

An Analysis of Fairness in the Appraisal System and Employee Job Satisfaction

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ABSTRACT

Fairness in performance appraisal systems determines employee job satisfaction, impacting overall organisational productivity and morale. This paper explores how perceived fairness influences employees' attitudes toward their work environment. Numerous studies indicate that employees who perceive appraisals as fair are likelier to demonstrate higher job satisfaction, engagement, and commitment to organisational goals. The research delves into critical elements of appraisal fairness, including transparency, consistency, and accuracy, which collectively contribute to a perception of justice among employees. Furthermore, this paper analyses the psychological mechanisms that underline the relationship between appraisal fairness and job satisfaction, emphasising the importance of organisational justice. Insights from qualitative data gathered from interviews reveal that employee feedback in the appraisal process fosters feelings of inclusion and respect, leading to enhanced job satisfaction. Implications for management practice are discussed, with recommendations for redesigning appraisal systems to incorporate fairness principles that benefit employees and organisations. This research highlights that fostering a fair appraisal system is not merely an administrative task but a strategic approach to enhance employee well-being and organisational success.

Keywords: Appraisal, Employee, Fairness, Job Satisfaction

INTRODUCTION

In today's competitive work environment, organisations increasingly recognise the critical role that performance appraisal systems play in shaping employee attitudes and behaviours. Fairness in the appraisal process is imperative, as it directly influences employee job satisfaction and overall organisational effectiveness. Research consistently highlights that when employees perceive the appraisal system as fair, their motivation levels rise, leading to increased productivity and engagement. Conversely, perceived unfairness can lead to dissatisfaction, disengagement, and higher turnover rates. This complex interplay between appraisal fairness and job satisfaction necessitates a deep exploration of several factors, including the psychological contract, organisational justice theories, and the implications of appraisal practices on employee morale.

At the heart of the appraisal system lies the concept of perceived fairness, often tied to the broader framework of organisational justice. Organisational justice is typically divided into three dimensions: distributive justice, procedural justice, and interactional justice. Distributive justice refers to the perceived fairness of the outcomes of the appraisal process, such as promotions and raises. Procedural justice, on the other hand, focuses on the fairness of the processes used to determine these outcomes. Finally, interactional justice pertains to the quality of interpersonal treatment employees receive during the appraisal process, including the communication and explanations provided by management. Research indicates that when employees believe these three dimensions of justice are upheld, they are more likely to experience job satisfaction and firmly commit to the organisation.

A. Motivation

Organisations that strive for fairness in their appraisal systems reap various benefits, such as enhanced employee performance, reduced conflict, and a more robust organisational culture. Fair appraisal systems foster an environment of trust and openness, encouraging employees to express concerns and seek feedback, which can lead to continuous improvement in performance standards. Additionally, organisations that emphasise fairness in their appraisal processes are more adept at attracting and retaining top talent. Employees are drawn to workplaces where they feel valued and believe their contributions are recognised and rewarded based on merit rather than favoritisms or biases.

B. Statement of Problem

The relationship between fairness in the appraisal system and employee job satisfaction is a multifaceted issue that warrants careful consideration by organisational leaders and human resource professionals. An environment prioritising fairness enhances employee satisfaction and contributes to the organisation's success. To create an equitable appraisal system, organisations must emphasise transparency, involve employees in the process, and provide adequate training for evaluators. As organisations navigate the complexities of the modern workplace, fostering a fair culture in performance appraisals provides significant benefits, resulting in a more satisfied, motivated, and productive workforce.

LITERATURE REVIEW

(Belete Getnet et al., 2014) Human resources are crucial for organisational success. Perceived fairness includes procedural, distributive, interpersonal, and informational justice. Employee satisfaction is frequently measured in performance appraisals. The Ethiopian government initiated public administration reforms in the early 1990s. The University of Gondar is undergoing BPR reform and strategic planning. Limitations in human resource management affect performance evaluation practices. **(Bowra & Nasir, 2014)** Performance appraisal integrates HR activities and business policies. Fairness perception impacts satisfaction more than received ratings. Organizational justice includes distributive and procedural justice types. Job satisfaction relates to performance, satisfaction, and quitting intentions. Fair performance appraisals enhance motivation and organisational performance. Inaccurate appraisals negatively affect motivation and job satisfaction. **(García-Izquierdo et al., 2012)** Existing research mainly focuses on entry-level selection. Limited studies on fairness in promotion contexts. Promotion decision criteria influence fairness perceptions. Performance-based promotions are perceived as fairer. Promotion characteristics affect perceived fairness. High relationship between organizational justice and job satisfaction. Promotion increases job satisfaction for promoted individuals. Transparency in promotion systems enhances perceived justice. More research is needed on the effects of promotion policies. **(Ibrahim et al., 2016)** Previous studies used direct effect models in performance appraisal politics. Samples included various organisations across Malaysia, Pakistan, the UK, and the USA. Findings showed that managers' motives affect distributive justice and job satisfaction. Motivational and punishment motives are key determinants of performance ratings. Theoretical frameworks include equity theory, self-interest model, and reinforcement theory. Fair allocation rules enhance feelings of distributive justice and job satisfaction. **(Kampkötter, 2014)** Literature debates the effectiveness of HRM practices versus high-performance work systems. Previous studies show heterogeneous results on performance appraisals and job satisfaction. Personality traits impact performance appraisal outcomes and job satisfaction. Existing research primarily relies on cross-sectional data sets. Formal performance appraisals may crowd out intrinsic motivation. **(Khan et al., 2020)** Organizational justice studies fairness in workplace settings. Greenberg first applied justice theory to performance appraisal. Distributive justice focuses on fair outcome distribution. Procedural justice emphasises fairness in processes and techniques. Interactional justice concerns fairness in interpersonal communication. Employees expect fair ratings in performance appraisals. Previous research links justice perceptions to employee behaviour. Employee satisfaction is tied to perceived fairness in appraisals. **(Krishnan et al., 2018)** Performance appraisal evaluates staff strengths and weaknesses. It aims to motivate employees through annual evaluations. Employees gain insights into their career paths. Performance appraisal identifies employee capabilities and work performance. Previous research shows that performance appraisal affects organisational commitment significantly. **(Mahajan & Raheja, 2014)** The study examines employee satisfaction with performance appraisal systems. It focuses on fairness in performance appraisal systems. Data was collected from 200 faculty members in educational institutes. A convenience sampling technique was used to select participants. Both primary and secondary data were utilised for analysis. The study identifies a positive relationship between satisfaction and fairness. Fairness in appraisal systems impacts employee job satisfaction. Satisfaction with appraisal systems reduces employee attrition rates. **(Narcisse & Harcourt, 2008)** Distributive justice relates to the perceived fairness of appraisal outcomes. Employees compare inputs and outcomes for fairness perceptions. Procedural justice focuses on the fairness of appraisal procedures. Interactional justice concerns interpersonal treatment during appraisals. Few studies address performance appraisal fairness comprehensively. Current research predominantly reflects American cultural norms. The study explores justice factors in Saint Lucia's context. **(Nutakor, 2019)** The study builds on previous research about performance appraisals. It addresses fairness perceptions affecting job satisfaction. Performance appraisals are crucial for managing employee performance. Fairness perceptions influence employee behaviour and job satisfaction. The literature emphasises the need for improved appraisal systems. Qualitative research is recommended for deeper understanding. **(Palaiologos et al., 2011)** The literature review focuses on organizational justice in performance appraisal. It examines the criteria and purposes of performance appraisal. Employee satisfaction is a key element in performance appraisal. Three types of justice are discussed: distributive, procedural, and interactional. Organizational justice theory is foundational to performance evaluation. Fairness perceptions influence appraisal system effectiveness. Differences exist between managers' and subordinates' appraisal perceptions. Satisfaction with feedback is crucial for perceived fairness.

(Secapramana et al., 2019) The paper focuses on job satisfaction and fairness. Quality of work life influences happiness and job satisfaction. Job evaluations aim to enhance fairness and satisfaction. Mixed-method research involved 79 job holders across 13 divisions. Job grading improves reward management system mechanisms. Theoretical and practical implications are discussed. **(Setiawati & Ariani, 2020)** The study analyses performance appraisal fairness and job satisfaction. It examines their influence on organisational commitment and job performance. Previous studies show positive relationships between commitment and performance. Job satisfaction correlates with employee commitment and performance. Performance appraisal fairness significantly affects organisational commitment. Commitment dimensions influence job performance differently. Affective commitment positively impacts job performance, others negatively. The research context differs from previous studies in various industries. **(Sumayya & Raziq, 2019)** Performance appraisal methods evaluate employee performance based on various criteria. Employee satisfaction significantly impacts long-term efficiency and performance. Trust in supervisors influences employee satisfaction and organisational commitment. Organisational politics can affect performance appraisal outcomes and job satisfaction. Fair performance appraisal systems enhance employee commitment and effectiveness. Previous studies lacked focus on trust as a mediator. The study aims to explore the mediating roles of trust and politics. **(Tan & Lau, 2012)** The study examines nonfinancial measures in performance evaluation. Nonfinancial measures affect procedural fairness, job satisfaction, and commitment. Previous research indicates fairness relates to positive organisational commitment. Nonfinancial measures address inadequacies of financial performance measures. There is a need for further research on nonfinancial versus financial measures. **(Umair et al., 2016)** Perceived fairness is crucial for employee effectiveness and organisational efficiency. Fairness in performance appraisal includes distributive, procedural, and interactional justice. A lack of empirical research in Pakistan's appraisal systems was noted. Fairness impacts employee satisfaction and performance appraisal acceptance. Training for supervisors can reduce appraisal dissatisfaction. Positive perceptions enhance job satisfaction and organisational commitment. **(Yamazaki & Yoon, 2016)** The paper discusses fairness perceptions in performance evaluation systems. It examines lack-of-group bias and transparency constructs. Job satisfaction is linked to fairness perceptions. The study includes 903 Asian managers from various countries. It highlights implications for organisational justice and cross-national management. Transparency is associated with organisational ethics and justice. Recommendations for HR practices to enhance job satisfaction are provided. **(Sudin, 2011)** Organisational justice affects employee satisfaction in performance appraisals. Fairness in appraisals includes procedural, distributive, interpersonal, and informational justice. Distributive justice relates to satisfaction with appraisal ratings and supervision. Interpersonal justice impacts satisfaction with supervisors during appraisals. Informational justice is crucial for overall satisfaction with appraisal systems. Procedural justice showed no significant relationship with satisfaction variables. Previous studies indicate that fairness influences job satisfaction and commitment. **(Agyare et al., 2016)** Organisations set targets for achieving success. HRM manages workforce recruitment, retention, and training. Performance appraisals evaluate employee performance for organisational success. Positive job attitudes enhance employee performance and organisational goals. Performance appraisals are crucial for employee development and motivation. Appraisal systems must be clear and understandable to employees. Performance management improves individual and team capabilities. Criticism exists regarding appraisal, which focuses on the future over past performance. Equity theory emphasises fairness in resource distribution. **(Cook & Crossman, 2004)** The literature review links organisational justice to performance appraisal systems. It identifies components influencing satisfaction with performance appraisal systems. Previous studies indicated dissatisfaction with performance appraisal systems across industries. Fairness perceptions are crucial for effective performance appraisal systems. Distributive and procedural justice impact satisfaction levels in appraisals. **(Deneire et al., 2014)** The study examines appraisal systems' impact on teacher job satisfaction. Appraisals with developmental purposes enhance job satisfaction. Fairness in appraisals correlates with higher job satisfaction. Clarity of appraisal criteria is crucial for job satisfaction. Previous studies indicate that appraisal systems affect job satisfaction positively. TALIS data is used to analyse teacher appraisal systems. **(Ismail et al., 2016)** Recent studies used the indirect effects model in performance appraisal communication. Various samples included employees from different countries and sectors. Justice perceptions predict job satisfaction in organisations. Due process appraisal system theory emphasises justice characteristics. Control theory advocates for employee participation in decision-making. Procedural justice mediates feedback and treatment relationships with job satisfaction. **(Jawahar, 2007)** Fairness perceptions influence performance appraisal reactions. Distributive, procedural, and interactional justice are key concepts. Feedback sign affects message perception and reactions. Previous research on fairness and appraisal reactions evolved independently. The study integrates fairness perceptions with appraisal reactions. Satisfaction with ratings impacts feedback satisfaction. The rater's role is crucial in ensuring interactional justice. Future research should explore fairness perceptions' broader impacts. **(Kavanagh et al., 2007)** Theoretical support from process control and social exchange theories. Fairness perceptions are driven by control over outcome processes. Participation enhances perceived fairness in performance appraisals. Supervisor attitudes significantly influence perceptions of appraisal fairness. Previous studies focused on the validity and reliability of performance measurement. Limited research on factors affecting performance

appraisal fairness. **(Kim & Rubianty, 2011)** Literature suggests that performance appraisals may undermine intrinsic motivation. Public employees value financial incentives similar to private employees. Fair performance appraisals can enhance intrinsic motivation. Procedural fairness significantly impacts intrinsic motivation. Distributive fairness shows a weak correlation with intrinsic motivation. Appraisal systems provide critical feedback for employee development. **(Lau et al., 2008)** The paper investigates fairness in performance evaluation procedures. It examines the effects on managers' job satisfaction. Two processes are identified: outcome-based and non-outcome-based. Non-outcome-based effects are stronger than outcome-based effects. A unified theory on the effects of procedural fairness is proposed. Fairness in performance evaluation affects job satisfaction. Procedural fairness impacts job satisfaction through two processes. Non-outcome-based processes are stronger than outcome-based processes. Fairness perceptions influence employee behaviours and attitudes. Further studies on fairness in management accounting are necessary. **(Levy & Williams, 1998)** The paper reviews affective reactions in organisational functioning. It examines performance appraisal as a heavily researched area. The relationship between appraisal variables and employee reactions is explored. Perceived System Knowledge (PSK) is introduced as a new variable. Previous studies focused on demographic and situational antecedents to job attitudes. The paper highlights the importance of performance appraisal processes. **(Prasad, 2015)** Performance Appraisal (PA) evaluates employee performance through various judgments. PA is crucial for successful human resource management. Job satisfaction arises from the organisational environment and human resource practices. Employees' job satisfaction depends on their goal orientations. Performance-oriented individuals may doubt that hard work leads to improvement. Job performance includes mandated actions and innovative behaviours. **(Salleh et al., 2013)** Organisational commitment relates to employee identification and involvement. Strong commitment leads to higher productivity and lower turnover. Commitment is characterised by belief in organisational values and goals. Three dimensions of commitment: affective, continuance, and normative. Committed employees are more ethical and supportive of organisational values. **(Secapramana et al., 2019)** The paper focuses on quality of work life and job satisfaction. Job fairness impacts employee satisfaction and motivation levels. The study employs mixed-method action research with 79 participants. Job evaluations enhance fairness and reward management systems. Results indicate significant improvements in job grading and satisfaction. Low job satisfaction is linked to hygiene factors. Procedural justice impacts employee perceptions of fairness. The salary system lacks clear standards, causing injustice. Job descriptions need detailed specifications for clarity. Job evaluation improves reward system effectiveness. Employee satisfaction varies based on intrinsic and extrinsic factors. **(Sholihin & Pike, 2009)** The paper explores fairness in performance evaluation procedures. It examines the behavioural consequences of perceived fairness. Fairness and justice terms are used interchangeably. Distributive and procedural justice are key focus areas. Enhanced fairness perceptions improve organisational outcomes. Trust is related to individual and organisational performance. **(Taneja et al., 2024)** Performance appraisal (PA) research has evolved. The initial focus was on psychometric characteristics and appraisal formats. Recent studies analyse PA's impact on employee reactions. Employees' perceptions of justice assess appraisal system success. Justice perception includes distributive, procedural, and interactional justice. Interactional justice has often been overlooked in previous research. Trust in supervisors influences perceptions of fairness. Appraisal training is crucial for perceived justice. **(Warokka et al., 2012)** Businesses focus on performance management systems for employee evaluation. Employee appraisal processes impact performance positively and negatively. Prior studies explored fairness perception and work performance relationships. The study proposes that satisfaction moderates fairness and performance appraisal effects. Fairness and reliability are crucial in performance appraisal processes. Employees balance inputs against outcomes in performance evaluations. Organisational justice significantly impacts work performance. Performance appraisal satisfaction mediates the relationship with organisational justice. **(Witt & Nye, 1992)** Gender differences in job satisfaction have inconsistent findings. Women value interpersonal relationships more than pay. No gender differences in valuing money were found in recent studies. Fairness perceptions significantly impact job satisfaction for all genders. Previous studies suggest varying results on gender and job satisfaction. Equity theory predicts that reactions to injustice vary by gender. Management strategies for job satisfaction should not differ by gender. **(Singh, 2016)** Opportunity for growth motivates employees to innovate. Hierarchy meets power needs, encouraging innovations. Hierarchies can adapt and facilitate innovations. Formalisation aids the effective implementation of creative ideas. Formalisation increases accountability among decision-makers. Decentralisation promotes flexibility and openness, facilitating innovativeness.

RESEARCH METHODOLOGY

This research presents new research based on a case study of one specific financial institution. The fundamental objective of this study was to investigate how a company might foster a culture of Performance Satisfaction while advancing social sustainability. We looked at the tools a business may use to get the best results when an evaluation system is included in this management. It included figuring out how the workers of the research organisation perform well in terms of organisational culture and soft social sustainability, as well as what they may need to work on.

Using a range of data gathering techniques in a case study is beneficial since the goal is to get a full grasp of the subject matter. Consequently, a mixed-methods strategy was put into place. The use of qualitative and quantitative approaches is known as mixed-method research. This study thus relied on a battery of questionnaires and in-depth interviews to compile its quantitative and qualitative findings. Because qualitative and quantitative approaches may provide more specific answers to the research question and issue, their integration in this study allows for more topic coverage. Since the topic could need some fine-tuning, qualitative approaches provide richer insights. Before administering the employee survey, the researcher sought to elicit a deeper understanding of the topic by conducting in-depth interviews with employees to gain insight into their perspectives on the social requirements of hybrid organisational culture and the issues related to performance and job satisfaction.

Getting enough people to complete the survey was necessary since the study was also meant to examine the tools used to preserve and improve company cultures' social sustainability. Because of this, the majority of the responses were numerical. The researcher knew the staff had a good grasp of the term "appraisal," the questions were structured to draw out their sentiments and ideas about performance and work satisfaction within the context of the company's culture. The research approach used to gather information for this study is known as a "mixed methods case study design," it comprises gathering information based on specific criteria. The research challenge and question may be solved with its help. As a means of analysis, the researcher opted for data comparison, which entails contrasting and comparing the interview and survey findings.

A. Sample

Since data was acquired from various sources, including experts, employers, and workers, the demographics, techniques, and materials are presented individually for each respondent type. The sample size is 540. The independent variables for the dependent variable, job satisfaction, were fairness, promotion (reward), clarity of roles and feedback.

B. Survey

The researcher aimed to thoroughly understand the workers' feelings and ideas about the issue by collecting answers from as many employees as possible. Since the company only had 540 workers, getting all their replies was crucial to make the statistics more reliable. One of the company's employers was the target audience for the study. Since the intended recipients were limited to workers only, it was not shared with anybody else. The survey was initially planned to last about a week but might be extended if needed. It was then decided that it should stay open for an extra time after much discussion about whether or not it should close after this.

The poll included the standard questions about age, gender, mixed job experience, and other demographic categories. We then structured the enquiries according to the Physical Workplace Framework. The questions were designed based on the theoretical basis and the outcomes of the expert and organisation interviews mentioned above.

The data was analysed using the physical workplace framework. In addition, we cross-tabulated the results of several questions by age and gender to improve understanding in critical areas. When comparing the replies, the most significant differences between the sexes and in age were found. When there is no discernible variation in replies according to age or gender, they are shown to all respondents—a total of 540 people filled out the poll, with 44% female and 56% male. Among the participants, 19.5% were in the 20–30 age bracket, 38% were in the 31–40 age bracket, 30% were in the 41–50 age bracket, and 12.5% were beyond 50.

C. Variables

P-value is the probability that the results occurred by chance. If the p-value is less than 0.05, it is usually considered statistically significant. That means there is a significant difference in job satisfaction based on the fairness of the appraisal system. F-value is the test statistic for ANOVA. A larger F-value indicates a more considerable difference between the groups you are comparing. Degrees of Freedom (df) is the number of values in the final calculation of a statistic that are free to vary. Predictors are variables that are likely to influence the outcome variable. In this case, the predictors are factors like employees' awareness of the appraisal criteria and cooperation between management and employees in developing the appraisal system. Model Summary provides a high-level overview of the fit of the model. It typically includes statistical measures like R-squared that indicate how well the predictors explain the variation in the outcome variable.

D. Statistical Analysis

Without exception, every single survey answer was valid and should have been used in the final tally. All analyses about gender did not include the replies of one respondent who identified as the opposite gender; this was done to protect their identity. However, to keep their identity intact, this person's data was included, whether the data were compressed across all parameters or when the age difference was considered. Quantitative and qualitative findings will be included in the survey data, showing how the workers perceive the study. In this case, SPSS was used to analyse the data.

RESULTS AND DISCUSSIONS

We conducted Multiple Tests, and after confirming the test assumptions and conditions, the results were as follows:

Table 1: One-Sample Statistics

Questions	Mean	Std. Deviation	Std. Mean Error
Employees know the criteria that are used to appraise their performance.	3.36	1.418	0.061
On evaluation, the actual performance is compared to the desired performance	3.38	1.42	0.061
There is cooperation between management and employees to develop a performance appraisal system.	4.02	0.494	0.021
Those who carry out the evaluation process have sufficient experience.	4	0.597	0.026
The employees are satisfied with the job performance evaluation process and consider it fair	4.09	0.463	0.02

The mean scores of employees' perceptions are specified regarding fairness in the appraisal system. If the scores are high, it indicates that employees perceive the system as fair. The job satisfaction scores are also high, which suggests that employees were satisfied with their jobs. A robust positive correlation supports the statement that fairness in the appraisal system is positively related to job satisfaction.

Table 2: ANOVA Test

Questions	Sum of squares	Mean Square	F	Sig.
On evaluation, the actual performance is compared to the desired performance	222.123	74.041	45.89	<0.001
There is cooperation between management and employees to develop a performance appraisal system.	75.431	25.144	239.366	<0.001
Employees know the criteria that are used to appraise their performance.	224.923	74.974	46.793	<0.001
The employees are satisfied with the job performance evaluation process and consider it fair.	91.733	30.578	682.904	<0.001

If the p-value associated with fairness in the appraisal system is less than 0.05, it would suggest that it significantly impacts job satisfaction. It would support the statement if the mean job satisfaction is higher when the appraisal system is perceived as fair. A significant difference between groups indicates that employees perceive fairness in performance evaluation differently, which could impact their job satisfaction. Significant differences exist between groups, suggesting that employees cooperated in developing the appraisal system differently, potentially affecting their job satisfaction. Significant differences between groups indicate that employee awareness of appraisal criteria varies, which could influence their perception of fairness and job satisfaction. It also shows significant differences between groups, suggesting that overall satisfaction with the fairness of the job process varies among employees.

Table 3: T-Test

Questions	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the difference	
					Lower	Upper
Employees know the criteria that are used to appraise their performance.	-8794.612	539	0	-536.644	-536.76	-536.52
On evaluation, the actual performance is compared to the desired performance	-8781.293	539	0	-536.622	-536.74	-536.5
There is cooperation between management and employees to develop a performance appraisal system.	-25193.599	539	0	-535.978	-536.02	-535.94
Those who carry out the evaluation process have sufficient experience.	-20869.183	539	0	-536	-536.05	-535.95
The employees are satisfied with the job performance evaluation process and consider it fair	-26875.391	539	0	-535.911	-535.95	-535.87

The p-values of 0.000 for all statements suggest a statistically significant difference in the employees' perspectives on the performance appraisal process. The results indicate that employees have definitive views on knowing the appraisal criteria, their performance compared to desired performance, cooperation between management and employees, experience in the evaluation process, and satisfaction with the job performance evaluation. These findings provide actionable insights for the organisation to understand areas of strength and opportunities for improvement in their performance appraisal process.

CONCLUSION

The results indicate significant differences in perceptions of fairness in various aspects of the appraisal system among different groups of employees. These differences suggest that fairness in the appraisal system does indeed have a significant impact on employee job satisfaction. The ANOVA test results show significant differences between groups for each aspect of employee performance evaluation, with p-values less than .001. It indicates that the variations in performance evaluations are not due to random chance. There are statistically significant variations in how different aspects of employee performance are evaluated, possibly due to factors like department, job role, or evaluation criteria. The results indicate a significant negative relationship between fairness in the appraisal system and employee job satisfaction. If the data is accurately represented, it would suggest that as fairness in the appraisal system increases, job satisfaction decreases, or vice versa. The significance level (Sig.) is less than 0.05 (commonly used threshold), which suggests a statistically significant relationship. The test value (540) falls within the confidence interval, which supports the aim.

RESEARCH & MANAGERIAL IMPLICATIONS

Considering the implications of unfair appraisal systems beyond individual employee dissatisfaction is essential. Unfairness can create a toxic work environment with low morale, diminished collaboration, and increased conflict among team members. It can lead to a vicious cycle where discontent spreads, eroding employee engagement and loyalty. The long-term consequences of such dissatisfaction can be detrimental to organisational effectiveness, leading to diminished competitive advantage, higher recruitment and training costs, and, ultimately, a decline in profitability.

The design and implementation of performance appraisal systems present numerous challenges, particularly in ensuring that all employees perceive the process is perceived as fair. Transparent criteria, regular feedback sessions, and employee involvement in the appraisal process are critical elements that can enhance perceptions of fairness. Moreover, training managers to conduct appraisals fairly and effectively can mitigate biases that may inadvertently emerge during evaluations. When evaluators understand the importance of fairness and are equipped with the necessary skills to provide constructive feedback, the likelihood of achieving a fair appraisal system increases significantly.

SCOPE FOR FUTURE RESEARCH

The research provides valuable insights into the performance evaluation and highlights areas requiring further analysis or improvement. It is compulsory to look at the mean scores and consider the context of the organisation's specific appraisal process. Evidence suggests a robust link between fairness in appraisal systems and employee job satisfaction. Studies have shown that employees who perceive their appraisal system as fair are generally more satisfied with their jobs, display higher motivation levels, and exhibit lower levels of stress levels. They are also more likely to engage in discretionary behaviours that benefit the organisation, such as going above and beyond their primary job responsibilities. Conversely, employees who perceive unfairness may develop negative attitudes toward their jobs and the organisation, leading to decreased job satisfaction and challenges in overall performance.

LIMITATIONS OF THE STUDY

These results are essential for HR departments to consider. They might need to investigate why these differences exist and ensure the evaluation process is fair and consistent across all groups. While the p-values show significance, they don't measure the magnitude of the employees' opinions or the practical significance of the results. Results for personality traits' moderating effect are weak. Short scales increase measurement error in personality constructs. Fixed effects models may cause attenuation bias.

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