



**Employee Perceptions of the Performance Appraisal Process
in a Hospitality Organisation in Namibia**

By

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Abstract

Performance appraisal is an essential tool for employee development and organisational success. The goal of performance management and performance appraisal is to help employees improve their skills and to find and address gaps in performance in the organisation. Employee perceptions of the fairness of performance appraisal determine the success and sustainability of the performance management system. Generally, employees are more accepting of performance appraisals when they perceive the process to be fair and developmental. This study aimed to describe the different performance appraisal fairness perceptions of employees in a hospitality organisation in Namibia. Using the organisational justice approach, a structured performance appraisal questionnaire was used to survey employee perceptions. The electronic survey was sent to $N = 94$ employees who were undergoing appraisal and results were analysed and presented using descriptive statistics. The study found that 55% of respondents agreed that the performance review system was effective to indicate how an employee performed during the review period. Only 29% of the respondents disagreed that the review system provided a fair measure of an employee's performance. The study also found that 63% of employees agreed that their supervisors were reliable. Results suggested that generally employees perceived the performance appraisal system as fair, and that satisfaction with the appraisal is guided by perceptions of fairness. The managerial implications of these findings are that the management of the hospitality organization will need to invest resources – both financial and human – to ensure that the organization reaffirms the performance appraisal method used by the organization and that it remains favoured by the employees.

Keywords: employee development, employee perceptions, organisational justice, fairness, performance appraisal, performance management

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Dedication

In honour of my late grandmothers, Frieda Kameeta and Sophia Vries.

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Chapter 1: Introduction

1.1 Background

The assessment of employee performance at work has been an ongoing topic of interest for many scholars and practitioners, with emphasis on the process of managing performance (DeNisi & Murphy, 2017). Over the years, performance management has become a practice that many organisations have adopted; however, there seems to be a notion that the system is not being employed as intended (Kaposambo, 2016). Most organisations mainly conduct performance appraisals as part of a larger performance management system to help them improve employee performance. Previous research has paid attention to the effect of employees' perceived fairness of performance appraisals (Krishnan et al., 2018). Over time, research has shown that in many organisations, employees do not have positive perceptions about performance appraisals. According to Jewoola (2014), employees, especially new employees, tend to have negative opinions about the performance appraisal process because their work performance is evaluated against the training offered and their capabilities to perform the work. Such employees are not positively motivated by the process of performance appraisal and, therefore, do not see the good aspects of the performance management system as a whole. These negative perceptions accumulate over time and eventually affect employees' perceptions and reactions towards other human resource activities and other processes.

Negative employee perceptions can have a negative impact on the expected outcomes of any performance appraisal system. The effectiveness of performance appraisal can be influenced by employee attitude and behaviour towards the system (Evans & McShane, 1987). Growing literature on the effectiveness of performance appraisal recognises the importance of employee acceptance of appraisal decisions with the belief that the system is fair and consistent (Evans &

McShane, 1987). Research also suggests that employees have more positive attitudes towards appraisals when they are given the opportunity to participate in the process (Evans & McShane, 1987). This includes the opportunity for the ratees to voice their opinions on relevant issues, explain their point of view, and request clarification regarding the ratings they receive.

According to the literature, employees' opinions or perceptions have a significant impact on how well they do at work. The current focus of performance appraisal research is on how people perceive fairness in performance evaluations. Organizations should employ positive worker opinions of how fair performance evaluations are to deal with the bad attitudes that people have about performance evaluation systems, (Kuvaas, 2006). The social exchange theory has been utilized by researchers to investigate how people think about their jobs, and how it influences their interactions with co-workers (Moeng, 2014). The way employees and supervisors think about performance reviews still matters a lot in achieving a good score. This was the study's primary focus. Even though the process is intricate, according to researchers, employees' perceptions of fairness can have an impact on their behaviour, performance, and job satisfaction (Kuvaas, 2006).

Successful managers, according to Keeping and Levy (2000), conduct daily performance reviews and provide feedback to their staff, to identify areas for growth and track how far they have progressed. Organizations must devise a practical method to ensure that individuals believe job satisfaction performance evaluations are fair. The value and fairness of the PA process are still debatable. For a long time, the performance evaluation interview has been an important element of HR work, but there are limits to how much they might influence employees' opinions (Jewoola, 2014). Even though people talk about performance reviews and how they affect job performance and dedication to the job, the assertion is founded in previous studies (Kim, 2016).

A solid performance evaluation system may not only assist employees to improve their performance, but it may also help businesses to enhance their overall performance. The civil service's Annual Confidential Report (ACR) processes, on the other hand, may appear inefficient and may fail to assist people to learn and progress (Jewoola, 2014). PAs are used to demonstrate to employees how essential they are to the firm, but others argue that the rewards and outcomes do not reflect how vital and valuable each individual is (Keeping & Levy, 2000). Job satisfaction is linked to perceived fairness of performance reviews, which influences total commitment to the job (Kim, 2016).

Employee perceptions of fairness, according to Kim (2016), has a greater effect than the goals and design of the human resources system, which reflects in the conclusions of a study on performance measurement. Employees that have a positive perception of the evaluation system, are happier with their work, according to Kim. Despite the fact that the assessment system is believed to be an important management tool that may assist individuals in making better decisions, many projects have failed to achieve their goals. Workers' reactions to performance reviews, as well as the way in which they are conducted, are regarded to have a significant impact on how accurate, fair and successful they are (Jewoola, 2014).

In Namibia, hotels and restaurants are an important part of the tourism industry. In 2012 the hotel and restaurant industry contributed about 6.6% to total employment, and they accounted for 1.8% of the gross domestic product of Namibia (Bank of Namibia, 2012). The World Travel and Tourism Council identified Namibia as the sixth fastest-growing tourism industry in the world.

A critical factor for the success of the hotel industry is availability of high-quality employees. To achieve its objectives, it is essential for the hotel industry to deliver high-quality service through effective performance management of employees (Musaba et al., 2014). A

literature search on the hospitality industry in Namibia reveals a few studies that deal with consumer perceptions of service quality (Mwanza & Chingarande 2013; Musaba et al., 2014). However, no studies were found on employee perception of performance appraisals in the hospitality industry in Namibia.

Performance management tools are increasingly contributing to the development of countries, since they provide standards and perimeters for the measurement of employees' work effectiveness. Since the Hospitality and Tourism Industry in Namibia contributes about 1.8% of the country's gross domestic product, a study on employee perceptions of performance appraisals is relevant in this context, because organisations need to adapt to everchanging environments, in order to be sustainable (Moeng, 2014).

Traditionally, appraisal fairness is conceptualised as either the perceived fairness of the performance rating or the perceived fairness of the appraisal in general. The perception and satisfaction of performance appraisal is primarily conceptualised in three ways: (a) satisfaction with the appraisal interview or session, (b) satisfaction with the appraisal system, and (c) satisfaction with performance ratings (Keeping & Levy, 2000). Performance appraisal has adopted the constructs of procedural justice and distributive justice, and it uses these measures to assess the issue of fairness (Keeping & Levy, 2000). The data for this study were obtained using the performance appraisal reaction instrument of Keeping and Levy (2000). This instrument measured four constructs, namely satisfaction with the overall performance appraisal system; satisfaction with the appraisal interview; employee perceptions of procedural and distributive justice; and employee supervisor trust.

1.2 Performance Appraisal in the Organisation Under Study

This study was conducted in a hospitality organisation in Namibia. The organisation has a total workforce of 430 employees of whom 94 were undergoing performance appraisal. The purpose of performance management in the organisation under study is to link organisational strategy, policies and goals to sub-unit or divisional goals and then to link these goals to individual employee jobs.

Even though some employees have said they do not prefer the way performance appraisal is conducted, performance appraisal is a common and popular practice in Namibian hospitality organisations. Despite various efforts to evaluate performance appraisal practices in Namibian organisations, little progress has been made in the understanding and practice of performance appraisal in this context. Advances in the practice of performance appraisal have been slowed down by a lack of effective ways to evaluate at the fairness of performance appraisal systems in the company being studied.

Moeng (2014) argues that most of the structural and procedural parts of a "well-designed" performance rating system are in line with each other. There are numerous Namibian organisations, like the one being studied, that build systems based on approved norms and processes, only to have the people who use them not like them. It is clear that a good performance appraisal system needs more than a good rating structure, clear rules and procedures.

1.2.1 Why Performance Appraisal is Relevant

The purpose of performance management in the organisation being studied is to guide administrative decision-making and to improve employee performance in the organisation. In this organisation, performance appraisals are conducted as part of the broader performance management system. In addition, performance appraisals are used to guide management in making

decisions regarding employee bonus payments and promotions in the workplace. It is critical that employees understand how performance appraisal is conducted, and that management understands the perceptions that employees have of the performance appraisal process, in order to design a performance management programme that is effective for employee and business performance.

Employees' perceptions of performance appraisals have a significant effect on organisational outcomes, because employees' perceptions ultimately influence their behaviours (Jewoola, 2014). A number of negative activities can affect the perceptions of performance appraisal in an organisation, such as poor performance system design and poor administration thereof. These can influence an employee's perception and reaction towards the performance appraisal process negatively, resulting in a poor performance (Kim, 2016). Generally, employees judge the fairness of performance appraisals by comparing their performance outcome with that of their colleagues (Evans & McShane, 1987).

The supervisory administration of the performance appraisal process and employee participation in the process, affect individual factors such as employee perceptions and self-efficacy (self-belief), which in turn, affect employees' reactions to the performance appraisal process (Mulvaney, 2019).

Generally, employees are more likely to demonstrate positive behaviour in their jobs if they feel involved in matters that affect them directly. Moeng (2014) asserts that employees' perceptions are important in determining the long-term effectiveness of performance appraisal systems, which includes a performance appraisal process that is fair and consistent and provides a link between the employees' performance and satisfaction and the organisational goals.

It is imperative for employees to understand that the performance appraisal is a framework that is used to enhance employees' strengths, and to assist in developing skills that are identified

as opportunities for employee growth. There are differences in how stakeholders experience the appraisal process, and consequently, how they interpret and react to it (Moeng, 2014). It is critical to understand employees' perceptions and how employees react to their work, because an organisation's success depends on positive employee productivity reactions.

1.3 Problem Statement

For a long time, performance appraisals have been a normal aspect of human resource management since they assist firms to manage poor and effective performance. In high-performing firms, fairness perceptions can help people to be more content with their positions and to produce better work (Jewoola, 2014). However, some employees and managers have expressed dissatisfaction with the procedure, because it is ineffective or ineffectively implemented (Mwanza & Chingarande 2013). Fairness perceptions are an issue for management scholars, and the fact that they are applied all worldwide (DeNisi & Murphy, 2017).

Research done by Mwanza and Chingarande (2013), found that only 6% of employees believed their evaluations were fair and effective, which is not sufficient to make them feel happier at work. Despite the fact that the major purpose of PA is to increase performance and to match employee performance with corporate goals, both supervisors and employees are unhappy with the process, according to DeNisi and Murphy (2017). Even though research suggests that employee views and managerial practices have an impact on individual behaviour, according to Kaposambo (2016), 70% of measures to increase employee performance have failed (Mwanza & Chingarande 2013).

Performance management in the organisation being studied, has become a "paper tick" exercise. The system has lost its purpose, because it was denoted to develop employee skills and performance, however, skills development has become stagnant. This research was based on the

fact that the researcher did not know how employees of the hospitality organisation perceived this evaluation system.

1.4 Research Aims

1.4.1 Primary Aim

The major aim of this research was to investigate the essential factors that influence employees' perceptions of performance appraisal in a hospitality organisation in Namibia.

1.4.2 Secondary Aims

On a secondary level, the study aimed at providing academic knowledge on the literature concerning the factors that influence employees' perceptions of performance appraisals. We can equally state that the research aimed to enhance existing literature on employee perceptions of performance appraisals.

1.5 Research Question

In order to gain insight into the views of employees towards the performance appraisal process, this study proposed the following key research question:

What are the employees' perceptions of the performance appraisal process in a hospitality organisation in Namibia?

Moreover, the study explored the concept of performance appraisal in depth. Hence, the present study is based on the perceptions of employees in an effort to enrich performance appraisal processes and organisational outcomes by presenting a report to the senior leadership team of the organisation that identifies overall employee satisfaction with the performance appraisal process.

1.6 Objectives of the Study

The primary objective of the study was to describe the different employee perceptions of the performance appraisal process in a hospitality organisation in Namibia by using the organisational justice approach.

The research also attempted to analyse and evaluate the different perceptions affecting employee satisfaction towards the performance appraisal process. The overall levels of satisfaction regarding the performance appraisal of employees may be diagnostic and indicative of the need for interventions such as redesigning the performance appraisal system. Determining these levels can help to stratify areas within the organisation, enabling the organisation to identify where perceptions may be higher or lower than the general level.

In addition, by attempting to understand employee perceptions, this research sought to gain insight into the current human resource practices of the organisation. The findings from this study can be used by line managers and human resource personnel to understand employees' perceptions of the performance appraisal process and how these perceptions may affect the overall performance of the employees in the organisation.

In addition, the study endeavoured to provide guidance on how to improve the current performance appraisal process in order to achieve positive employee and organisational outcomes. When managers and supervisors understand employees' perceptions of the current performance appraisal process, they are better able to design, implement and manage a performance appraisal process that aligns with the expectations of employers and employees and the strategy of the organisation (Ikramullah et al., 2011).

Through the current study that focuses more on the perceptions of fairness, organisations and managers will develop an understanding of the importance of employee perception in the

performance appraisal process. Additionally, this investigation assists the human capital department in the organisation under study in ensuring that conceptual cognizance is created amongst employees in order for them to understand the process of performance appraisal better. Fairness in the appraisal process should be adopted at all times through the consistent implementation of impartial and unbiased practices that can be measured by the human capital department to control negative perceptions and thus improve job satisfaction within the organisation.

1.7 Structure of Dissertation

Chapter 1 offers a background to the study. In addition, the research question is presented and the research objectives are discussed. Chapter 2 is the literature review, and it depicts how performance management and performance appraisal are interlinked and why employees' perceptions of the performance appraisals are important in the organisation. Chapter 3 presents the research methods, the research design, the procedures used, the measures and the statistical analysis used in this study. Chapter 4 presents the descriptive statistics and the key findings of the study. Chapter 5 presents the discussion of the findings of the study and compares it to literature. Chapter 6 presents summary of the findings, conclusions, recommendations and areas of further research.

Chapter 2: Literature Review

2.1 Introduction

Perception is a process by which individuals organise and interpret their sensory impressions in order to give meaning to their environment (Sanjeev & Singh, 2014). Employee perceptions of the fairness of their performance appraisals are essential in determining the overall success of the performance appraisal systems (Erdogan, 2002).

The success of the performance appraisal is dependent on the perceptions of employees regarding fairness of the performance process (Erdogan, 2002). Perceptions are important to understand because they shape how people will react, particularly to their work (Moeng, 2014).

Therefore, this research describes employees' perceptions regarding fairness of the performance appraisal process using the organisational justice approach. An employee who does not have a positive opinion about the organisation's performance appraisal is likely to behave in a manner that will result in negative organisational outcomes. It is imperative to study the behaviours of employees and more so, to determine what causes employees to behave or perform in a certain manner. Organisational behaviour is strongly shaped by the perceptions of employees, which can be analysed through their work behaviour or output (Mullins, 1999).

To describe and measure the behavioural conduct of employees, organisational leadership needs to understand employees' actions by using tools such as performance management to measure employee performance (Erdogan, 2002). This study aimed to understand employees' perceptions regarding the element of fairness of the performance appraisal process and how their experiences affect organisational outcomes.

The reviewed literature determines the differences if any between performance management and performance appraisal and how employees' perceptions of the performance appraisal process are guided by the organisational justice theories.

2.2 Definitions

2.2.1 Performance Management

Performance management refers to the wide variety of activities, policies, procedures and interventions designed to help employees improve their performance. These programmes begin with performance appraisals but also include feedback, goal setting, training and reward systems (DeNisi & Murphy, 2017).

Performance management and performance appraisals comprise one of the most researched topics in today's field of Human Resources. Performance management helps management to monitor, track and improve the performance of the organisation and the performance of the employees. Performance management can be defined as a set of rigorously designed indicators or guidelines to help employees improve their productivity levels. Performance management as described by Amerstrong and Baron (1998) is an integrated structure to improve employee performance by linking it to the strategic goals of the organisation in the pursuit of continued organisational success.

2.2.2 Performance Appraisal

Performance appraisal refers to an infrequent formal process in which employees are evaluated typically by a supervisor or line manager who assesses employee performance along a given set of dimensions, assigns a score to that assessment and thereafter, usually informs the employee of his/her formal rating (DeNisi & Murphy, 2017). Most organisations partially base a variety of decisions concerning the employee on this type of performance appraisal rating.

Performance appraisal is an instrument or process within the broader performance management spectrum whereas performance management is a strategic approach that links performance principles and assessments to which performance reviews are often applied (Ahmed et al., 2010). Thus, performance appraisal can be described as a tool within the wider performance management process. Performance appraisal is a process within the performance management system that focuses on individual employee performance. It is a tool that directs and sets the organisation's expectations of their employees through key performance indicators (Bacal, 2004). Moreover, performance appraisal is a set of objectives involving the manager or the supervisor and the employee to achieve the desired departmental success. Therefore, employee performance targets should be realistic, timeously achievable and must be agreed upon by both the line manager and the employee. The employee performance targets should be measurable, tracked and evaluated on an ongoing basis and in such a way that they assist in the development of employee success.

Performance appraisal is also defined as a process that measures employee productivity over an identified period (Nzuve, 2007). Correspondingly, Dessler (2000) defines performance appraisal as a process that assesses how well employees execute their jobs according to a set of expectations and standards. Performance appraisal is undeniably an organisational tool that strives to increase the performance of employees (Kuvaas, 2006). Performance appraisal is a technique that anticipates optimal employee productivity and, therefore, it is important that line managers do not view it as merely one of the ongoing human resource processes.

Nzoka (2015) alludes that performance appraisal must be treated as an opportunity to assess, develop, and identify areas of improvement in the performance of employees, the department and the organisation as a whole. Employees are critical stakeholders in the performance appraisal process since the process is designed to improve employee performance

and, therefore, should be developmental in purpose. Feedback regarding employee performance should encourage employee development and growth and should provide useful information to supervisors to enable departmental effectiveness (Nzoka, 2015).

2.3 Purpose of Performance Appraisals

There are differing views on the purpose of performance appraisals in the human resource body of knowledge. Performance appraisal in its context is designed to be beneficial for both the employee and the organisation if it is used and understood correctly. As employees are the main stakeholders of this process, their perceptions of the process play a vital role in its success or failure. The performance appraisal process and how it is managed by the managers and supervisors is critical in creating a platform for ongoing development and training (Ohene, 2015).

The contentment that employees gain from this process will lead to different reactions and behavioural outcomes. However, if employees view the performance appraisal process and the evaluation thereof as unfair, the psychological contract between the organisation and its employees may be blemished. Performance appraisal feedback should also enable employees to adapt to behaviours that will lead to organisational effectiveness (Erdogan, 2002). Performance appraisal normally takes place in the form of a meeting between the employee and the supervisor. The aim of this meeting should be to identify employee development areas and skill improvement and to give recognition to employees for their strengths.

People interpret information differently, and these interpretations are often responsible for people's behaviours and attitudes. In the work setting, employees' perceptions and reactions are also influenced by their level of involvement in a specific process. Therefore, employees' perceptions are likely to be positive when they perceive processes in the workplace to be fair (Moeng, 2014). In addition, employees who are directly involved and understand the performance

appraisal process will have a different attitude regarding their performance-appraisal ratings. Performance discussions, in general, have a level of sensitivity attached for self-raters (employees who rate themselves) and become difficult if managers' scores regarding their performance differ from their scores. Therefore, understanding the human resource processes and practices is important because the results of the performance appraisals inform or are used as the basis for many human resource decisions (Moeng, 2014).

Employees' perceptions of fairness relating to performance appraisals primarily underlie the organisational value and the consequences that these perceptions have (Konovsky, 2000). Subsequently, the success of the performance appraisal process is largely dependent on the perceptions that employees have of the process. If the performance appraisal process is perceived as unfair by the employees, the process is expected to fail in reaching its objective of enhancing employees' attitudes and performance. Kaposambo (2016) found that for organisations to benefit from employee retention and commitment, organisations need to invest in the performance appraisal process by ensuring that the process is fair and transparent and is understood by all employees in relation to key performance indicators.

The performance appraisal process should be a 'risk-free' practice that is open to the enhancement of employees' perceptions of the process. Employees should be able to express their feelings and raise concerns regarding the metrics on which they are evaluated.

Performance appraisal should be a fair and honest process. Managers are required to make objective judgements solely based on the measurable indicators of the employee's job performance. However, Treadway et al. (2007) found that performance appraisals are becoming increasingly subjective. The element of trust in the performance appraisal process is being slowly condemned by subjective judgements. Moreover, Greenberg (1986) established that employees

have more trust in supervisors who are well acquainted with the performance appraisal process and who have a good understanding of the employees' job duties. Hence, the trust factor plays a critical role in the success of the performance appraisal. When employees have trust in their supervisors, they are more likely to react in a positive manner towards the performance appraisal process and give of their best when performing their job duties. However, negative employee perceptions of the performance appraisal are unavoidable and difficult to eliminate. One can argue that negative perceptions of the performance appraisal may arise due to poor employee feedback, lack of understanding of the performance appraisal process or negative scoring on employee performance.

2.4 Factors That Influence Performance Appraisals in the Workplace

Deception, invasion of privacy, disrespect and derogatory remarks are the main reasons for negative employee perceptions in the workplace (Bies, 2001).

Deception refers to the inconsistent relationship between the supervisors and their words. Supervisors' words should always match their actions. Deception in the performance appraisal process can be harmful to the organisation because employees' perceptions of fairness will be greatly influenced by their supervisors' deceptive behaviour. Deceptive behaviours can shape scores given to employees during the performance appraisal (Bies, 2001).

Invasion of privacy is another factor that influences employee perceptions. This refers to the way employees feel they have been treated when confidential information about themselves is disclosed to other employees. In the performance appraisal process, it is very important that employee performance is not shared with other employees because this is a confidential skill development process. Correspondingly, disrespect by employees demonstrates that they feel they have been unfairly treated by their supervisors during the performance evaluation process.

Derogatory remarks also influence how fairly employees believe they are treated. In the context of performance appraisal, derogatory judgements in the workplace refer to the unfair ruling regarding an employee's performance by the supervisor (Bies, 2001). The above-mentioned factors can cause the destruction of the performance appraisal process. If employees feel aggrieved during the performance appraisal process, it will affect their performance negatively and ultimately, the performance of their team and the organisation.

2.5 Theoretical Framework: The Organisational Justice Approach

This research focused more on the justice element of the performance appraisal and investigated two major organisational fairness approaches of the performance appraisal process. These are outlined in the succeeding sections.

Organisational justice is the study of fairness in the workplace (Byrne & Cropazano, 2001). The organisational justice theory enables researchers to understand the appraisal-related interactions that may affect employees' perceptions of the performance appraisal process (Greenberg, 1990). Collected works of organisational justice over the years have mainly investigated employees' perceptions of fairness and how their treatment during the performance appraisal process is linked to their attitudes and reactions. Employees' perceptions and reactions regarding the performance appraisal process have been categorised into two categories, namely satisfaction with the overall performance appraisal and fairness of the appraisal process (Keeping & Levy, 2000). According to Mulvaney (2019), organisations should have a clearly defined balance between the developmental aspect of the employee's performance and the administrative aspect of the performance appraisal.

The organisational justice theory looks at the procedural fairness of the performance appraisal process, in addition to the distributive process between the supervisor and the employee. This study focused on fairness perceptions and draws on two dimensions of the organisational justice theory, namely procedural and distributive justice approaches. Organisational justice is deeply rooted in the magnitudes of procedural justice, distributive justice and interpersonal justice approaches (Colquitt, 2001). The concept of organisational justice stems from the social exchange theory, since performance appraisals are viewed as exchange processes. Individuals make contributions (work performance) for which they expect certain outcomes, and with which they evaluate the fairness of these outcomes with their expectations and information gained through social interactions (performance appraisal discussion) (Thurston Jnr. & McNall, 2010).

Therefore, collaboratively, procedural justice is described as the perceived fairness of the procedures used in the performance appraisal process, whereas distributive justice refers to the perceived fairness in the distribution of the performance outcomes, such as bonus calculations (Keeping & Levy, 2000).

Figure 1

A conceptual model on the impact of the performance appraisal programme on overall organisational performance



Source: Sanjeev & Singh, 2014

The above conceptual model shows that performance appraisal systems are strongly linked to organisational performance. Transparency and well explained parameters involve rates to be honest about their rating, as well as clearly elaborating the parameters of the performance appraisal that are conducted. Once transparency and well explained parameters are achieved, it leads to employee perception about the performance appraisal system, and once employees have a perception, it leads them to have satisfaction performance appraisal and motivation to do their work. Individual performance will follow if employees are satisfied and motivated, and this, finally, would most likely lead to overall organisation performance (Monsur & Akkas, 2015).

2.6 Employee Perception of Procedural Justice

Procedural justice refers to the process and the interactive practice between the supervisor and the employee in the performance appraisal. Procedural justice also refers to the perceived fairness of the procedures that are used to make decisions (Heslin & VandeWalle, 2011).

Employees' perceptions of procedural justice mainly depend on their perceptions of the performance appraisal process and the procedure used in the performance appraisals. Employees perceive the performance appraisal to be fair when the process is formally, properly and regularly executed in the organisation and when employees receive courteous and polite performance feedback based on observations, evidence and reason (Flint, 1999). When employees understand the performance appraisal process, they are expected to react favourably to the ratings even when their performance ratings are quite low (Heslin & VandeWalle, 2011). Therefore, for a performance appraisal to be deemed procedurally fair, it should be based on current, unprejudiced evidence regarding the employee's work performance (Latham & Mann, 2006). As a result, employees' procedural justice perceptions could positively affect their emotional attachment to their organisation (Steensma & Visser, 2007).

According to Brown et al. (2010), procedural justice is measured by the following four critical indicators in the approach towards performance appraisal:

- **Clarity:** Clarity is defined as the degree to which employees are clear about the purpose of the performance appraisal and the effect that it has on their job and the organisation.
- **Communication:** Brown et al. (2010) stress that the information flow in the performance appraisal process validates whether employees are given opportunities to present their suggestions and whether these suggestions are regarded as important.

- Level of trust: This determines whether employees believe that their supervisor has a good knowledge of their job and is sufficiently competent to evaluate employee performance.
- Performance appraisal fairness: In itself, performance appraisal fairness is probably the main indicator of procedural justice. Fairness throughout the performance appraisal process has an impact on the outcome of the overall performance appraisal process.

2.7 Employee Perception of Distributive Justice

Conversely, distributive justice refers to the level of fairness observed by employees during the performance appraisal feedback process. The performance appraisal process consists of planning, observation and feedback. Performance appraisal generally has a strong element of emotion attached to it. If employees lack confidence in their supervisor based on the effectiveness and efficiency of the performance appraisal process, the process will not fulfil its main purpose. Getting 'buy-in' from employees is not an easy task and, therefore, it is important that employees trust their supervisors and that employees believe that their supervisors will always act in their best interests (Motlou, Singh, & Karodia, 2016).

Motlou et al. (2016) added that the performance appraisal process should be an ongoing interactive process between the employee and the supervisor. Employees should also be afforded the opportunity to rate themselves since this could increase their faith in the process and ultimately convey a sense of democracy in the performance appraisal process. It is, therefore, imperative for organisations to understand the consequences that employees' fairness perceptions have on the organisation.

If the performance appraisal process and the paradigms of its results are perceived to be fair by the employees, this may help to create a climate for positive work-related attitudes towards

the organisation. The level of fairness that underlies the performance appraisal process determines if the decision-making procedures are rational and transparent (Mert, 2011). When appraisal procedures are designed to be fair and are carried out in a fair manner, rater bias and misinterpretations are eliminated. Moreover, the fairness of the outcome of the results regarding employee performance is important. Research has also revealed that employees' perceptions and reactions to the performance appraisal process in the organisation affect their attitudes towards their own assessment of their performance (Mert, 2011). It is, therefore, credible to assume that the way employees perceive the appraisal process, including its design and implementation, influences employees' discernment towards their work and their work behaviour.

2.8 Social Context of Performance Appraisals

The Social Cognitive Theory recognises that employees' behaviours are influenced by their environment, in this case, their workplace (Moeng, 2014). Understanding the social context in which appraisals take place is important in how employees react to the performance appraisal and influences the development of effective performance appraisal processes (Moeng, 2014). Self-efficacy is a major construct of the Social Cognitive Theory, which contends that behaviour is strongly stimulated by self-influence. The construct of self-efficacy demonstrates a high degree of importance as a basic element of individual behaviour and attitudes in the workplace. In clarifying the relationship between self-efficacy and performance, perceptions of efficacy serve as a behavioural predictor, whereas individuals avoid tasks perceived as exceeding their capabilities and rather undertake tasks they are capable of handling successfully (Harrison et al., 1997). Therefore, self-efficacy is a major determinant of perceptions, and understanding the social context of performance appraisals is important because employee/manager relationships greatly influence performance appraisal ratings.

Employees are on the frontline, and it is they who make or break the organisation's reputation with their customers. As the organisation under study aims to become the most progressive and inspiring hospitality organisation in Namibia, the people are core to the organisation's philosophy. The managers take responsibility for the development and performance of their employees in order to achieve the maximum overall organisational goals and fulfil the organisation's strategy (Harrison et al., 1997).

2.9 Summary

The reviewed literature highlights some of the important issues regarding employees' perceptions of performance appraisals in the workplace. Employee acceptance of the performance appraisal process is essential and when employees understand the performance appraisal process, they are more likely to have confidence in the process. This will increase employees' level of trust in their supervisors to rate their performance fairly because understanding the performance appraisal process means that employees will feel more confident in discussing outcomes related to the performance appraisal with their supervisors. Supervisors and line managers are the custodians of the performance appraisal process, and the employees are the stakeholders. Therefore, it is very important that both parties (employees and supervisors) understand the process, what is expected from them and how the process works. Performance appraisals should be fair and transparent and should provide guidance to improve employee performance. While employees' perceptions are imperative in the successful implementation of any human resource practice, it is critical that stakeholders of these systems respond according to the requirements of the system.

Chapter 3: Methodology

3.1 Introduction

The primary objective of this study was to describe the different employee fairness perceptions of the performance appraisal process in a hospitality organisation in Namibia using organisational justice theories. This section describes the method used by examining the research design, the research respondents, the relevant measures and the statistical analysis.

3.2 Research Design

Research methods can be categorised as either quantitative or qualitative. Quantitative research aims to understand social settings through the analysis of data and allows the researcher to be completely detached from the study and hence, to play the role of an observer who does not influence what is being studied.

This study employed the quantitative method, which represents a form of data collection and analysis with a focus on understanding and an emphasis on meaning. Research under the qualitative method is considered emerging and nonexperimental. This method is often used to explore the 'how' and 'why' of systems and human behaviour and what governs these behaviours (Edmonds & Kennedy, 2019).

Based on the preceding classifications and the nature of the current study, a descriptive analysis was used. The study followed a cross-sectional survey design since the research focused on describing employees' perceptions of the performance appraisal process in the organisation under study using the descriptive and procedural justice approaches of organisational justice theory. The researcher used cross-sectional survey design, because cross-sectional studies are less expensive and time-consuming than other types of research, since they simply collect data at a

single point in time. In addition, using a cross-sectional design will allow the researcher to collect data from a large number of people to compare and see how they differ (Moustakas, 2018).

3.3 Research Respondents

The present study employed a collective case study approach, and respondents were selected from the full-time employees who are currently undergoing performance appraisal within the organisation under study. According to Kaposambo (2016), a population is represented by an entire group of people, events or elements that share a common interest. The target population in this case was all employees from the case study organisation.

In the organisation under study, there were currently 94 employees (managers and non-managers) in the performance appraisal system and all were invited to participate in the study. Therefore, survey questionnaires were sent out to all employees registered on a performance management workforce profile list (requested through the Human Capital Manager of the organisation). As such, sampling was not necessary given that the full population were invited to participate in the study.

3.4 Demographics

Respondents' demographic information was requested to explore demographic differences amongst the employees. Table 1 shows the sociodemographic breakdown of the respondents. The demographic variables studied in this study were position, business unit, ethnicity, gender, language, job level and qualifications. The majority of the respondents were in the Operations Department and were in jobs classified as middle management (27%). Regarding gender, 53% of the respondents were male. From the results obtained, it was revealed that 66% of the respondents carried out performance appraisals on their subordinates. The remaining 34% of respondents did

not have subordinates; however, these respondents regularly took part in performance appraisals by appraising their peers.

Table 1*Respondents' Demographics**Sociodemographic Characteristics of Respondents at a Hospitality Organisation in Namibia*

	<i>N</i>	<i>%</i>
Position/Level		
Senior leadership Team (SLT)	9	13
Leadership Team (LT)	17	25
Middle Management	18	27
Junior Management	13	19
Other / I am not sure	10	15
Business Unit		
Operations	25	38
Finance	11	17
Human Capital	6	9
Sales & Marketing	7	11
Reservations	5	8
Administration	5	8
Other	7	11
Gender		
Male	60	53
Female	47	41
Prefer not to answer	7	6
Gender		
Black	76	67
White	17	15
Coloured	6	5
Other	3	3
Prefer not to answer	10	11
First Language		
Setswana	2	3
German	5	7
Khoekhoegowab	5	7
Afrikaans	6	9
Otjiherero	8	12
Other	8	12
Oshiwambo	15	22
English	18	27

Table 2 (...continued)

Job Level (HAY salary scale)		
6A	23	20
6B	26	23
7A	26	23
7B	13	11
7C	10	9
8A	7	6
8B	3	3
8C	2	2
9A	2	2
Highest Qualification		
Grade 9 & lower	1	1
Grade 10	3	4
Grade 12	18	27
National Diploma/Degree	39	58
Master's Degree	6	9
Managerial Responsibility		
Yes	75	66
No	39	34
	<i>94</i>	<i>100</i>

Note. $N = 94$

3.5 Procedure

In line with the ethical rules and guidelines for research of the Faculty of Commerce, University of Cape Town, the researcher was granted permission by the organisation under study to carry out the research in the organisation under prescribed guidelines. The research only commenced when approval to conduct the study was granted by the Ethics in Research Committee of the University of Cape Town. The below procedure was followed:

- Participation was voluntary and the research respondents were informed of the purpose of the study through a detailed consent letter. Respondents were not forced or intimidated in any way to participate in the study. In the respondent consent letter, it

was clearly explained that the research was entirely for educational purposes (i.e., academic research) and the expected duration of the study was indicated. Confidentiality was guaranteed and the respondents were notified that they could withdraw at any time during the study without consequence.

- Moreover, the letter of consent guaranteed the protection of respondents against any harm that might have arisen. Informed consent was given by the respondents through a click of an approval button, which then automatically led them to the survey.
- Throughout the study, the respondents' confidentiality was maintained. Personal information that was collected was only used for research purposes. Moreover, the study exercised anonymity; in this case, the names of respondents did not appear anywhere in the study. In addition, no plagiarism was exercised.
- Respondents who agreed to participate in the study received a survey invitation link to a questionnaire online through the Qualtrics Survey Software. The language used in the survey was clear and understandable. Responses were automatically captured in a database in Qualtrics.
- This instrument was distributed via the Qualtrics online survey software platform. This method was considered best because all respondents had email access and the process was not time consuming.

3.6 Measures

For this study, a self-structured performance appraisal questionnaire was used. The instrument included five sections: overall satisfaction with the performance appraisal system; satisfaction with the performance interview session; procedural justice perceptions of the

performance appraisal system; distributive justice perceptions of the performance appraisal system; and supervisor trust.

Employees were asked to rate the level of confidence they had in their supervisor on a five-point Likert scale ranging from 1 (Strongly disagree) to 5 (Strongly agree).

The questionnaire consisted of 19 questions/items for which respondents rated their perceived perception of the performance appraisal and supervisor trust.

3.6.1 Satisfaction with the Overall Performance System

This section measured employees' overall satisfaction with the performance system. It consisted of three questions. An example item was "The performance review system does a good job of indicating how an employee has performed in the period covered by the review". Responses were provided on a five-point Likert scale ranging from 5=strongly agree to 1=strongly disagree.

3.6.2 Satisfaction with the Appraisal Interview Session

This section measured the employees' overall satisfaction with the way in which the performance discussions are held. It consisted of three questions. An example item was "I feel good about the way the last performance review discussion was conducted". Responses were provided on a five-point Likert scale ranging from 5=strongly agree to 1=strongly disagree.

3.6.3 Procedural Justice Perceptions

Procedural justice was measured by three questions that focused on the procedures used in the performance appraisal. An example item was "The procedures used to evaluate my performance were fair". Responses were provided on a five-point Likert scale ranging from 5=strongly agree to 1=strongly disagree.

3.6.4 Distributive Justice Perceptions

Distributive justice was measured by three questions that measured the perceptions of the ratings that were given during the performance appraisal. The responses were provided on a five-point Likert scale ranging from 5=strongly agree to 1=strongly disagree. An example item was “The performance review fairly represented my past year’s performance.”

3.6.5 Supervisor Trust

Supervisor trust was measured by two questions, which evaluated the supervisors’ competency level regarding the performance appraisal. An example item was “My supervisor follows through on tasks assigned to team members”.

3.7 Reliability and Validity

Validity is defined as the demonstration by researchers that the data they are reporting and the interpretations that they are making are accurate. Validity often refers to checking the accuracy and credibility of the findings. Reliability means dependability or consistency in the findings (Moeng, 2014).

Previous research has supported the construct validity of the Keeping and Levy (2000) instrument, ranging from .76 to .97 with an average loading of .89 (Mulvaney, 2017). In the current study, reliability measures for each area were high, ranging from .91 to .96. In regard to supervisor trust, previous research supports the reliability of the five-item scale with alpha levels above .90 (Mulvaney, 2017).

3.8 Statistical Analysis

To achieve the objective of the study, a descriptive analysis was carried out. A quantitative data analysis of the descriptive statistics was performed by exporting the Qualtrics data file into the Statistical Package for the Social Sciences (SPSS) version 22.

Descriptive statistics were employed to describe the central tendency (means), dispersion (standard deviation), and relative location of respondent groups (frequencies and percentages) on the attitude measures. These were presented visually in table and graph format to describe employees' perceptions of the performance appraisal process in the organisation under study and to identify salient trends in the responses. The descriptive statistics that were applied to explain the collected data were frequencies and percentages.

Chapter 4: Results

4.1 Introduction

The study aimed to determine the different employee perceptions of the performance appraisal process. In this section, the focus is on the presentation of data collected during the data collection phase of the study.¹

4.2 Satisfaction with the Overall Performance System

This section focused on employee satisfaction with the overall performance system. The three variables that were measured under this section were the performance review system does a good job of indicating how an employee has performed in the period covered by the review; in general, I feel the company has an excellent performance review system; and the review system provides a fair and unbiased measure of the level of an employee's performance.

Figures 2, 3 and 4 depict the respondents' agreements with these statements, which are measured under the section, 'Satisfaction with the overall performance system'.

The results show that most of the responses have positive or neutral responses since the standard deviation scores cluster around the mean scores (very close responses), meaning that there is consensus in employee responses and responses are not widely spread in differences. Most scores lean towards the right, which reflects a more positive response on the performance appraisal process.

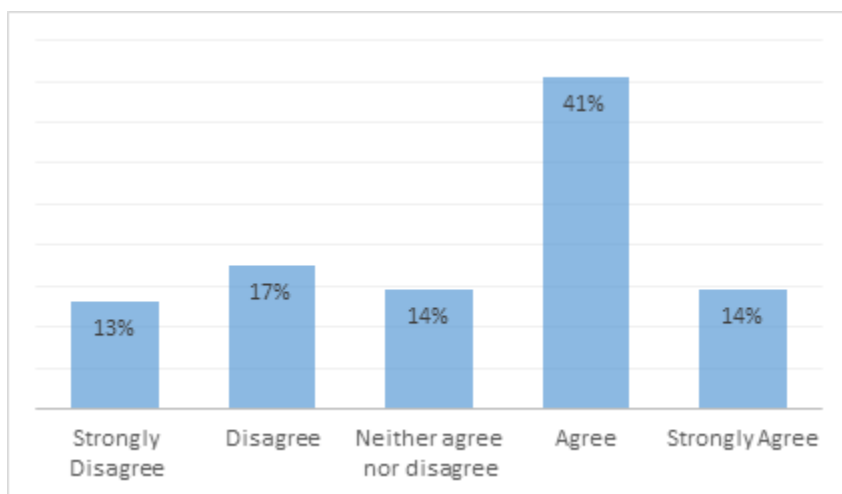
Results indicating perceptions of dissatisfaction and unfairness would have presented values less than 3 since 3 was the midpoint in the scale. The mean and standard deviation results would have been on the lower side of the scale, with results showing values less than 1 (-1). Hence,

¹ Reliability analyses were not conducted in the present data and results should be interpreted keeping in mind possible measurement error.

the findings below illustrate that employee perceptions of performance appraisals are strongly guided by what employees believe is satisfactory.

Figure 2

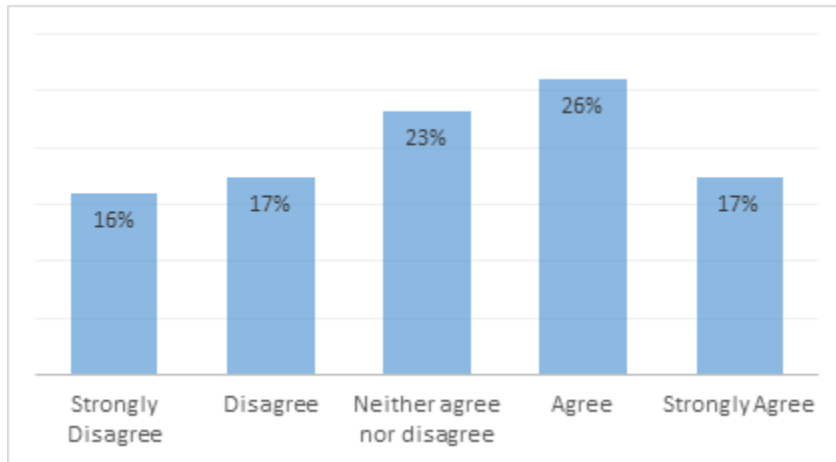
Response to statement: *“The performance review system does a good job of indicating how an employee has performed in the period covered by the review”*



For the question of whether the performance review system does a good job indicating how an employee has performed in the period covered by the review, the findings revealed that 13% and 17% of the employees strongly disagreed and disagreed respectively, while 14% were undecided. On the contrary, 41% of the respondents concurred with the statement and 14% strongly agreed. Overall, the majority of the respondents (55%) agreed that the performance review system is doing a good job of indicating how an employee has performed in the period covered by the review. The results indicate that employees agreed that the performance review system does a good job of indicating how an employee has performed during the period covered by the review.

Figure 3

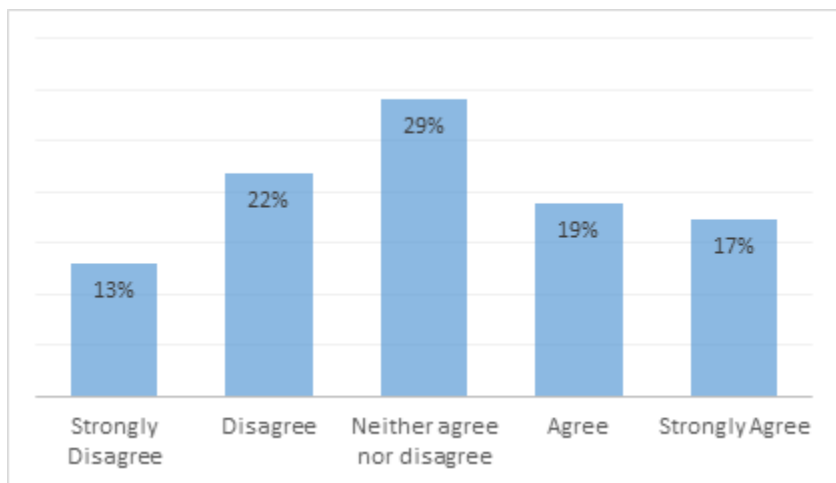
Response to statement: *“In general, I feel the company has an excellent performance review system”*



The results obtained from the study show diverse opinions on whether the company has an excellent performance review system or not. The results showed that 23% of the respondents neither agreed nor disagreed with this notion, while 17% and 16% disagreed and strongly disagreed respectively. On the contrary, 26% of the respondents agreed and 17% strongly agreed that the company has an excellent performance review system. It was noted that the responses indicating disagreement did not show a significant gap between the statements. From the results, it is clear that employees believe that the organisation has an excellent performance review system.

Figure 4

Response to statement: *“The review system provides a fair and unbiased measure of the level of an employee’s performance”*



For a performance appraisal process to be perceived as fair, it must be free from bias (Boachie-Mensah & Seidu, 2012). A significant percentage of the respondents (29%) neither agreed nor disagreed with the statement, while 22% disagreed and 13% strongly disagreed. However, 19% of the respondents agreed that the system provides a fair and unbiased measure of an employee’s performance while 17% correspondingly strongly agreed with the statement. From the results shown above, it appears that employees were neutral whether the review system provides a fair and unbiased measure of the employee performance.

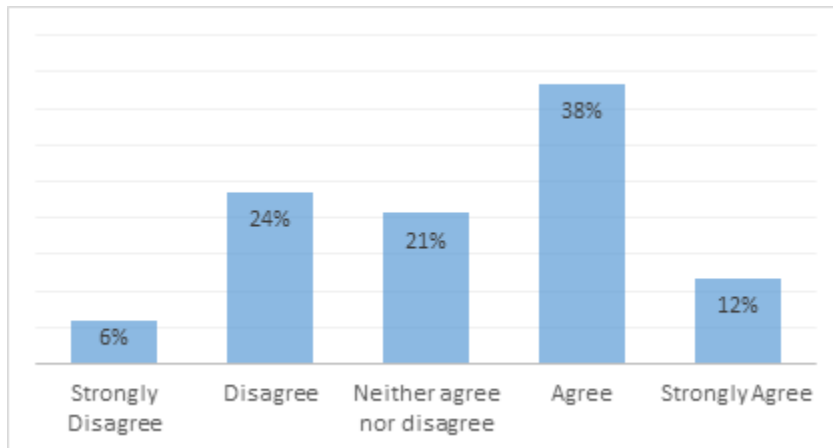
4.3 Satisfaction with the Appraisal Interview Session

This section focuses on the satisfaction of respondents with the appraisal interview sessions. It addresses three variables, namely satisfaction with the last performance review discussion; satisfaction with the way the last performance review discussion was conducted; and satisfaction with the manner in which the manager conducts the performance review discussion.

Figures 5, 6 and 7 illustrate the respondents' agreements with the statements that are measured under the section 'Satisfaction with the appraisal interview session'.

Figure 5

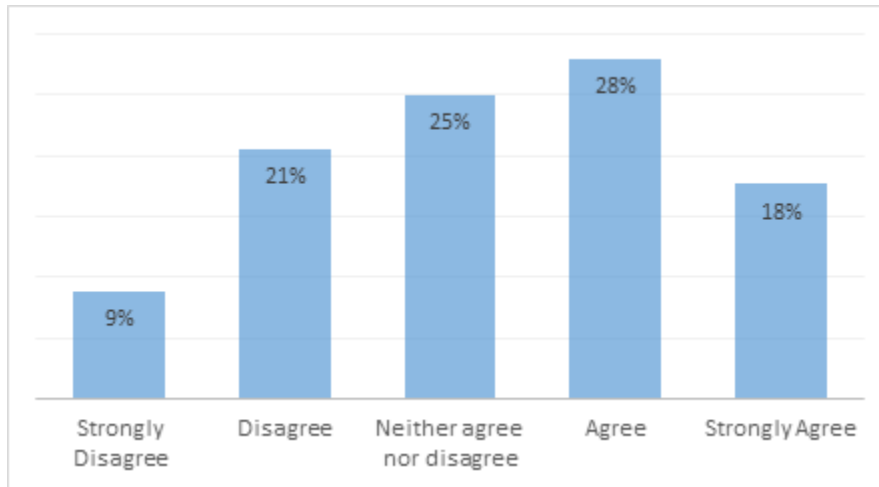
Response to statement: *"I felt quite satisfied with my last performance review discussion"*



The findings regarding whether respondents felt satisfied with their last performance review discussion or not showed that 6% strongly disagreed with the statement while 24% disagreed. Thus, a combined 30% of the respondents expressed their dissatisfaction with their last performance review discussion. However, 38% of the respondents agreed that they were satisfied with their last performance review discussion, and 12% strongly agreed. Additionally, 21% of the respondents were undecided. From the results, the researcher can deduce that most employees agreed that they were satisfied with the last performance review discussion that was held by the organization.

Figure 6

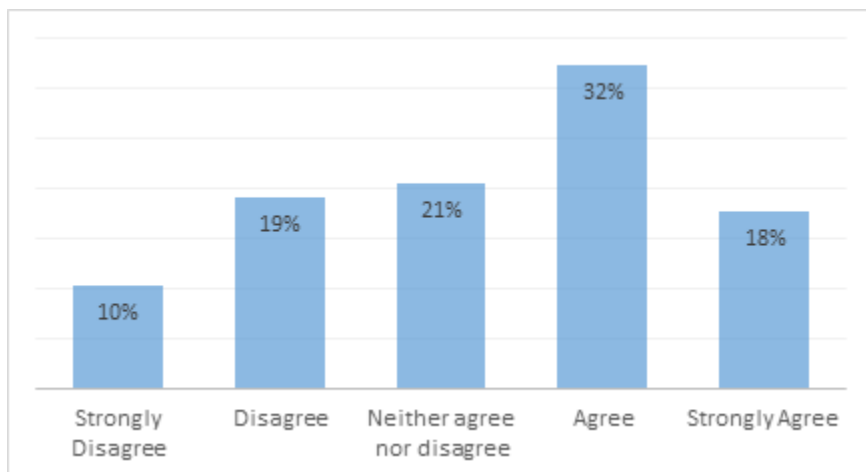
Response to statement: *“I feel good about the way the last performance review discussion was conducted”*



The findings revealed that 25% and 18% of respondents confirmed that they felt good about the way the last performance review discussion had been conducted. This is 46% of the total responses. On the contrary, 9% strongly disagreed and 21% disagreed with the notion. However, 25% of the respondents were undecided. The results indicate that employees agreed that they felt good about the way the last performance review discussion was conducted.

Figure 7

Response to statement: *“My manager conducts a very effective performance review discussion with me”*



Trust is a key element in the effectiveness of a performance appraisal, and it governs the employee-supervisor relationship. As Levy and Williams (2004) suggest, trust issues between employees and supervisors can limit the effectiveness of the performance appraisal. Generally, if employees do not trust their supervisors or have little confidence in them, they might be hostile towards their supervisors and the ratings that they receive from them. The responses reflect that the majority of the employees are happy with the way that their managers conduct the performance review with them. From the responses, 10% of the respondents strongly disagreed and 19% disagreed while 21% were undecided. On the contrary, 32% of the respondents agreed and 18% strongly agreed, thus confirming that their managers conduct an effective performance review discussion with them.

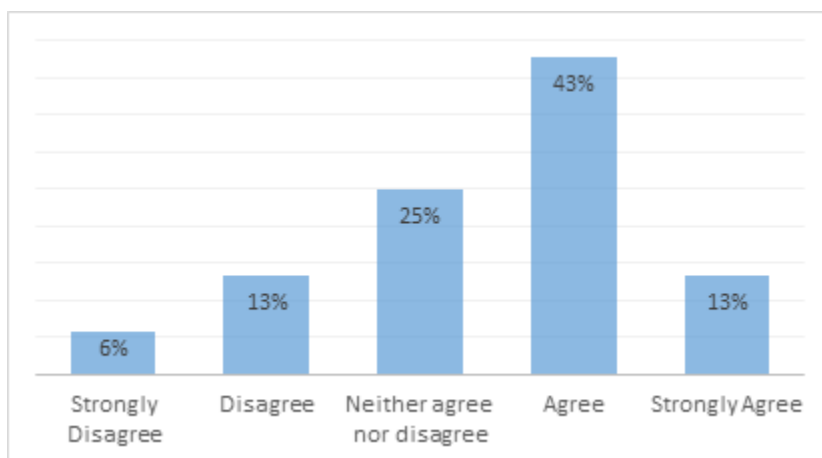
4.4 Procedural Justice Perceptions

This section focuses on procedural justice perceptions. It focuses on the procedures used to evaluate the performance of an employee. The three variables that were measured under this

section were fairness of the procedure; fairness of the process; and the appropriateness of the applied procedure. Figures 8, 9 and 10 demonstrate the respondents' agreements with the statements that were measured under the section 'Procedural Justice Perceptions'.

Figure 8

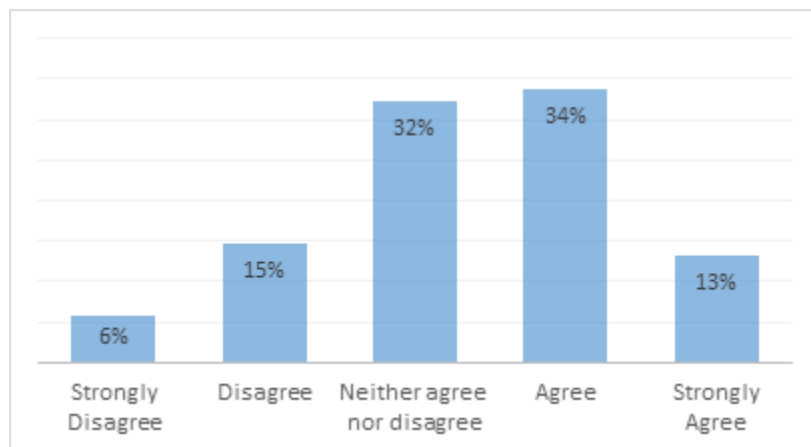
Response to statement: *"The procedures used to evaluate my performance were fair"*



It can be observed from the above findings that employees were satisfied with the evaluation of their performance. The majority of the respondents (43%) agreed and similarly, 13% of the respondents strongly agreed that the procedures used to evaluate their performances were fair. Therefore, 56% of the respondents affirmed that the procedures used to evaluate their performance were indeed fair. It was also noted that 6% of the employees strongly disagreed with this statement, while 13% disagreed. In addition, 25% of the respondents neither agreed nor disagreed that the procedures used to evaluate their performance were fair. From the results above, respondents agreed that the procedures used to evaluate their performance by the organization are fair.

Figure 9

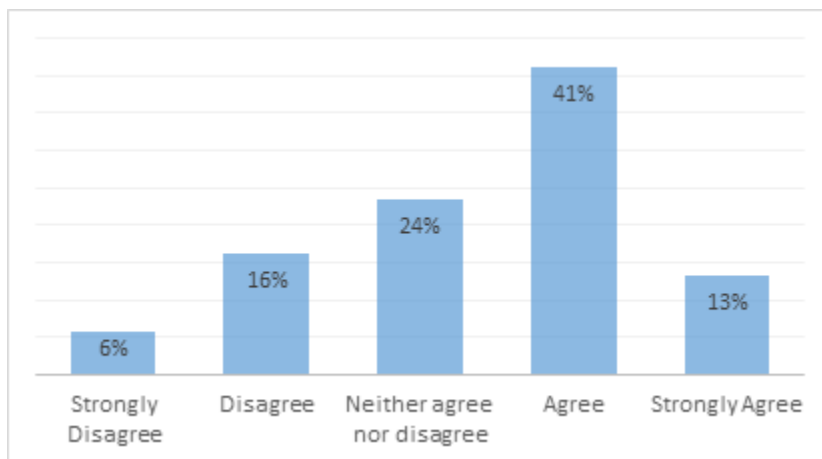
Response to statement: *“The process used to evaluate my performance was fair”*



Possible errors may occur in a performance appraisal process. One such error can be the processes that are used to evaluate employee performance. The processes used for this evaluation should be fair and consistent. From the responses on whether the process used to evaluate their performance was fair, 6% of the respondents strongly disagreed while 15% disagreed. A significant proportion of the respondents (32%) were undecided as to whether the process was fair or not. Of the remaining respondents, 33% agreed and 13% strongly agreed with the notion that the process used to evaluate their performance was fair. The researcher can conclude from these results that the process the organization used to evaluate the employee performance were fair.

Figure 10

Response to statement: *“The procedures used to evaluate my performance were appropriate”*



The processes inherent in performance appraisal systems and the outcomes thereof can have an important influence on employees' reactions towards their work, their supervisors, and the organisation as a whole (Thurston Jnr. & McNall, 2010). The results in Figure 10 reveal that 6% of the respondents strongly disagreed that the procedures used to evaluate their performance were appropriate, and 16% disagreed. However, 23% of the respondents neither agreed nor disagreed. Moreover, 41% of the respondents agreed and 13% strongly agreed, affirming that the majority of the respondents (54%) considered the procedures used to evaluate their performance appropriate. These results show that overall, employees believe that their performance appraisal process is procedurally fair.

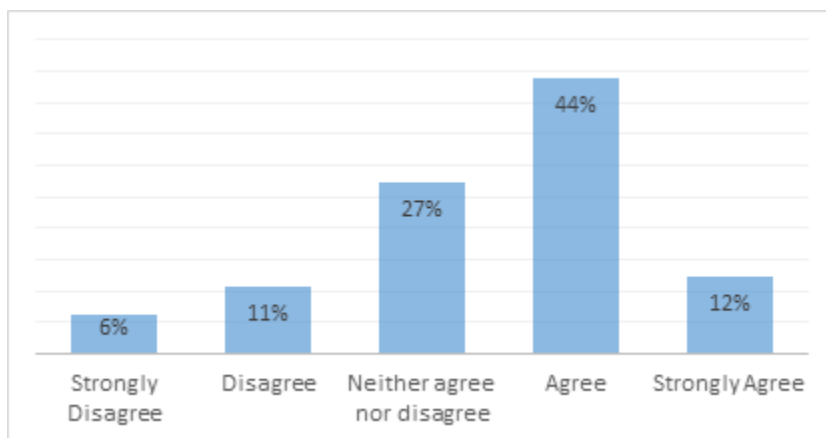
4.5 Distributive Justice Perceptions

The section focuses on the distributive justice perceptions. The three variables that were measured were fairness of performance; consensus on the performance ratings; and whether the review depicted a fair reflection of the past year's performance. Figures 11, 12 and 13 reveal the

respondents' agreement with the statements that were measured under the section 'Distributive Justice Perceptions'.

Figure 11

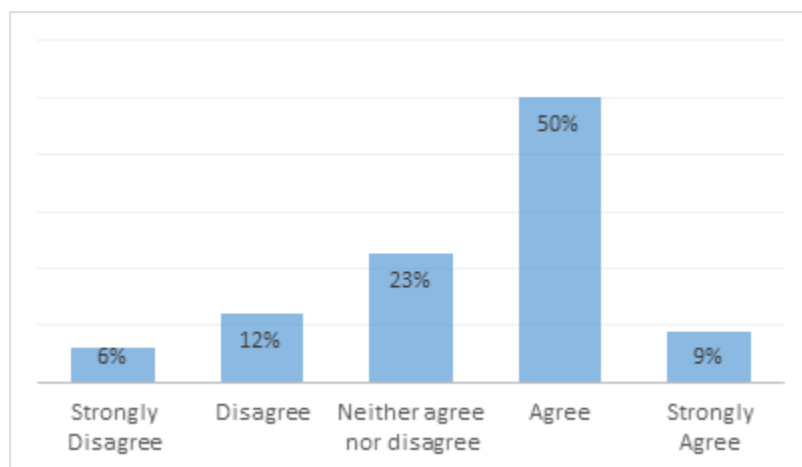
Response from statement: *"The performance review was fair"*



Distributive justice perceptions mainly deal with the perceived fairness of the outcomes or allocations that individuals in organisations receive and whether these outcomes at the end of the appraisal constitute a fair decision (Palaiologos et al., 2011). From the results in Figure 11, it can be observed that the vast majority (44% and 12%) of employees viewed their performance review as fair. On the contrary, only 6% strongly disagreed with the notion that the performance review was fair and 11% of the respondents disagreed with the statement. Of the total sample, 27% were not sure whether the performance review was fair or not. Results indicate that employees agreed that the performance review by their managers was fair.

Figure 12

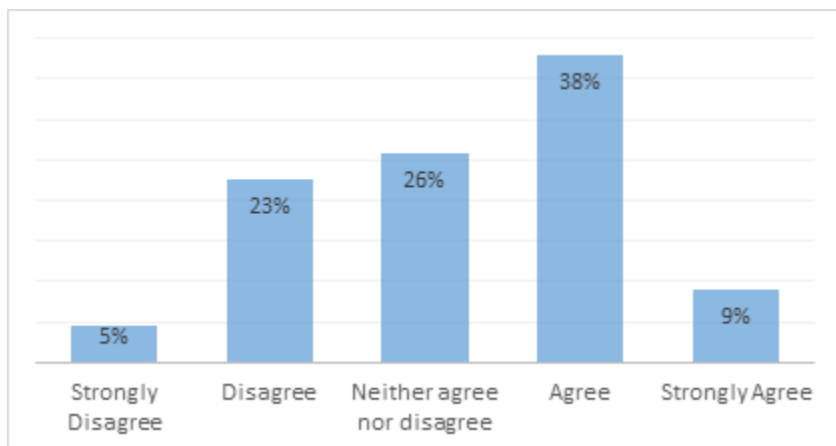
Response from statement: *“I agree with my final performance rating”*



Employees who have high opinions about their own work performance have a greater opportunity to be disappointed when they receive lower performance appraisal scores than expected. However, employees may accept a disappointing evaluation as fair if they deem that the performance appraisal process and outcomes were fair and that throughout the evaluation process, the interpersonal interactions were fair (Thurston Jr. & McNall, 2010). The results reveal that 50% of the respondents agreed with their final performance rating while 9% strongly agreed. This shows that collectively, 59% of the respondents agreed with their final performance ratings. Only 6% of the respondents strongly disagreed, while 12% disagreed and 23% were undecided as to whether they agreed or disagreed with their final performance rating. The results indicate that employees are happy with the final performance rating.

Figure 13

Response from statement: *“The performance review fairly represented my past year's performance”*



According to Bersin (2008), performance appraisals generally are conducted once or twice a year in most organisations. Research has also found that the period between one appraisal and the next may be too long for the rater to remember detailed information concerning all relevant performance key points achieved by the employee (Boachie-Mensah & Seidu, 2012). Figure 13 shows that 38% of the respondents agreed that the performance review fairly represents their past year's performance and 9% strongly agreed to this notion. From these findings, it is evident that the majority of the respondents are satisfied with their rating outcome, whether this was a good or poor performance rating. On the contrary, 5% of the employees strongly disagreed while 23% disagreed that the performance review fairly represented their past year's performance. Of all the respondents, 26% were undecided. Results show that employees indicated that the performance review fairly represented their past year's performance.

4.6 Supervisor Trust

The final part of this section focuses on the trustworthiness of the appraiser. Respondents were asked to respond to six questions addressing different variables related to trust.

Table 3*Descriptive Statistics of Employees' Fairness Perceptions*

	Statement	Mean	SD
Variable 1	Satisfaction with the overall performance system		
1	The performance review system does a good job of indicating how an employee has performed in the period covered by the review.	3.26	1.27
2	In general, I feel the company has an excellent performance review system.	3.11	1.33
3	The review system provides a fair and unbiased measure of the level of an employee's performance.	3.05	1.28
Total		3.14	1.29
Variable 2	Satisfaction with the appraisal interview session		
4	I felt quite satisfied with my last performance review discussion.	3.26	1.12
5	I feel good about the way the last performance review discussion was conducted.	3.25	1.22
6	My manager conducts a very effective performance review discussion with me.	3.27	1.25
Total		3.26	1.20
Variable 3	Procedural justice perceptions		
7	The procedures used to evaluate my performance were fair.	3.44	1.07
8	The process used to evaluate my performance was fair.	3.33	1.07
9	The procedures used to evaluate my performance were appropriate.	3.39	1.09
Total		3.39	1.07
Variable 4	Distributive justice perceptions		
10	The performance review was fair.	3.45	1.04
11	I agree with my final performance rating.	3.43	1.02
12	The performance review fairly represented my past year's performance.	3.24	1.05
Total		3.37	1.03
Variable 5	Supervisor Trust		
13	My supervisor is technically competent at the critical elements of his/her job.	3.79	1.05
14	My supervisor follows through on tasks assigned to team members.	3.59	1.10
15	My supervisor has an acceptable level of understanding of his/her role in the performance appraisal.	3.93	0.82
16	My supervisor knows what is expected of him/her in the performance appraisal process.	3.94	0.85
17	My supervisor is reliable – I can rely on what he/she tells me.	3.71	1.06
18	My supervisor ensures that I am fully engaged in the performance appraisal interview process.	3.56	1.00

	Statement	Mean	SD
19	My supervisor is ethical when giving ratings in the performance appraisal.	3.79	0.91
Total		3.76	0.97

Table 2 shows the means and the standard deviations of the question items.

The sample indicates a neutral correlation with the overall performance system ($M = 3.14$, $SD = 1.29$) as the mean results cluster around a score of 3. There is overall satisfaction with the appraisal interview session ($M = 3.26$, $SD = 1.20$). Procedural justice perceptions indicate $M = 3.39$, $SD = 1.07$, distributive justice perceptions demonstrate $M = 3.37$, $SD = 1.03$ and supervisor trust shows $M = 3.76$, $SD = 0.97$.

Furthermore, the findings depicted that most of the respondents were satisfied with the overall review system; most employees affirmed that the performance review system reflected their past performance. The majority of the employees also acknowledged that the company has an excellent performance review system, which is an indication that there is satisfaction with the overall performance review system that the company adopts. However, undoubtedly, there is significant uncertainty regarding whether the performance review system provides unbiased measures of an employee's performance. Furthermore, the substantial number of respondents who neither agreed nor disagreed, pose a challenge in measuring the overall satisfaction, since these respondents' opinions can be swayed either way.

The quality of interpersonal treatment received during the appraisal interview is a strong contributor to the fairness perceptions of the performance appraisal process (Thurston Jnr. & McNall, 2010). The results reflect that the majority of employees in the organisation are satisfied with the appraisal interview sessions. In addition, many employees are satisfied with their last performance review discussion, as depicted in the results section. Previous studies have shown that employees are more likely to be receptive to a performance appraisal process if they believe that the ratings are a true reflection of their past performance (Mullins, 2005). The results depict

that most employees felt good about the way their last performance review discussion was conducted and that they believe that their managers conducted effective performance review discussions with them.

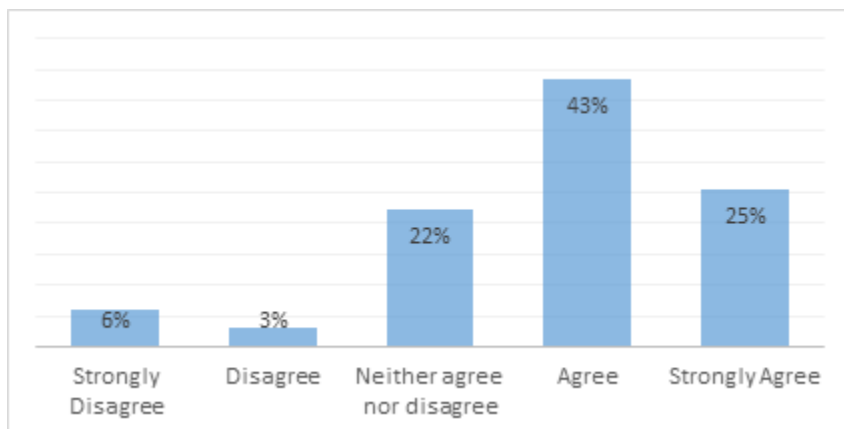
An employee's reactions constitute a critical and probably the best benchmark for evaluating a performance appraisal process (Keeping & Levy, 2000). Consequently, Levy and Williams (2004) identify ratee reactions to the performance appraisal process as comprising a strong element of the performance appraisal. However, the results of the current study depict that the number of employees who are unsure of the appraisal interview session is high. This poses a risk of changing the conclusion of the study since such employees could be swayed either way to take a decisive stance.

Generally, the results of the study reflect that employees feel that the procedures used to evaluate their performance are fair. However, a large number of employees were unsure whether they considered the performance process satisfactory or not, providing neutral responses of 3. Thus, there may be a need to set a distinct threshold for a satisfactory evaluation process.

Figures 14 to 19 summarise the respondents' agreement with the statements that were measured under the section 'Supervisor Trust'. Research conducted by Mani (2002) suggests that trust is an important element of the relationship between employee and supervisor because this determines the effectiveness of the performance appraisal system. If employees do not trust their supervisors or lack confidence in their supervisors, they may doubt the feedback that they receive from their supervisors regarding their performance.

Figure 14

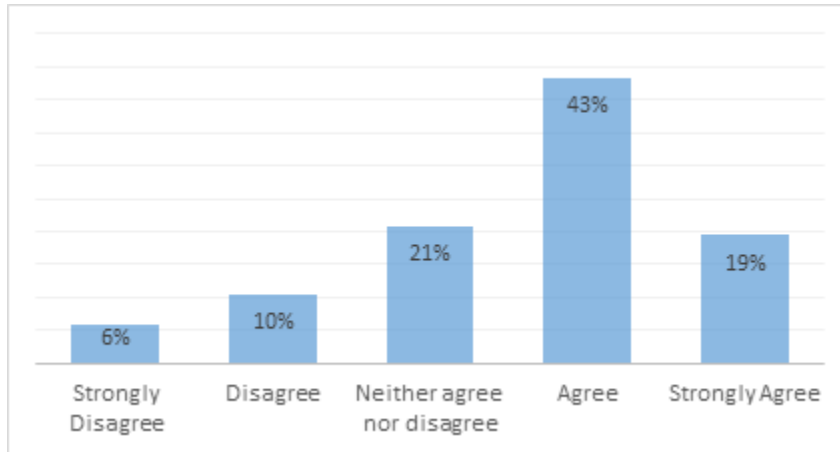
Response from statement: *“My supervisor is technically competent at the critical elements of his/her job”*



The results in Figure 14 show that employees strongly agreed that their supervisors are technically competent at the critical elements of their job. The results indicate a strong level of trust in the relationship and demonstrate that the employees trust that their supervisors know what they are doing. The majority of respondents affirmed that their supervisors were technically competent. Of all the respondents, 43% agreed and 25% strongly agreed. Conversely, only 6% strongly disagreed and 3% disagreed. The remaining 22% neither agreed nor disagreed. The results above showed that employees agreed that their supervisors were technically competent at the critical elements of their job.

Figure 15

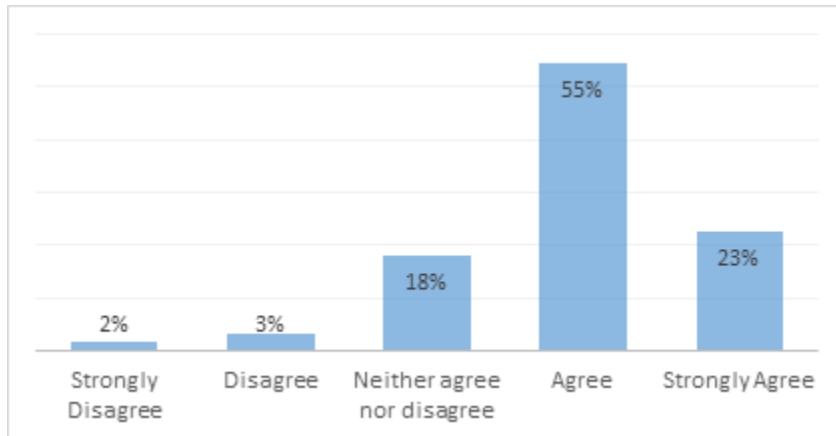
Response from statement: *“My supervisor follows through on tasks assigned to team members”*



The respondents were also asked whether their supervisors follow through on tasks assigned to team members. The results obtained indicated that 6% of the respondents strongly disagreed while 10% disagreed. The percentage of those who neither agreed nor disagreed that their supervisors follow through on tasks assigned to team members was 21%. The majority of the respondents affirmed that their supervisors follow through on tasks assigned to team members, with 43% agreeing and 19% strongly agreeing. Data above show that the researcher can deduce that respondents agreed that their supervisors follow through on tasks assigned to team members.

Figure 16

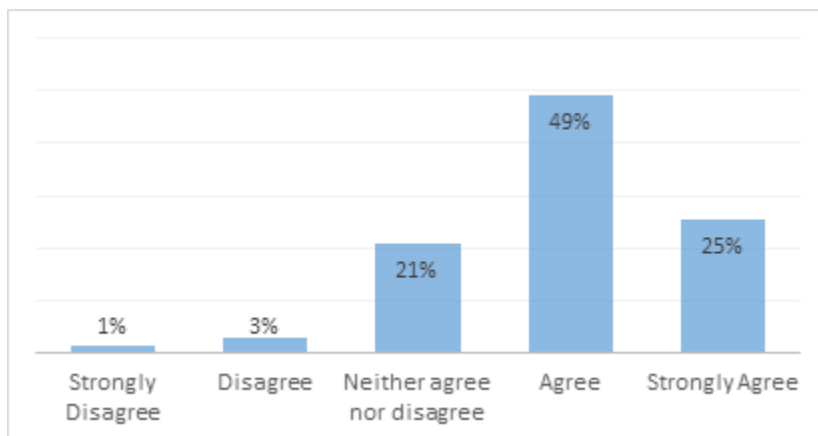
Response from statement: *“My supervisor has an acceptable level of understanding of his/her role in the performance appraisal”*



It can be observed from Figure 16 that 55% and 23% (a collective 78%) of the respondents strongly agreed that their supervisors have an acceptable level of understanding of their role in the performance appraisal. This shows that the employee/supervisor trust relationship is high and that employees are confident in their supervisors' skills in the organisation under study. The data also reflect that 18% of the respondents neither agreed nor disagreed with the statement, whereas an insignificant percentage of respondents strongly disagreed and disagreed with this notion (2% and 3% respectively). According to the findings, employees believe that their supervisors have a reasonable understanding of their role in performance evaluation.

Figure 17

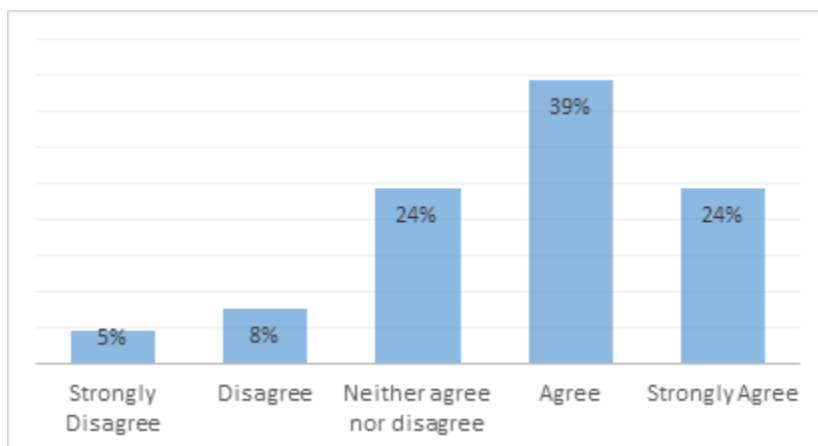
Response from statement: *“My supervisor knows what is expected of him/her in the performance appraisal process”*



For the statement of whether supervisors know what is expected of them in the performance appraisal process, 1% strongly disagreed, 3% disagreed and 21% neither agreed nor disagreed. This left the majority of the respondents confirming that their supervisors know what is expected of them in the performance appraisal process. This is reflected by 49% of respondents agreeing and 25% strongly agreeing with the notion. Those who took part in the survey agreed that their supervisors know what they should do in the performance appraisal process.

Figure 18

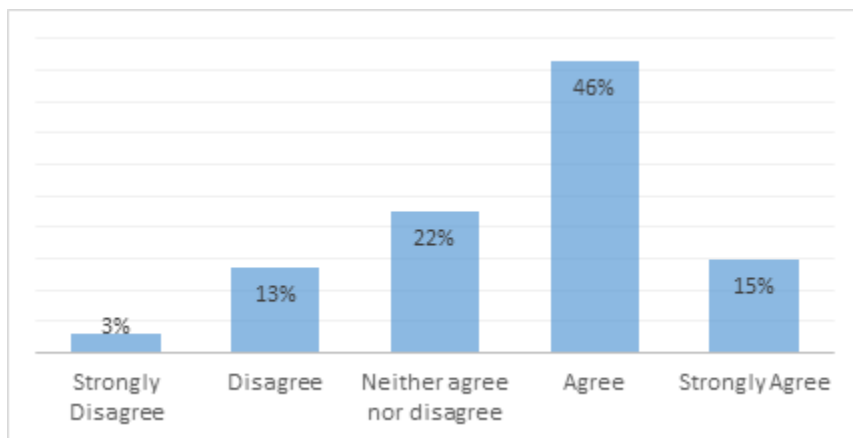
Response from statement: *“My supervisor is reliable – I can rely on what he/she tells me”*



Reliability is a strong indicator of employee/supervisor trust relationships. For performance appraisal systems to be fair, they must be free from bias (Boachie-Mensah & Seidu, 2012). Usually, when employees believe that their supervisors are reliable, it means that they trust their supervisors and can rely on what their supervisors tell them. The responses in Figure 18 show varied opinions on the reliability of supervisors. The data reflect that 5% of respondents strongly disagreed and 8% disagreed. In addition, 24% of the respondents were sceptical in the sense that they neither agreed nor disagreed with this statement. Regarding those who confirmed that their supervisors were reliable, 39% agreed while 24% strongly agreed. Collectively, 63% of the respondents agreed that their supervisors are reliable. The findings indicate that employees agree that their supervisors are reliable and that they can rely on the instructions that supervisors give them.

Figure 19

Response from statement: *“My supervisor ensures that I am fully engaged in the performance appraisal interview process”*

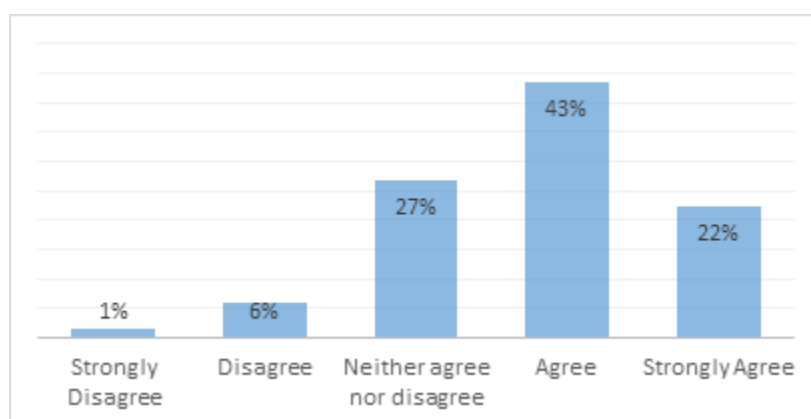


The data summarised and presented above shows that 3% of the respondents strongly disagreed that their supervisors ensure that they are fully engaged in the performance appraisal interview process, while 13% of respondents disagreed with this notion. Altogether, 16% of the respondents

disagreed with this notion. Those who neither agreed nor disagreed represented 22%. On the contrary, 46% of respondents agreed while 15% strongly agreed. Thus, a combined majority of 61% agreed that their supervisors ensure that they are fully engaged in the performance appraisal interview process. Results indicate that employees agreed that their supervisors ensure that the employees are fully engaged in the performance appraisal interview process.

Figure 20

Response to statement: *“My Supervisor is Ethical when Giving Ratings in the Performance Appraisal”*



Data collected on whether the supervisor is ethical when giving ratings in the performance appraisal reflect that 7% of the respondents (1% strongly disagree and 6% disagree) do not agree that their supervisors are ethical when giving ratings. In addition, 27% of the respondents were undecided, neither agreeing nor disagreeing. However, the majority of the respondents (65%) believed that their supervisor is ethical when giving ratings in the performance appraisal. This is reflected by the respondents who agreed (43%) and the respondents who strongly agreed (22%) with this notion. The results indicate that most employees agree that their supervisors give ethical ratings in the performance appraisal.

Chapter 5: Discussion

This study investigated the different perceptions of employees regarding the performance appraisal process. This chapter will discuss the findings in Chapter 4, on the different perceptions of employees regarding the performance appraisal process in a hospitality organization.

5.1 Satisfaction with the Overall Performance System

Over the years, performance management has become behaviour orientated rather than person orientated (Welbourne et al., 2017). This means that emphasis is placed on employee jobs and the performance of employee jobs rather than on the person in the job (Welbourne et al., 2017). Previous research affirms that the success of any performance appraisal largely depends on the employee's perceptions (Kim & Rubianty, 2011). Employees are more receptive to performance appraisals when they feel the process is fair and unbiased and when they are satisfied with the system. When employees perceive the appraisal process as fair, they seem to have higher levels of trust and satisfaction with the system (Harrington & Lee, 2015).

A positive key finding from the results of the data analysis in the present study was overall, employees perceive the performance appraisal process as fair. However, some employees involved in the study were neutral in their responses, meaning that they neither agreed nor disagreed with the questions. Although these responses were neutral, they inclined more towards the right of the scale, which indicated a more positive response. In addition, many employees are satisfied with their last performance review discussion, as depicted in the results section. These responses will enable both employees and people managers to understand the different perceptions that employees have and the importance of these perceptions in an employee's work performance.

5.2 Satisfaction with the Appraisal Interview Session

The quality of interpersonal treatment received during the appraisal interview is a strong contributor to the fairness perceptions of the performance appraisal process (Thurston Jnr. & McNall, 2010).

The results of the current study depict that the number of employees who are unsure of the appraisal interview session is high. This poses a risk of changing the conclusion of the study, since such employees could be swayed either way to take a decisive stance. Thus, there may be a need to set a distinct threshold for a satisfactory evaluation process.

5.3 Procedural justice perceptions and distributive justice perceptions

Employee perceptions generally are an emotional experience, and should these experiences be deemed unsatisfactory, this would lead to negative emotional states and reactions. Conversely, positive perceptions lead to positive emotional states, such as satisfaction with the process (Shirvastava & Purang, 2016). To enhance the effectiveness of the performance appraisal, it is important to determine the different employee perceptions of the appraisal. These are guided by employees' personal experiences of the appraisal interview and the appraisal techniques that are used (Shirvastava & Purang, 2016).

For a performance appraisal to be deemed fair and satisfactory by employees, the performance appraisal discussion should be preceded with an indication of the intention of the process. Employees must be informed prior to the performance discussion to allow them sufficient time to prepare. Previous studies have shown that employees are more likely to be receptive to a performance appraisal process, if they believe that the ratings are a true reflection of their past performance (Mullins, 2005). The ratings must also be objective, that is, only the work of the employee must be rated (Folger et al., 1992).

In the organisation under study, performance appraisal discussions are held once every quarter. The significant gap between performance appraisal discussions could be an opportunity for errors to develop. One such error that could arise in the performance appraisal process is the recency error. Recency error is described as the overshadowing of past job performance by an employee's recent behaviour. Bersin (2008) asserts that this error can be misleading as employees attempt to score high ratings by working very hard and demonstrating good work performance as performance appraisal discussions are approaching (Boachie-Mensah & Seidu, 2012). The recency error is misleading and manipulative.

There is evidence that most employees felt that the performance review was satisfactory. The majority of the respondents agreed with their final performance ratings, as depicted in the results section. However, there was no consensus on whether the performance review fairly represented the employee's past year performance.

5.4 Supervisor Trust

Furthermore, the data reflect that supervisor/employee trust is notably high in this organisation; employees held positive perceptions regarding their supervisor's ethicality and believed that their supervisors are competent in what they do. In general, the intent of performance appraisal is developmental. However, similar to many other human resource policies and practices, the intention for which these practices are designed may not be reflected in their implementation, and employee experiences are greatly shaped by their personal experiences of the implemented policies and not necessarily by the intention (Shirvastava & Purang, 2016). If employees trust their supervisors, they believe that their supervisors act in their best interests and that the ratings they receive are for the benefit of their job and career.

Most employees acknowledged that their supervisors are technically competent and possess the critical skills for executing their responsibilities. In addition, employees felt that their supervisors are adept at following through on tasks assigned to team members and that they have an acceptable level of understanding of performance appraisal. From the results, it is evident that the supervisors proved that they know what is expected of them when undertaking the performance appraisal process and discussion. In addition, employees felt that their supervisors are reliable and that they ensure that employees are fully engaged during the performance appraisal interview process. Lastly, employees also believed that their supervisors are ethical and thus give due ratings during the performance appraisal process.

Chapter 6: Conclusion and Recommendations

6.1 Conclusion

This study explored employees' perceptions of the performance appraisal process in a hospitality organisation in Namibia. The results of the study revealed that employees are generally satisfied with the performance review system and the appraisal processes. The results also show that the respondents believe there is procedural and distributive justice in the hospitality organisation under study and that the supervisors in the organisation are persons of integrity and therefore they are trustworthy. The above-mentioned attributes are the main contributors of the current study. However, efforts should be exerted in providing an unbiased measure of an employee's performance and establishing a fair performance review process for the broader hospitality industry in Namibia. The study should also be extended to other hospitality organisations in order to compare the different perceptions of employees regarding fairness within the industry.

6.2 Recommendations

- The hospitality organization must continue to use and improve its performance review system as it seems to render relatively positive perceptions of fairness. Improvements may involve training and education of managers on how employee performance must be rated. This will yield a better performance appraisal and increase performance appraisal perceptions among employees.
- More specifically, the findings suggest that management should consider organizing training sessions for both supervisors and employees. This is critical in order to improve employees' interpersonal and informational skills, as well as their ability to adapt to their feelings and perceptions during daily activities. In addition, a performance appraisal course

should be set up, so that employees, especially those who are not in charge, have a better idea of how their performance review will be done.

- Furthermore, employees assert that the distributive justice of performance appraisals is unrelated to their level of organizational commitment. The hospitality organisation should put human relationships ahead of any bonuses they may receive for their contributions and performance.

6.3 Areas of Further Research

The study lays the foundation for further investigations of employee perceptions of performance appraisal fairness in the broader hospitality industry in Namibia. Further research should establish whether there is a relationship between employees' performance appraisal perceptions and the employees' actual performance levels. This can be achieved through the use of statistical relationship tests such as correlation and linear regression analysis. Further research should also focus on whether the performance appraisal and the ratings are indeed a true or accurate reflection of employees' actual past performance (Heneman, et al., 1987). Future research should be conducted in different public and private hospitality organisations to understand employee perceptions of the performance appraisal process in the broader hospitality industry, given that context effects might influence performance appraisal (Kravitz & Balzer, 1992).

6.4 Limitations

The study had a few limitations. Cross-sectional study designs often carry a risk of bias (i.e., the results of the study may not be a true reflection of the population). The results of the current study cannot be generalised to the rest of the population. Thus, the results carry the risk of being non representative and hence unreliable in the greater population setting. Validity of results is highly dependent on whether the study sample is representative of the population in this study.

The sample was not representative of the greater population (Aggarwal & Ranganathan, 2019). Since the present study only focused on a hospitality organisation based in Namibia, the results cannot be generalised, and comparisons cannot be made with other institutions.

6.5 Implications

According to the findings and conclusions of this study, the implications for positive social change are critical and ongoing. To improve job satisfaction, the findings indicate that employees' perceptions of performance appraisal in specific areas of the job must change and improve. According to the findings, employees did not believe that Distributive Justice Perceptions were sufficiently fair. Employee perceptions of the impact of performance appraisal results on job satisfaction, underscore the importance of having a meaningful conversation about introducing innovative tools and resources for human resource development and management. The study's findings aided in the identification of three potential implications for social change.

It is necessary to raise employee awareness of their performance appraisal perceptions. Employee perceptions of job satisfaction shed light on the employee phenomenon's relational value. The data collected from study participants aided in the reduction of unjust or negative perceptions of employee outcomes that influence organizational decision-making.

Employee empowerment and reinforcement are critical for developing a more nuanced understanding of how the organization views performance appraisal expectations. Employee perceptions and subordinate-superordinate relationships will improve as a result of interview responses. This indicates workers' willingness to make amends in collaboration with management, following honest feedback on performance appraisal outcomes. Another suggestion is to conduct performance evaluations on a regular basis, at least quarterly, and to incorporate a continuous feedback process, as this will help establish relationships and improve employee perceptions.

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Appendix A

Fairness Perception Questionnaire

SECTION A

EMPLOYEE PERFORMANCE APPRAISAL REACTIONS

Response scale:

1 Strongly disagree	2 Disagree	3 Neither agree nor disagree	4 Agree	5 Strongly agree

SATISFACTION WITH THE OVERALL PERFORMANCE SYSTEM

1. The performance review system does a good job of indicating how an employee has performed in the period covered by the review.
2. In general, I feel the company has an excellent performance review system.
3. The review system provides a fair and unbiased measure of the level of an employees' performance.

SATISFACTION WITH THE APPRAISAL INTERVIEW SESSION

4. I felt quite satisfied with my last performance review discussion.
5. I feel good about the way the last performance review discussion was conducted.
6. My manager conducts a very effective performance review discussion with me.

PROCEDURAL JUSTICE PERCEPTIONS

7. The procedures used to evaluate my performance were fair.
8. The process used to evaluate my performance was fair.
9. The procedures used to evaluate my performance were appropriate.

DISTRIBUTIVE JUSTICE PERCEPTIONS

10. The performance review was fair.
11. I agree with my final performance rating.
12. The performance review fairly represented my past year's performance.

SUPERVISOR TRUST

14. My supervisor is technically competent at the critical elements of his/her job.
15. My supervisor follows through on tasks assigned to team members.
16. My supervisor has an acceptable level of understanding of his/her role in the performance appraisal.
17. My supervisor knows what is expected of him/her in the performance appraisal process.
18. My supervisor is reliable – I can rely on what he/she tells me.
19. I am fully ensured that I am engaged in the performance appraisal interview process.
20. My supervisor is ethical when giving ratings in the performance appraisal.

21. If you have any personal response to the answers above, please explain below in the space provided:

.....

.....

.....

SECTION B
DEMOGRAPHICS

Job level at O&L Leisure:

- Senior leadership Team (SLT)
- Leadership Team (LT)
- Middle Management
- Junior Management
- Other / I am not sure

Business unit:

- Operations
- Finance
- Human Capital
- Sales & Marketing
- Reservations
- Administration
- Other

If other, please specify:

.....

Gender:

- Male
- Female
- Prefer not to answer

Ethnicity:

- White
- Black
- Coloured
- Prefer not to answer

First language:

- English
- Afrikaans
- Khoekhoegowab
- Oshiwambo
- Otjiherero
- Setswana
- German
- Other

Age category (Specify in years):

.....

- Prefer not to answer

Tenure / the number of years you have worked for the organisation:

.....

- Prefer not to answer

Job grade:

- 6A
- 6B
- 7A
- 7B
- 7C
- 8A
- 8B
- 8C
- 9A

Highest formal qualification:

- Grade 9 & lower
- Grade 10
- Grade 12

- National Diploma or Degree
- Master's Degree

Do you have an employee's reporting to you of which you manage performance appraisal?

- Yes
- No

Thank you for your participation.

Your response is important to the success of this study.

Appendix B

Participation Invitation Letter



You are herewith invited to participate in a research study about employee perceptions on the performance appraisal process within O&L Leisure (Pty) Ltd. The primary objective of this study is to describe the different employee perceptions of the current performance appraisal process in the workplace using the organisational justice approach. Findings of this study will be used to provide guidance on how to improve the current performance appraisal process in order to achieve positive employee and organisational outcomes.

This research will help me complete my minor dissertation in an effort to obtain a Master's degree in Philosophy (MPhil) specializing in People Management. The survey has been approved by the Ethics committee in Research from the University of Cape Town. The management team of O&L Leisure has also granted me approval to conduct the study within the organisation.

In completing the survey, please give your honest opinion. The process should take approximately 20 minutes to complete. Your responses are completely confidential and no names will be required as the survey is completely anonymous. Do note that you may withdraw from the survey at any given time.

If you have any questions or concerns about the research, please feel free to contact me, Marusca Goliath on [+264 81 234 2627](tel:+264812342627) or alternatively on email at Marusca.Goliath@ol.na. You can also contact my research supervisor at the University of Cape Town, Prof Francois De Kock at Francois.dekock@uct.ac.za

Kind regards,

Marusca Goliath