

# Performance Appraisal

## A Source of Perceived Organizational Injustice

Syed Tahir, Hussain Rizvi and Saira Syed

### Abstract

Performance appraisal is an important factor in employee performance and in organizational performance. A valid and reliable system of performance appraisal is vital for a fair and effective appraisal of performance. It acknowledges the employees for their better performance and motivates them for further improvement in their performances by recommending compensations. It identifies the areas of slack performance and suggests appropriate trainings. On the other hand, if system of performance appraisal is not effective and efficient employees in the organization get incorrect feedback about their performance. This creates disappointment and inculcates the perception of organizational injustice.

This research was conducted to study the prevailing performance appraisal system of teachers in Pakistan and its role in creating the perception of organizational injustice among teachers. Quantitative and qualitative methods have been used for the analysis. The quantitative approach involved a questionnaire survey consisting of closed questions on Likert scale. The qualitative approach involved interviews on structured open-ended questions from head teachers and senior teachers to confirm the data results. A pilot study of a sample of 15 questionnaires was conducted to test the reliability of the variables. Parametric and non-parametric data analyses were carried out.

The results revealed that teacher are not satisfied with the present performance appraisal system and a majority of teachers thinks that appraising their performance through this system is institutional injustice, causing dissatisfaction and increased tendency for turnover. They favored a new form of performance appraisal system based on justice and fairness.

**Keywords:** Performance, Performance Appraisal, organizational justice

### Introduction

In a country like Pakistan, where literacy rate is just 54% and where average pupil/teacher ratio in public sector is well above 50 ranging from 42 to even around 70, the role and impact of teacher becomes more critical because student achievements, their growth and development, their vision all depends primarily on the teacher. If the teacher is not competent or if he is competent but his competence is not acknowledged, or if he is not motivated to improve, he perceives injustice, or he feels unsatisfied with his job then the uplift of education remains in jeopardy

The objective of this study was to explore the performance appraisal system prevailing in government schools and colleges of Pakistan and to know how much it is creating perception of Organizational Justice/Injustice among teachers.

Further, the study focused on the teachers' perception about PAS and its impact on the present job satisfaction and future expectations. It will direct the school administration and the government to look deep into the actual causes of downfall in the education standards. This will help the relevant authorities to motivate the teachers for performance improvement through an entirely new and realistic PAS free from all elements of injustice. An appropriate and productive PAS will bring a change in the attitude of teacher for performance development, giving rise to thoroughly learned, highly skilled and firmly determined work force ready to contribute in the economic progress of the country.

### **Literature Review**

Based on the distribution of benefits, the perception of organizational justice has five dimensions: distributive justice, procedural justice, interactional justice, relational justice, and informing justice (Cropanzono & Greenberg, 1997).

Distributive justice is related to resource distribution or justice as equity or fair outcomes. Researchers have found that distributive fairness judgments are influential determinants of satisfaction with conflict resolution and allocation of organizational resources (Lind & Tyler, 1988). The relative distribution of salaries and benefits, merit pay, office space, and budgetary funds are examples of matters that employees often view through a distributive justice lens (Poole, 2007).

Procedural justice is defined in terms of fair procedures and just decisions that result from those fair procedures.

Interactional justice refers to the quality of the interpersonal treatment received by an individual, both before and after decisions (Eker, 2006; Folger & Cropanzano, 1998; Poole, 2007). When thought of in terms of manager and employee relationships, it focuses on people who are affected by manager behaviors, continuing organizational policy and its processes, and manager authority, decisions and behaviors (Ho, 2001).

Relational justice focuses on the behavior of groups. Justice, from this perspective, is respect for social identities as constructed by individuals who identify with certain (Tyler & Lind, 1992).

Informing justice is the process of informing employees fairly and honestly about the distribution of benefits and the events that occur in an organization. It concerns how much information is shared during processes in the organization. In order to satisfy employees, informing them about processes can be more significant than employee salaries (Cropanzano & Greenberg, 1997; Eker, 2006; Folger & Cropanzano, 1998).

According to Donovan, Drasgow, and Munson (1998), each of these organizational justice principles and behaviors occurs in organizations in two dimensions: relationships of employees with managers and relationships among employees. Relationships with managers usually focus on how these behaviors are applied in the organization with regard to employees and how managers practice their policy and how fair these results are perceived to be by employees.

Relationships with employees are related to relationships among employees and how these relationships affect organizational processes, when they are working.

The general purpose of teacher evaluation is to safeguard and improve the quality of instruction received by students (Kremer, 1988). So it is important to provide a system that allows and encourages supervisors and teachers to work together to improve and enhance classroom instructional practices.

According to the literature, there are six main purposes of teacher evaluation. 1. Performance appraisal system should strive to improve instruction by fostering self-development (Rebore, 1991) and peer assistance 2. Staff development activities are to be rated and identified (Stanley and Popham, 1988). 3. The selection process can be validated (McGreal, 1983). 4. A well-designed, properly functioning teacher evaluation process provides a major communication link between the school system and teachers (Walsh, 1987). 5. Personnel decisions such as retention, transfer, tenure, promotion, demotion and dismissal can be enhanced through an effective evaluation process (Kremer, 1988). 6. Teacher evaluation is capable of protecting students from incompetent/ marginal teachers by bringing structured assistance to such teachers (Stanley and Popham, 1988).

“Appraisal has the potential to motivate staff as it gives teachers a clearer view of their job, their aims and what is expected of them. If appraisal is carried out properly in a conducive, non-threatening atmosphere, it helps the teachers to open up and share their experiences with colleagues, thus reducing the traditional isolation and alienation which is generally associated with teaching.” (Monyatsi, 2006)

Since there are no clear-cut standards for judging incompetence, multiple indicators must be utilized to identify teachers gaps (Bridges, 1986) and then they should be required to enter an intensive assistance program for overcoming the shortfalls.

The success/ failure of teaching process or the quality of this process with respect to quality product or the quality improvement in the process will largely depend upon the initiator of the process. The way he is inducted in the process (selection), the way he is involved in the process (Performance) and the manner by which he is asked to improve the process through his potentials/strengths or he is informed of the shortcomings/weaknesses in the process (performance evaluation/performance appraisal).

### **Data and Methodology**

The research design was based on the research model used by Pedzani Perci Monyatsi for his research to study the perceptions of teachers regarding the appraisal system in secondary schools in Botswana. The use of multi-methods in a study secures in-depth understanding of the phenomenon in question as it adds vigour, breadth and depth to the investigation (Cresswell 1994; Denzin and Lincoln 1998; Salomon 1991). In this study, the perceptions of teachers regarding the appraisal system in federal government schools and colleges of Pakistan were recorded by applying both a quantitative and qualitative approach.

The methodology comprises of Quantitative and Qualitative approaches. The quantitative approach involves a questionnaire survey consisting of closed questions on Likert scale. The

qualitative approach involves interviews on structured open-ended question from head teacher and senior teachers to confirm the data results. A pilot study of a sample of 20 questionnaires was carried out to test the reliability of the variables.

Present Performance Appraisal System in Pakistan at school and college levels based solely on Annual Confidential Report (ACR).

The head teacher of the school or the principal of the college writes teacher's ACR in January/February of each calendar year mostly as a routine practice. ACR contains such general standard as to describe the personality of the teacher rather appropriately evaluating the performance of the teacher like integrity, intelligence, initiative & drive, appearance and bearing, understanding and tolerance, perseverance and devotion to duty, confidence and will power, emotional stability, ability to produce constructive ideas, supervisions and guidance, knowledge of Islam, attitude towards Islamic ideology. Some others are, knowledge of work, ability to take decision, foresight, acceptance of responsibility, analytical ability, reliability under pressure, work- output, work quality, judgment, financial responsibility, power of expression( written/oral, goals set versus target achieved, economic utilization of resources, relation with subordinates, behavior with public, attitude towards audit, inspection of subordinate offices, field tours undertaken.

To accommodate the above mentioned standards for evaluation head teacher/Principal sometime make use of different supplementary indicators to substantiate his report about a teacher and sometimes report without considering any such supplementary indicators. These supplementary indicators are teacher's effort (TE) obtained through students' feedback verbally and indirectly students' achievement measured through class result of the teacher (CR), Qualification and experience of the teacher (Q&E) or use all these indicators collectively (CU) for reporting about the performance appraisal of teachers.

In the present study the five factors have been taken separately and independently to investigate their perceived impact on teacher's motivation towards performance improvement and to get an insight of teacher's perception about present performance appraisal system.

Figure 1: Research Model

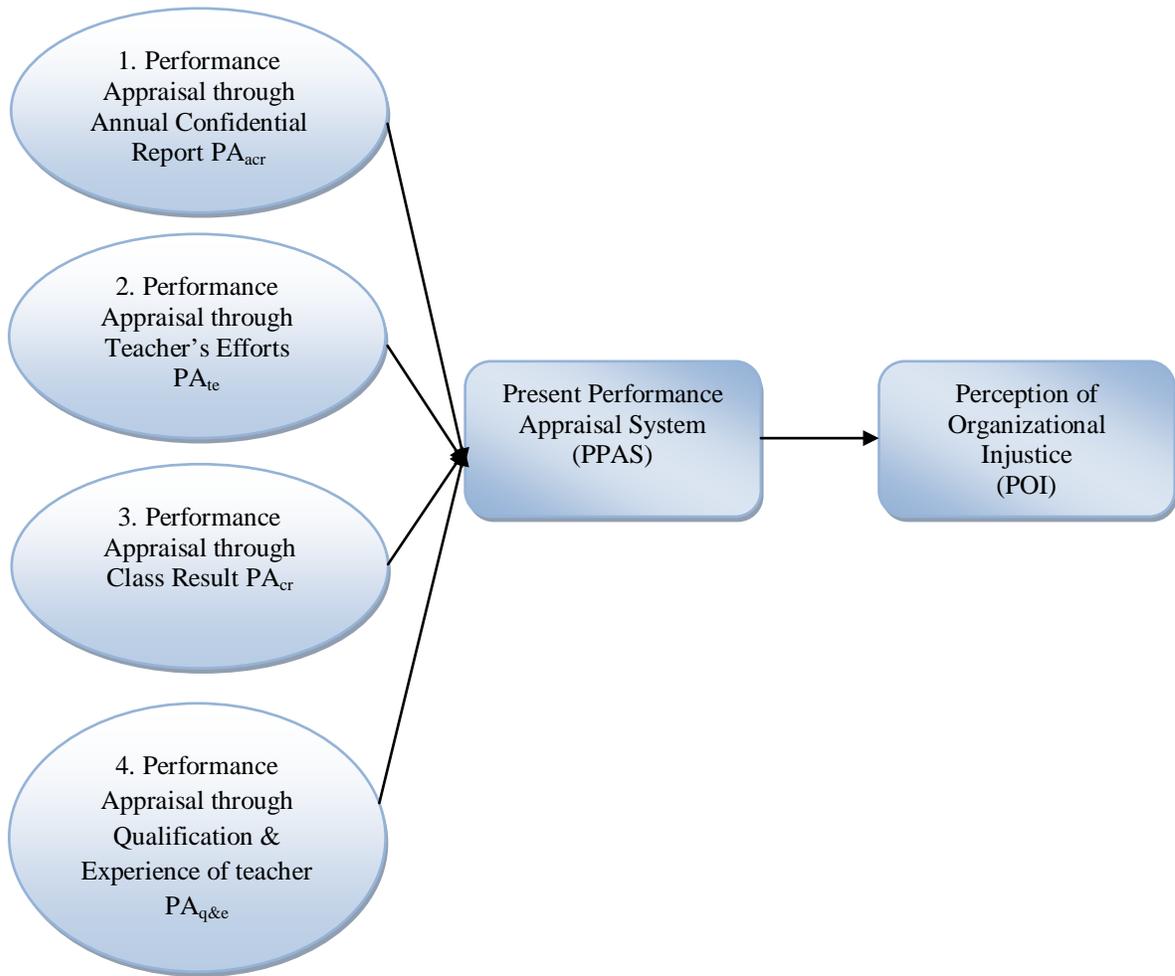
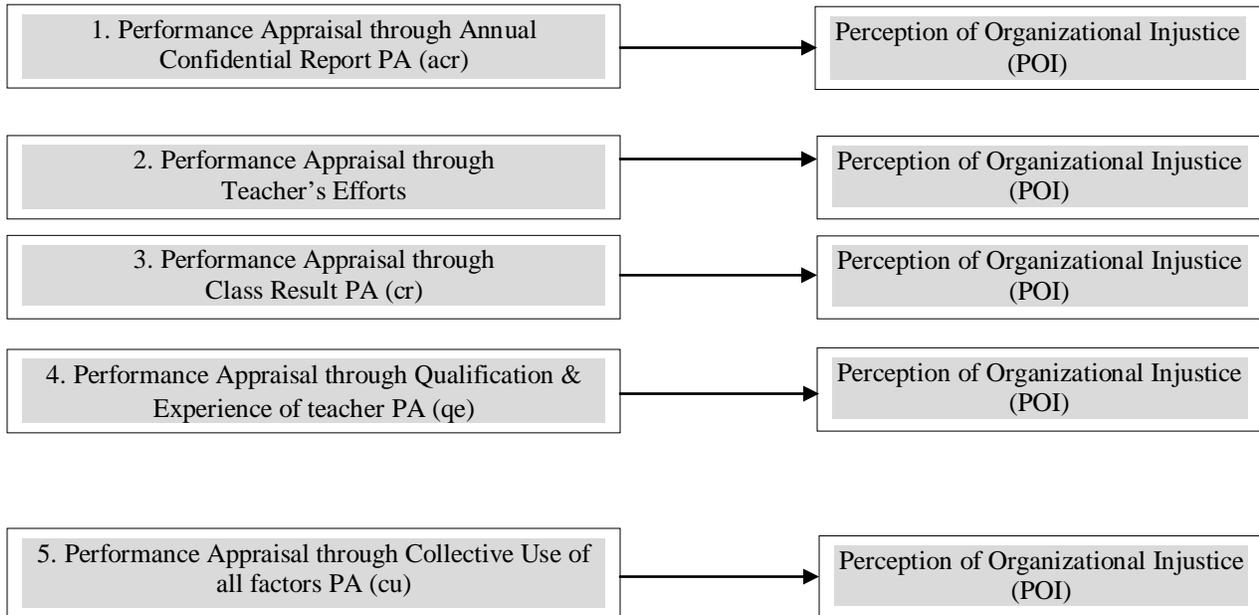


Figure 2: Research Model



Dependent Variable = Perception of Organizational Injustice (POI)

Independent Variables =

1. Performance Appraisal through Annual Confidential Report (ACR).
2. Performance Appraisal through Teacher's Effort (TE)
3. Performance Appraisal through Class result of the teacher (CR)
4. Performance Appraisal through Qualification and experience of the teacher (Q&E)
5. Performance Appraisal through All these indicators used collectively (CU)

### Research Hypotheses

Five main research hypotheses were developed and two hypotheses that were based on the implications of the main ones.

**H1:** Performance appraisal through ACR is Creating Perception of Organizational Injustice

**H2:** Performance appraisal through TE is Creating Perception of Organizational Injustice

**H3:** Performance appraisal through CR is Creating Perception of Organizational Injustice

**H4:** Performance appraisal through Q&E Creating Perception of Organizational Injustice

**H5:** Performance appraisal through CU is Creating Perception of Organizational Injustice

**H6:** The teacher's perception about the present performance appraisal system is that it is Creating Perception of Organizational Injustice

Two types of instruments were used for data collection in this research: one, Questionnaire and two, Semi Structured Interviews.

Semi Structured Interviews were conducted in order to capture perspectives with a view of verifying qualitative data.

Convenient Sampling was used for areas of Rawalpindi/Islamabada, Tarbela & Abbotabad, Karachi and Lahore region, schools/colleges were selected on convenient sample basis and respondents were approached randomly.

Out of a target of 200 samples from teachers of 20 schools/colleges, 140 responded. The overall response rate was 70%. For head teachers purposive sampling was used to select 20 head teachers for recording the verbal responses.

### **Questionnaire Testing**

To start the study a questionnaire was developed which was pilot tested over a small proportion of the sample size (15) from 03 nearby schools/colleges. For testing reliability of the questionnaire the Cronbach's alpha was calculated, which came out to be 0.784 for all the 15 items of the survey form. For individual variable constructs, the reliability values obtained were much higher. In light of these findings at the pilot testing level, the questionnaire deemed appropriate for usage.

### **Reliability of Constructs**

After conducting, the survey the researcher was interested in calculating reliability of the constructs to analyze which constructs need to be part of the analysis and which ones should be discarded.

The variable Performance Appraisal through ACR i.e. PA (acr) was found to be highly reliable as the Cronbach Alpha value obtained for it was 0.847. The researcher did take up this variable for further analysis.

The values of Cronbach Alpha of the variable titled PA (te), PA (cr), PA (qe) and PA (cu) were ranged from 0.754 to 0.865 showing a high level of reliability. The researcher did take up these variables for analysis.

## Empirical Results

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PA.acr	140	1.00	5.00	3.0297	1.01908
PA .te	140	1.00	5.00	3.4266	.95806
PA.cr	140	1.00	5.00	3.6130	.90686
PA. qe	140	1.00	5.00	3.5731	1.07836
PA.cu	140	1.00	5.00	3.8656	.89437

The table above defines variable descriptive. The standard deviation value of the variable PA (acr) and PA (qe) are on the higher as compared to others but overall all the variables have low standard deviation.

### Correlation

Correlation tells us about the direction strength and significance of relation between dependent and independent variable. The correlation between motivation for improvement (MPI) - dependent variable, and all the independent variables were separately calculated and the results revealed that:

Performance appraisal through ACR and perception of organizational injustice is positively correlated. The R-value (0.436) shows that correlation is moderate. The result is highly significant .Significance value is found to be (.000). Performance appraisal through TE and perception of organizational injustice is positively correlated. The result is significant but the correlation is weak. The R -value is (0.268). Performance appraisal through CR and perception of organizational injustice is positively correlated. The correlation is moderate and the result is significant. The R -value is (0.488). Performance appraisal through Q&E and perception of organizational injustice is positively correlated. The correlation value is the highest of all the variables and the result is significant. The R -value is (0.587). Performance appraisal through CU and perception of organizational injustice is positively correlated. The correlation is moderate and the result is significant. The R -value is (0.454).

### Regression Analysis

In order to check the impact of the independent variables – that is different tools of performance appraisal on the motivation of teachers towards performance improvement it deemed appropriate to use regression analysis. Therefore, each type of performance appraisal tool was regressed separately to see individual impact on motivation.

Positive correlation between performance appraisal through ACR and perception of organizational injustice was found (the value of Pearson Correlation value 0.436). Both are positively and significantly correlated. Performance appraisal based on ACR contributes 43.6% perception of organizational injustice. On the other hand (R= 0.436) confirms that variations in

perception of organizational injustice is caused by performance appraisal through ACR is only 43.6%. This leads to accept hypothesis H1 i.e. *Performance appraisal through ACR is creating perception of organizational injustice among teachers.*

A positive but relatively weak correlation between performance appraisal through Teacher's Efforts and perception of organizational injustice was identified (Pearson Correlation- 0.268). The regression coefficient of the equation shows that performance appraisal based on TE contributes only 26.8% perception of organizational injustice. ( $R= 0.268$ ) confirms that variation in perception of organizational injustice is caused by performance appraisal through TE is only 26.8%. So hypothesis H2 was accepted, which meant that *Performance appraisal through TE is creating perception of organizational injustice among teachers.*

Performance appraisal through class results and perception of organizational injustice are positive correlated, the correlation is strong and significant (the value of Pearson Correlation is 0.488). The regression coefficient of the equation shows that performance appraisal based on CR contributes about 49% perception of organizational injustice. ( $R= 0.488$ ) confirms that variations in perception of organizational injustice caused by performance appraisal through class results is also 49%. This implied that hypothesis H3 was accepted i.e. *Performance appraisal through CR is creating perception of organizational injustice among teachers.*

The value of Pearson Correlation (0.587) shows that there exists a strong positive correlation between performance appraisal through qualification and experience of the teacher and perception of organizational injustice. The regression coefficient of the equation  $MPI = 1.095 + 0.587 PA (qe)$  shows that performance appraisal based on qualification and experience of the teacher contributes 59% perception of organizational injustice. ( $R= 0.587$ ) confirms that 59% variation in perception of organizational injustice is caused by performance appraisal through Q&E. Therefore, hypothesis H4 was accepted which implied that *performance appraisal through Q&E is creating perception of organizational injustice among teachers.*

The collective use of all the explained instruments of performance appraisal (cu) and perception of organizational injustice is positively correlated. (Value of Pearson Correlation 0.454). The regression coefficient of the equation shows that performance appraisal based on the collective use of all the explained instruments of the teacher contributes 45% perception of organizational injustice. On the other hand ( $R= 0.454$ ) confirms that 45.4% variation in perception of organizational injustice is caused by performance appraisal CU. This leads to accept hypothesis H5 i.e. *Performance appraisal through CU is creating perception of organizational injustice among teachers.*

The implication of accepting above five hypotheses is that teacher's perception about present performance appraisal system is such that it is creating perception of organizational injustice among teachers. Therefore, hypothesis H6 was accepted.

## **Results**

The regression analysis of independent variables with Perception of Organizational Injustice indicates that

PA (qe) has the highest impact on motivation i.e. 58.7%, followed by PA (cr) i.e. 48.8% and then PA (cu) with an impact of 45.4% then PA (acr) – 43.6% with a low impact of PA (te) i.e. 26.8%. It can be concluded that even combined all the types of performance appraisal tools have a very high impact on perception of organizational injustice. This is consistent with our hypothesis.

### **Findings of Descriptive Analysis**

Descriptive analysis of the data showed that on an overall basis, 35% of the respondents in the present study reported that they were not satisfied with their performance appraisal system. By implication, this meant that the present performance appraisal system as a whole did not help or motivate 35% of the responding teachers to improve their work performance.

### **Conclusion**

1. The results of this research indicate that performance appraisal that is based on ACR, TE, CR, QE or CU is creating perception of organizational injustice among teachers.
2. Teachers, largely, do not believe in the present performance appraisal system, which is causing frustration among teachers and job dissatisfaction.
3. Teachers' perception is that a new PAS is required for motivation towards PI.
4. They feel that a new performance appraisal system is required as a source of teacher's motivation for performance improvement where principal along with senior colleagues must evaluate them and the evaluation should be done annually.

The reasons identified in this regard were three-dimensional. The problems are related to either of the following:

- Evaluation Standard
- Evaluation Procedure
- Evaluator in Evaluation Procedure

The standards used for evaluation in the present performance appraisal system are inappropriate rather poor, the interpretation of evaluation standards is unclear and inconsistent.

The evaluation procedure is vague and blurred, unsystematic and irregular and highly ineffective.

Intentional or un-intentional errors in evaluation due to halo effect, leniency or harshness effect, central tendency effect, recency of events effect, contrast effects, personal bias error etc. make evaluator is often biased so he is neither credible nor reliable.

The system lacks reliability, credibility and validity Therefore, as a whole it looks useless and unproductive- the evaluation worth nothing.

In addition, the system lacks validity because it is not motivating the teacher towards improvement, it is not creating job satisfaction and it is not linked to either reward system or training and development or recruitment/ induction or employee retention system.

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## Biography

Syed Tahir Hussain Rizvi has MSc in Economics, MBA (HRM) and MS (HRM). Presently he is a PhD scholar at Mohammad Ali Jinnah University, Islamabad and Senior Lecturer at International Islamic University, Islamabad. E-mail-: [proffsyed@hayoo.com](mailto:proffsyed@hayoo.com)

Saira Syed has a Masters Degree in education (M.Ed) from International Islamic University Islamabad and sufficient teaching experience at school level. Presently she is working as Coordinator in a local school WISE.