A Review of the Influencing Factors of Ratee Performance Appraisal Satisfaction

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Abstract. Performance appraisal satisfaction can help companies to judge the effectiveness of performance appraisal system and influence employee's attitude and behavior. Therefore, it is worth paying attention to the study of antecedents of performance appraisal satisfaction. Through reviewing the previous literature, the paper divides the factors that affect the performance evaluation satisfaction into the level of the ratees, raters, the performance appraisal system, and the relationship between ratees and raters. At the end of this paper, the existing research is summarized, and the future research is prospected according to the shortcomings of the existing research.

1. Introduction
Performance appraisal is an important function of human resources. Effective performance appraisal system can guide managers to make decisions and guide employees to improve their performance. Also, employee’s reaction to performance appraisal is an important means to test the effectiveness of the performance appraisal system. Therefore, the response of the performance appraisal process has gradually attracted the attention of scholars [1]. For example, Iqbal (2015) made an integration model to emphasize the importance of the employee appraisal reaction. This reaction included fairness, satisfaction, usefulness and accuracy in performance appraisal etc.

The scholars often use performance appraisal satisfaction to measure performance appraisal reaction. From the psychological point of view, the performance appraisal satisfaction will affect the staff's attitude and behavior toward the organization, so the research on the performance appraisal satisfaction is worth our attention. Although the relative research on the performance appraisal reaction has attracted the attention of scholars, there are only a few reviews of the performance appraisal satisfaction.

2. Ratee performance appraisal satisfaction

Concept. When the study of performance appraisal reaches a certain level, the research on satisfaction of performance appraisal just began. Performance appraisal satisfaction was expressed by Dobbins in 1990 when he proposed it should be one of job satisfaction dimension. Cascio (2011) defines performance appraisal satisfaction as perception of employee's participation in the performance appraisal process, feedback quality of the performance appraisal, and the degree to which the result of performance appraisal affect the distribution of the remuneration. Early study on performance appraisal satisfaction was conducted from the perspective of job satisfaction. In recent years, it was biased to discuss from the perspective of employee performance appraisal reaction.

Measures. Dobbins et al. (1990) first proposed that job satisfaction should include the satisfaction of performance appraisal. The dimensions include timeliness, accuracy, fairness, operability, transparency, goal setting process, satisfaction of performance appraisal system and performance feedback [2]. After that, more and more job satisfaction studies involve the aspect of performance appraisal satisfaction.
appraisal satisfaction. The questionnaire of performance appraisal satisfaction initially measures the satisfaction of the assessment process. The later research includes both the process and results of performance appraisal. Also there are many articles by measuring the performance appraisal process of fairness, Distribution of fairness and interaction of fairness to assess of performance appraisal satisfaction. Keeping and Levy (2000) developed a performance appraisal system to measure the responses of appraisers.

3. Influencing factors of ratee performance appraisal satisfaction

**Influencing factors of the level of ratee.** The perceived fairness of performance appraisal. There are more foreign studies on the satisfaction of performance appraisal. And it is generally discussed from the angle of fairness in the early stage. Many scholars have proved that the perception of fairness has a positive effect on performance appraisal satisfaction. The perception of fairness is mainly divided into distributive justice perception, procedural fairness perception and interaction justice perception. Employees' fair perception of performance appraisal helps them to respond positively to the appraisal system and enhances the satisfaction of performance appraisal [3]. It is noteworthy that Pichler (2016) argues that even if individuals perceive inequities, but the overall organizational climate regards the appraisal system as fair, then the employee will be satisfied with the performance appraisal [4].

Participation in the performance appraisal. Employee participation is beneficial to the fairness and effectiveness of the performance appraisal, motivating employees to improve their performance after knowing the appraisal result. It has shown that participation in performance appraisal has a significant effect on employee emotional responses (Cawley, 1998). Some scholars have verified the impact of engagement on performance appraisal satisfaction. Moreover, feedback seeking is a form of employee engagement. Anseel (2015) argues that feedback seeking improves the communication between the rater and rate, which helps employee to understand the performance appraisal system and increase the performance appraisal satisfaction [5].

The characteristics of ratee. Linderbaum and Levy (2010) suggested that those with a higher feedback orientation take the initiative to seek feedback on performance appraisals. So they will understand the purpose of performance appraisals better, and use feedback to achieve their goals. The empirical study shows that people who prefer to seek feedback are more satisfied with the performance appraisal system. Self-monitoring refers to the extent to which people observe, adjust and control their own image during social interaction. This is an individual difference. Empirically, Miller (2001) found that self-monitoring is negatively related to performance satisfaction [6]. For example, the higher self-monitoring people may have a lower sense of trust in rater and assessment systems. In order to build a positive image, they will specifically resist the threat of information from other sources. So their performance appraisal satisfaction is generally lower. There are few studies on the influencing factors of performance appraisal satisfaction in China. And many of them consider the characteristics of employee, such as working age, gender and job title. For example, Li Hongmei (2007) found that different age groups will have different working attitudes, which also affect attitudes towards performance appraisal system.

**Influencing factors of the level of rater.** Rater Resource. Dupee (2011) thinks that feedback from multiple sources is beneficial to increase organization communication and the accuracy of performance appraisal [7]. It can improve appraisal system more effectively, so employees will be satisfied with performance appraisal. Miller (2001) showed that employees have the opportunity to conduct self-assessment and leadership assessment, which can increase their performance appraisal satisfaction [6]. Self-assessment not only increases the employee's participation, but also improves the sense of control and guides employee’s future performance goals. What's more, colleagues' assessment did not affect the employee's performance appraisal satisfaction.
Feedback of performance appraisal. The feedback of performance appraisal is often told by the rater and the feedback will affect the response of the employee to the performance appraisal system. Culbertson (2013) empirically concluded that the type of feedback affects the satisfaction of performance appraisal [8]. Negative feedback negatively affects performance appraisal satisfaction and the converse is also true. Kuvaas (2011) also considered that the ratee receive the rater's high quality and regular feedback, which would increase ratee’s positive reaction [9]. This is because the high score is conducive to intrinsic motivation of the ratees, and they will be more satisfied with performance appraisal. But Luffarelli (2016) believes that the relationship is moderated by social comparison orientation [10]. When rates like to compare, they receive no intrinsic motivation even if they receive higher performance appraisal results but lower relative performance rankings. Therefore the performance appraisal satisfaction will be affected negatively as well. Moreover, different target orientations (such as learning goal orientation, performance proved orientation, performance avoidance orientation) will also affect their relationship strength.

The support and trust of the rater. Levy and Williams (2004) argue that superiority trust as a proximal variable has a direct impact on the appraisal reaction [1]. When the assessor perceives the superior’s trust, it will better cooperate with the rater's work. Then they will have a better understanding of the performance appraisal system. Through previous literature, Pichler (2012) suggested that the main factors affecting the performance appraisal response include superior trust and support [11]. In terms of social exchange theory, as a "reward", the ratee will be more actively involved in the performance appraisal process and improve its attitude towards the system.

Performance appraisal system characteristics. The purpose of performance appraisal. From the perspective of expectation gap theory, employees will have expectation on assessment goal at the early stage of assessment. When the performance of employees is not recognized or identified, they will feel frustrated, producing expectation gap and reducing the satisfaction of performance appraisal. Therefore the different appraisal purpose perceived by the ratees will affect their overall performance appraisal system. Krats and Brown (2013) empirically conclude that the purpose of performance appraisal is for employees’ development, which benefits to improving performance appraisal satisfaction. The reason is that developmental purposes guide the employee to improve performance and also reflect their value to the company. Wen Peng and Liao Jianqiao (2010) are divided into four purpose types (transaction, commitment, cooperation and laissez-faire), basing on the two basic purposes of assessment (developmental and evaluative) [12]. The study shows the satisfaction of Cooperation-oriented and commitment-oriented performance appraisal is higher than the transaction-oriented.


Influencing factors of the relationship between rater and ratee. Erdgan (2002) thinks that performance appraisal is a social psychological interaction in a very complex environment. Therefore contextual factors have an important impact on performance appraisal. The context factor is a social oriented or relational oriented structure, affecting employee cognition process[1]. The relationship between raters and ratees is an important social context factor [6]. Because performance appraisal is often made by superior leaders, scholars pay more attention to the impact of leader member relationship on performance appraisal satisfaction.

Pichler (2012) stressed that the leader-member exchange has a significant impact on the performance appraisal reaction [11]. The leadership has limited energy and resources, so it will establish a different relationship with the staffs, some of which are of high quality and some are low quality. Compared with the west, subordinate relationship has a greater impact on the staff, so we should pay more attention to it. The high (low) exchange relationship is characterized by more (less)
exchange of mutual trust, support, responsibility, and exchanging valuable resources. For example, Pichler (2016) thinks LMX affects employees' feeling and participation in performance appraisal, which will further affect performance appraisal satisfaction [4].

4. Summary

In this paper, the influencing factors of performance appraisal satisfaction are classified as individual level (rater and ratee), system characteristic level, and the relationship between rater and ratee. Obviously, the influence factors of performance appraisal satisfaction were more focused on the individual level at the beginning, such as the fairness perception and participation in performance appraisal. In recent years, more and more attentions have been focused on the appraisal system characteristics and social context factors, such as the purpose and feedback of performance appraisal, leader member exchange. Especially context factor is a hot topic in recent years. [30]

From the previous literature, this paper puts forward the following points for future research. We can explore the impact of leader's style on performance appraisal satisfaction, especially leader style, such as transformational leadership, which help to win the trust of employees in appraisal process and increase their satisfaction. Although there are many studies about the influence of appraisal feedback on appraisal satisfaction, the relationship is more complex. In the future, we can discuss the relationship from the perspective of feedback concept (such as type, frequency, delivery, feedback source, feedback environment). As stated in the previous article, the impact of feedback on appraisal satisfaction is quite controversial. Therefore, the relationship needs more boundary conditions, such as the individual difference factor and the contextual factor. Performance appraisal is implemented in the social context. We should pay more attention to discuss the social context factors, e.g. the organization atmosphere, the political atmosphere in the team and the feedback environment.

References