

The Relationship between Selected Factors of Rating Dissatisfaction and Employees' Satisfaction on the Appraisal Decisions

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This study aims to determine the relationship between selected factors of rating dissatisfaction and employees' satisfaction on the appraisal decisions. The factors of rating dissatisfaction that examine in this study are including raters' attitude, rater's error, halo effect, recency effect. This study used positivism as a research philosophy and quantitative methodology was used to examine the relationship between independent variables and dependent variables involves. A cross-sectional survey was used to collect data from different groups of respondents at from a variety of personnel departments in different categories of works in broadcasting agency, Sarawak, Malaysia. Questionnaire was the research instrument used in this study to collect data. Validity and reliability issues of the instrument were taken care by conducting the best practice goodness of data preparation. 150 sets of the questionnaires were distributed and only 130 completed sets of the questionnaires were successfully collected and used for further analysis. The data that collected were analyzed through Statistical Package for Social Sciences (SPSS) version 14.5. Descriptive statistic used to explain the demographic characteristics of respondents. Pearson Correlation Analysis used to identify the relationship between the selected variables involves. The findings of this study have shown that raters' attitude, recency effect and deflation of marks are significantly related to dissatisfaction among employees in performance appraisal decisions. Based on the findings of the study, the top management of departments can gain some insight into their employees' satisfaction of their performance appraisals decisions. It is recommended that there is a need for more transparent performance appraisal processes and more professional roles of the raters in performing their job. This study contributes significantly to the body of knowledge, human resource practitioners, policy makers and others interested parties on issues pertaining to the relationship between job satisfaction and job performance. Implications and recommendations for future research have also been put forth in this paper.

Key words:

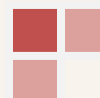
- Decision making
- Employees' appraisal
- Rating errors

Introduction:

This study want to examine the relationships between selected factors of rating dissatisfaction and employees' satisfaction on the performance appraisal decisions. Anderson (1993) indicated that one of the most important tools in an organization is the performance appraisal system. This is because the employees are considered as a strategic asset of the organization and could determine the organization's survival (Bernardin,

2003; Ahmad, 2007, pp. 1). Through the appraisal system a supervisor is able to observe and evaluate the employees' performance in the workplace with relation to the set standards of their work performance. Performance appraisal often can be used by managers for decision-making purposes in relation to employee counseling, promotion, training, development, salary administration, bonus payment allocation, personnel auditing, work

motivation, selection and training program validation. A large number of studies have investigated competencies in performance appraisal systems. For example, there are studies which have attempted to examine performance appraisal and its true performance, and how competencies boost performance, with decidedly mixed results (see Pallianapan, 1998; Ahmad, 2007). Several studies have examined the conventional



validation paradigm, which uses subjective performance or appraisal rating as a criteria, which may be of doubtful validity. Other studies have investigated problems such as biases, politicking, impression management and undeserved reputation (see Longenecker, Sims & Gioia, 1987); Sim, 1995; Ching, 2005).

Background:

Performance appraisal is not often fair and transparent. Gabris and Mitchell (1989) reported a disruptive bias in performance appraisal known as the Matthew Effect. The Matthew Effect is present when employees tend to keep receiving the same appraisal result. In other words the results of the appraisal seem to be self-fulfilling for employees – that is they have done well and they will continue to do well. Conversely, if they have done poorly, they will continue to receive poor appraisals. The Matthew Effect suggests that no matter how hard the employees try, their past appraisal records will linger even though he or she may make attempts to improve performance in the future. Some managers tend to be biased towards a certain group or individuals in the organization. It is very common that poor performers might not be given a fair chance to improve.

Performance appraisal can be a vital tool for strategy execution by signaling what is really important, fixing accountability for behavior and results and helping to improve performance. Appraisal of employee performance is thus a crucial task and plays a very important human resource management activity. Ahmad (2007) argued that in order to change behaviors in an organizational, strong performance appraisal processes must include training of supervisors. It is contended that organizations need to move the performance appraisal process into the adult learning focus, which is inclusive and mission-driven, for better responsiveness to mutual accountabilities and changes demanded within the workplace.

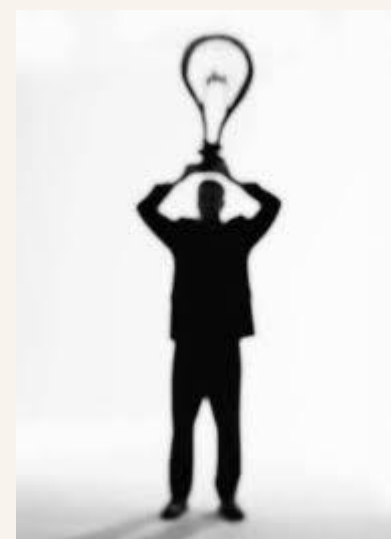
If the purpose of performance appraisal is to help improve individual and organizational performance, then, in most organizations, appraisal is still regarded as achieving relatively little mainly because of its level of infrequency. A once-a-year interview is insufficient to monitor and evaluate employee performance. No matter how clearly strategic goals are presented and administered, if the review is an annual event that employees and top level management do not bother to think about until a week or two before evaluation time, then the process will not achieve its purpose. Thus, it is strongly argued that performance appraisal is not always the right mechanism to identify human resource development needs of an organization, especially in regards to personal development. Fletcher (1986), however, believes that there is no real alternative to turn to, but to rely on performance appraisal.

From the theoretical perspective, it is a cardinal principle of performance appraisal that employees should have the chance to improve their appraisal results - especially if their past results have not been so good. It is a very serious flaw in the process of appraisal if this principle is denied in practice. Gabris and Mitchell (1989) stated there is always the possibility that an employee who receives poor appraisal results is in fact a chronic poor performer. No employer is obliged to tolerate poor performance forever. Consistently poor appraisal results will indicate a need for counselling, transfer or termination. The exact remedy will depend on the circumstances.

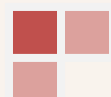
From the empirical perspective, Heneman et al., (1989), who conducted a study of supervisors in nearly 40 different organizations, found that subordinates tend to be divided into two groups, namely, the in-groupers and the out-groupers. The in-groups are subordinates who seemed to favor their supervisor. They enjoy a high degree of trust, interactions, support and rewards from the supervisors. While the out-

groupers appear to be out of favour and have to bear the brunt of the supervisors' distrusts and criticism. In the Heneman et al., (1989) study, they found that when an in-grouper did poorly on a task, supervisors tended to overlook the failure or attribute the cause to bad luck or bad timing, and when they did well, their success was attributed to efforts and ability. On the other hand, when an out-grouper performed well, it was rarely attributed to their effort or ability. However, when an out-grouper performed poorly, they would brand him or her as lazy and incompetent.

The extent of this frustration was explored by Gabris and Mitchell (1989). They studied an organization with a quarterly performance appraisal system. The workforce was divided into two groups: those who had been given high appraisal results consistently, and those who had low results consistently. Of course, not everyone who gets a poor appraisal result is a victim of supervisory bias. Nor are all supervisors prone to making the same degree of in-group and out-group distinction. The effects discussed here are tendencies, not immutable effects. But to some extent, it appears that certain employees may be unfairly advantaged, while others are disadvantaged, by bias effects in the judgment of supervisors.



However, relatively few studies have investigated factors that lead to dissatisfaction on rating of



performance appraisal systems. Job satisfaction refers to the extent to which a person is gratified and fulfilled in their work (Moorhead & Griffin, 2010). It also refers to the feelings over individual either positively or negatively about their job. In this context this study is significant because some of the earlier studies have suggested that performance appraisal is a vital component of a broader set of human resource practices and it is the mechanism for evaluating the extent to which each employee's day-to-day performance is linked to the goals established by the organization (see Ing, 2012; Raj, 2012; Murphy & Cleveland, 1995). According to Ahmad (2007), performance appraisal is one of the most important support systems used in human resource management. It often deals with the salary and wages system or incentives that the workers

and the organization, both employer and employees must work together to fulfil the organization objectives. Hence employee's performance appraisal is a subject of great interest in any organization because it affects the workers' income, although it is not the only goal.

Ahmad (2007) described a social game played by poor performers. Many supervisors will recognize the game immediately and may have been one of its victims. The game is called feedback-seeking. It occurs where a poor performing employee regularly seeks informal praise from his or her supervisor at inappropriate moments.

Employee participation is one of the factors which is not always present in a good performance appraisal system. Though employees should participate with their supervisors in the creation of their

This does not mean that employees do not desire guidance from their supervisor, in fact, they very much do. Of course many supervisors complain that they don't have the time to provide this sort of ongoing feedback. What supervisors really mean when they say this is that the supervision and development of subordinates was not as high a priority as certain other tasks. In this case, the organization may need to review the priorities and values that it has instilled in its supervisory ranks. If appraisal is viewed as an isolated event, it is only natural that supervisors will come to view their responsibilities in the same way. Just as worryingly, employees may come to see their own effort and commitment levels as something that needs a bit of a polish up in the month or two preceding appraisals. Taking the cue from above, there seems to be a literature

Objectives of the Study

The main objective is to examine the relationship between selected factors of rating dissatisfaction and employee satisfaction/ dissatisfaction on the performance appraisal decision. Thus, in this study it is hypothesized that:

- ✚ **H1a.** There is a significant relationship between the rater's attitude and the employee's satisfaction on performance appraisal decisions
- ✚ **H2b.** There is a significant relationship between the rater's error and the employee's satisfaction on the performance appraisal decision.
- ✚ **H3c.** There is a significant relationship between halo effects and the employee's satisfaction on the performance appraisal decision.
- ✚ **H4d.** There is a significant relationship between recency effect and the employee's satisfaction on the performance appraisal decision.
- ✚ **H5e.** There is a significant relationship between deflation of marks and the employee's satisfaction on the performance appraisal decision

gain from their efforts. The pay system, as one of the extrinsic rewards, (in certain circumstances may) be a very powerful tool to motivate workers. In order to keep a good relationship between workers

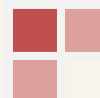
own performance goals and development plans, such a plan may never actually happen. A plan wherein the employee feels some degree of ownership is more likely to be accepted than one that is imposed.

gap on factors that lead to employee dissatisfaction over performance appraisal and its implications on organizational culture.

Research Methodology

In this research, the researcher used survey research design to collect data. In survey research, it is subdivided into two main methodologies: quantitative and qualitative research. In this study, quantitative research is utilized in which questionnaires are used to collect data. The advantages of using survey research are it is a prompt,

effective and flexible way to acquire the information or data needed for this study. Besides this, it is less time consuming compared to other research designs. However, one of the disadvantages of survey research is the respondents' integrity in answering the questions. Overall, survey research can be justified as the best-



known research method used by most researchers (Burgess, 1993).

The survey research design in this study involves employees in one of the government agencies dealing with broadcasting activities. They have to state their feelings, preferences, opinions and reaction towards the selected factors of rating dissatisfaction and satisfaction on the performance appraisal decision.

In this investigation, the population consists of one hundred and fifty employees. These groups are selected because they have their performance appraisal closely evaluated by their immediate superiors, who are in the higher grade annually, and in addition, they have to prepare their yearly work target for submission to their immediate superior. Their immediate superiors are the ones who allocate the marks of their performance appraisal. The sampling technique in this study is a non-probability sampling. Convenient sampling technique was used in this study. In this study, the population consists of all 150 employees in the support group 1 and II in the department. All of them involves in this study.

The research instrument used in this study is modified from previous questionnaires (see Ching, 2005;

Sim, 2006). The questionnaires were divided into sections A, B and C. In Section A, it consists of information regarding the respondent's demographic characteristics such as age, educational background and experiences. In Section B, it contains statements relating to raters attitude, rater error, halo effect, recency effect and deflation of performance appraisal marks. Whereas implications towards employees satisfaction on the performance appraisal decision is in Section C. Single item was used and numbers of items involve measuring all the variable can be seen in Table 1. Validation process of the instrument was done by validation process of the instrument by content expert of that field and also by conducting a pilot study. Feedback from the content expert, play an important role to make sure the content of the instrument is valid. Issues of reliability of the instrument were taken care and several steps are taken in the process of finalizing the instruments; conduct of the data screening; performing the data purification process; conducting exploratory factor analysis; and doing re-test Reliability Analysis. Table 1 shows the goodness of data for this study.

Table 1: Goodness of the Data

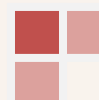
Variable	No. of Items	KMO	Bartlett Test of Sphericity	Eigen Value	Cronbach Alpha
Rater's Attitudes	9	0.833	$X^2=707.625$ p = 0.000	6.349	0.6401
Rater's Error	8	0.886	$X^2=976.775$ p = 0.000	5.793	0.9451
Hallo Effect	8	0.714	$X^2=481.372$ p = 0.000	6.115	0.7475
Recency Effect	8	0.725	$X^2=455.778$ p =0.000	6.013	0.6034
Deflation of marks	6	0.654	$X^2=165.905$ p =0.000	4.558	0.6222
Employee satisfaction on the performance appraisal decision	15	0.741	$X^2=1038.158$ p =0.000	10.363	0.7291

The questionnaires were distributed randomly to the employees of various units by the Officer in-charge of Human Resource Unit in the department. The raw data was obtained from the 150 questionnaires distributed. 130 respondents participated and all these questionnaires were used and analyzed using the SPSS Version 14.5 to test the research hypotheses constructed in this study. The raw data was then analyzed into two types of statistics.

Descriptive statistic was used to know the percentage of selected respondent's characteristics profile in this study. Pearson correlation test was inferential statistics test that was used to examine the relationship between independent and dependent variable involve in this study. Table 2 shows the demographic profiles of the respondents in this study.

Table 2: Demographic Profile of Respondents

Demographic Background		N	Percentage
Gender	Male	77	51.5
	Female	63	48.5
Age Group	< 30 years old	42	32.3
	Years old	27	20.8



	Years old	31	23.8
	> 51 years old	30	23.1
Ethnicity	Malay	49	37.7
	Chinese	20	15.4
	Dayak	52	40.0
	Others	9	6.9
Academic Level	Bachelor Degree	9	6.9
	Diploma	23	17.7
	Higher School Certificate	45	34.6
	MCE/SPM	53	40.8
Years of working experiences	≤ 5 years	45	34.6
	6-10 years	8	6.2
	11-15 years	18	13.8
	16-20 years	6	4.6
	21-25 years	8	6.2
	26-30 years	23	17.7
	31-35 years	19	14.6
	≥ 36 years	3	2.3

Research Findings and Discussion

This section discusses the relationship between selected variables such as raters' attitudes, raters' error, halo effect, recency effect, deflation of performance appraisal marks and the implications of performances appraisals decisions on the respondents. The analysis is divulged by the range 'r' value that is shown. A correlation of a +1.00 is a perfect positive relationship whereas a correlation of a -1.00 represents a perfect negative relationship.

The main objective is to examine the relationship between selected factors of rating dissatisfaction and employee satisfaction/ dissatisfaction on the performance appraisal decision. Thus, in this study it is hypothesized that :

H1a. There is a significant relationship between the rater's attitude and the employee's satisfaction on performance appraisal decisions.

H2b. There is a significant relationship between the rater's error and the employee's satisfaction on the performance appraisal decision.

H3c. There is a significant relationship between halo effects and the employee's satisfaction on the performance appraisal decision.

H4d. There is a significant relationship between recency effect and the employee's satisfaction on the performance appraisal decision.

H5e. There is a significant relationship between deflation of marks and the employee's satisfaction on the performance appraisal decision.

Table 3 below shows results of the hypotheses testing involves

Variables		Raters Attitudes	Raters Error	Halo Effect	Recency Effect	Deflation of Mark	Employees satisfacion
Raters Attitudes	Pearson Correlation	1	0.209(**)	0.197(**)	0.201(**)	0.236(**)	0.261(**)
Raters Error	Pearson Correlation	0.209(**)	1	0.240(**)	0.072	0.014	0.808(**)
Halo Effect	Pearson Correlation	0.197(**)	0.240(**)	1	0.466(**)	0.154	0.282(**)
Recency Effect	Pearson Correlation	0.201(**)	0.072	0.466(**)	1	0.212(*)	0.425(**)
Deflation of Mark	Pearson Correlation	0.236(**)	0.014	0.154	0.212(*)	1	0.295(**)
Employees satisfacion	Pearson Correlation	0.261(**)	0.808(**)	0.282(**)	0.425(**)	0.295(**)	1
* Correlation is significant at the 0.05 level (2-tailed)							
** Correlation is significant at the 0.01 level (2-tailed)							



As revealed in Table 3, the Pearson correlation coefficient of rater's attitude and employees satisfaction of performance appraisal decision is $r = 0.261$ and $p < .01$. It is a situation where the manager gives the same score in the annual performance appraisal, indicating a positive relationship. Therefore, the hypothesis Ha1, in which here is a significant relationship between raters' attitude and employees' satisfaction on the performance appraisal decision, can be accepted. Thus, the result of the study indicates that if raters commit errors when conducting the performance appraisal, these will bear some implications on the junior staff and they will feel de-motivated. The finding conforms with Anderson (1993), Murphy and Cleveland (1995) and Bernardin (2003) who argue that performance appraisal is valued when it is seen as facilitating the accomplishment of the organization objectives by motivating employees to improve their performance and reach their potential.

Another variable which can cause dissatisfaction of the junior staff during the performance appraisal decisions is rater error. It is a situation where raters do not follow the prescribed guidelines, such as setting the annual work target and review the performance of the staff periodically. Results for this hypothesis testing 2 are displayed in Table 3. As revealed in the table, the Pearson correlation coefficient of rater's error and employees satisfaction of performance appraisal decision is $r = 0.808$ and $p < .01$. It is clear the second hypothesis should be rejected because there is a negative relationship between the rater's error and the employee's satisfaction on the performance appraisal decision. From the findings we can conclude that raters' error influences employees' satisfaction on performance appraisal decisions significantly.

This indicates that if raters commit errors when they conduct performance appraisal of the junior staff there is a likelihood that the

junior staff will not be satisfied with the appraisal marks allocated to them. This finding is consistent with the views expressed by Carroll and Schneier (1982), Palliapan (1998) and Ahmad (2007), who believe that rater error is one of the factors which can cause dissatisfaction over performance appraisal decisions.

The result for the hypothesis testing Ha3 is displayed in Table 3. Based on the result, this hypothesis should be accepted because there is a significant relationship in a positive direction between halo effects attitude and the employee's satisfaction on performance appraisal decision. Table 3 shows that $r = 0.282$ and $p < 0.01$ at 99 percent confidence level. We can assume that if halo effect value increases it will affect the implications value, with both moving in the same direction.

Apart from raters' error, halo effect is often described as a major factor which can cause junior staff dissatisfaction over performance appraisal decisions. Halo effect occurs when a manager gives an employee the same rating on all factors, through generalizing from one specific factor. By doing so the manager does not look at his or her other contributions. The relationship between halo effects and the implications on performance appraisal decisions is shown in Table 3 where $r = 0.282$ and $p < 0.01$. Pearson's Correlation Coefficient showed a positive relationship between the independent and the dependent variable. Such being the case, the hypothesis which states that there is significant relationship between halo effects and the employee's satisfaction on performance appraisal decision can be accepted. This finding concurs with Pearce and Porter (1987, p. 115) who found that a performance rating of satisfactory is actually perceived as negative and significantly reduces employees' commitment.

When compared to the others hypotheses, the fourth hypothesis scored the highest r-value at 0.425 and $p = 0.000$ at two-tailed analysis, as shown in Table 3, which indicates

that there exists a relationship between both variables in a positive direction. From observation, we can say that if the recency value increased the implication value would also increase in the same direction.

Recency effect is another important variable identified in this study which can cause dissatisfaction of the performance decisions. Raters can inflate marks to employees who have performed extremely well in certain recent tasks, or at the same time they can also ignore it. Table-3 shows the result of the Pearson's Correlation Coefficient between recency effects and the implications of the performance appraisal decision where $r = 0.425$ and $p < 0.01$. The results reveal that there is a positively substantial relationship between recency effect and the implications of the performance appraisal decisions. Therefore the fourth hypothesis which states that there is significant relationship between recency effect and employees satisfaction on performance appraisal decisions can be accepted. Thus, if raters employ such techniques in allocating evaluation marks to a certain group of staff who have been assigned certain recent tasks, others who are not accorded such marks will be dissatisfied over their appraisal. This finding also concurs with the views of Carroll and Schneier (1982) who highlighted that employees were given higher appraisal marks from works that they have done well recently.

The final factor identified in this study, which can cause dissatisfaction over the performance decision, is when raters deliberately deflate the marks allocated to the junior staff, when the ratee thinks that he or she could have been allocated better marks. This situation usually happens when the second rater does not agree with the marks allocated to the ratee by the first rater. Table 3, reveals the result of the Pearson Correlation Coefficient between deflation of appraisal marks and the implication of performance appraisal decisions where $r = 0.295$ and $p < 0.01$ indicating a positive



significant relationship. The final hypothesis, which states that there is significant relationship between deflation of marks by the raters and employee satisfaction on performance appraisal decisions can therefore be accepted. This finding is similar to Longnecker, et. al., (1987) who view that managers sometime deflate or inflate the appraisal marks because of bias and to maximize the merit increases a subordinate would be eligible to receive, especially when the merit ceiling was considered low.

The findings reveal that the factors that lead to staff dissatisfaction over performance appraisal decisions were similar to the motivators as described in Maslow's Motivation Theory (1970) and Herzberg's (1976) Two-Factor theory. This was shown by the fact that all the five factors of dissatisfaction being studied were also chosen as predictors of employee dissatisfaction over the performance appraisal decisions. These predictors were motivators or satisfiers that were recognized by Abraham Maslow (1970) and Frederick Herzberg (1976) who included, amongst others, affiliation, achievement, recognition, responsibility and so forth. Hence raters need to take heed of all these factors and should have positive attitudes towards the ratees or their junior staff. These factors also lead to why raters commit mistake when they conduct performance appraisals which should be free from bias. Similarly, reinforcement theory (1996) also suggests that employees who perform should be rewarded or positively reinforced. By fulfilling their needs for recognition of their achievement and performance, these will further enhance their commitment to the organization. Raters should link the performance appraisal system to attainment and should be rewarded if organizations are to give significant meaning to the view that employees are the most valuable asset of the organization.

The study of the factors that contribute to dissatisfaction of performance appraisal is useful to

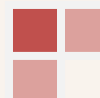
any organization because the commitment shown and dedication of employees are crucial for the success of an organization in achieving its vision and mission. From this study, it is clear that raters' attitude, raters' error, halo effect and recency effect all have a relationship and contribute to rating errors in the performance appraisals decision. Management attitude is also a major cause of dissatisfaction over performance appraisal. Bernardin (2003) argues that if performance appraisal is imposed on them and lacks the genuine support of senior management, performance appraisal will become a cosmetic process to be treated with indifference.



Another major factor that leads to dissatisfaction over performance appraisal are raters' errors. Managers, who are raters, play 'favorites' and create situations that result in unfair and inaccurate ratings (Bernardin, 2003; Murphy & Cleveland, 1992, 1995; Regell & Hollman, 1987; Ahmad, 2007). Halo effect is also another source of dissatisfaction over performance appraisal. According to Murphy and Cleveland (1995) people with good attendance records are often viewed as intelligent and responsible. In the same way, employees with poor attendance record are considered as poor performers, even though the employee who comes in late may produce work of greater quantity and

quality than the one who is always on time. Stone (1995) also argues that central tendency is another source of error which can cause dissatisfaction over performance appraisal. Such ratings, according to Stone (1995), are useless and cannot be used for the purpose of reward, training and development. Pearce and Porter (1987, p. 15) discovered that a performance rating of 'satisfactory' is actually perceived as negative and significantly reduces employees commitment. Leniency and/or strictness bias is another cause of dissatisfaction over performance appraisal. According to Longnecker, et. al., (1987, p. 189) managers often inflate the appraisal to provide ratings that would effectively maintain or increase the subordinate level of performance, and the primary concern was not the accuracy of the rating. Inflated rating occurs primarily on the overall performance rating as opposed to the individual rating. According to Longnecker, et. al., (1987: 190) managers sometime deflate subordinate appraisal in order to; 'shock' the subordinate back onto a higher performance track; send a rebellious sub-ordinate a lesson about who is in charge; send a message to a subordinate that he or she should consider leaving the organization; or to build a strongly documented record of poor performers that could speed up the termination process.

Prejudice is also another factor which researchers have identified as a source of dissatisfaction over performance appraisal. Prejudice occurs when a manager has a negative or positive attitude towards an individual or group. When this happens it causes a rater-generated error. Rosen and Jerdee (1976, p. 180-183) found out that raters are biased against employees aged sixty years or more. While Bigoness (1976), in another study, found that females were often rated significantly higher than high-performance males. Apart from prejudice, recency effect is also seen as one of the factors which can cause dissatisfaction over performance appraisal. Recency is a situation when the manager over



emphasizes the employee's most recent behavior. The manager is over-impressed by the dramatic improvement of the employee's performance and evaluates this segment only rather than the employee's performance over the full review period. The final factor which causes dissatisfaction of employees in terms of performance appraisal is that the review process puts a lot of emphasis on the measuring of subjective traits, such as personality, loyalty, initiative and even integrity. Appraisal systems which place focus on such traits are often argued to be subjective and open to charges of discrimination. Carroll and Schneier (1982, p. 36) indicate that employees assessed under the objective appraisal system are significantly more satisfied with the way they were evaluated (Murray, 1983; Regels & Hollman, 1987).

Recommendations:

Findings of this study have shown that raters' attitudes, raters error, halo effect, recency effect and deflation of marks are significantly related to dissatisfaction among employees in performance appraisal decisions. Results from the research hypotheses testing as in Table 3 explaining that clearly. Therefore, for the policy maker it is recommended that there is a need for more transparent performance appraisals processes. For continuous improvement in the appraisal systems, policy makers need to take this into consideration. There is also

a need to implement an effective and more objective performance appraisal system which is devoid of raters' bias, recency effects and raters' errors in order for the employees to be satisfied with the performance appraisal decisions. To rectify the error on raters, both the first rater and the second rater must follow strictly the rules and guidelines on performance appraisal stipulated by the Public Service Department, whereby the first and the second rater must call and interview the rated individually before points are allocated to their performance appraisal forms. In addition, the top management of the agency must ensure that the raters comply with this requirement by requiring the first and second raters to maintain official records of when the appraisal interviews are being conducted.

Therefore, further research undertakings are recommended for the purpose of; extending the study to include major public sector agencies in Sarawak and Malaysia; applying a more effective instrumentation technique through qualitative study by means of in-depth interviews with respondents, employing in-depth interviews with the first and the second raters to see whether they actually follow the guidelines as stipulated by the Public Service Department, undertaking a longitudinal analysis to help in understanding fully the reciprocal nature of the relationship between factors of dissatisfaction and the implications of the performance appraisal decisions.

Conclusion:

This study was conducted to investigate the factors which cause employee dissatisfaction of their performance appraisals in a public sector organization. Based on the findings of the study, the top management of the department can gain some insight into their employee's satisfaction of their performance appraisal decisions. The findings reveal that the factors that lead to staff dissatisfaction over performance appraisal decisions were similar to the motivators as highlighted in Maslow's Motivation Theory (1970) and Herzberg's (1976) Two-Factor theory. This was shown by the fact that all five factors of dissatisfaction being studied were chosen as predictors of employee dissatisfaction over the performance appraisal decisions. Similarly, reinforcement theory also suggests that employees who perform well should be rewarded or positively reinforced. Apart from that the findings of this study will also contribute to the body of knowledge on the theoretical aspects of performance appraisal especially on factors which contribute to employees satisfaction. It is this aspects of performance appraisal which rarely get the attention of most researcher, thus this study contribute immensely in terms of theory, policy as well as best practices regarding performance appraisal in the public sector.



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