qualifications. 52.67% of the participants belonged

to the middle managerial level, followed by 29.46% at the junior management level and 17.85% at the senior level.

A prior date and time was fixed with the managers of the respective organizations for data collection. The participants were explained that the present research attempted to understand their perceptions of the performance appraisal system in their organization and certain work-related attitudes, without revealing the specific objectives of the study. They were assured that confidentiality would be maintained and that their individual responses would not be shared with the HR Department. Instructions were given to the participants and one by one two questionnaires were administered. A short interview was held thereafter with one manager from each organization in which questions around the nature and process of PA were asked¹. The interview was recorded after taking permission from the respondent. After the collection of data the employees were thanked for their participation and cooperation.

¹The following questions were asked as part of the Interview: Can you please share a little about the Performance Appraisal System maintained by your Organization? By whom is the performance of employees assessed in your organization? Have you ever seen the Performance Appraisal Form used by your organization? / Are you aware of the Guidelines on which the Performance Appraisal is based? Could you please describe the appraisal form. What are your views regarding the Performance Appraisal System maintained by your organization? Are you happy/ satisfied with it? Do you like the way your performance is being evaluated? What aspects do you like about the System? Please elaborate. Do you think there are any shortcomings of this system? Please elaborate.

Measures

A demographic sheet was given to all participants. This consisted of questions ascertaining background information such as age, gender, educational qualification, name of the organization, designation, managerial level, tenure at current organization, tenure in the current position, frequency of PA, who the appraiser(s) is are and whether the last appraisal was as expected, higher than expected or lower than expected for the employee in question.

Performance Appraisal Satisfaction was measured using Katavich's (2013) adaptation of the Performance Appraisal Satisfaction Scale by Cook and Crossman (2004). Katavich (2013) modified certain items slightly to reflect terminology that would be more suitable for a general organizational context rather than a specific one. The scale measures participant's perceptions of fairness in the manner in which the appraisal process is carried out, perceived fairness and of the outcomes, expectations about performance appraisal ratings, whether people have been trained in the use of the PA system and satisfaction with the performance appraisal review. This scale comprises 25 items to be rated on a five-point Likert Scale (where 1= Strongly Disagree

and 5= Strongly Agree). The negatively worded items (item numbers 3, 12, 21, 22) were reverse scored. If a response was missing, a middle response, i.e. 3 was added so as to adjust the total score. Higher scores are indicative of greater PAS. The Cronbach alpha, as reported by Cook and Crossman (2004) was 0.84, suggestive of good reliability.

Organizational Commitment was measured using the OC Scale (Allen & Meyer, 1997). The scale consists of three dimensions: affective, normative and continuance commitment that encompass organizational commitment. Each dimension is assessed by 6 items which require the respondents to indicate their level of agreement with the statements with the help of a five-point Likert Scale (where, 1= Strongly Disagree, and 5= Strongly Agree). If a response was missing, a middle response, i.e. 3 was added so as to adjust the total score.

The various subscales along with the items measuring them are listed below:

Subscale	Item Numbers
Affective Commitment	1, 2, 3*, 4*, 5, 6*
Continuance Commitment	7, 8, 9, 10, 11, 12
Normative Commitment	13*, 14, 15, 16, 17, 18

Note: * denotes reverse scoring

Do you think there are some aspects which should be, but are not covered as part of the present system? (Any recommendations for improvement?) How regularly do you receive feedback on your performance from your seniors in the organization? How regularly do you receive feedback regarding your Performance Appraisal Grade/ Score? Does it have any implications on your performance? (Detail on Performance Appraisal Review)

Higher scores indicate a greater display of OC. The reliability of the adapted scale was assessed by Meyer et al. (2002). The Cronbach Alpha values for the subscales of Affective Commitment Scale, Normative Commitment Scale and Continuance Commitment Scale ranges from .73 to .82. All test-retest reliabilities

were seen to be within an acceptable range of 0.71-0.90 (Allen & Meyer, 1996). Kumar & Krishnaveni (2008) studied the revalidation of the three-component conceptualization model of Meyer and Allen (1997) in India and found Cronbach Alpha values for AC, NC and CC to be 0.807, 0.698 and 0.747, respectively.

Analysis

The data obtained after administering the scales to 112 participants were pooled and subjected to three types of quantitative analysis namely, descriptive analysis, correlation analysis and simple regression analysis done using SPSS version 16.0.

This was followed by a thematic analysis of the transcripts of the interviews taken.

Results

The means and standard deviations of the PAS, organizational commitment, affective commitment, normative commitment and continuance commitment were computed (Table 1) Correlation analysis was carried out using Pearson’s product moment correlation coefficient to ascertain the strength of the relationship between the two variables – performance appraisal satisfaction with organizational commitment as well as with its three sub-components.

Table 1 Means & SDs of PAS, Total OC & Its Three Dimensions

	PAS	Affective Commitment	Continuance Commitment	Normative Commitment	Total Commitment
Mean	92.10	21.66	17.75	19.63	59.01
Std. Deviation	14.87	4.67	4.53	4.02	8.47

As can be seen from Table 2, organizational commitment (total) and performance appraisal satisfaction are positively and significantly correlated with each other ($r = 0.429$; $p < 0.001$). Therefore, H1 is accepted. Among the correlations between PAS and the three OC sub-components, affective commitment shows the highest correlation to PAS. It is significantly and positively correlated ($r = 0.504$; $p <$

0.001) to PAS. H1A is accepted. Continuance commitment was found to be uncorrelated to PAS ($r = -0.011$; $p = 0.452$). Hence, H1B is rejected. A mod-

Organizational commitment (total) and performance appraisal satisfaction are positively and significantly correlated with each other.

Table 2 Correlation Matrix of PAS & OC and Its Sub-dimensions

OCB	PAS	p value
Total OC	0.429	.000
Affective Commitment	0.504	.000
Continuance Commitment	-0.011	.452
Normative Commitment	0.338	.000

erately strong correlation was obtained for normative commitment and PAS ($r = 0.338$; $p < 0.001$). Hence, H1C is accepted.

Simple regression analysis was done to understand the impact of PAS on OC, treating PAS as the independent variable and OC as the dependent variable (Table 3).

Table 3 Simple Regression Analysis

Predictor	Criterion	R	Adjusted R Square	Standardized Coefficients Beta	F	Sig
Performance	Organizational Commitment	0.429	0.177	0.429	24.846	.000
Appraisal	Affective Commitment	0.504	0.247	0.504	37.375	.000
Satisfaction	Continuance Commitment	-0.011	-0.009	-0.011	0.015	0.904
	Normative Commitment	0.338	0.106	0.338	14.201	0.000

Table 3 shows that the adjusted R^2 of all the correlations are significant except those between PAS and CC. 17.7% of the variance in oc (total) was explained by PAS. The obtained F value of 24.846 was found to be significant at $p < 0.001$. Therefore, hypothesis H2 is accepted. Further, it was found that 24.7% of variance in affective commitment was accounted for by PAS. The obtained F value of 37.375 was found to be significant at $p < 0.001$. Therefore, hypothesis H2A is also accepted. PAS also accounted for 10.6% of the variance in normative commitment. The obtained F value of 14.201 was found to be significant at $p < 0.001$. Hence, hypothesis H2C is also accepted. Contrary to expectations, less than 1% of variance in continuance commitment was accounted for by PAS. The obtained F value of 0.015 was not found to be significant ($p = 0.904$), rejecting hypothesis H2B.

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Thematic analysis of the interview transcripts in the 18 organizations studied resulted in the identification of important themes as: strengths, limitations and features of the PA systems (Table 4). Among the chief strengths were fairness, transparency, clarity, comprehensiveness and goal orientation. With regard to the limitations, the most common limitation was subjectivity or appraiser bias. Other limitations included PA not being frequent, individualized and systematic. Employees from 2 organizations also said that rating tends to fall short of expectations. Employees from 3 organizations said that there were no shortcomings, 2 organizations reported not having a 360-degree feedback system as a shortcoming. 11 organizations had an annual PA, 6 had bi-annual, while 1 conducted it quarterly. In terms of the process of PA followed, in 9 organizations, the appraisal was done by only the manager, manager and self in 5, manager and peer in 1, manager, self and peer in 1, was of a 360-degree nature in 2 organizations. Employees from all 18 organizations expressed that the awareness about their respective PA systems was adequate. All organizations had

Table 4 Qualitative Analysis of Strengths, Limitations & PA Features

Orga- niza- tion	Strengths	Limitations	PA Features	Frequency	Appraiser	Technique	Awareness	Feedback Review
A	Employees give feedback about the system to the management.	System new; Appraiser is anonymous; Pictorial representation only- hence areas of improvement are not understood. Feedback from customers not taken	Biannual	Manager/peers	Employee Comparison Method	Adequate	Formal and Informal	
B	Fair and clarity of objectives	Feedback from customers not taken	Annual	Manager/self	Based on how objectives are met (MBO) eg. Revenue	Adequate	Face to face discussion with manager once in two months and final annually	
C	Scope for improvement and growth in the firm	Subject to biases	Annual	Manager	Rating scale on criteria like communication, relationship with colleagues, etc.	Adequate	Annual face to face dis- cussion with managers	
D	Transparency	KRAs common for all employees despite differences in assignments	Annual	Manager/self	Employee Comparison Method using bell shaped curve	Adequate	Annual face to face dis- cussion with managers	
E	Visibility and transparency	Goals are set for an year which is difficult to understand	Annual	Manager	Based on targets achieved	Adequate	Annual (But quarterly for some depart- ments); Face to face	

F	Reasonable, practical, elaborate	Subjective, lack of training and development	Annual	Manager/self	Rating scale on criteria like job knowledge and individual qualities	Adequate	Informal feedback daily and Annual Formal
G	Clarity, Self evaluation of work, open and participative	Mismatch of employee tasks, less employee friendly, manager might pressurize the employee to take up a target	Annual	Manager/self	On the basis of: 1. KRAs with regard to performance 2. Competencies 3. Learning Needs	Adequate	Report given Feedback given instantly when required; weekly and monthly sit together face to face
H	Structured, transparent, objective evaluation, flexible and dynamic	None	Bi-annual	Manager/self	On the basis of KRAs: 1. Regular Objectives 2. Leadership Behavior	Adequate	Informal Monthly Feedback; Formal Bi-annual feedback
I	Research and field work	Biased showing error of central tendency	Annual	Manager	Online Rating Scale	Adequate	Twice a year
J	Fair, goal-oriented, uniform and transparent, comprehensive	No shortcomings	Annual	Manager	Rating scale; attainment of goals is also taken into account	Adequate	Formal monthly review of performance targets
K	Balanced, appeals to employees, open and regular	Tends to be very subjective	Quarterly	Manager, self and peers	On the basis of goals achieved	Adequate	Informal feedback given after completion of every project
L	Comprehensive, fair, and open	Only focusses on behaviours that can be measured in	Annual	360 degree appraisal.	Internal software which has predefined KRAs	Adequate	Half yearly formal review Bi-annual

M	Fair, transparent, systematic, organized, proper feedback system	terms of KRAs, not on prosocial behaviours etc. At times, it doesn't meet expectations	Bi-annual	360 degree appraisal	Adequate	Monthly review, formal and informal. Once in 15 days Monthly
N	Transparency	Not as systematic as previous organization	Bi-annual	Manager	Adequate	
O	Objective, allows for correction, holds review discussion	Too lengthy to review and discuss.	Bi-annual	Manager	Adequate	
P	Info about goals and how they are to be achieved is given clearly in advance, guidelines are shared. Training courses are organized	No shortcomings	Annual	Manager	Adequate	Feedback given on a monthly basis. Employees can reach the manager over e mail.
Q	Opportunities for growth, very ethical	Since only the manager does the appraisal, it is less objective	Annual	Manager	Adequate	Annually but half yearly for newcomers
R	Objectives are not imposed but mutually discussed and debated	360 degree performance appraisal is not followed	Bi-annual	Manager	Adequate	Twice in a year

either a formal or an informal feedback review process that was carried out bi-annually in most cases, monthly in some organizations and every 15 days in 1 organization. In terms of the techniques used, 5 organizations reported use of rating scales, 4 reported that PA was based on evaluation of goals, objectives and targets met, 1 had a formal system on MBO, 4 reported PA based on key result areas (KRAs), 2 used a combination of rating scale and goals achieved, and 2 used employee comparison techniques.

Discussion, Limitations & Conclusion

The current study assessed the strength and direction of the relationship between Performance Appraisal Satisfaction (PAS) and Organizational Commitment (OC) of the employees working in private sector organizations in Delhi-NCR. The findings revealed that PAS was significantly and positively correlated with total commitment, affective commitment and normative commitment but not continuance commitment. Simple regression analysis revealed that PAS contributed the most to the variance in affective commitment followed by total commitment and normative commitment with an almost negligible impact on continuance commitment. The findings of the study are in line

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with a vast body of research (Pettijohn et al., 2001; Kuvaas, 2006a; Shanawaz & Juyal, 2006; Kumar & Krishnaveni, 2008; Katavich, 2013; Singh & Rana, 2013; Fakhimi & Raisy, 2013, etc.).

Performance appraisal satisfaction and organizational commitment was found to be positively and significantly correlated with each other, with PAS contributing to 17.7% of the variance in OC (total), retaining both hypotheses H1 and H2. The development-focus aspect of PA could contribute to an overall sense of commitment. The interview responses reveal that in the organizations studied, emphasis was placed on performance feedback, with regular face-to-face feedback being given either formally or informally in all 18 organizations. In 7 organizations, appraisal was carried out more than once a year. In addition, factors such as procedural justice in PA and role clarity brought about by PA emerged from the analysis of responses. Role clarity was seen as a strength in seven organizations. Both these factors have been found to be linked to organizational commitment (Singh & Rana, 2013; Kumar & Krishnaveni, 2008). Clear communication afforded by systematic and transparent appraisal processes may be yet another factor affecting total commitment. Participants from all 18 organizations reported adequate awareness about their respective PA systems.

In the current study a significant positive correlation ($r = 0.504$, $p < 0.001$) between PAS & AC and between PAS & NC ($r = 0.338$; $p < 0.001$) was found, leading to the acceptance of H1A, H1C,

H2A and H2C. PAS contributed 37.78% of the variance in employees' affective commitment and 10.6% of the variance in normative commitment. These findings suggest that satisfaction with the PA system can strongly predict the employees' emotional attachment and their sense of loyalty and obligation to their respective organizations. The findings of the study are explained in the light of existing literature and some contributing factors have been identified.

Satisfaction with the PA system can strongly predict the employees' emotional attachment and their sense of loyalty and obligation to their respective organizations.

The mind-set characterizing affective commitment is desire — individuals with strong affective commitment *want* to pursue a course of action of relevance to a target. The mechanisms presumably involved in creating this desire vary slightly across different conceptualizations but include involvement, shared values and identification. PA practices are associated with all these three mechanisms. PA activities have the potential to increase employees' perception of being valued by the organization, a perception which is central to affective organizational commitment (Levy & Williams, 2004). A strong sense of organizational support and a feeling that the organization invests in the employee's individual growth as reported by the present participants might explain the high levels of both affective and

normative commitment. The interview responses of the participants revealed that features of the PA process in organizations, such as regular feedback and participative nature, contributed to a strong sense of organizational support which in turn, could have contributed to their sense of affective commitment. The interview responses revealed that, by and large, the employees felt that the supervisors and the organizations were invested in their growth by way of identifying training needs, timely and useful feedback etc. This feeling of organizational contribution to personal growth might have led to the employees feeling committed to the organization.

Further, PA process helps to clarify organizational expectations regarding an employee's activities, actions, and results. PA activities are also able to communicate super-ordinate strategies, goals and vision to employees. According to the goal setting theory (Locke & Latham, 1900), specific and challenging goals along with appropriate feedback contribute to higher and better task performance. In the present study, more than 60% of the organizations used an appraisal technique based on goal setting, which might have contributed to higher levels of affective commitment found in this study. Around 70% of participants said that the major strength of their PAS system is that all the objectives and KRAs are clearly defined; and that they are told about the goals and how these goals are to be met. Also, PA reviews are often considered responsible for reducing role ambiguity, which leads to affective organizational commitment through their role clarification. All the

participants in our study reported that they were given regular feedback about their performance. Those who said that they feel emotionally connected to the organization also said that they were given face to face and an informal feedback about their performance. Thus, performance appraisal feedback might have contributed positively to the relationship between PAS and AC, by increasing the clarity of one's roles in the organization.

Another contributory factor in the relationship between PAS and AC and NC could be perceptions of procedural and distributive justice. When employees perceive the performance appraisal as procedurally fair and fair in terms of dispensing rewards they reciprocate in terms of attachment, loyalty and engagement. PA systems that reflect strong procedural justice are known to lead to a high level of affective attachment to the organization (Fakhimi & Raisy, 2013) and a higher sense of normative commitment (Pettijohn et. al, 2001). Fairness of performance appraisal (Salleh et al., 2012) and performance based payment practices have also been found to be significant predictors of affective commitment among employees (Singh & Rana, 2015).

PAS was found to contribute 10.6 percent of the variance in normative commitment. Previous research also found that employees' experience of a sense of attachment and obligation, as well as sincere duty towards their organizations resulted in an increase in their normative commitment. Much of the explanation for the link between PAS and NAS is rooted

in the Social Exchange Theory which proposes that reciprocal obligations recurrently incur and are discharged in social interaction (Blau, 1964). 71.7% of the participants in the current study mentioned that their appraisal rating was "about as expected". A good performance evaluation makes the employees feel competent and successful making them more motivated and dedicated to the organization. Among the strengths of their organizations' PA process, participants mentioned that the system was transparent, comprehensive, systematic, organized, flexible, fair and objective. This perception of fairness could be contributing to normative commitment.

Contrary to expectations, PAS was not found to impact CC, with PAS accounting for only 0.9% of the variance in CC, leading to rejection of hypotheses H1B and H2B. This finding is not surprising when one examines previous research that has found only modest correlations between continuance commitment, and both affective ($r=0.05$) and normative ($r=0.18$) commitment (e.g. Meyer et al., 2002). Correlations of commitment components with other outcomes have also been reported to be stronger for affective and normative commitment as compared to continuance commitment (e.g. job performance, absenteeism, organizational citizenship behavior). Further, affective commitment correlated negatively with both self-reported stress ($r = -.21$) and work-family conflict ($r = -.20$); while continuance commitment correlated positively with both variables (r 's = .14 and .24, respectively). Other researchers (for example, Lau (2011) has found engagement and continu-

ance commitment to be negatively associated. It seems that continuance commitment is indeed a conceptually different phenomenon that may not well represent an organizational commitment type at all. After all, a high PAS (mean 92.10), is consonant with affect related attitudes such as “I am working here because I like to” and dissonant with continuance related attitudes such as, “I am working because I have to”.

The demographic profile of the present sample may also explain the findings pertaining to CC. In the present study, the average age of the sample was 35.93 years and a majority of them (46 out of 112 participants) were new to the organization with a tenure of 12-36 months. Ritzer and Trice (1969) reasoned that side-bets accumulate over time and that, age, therefore, should be the “best single indicator” of actions taken to stake something of value in the employing organization. Clearly, the present sample is both younger and not too invested in their present organization to worry about the cost of quitting.

Side-bets accumulate over time and age, therefore, should be the “best single indicator” of actions taken to stake something of value in the employing organization.

There are some limitations in our study that should be mentioned. The major tool for eliciting data in the current study was a self-report questionnaire. Further, the interview conducted in the current study sought information

about the limitations present in the performance appraisal systems in the organization. Socially desirable responses from the participants can therefore, not be ruled out. Also, since the organizations were chosen through convenience sampling, certain sectors like fashion or coaching institutes were not sampled. The findings of the study can therefore, not be generalised. Additionally, the tenure of the majority of the sample tended to fall under the 1-3 year bracket. Thus, the very fact that the sample consisted of quite a large number of ‘young’ employees could have impacted the outcomes of the study. Another limitation that can be recognized in this study is that the setting of the data collection across organizations could not be standardized. Some organizations provided proper rooms for the researchers and the administration, while others could only manage like a lounge or a lobby setting with other people around.

To conclude, the results of the current study established the significant relationship between performance appraisal satisfaction and organizational commitment. Affective and normative commitment, and overall commitment have been found to have significant associations with PAS, and PAS has been found to account for substantial variance in them. Continuance commitment, however, was not found to have a significant relationship, and nor did PAS account for any significant variance in it. Thus, hypotheses H1, H1A, H1C, H2, H2A, H2C have been accepted while hypotheses H1B and H2B have been rejected.

Implications & Future Directions

This study has some important implications for human resource management. Our findings reveal a positive and significant impact of performance appraisal on organizational commitment. Clearly laid out and procedurally fair PA systems, that are perceived as transparent, participatory and informative by the employees can create commitment to remain in the same organization, leading to increased organizational longevity. The findings suggest that organizations must seek to create fair, systematic, developmentally focused and participative PA systems in order to enhance employee commitment.

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Some suggestions for future research can be to take HRM practices as a bundle wherein its impact can be holistically assessed rather than artificially dividing and only taking one aspect like PA, and studying its impact on OC. The current study found that several appraisal techniques were being used by different organizations; future research could focus on comparing the utility and evaluating these different techniques. In the present study, only one dependent variable of organizational commitment was considered. Future research can be done on other variables like job satisfaction, turnover, absenteeism, tenure, marital status, gender etc. Mediating variables between

performance appraisal satisfaction and organizational commitment can also be considered; for example, factors like motivation, self-control and engagement. Considering the conceptually different nature of continuance commitment, more research is needed to clarify it as a component of organizational commitment.

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